

May 30, 2000

H 1840. 2000 APPROPRIATIONS ACT-4. *TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1999 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.* Substantively identical to H 1839, introduced 5/30/00.

Intro. by Easterling and Redwine.

Ref. to Appropriations	APPROP
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June 13, 2000

H 1840. 2000 APPROPRIATIONS ACT. Intro. 5/30/00. House committee substitute makes the following changes to 1st edition. Replaces bill with following:

Part I. Introduction and Title of Act. As title indicates.

PART II. Current Operations – GENERAL FUND -- Makes following revisions in 2000-2001 budget (amounts in parentheses are reductions):

Department	2000-2001
	(\$)
General Assembly	(522,500)
judicial department	13,313,192
office of the governor	
Office of State Budget and Management	200,000
Office of State Budget and Management Special Appropriations	300,000
department of secretary of state	55,111
department of state auditor	28,054
department of state treasurer	567,817
department of public instruction	(25,312,654)
department of justice	(351,164)
DEPARTMENT OF ADMINISTRATION	385,428
department of agriculture and consumer services	1,562,925
department of labor	(486,307)
department of insurance	(21,403)
department of environment and natural resources	(1,787,030)
OFFICE OF ADMINISTRATIVE HEARINGS	(73,178)
rules review commission	48,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Office of the Secretary	(17,870,000)
Division of Aging	250,000
Division of Child Development	(4,600,000)
Division of Services for the Deaf and Hard of Hearing	1,251,250
Division of Social Services	5,450,000
Division of Health Services	(3,309,871)
Division of Medical Assistance	(107,645,129)
Division of Services for the Blind	803,750
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	23,482,474
Division of Facility Services	1,649,000
Division of Vocational Rehabilitation Services	5,358,672
TOTAL DHHS	(95,179,854)
DEPARTMENT OF CORRECTION	(12,956,110)

DEPARTMENT OF COMMERCE	
Commerce	2,605,480
Biotechnology Center	1,000,000
Rural Economic Development Center	1,050,000
State Aid to Non-State Entities	4,700,000
DEPARTMENT OF REVENUE	(760,805)
DEPARTMENT OF CULTURAL RESOURCES	3,107,142
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY	(568,000)
OFFICE OF STATE CONTROLLER	(115,000)

UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS	
General Administration	(473,190)
University Institutional Programs	36,386,455
Related Educational Programs	3,257,457
UNC-Chapel Hill - Health Affairs	(385,467)
NCSU-Academic Affairs	(493,514)
UNC-Wilmington	(140,039)
WCU	(159,178)
WSSU	(69,448)
NCCU	10,646
UNC Hospitals-Chapel Hill	(2,691,748)
TOTAL UNC Board of Governors	35,241,974
COMMUNITY COLLEGES SYSTEM OFFICE	15,988,864
DEBT SERVICE	(52,200,000)
OFFICE OF JUVENILE JUSTICE	156,726
RESERVE FOR COMPENSATION INCREASE	496,500,000
SUPPLEMENTAL RETIREMENT CONTRIBUTION	72,150,000
RETIREMENT CONTRIBUTION ADJUSTMENT	(172,466,000)
RESERVE FOR RETIREES HEALTH BENEFITS	(50,000,000)
RESERVE FOR STATE HEALTH PLAN	(32,700,000)
DEATH BENEFIT CONTRIBUTION ADJUSTMENT	(10,864,000)
RESERVE FOR REPAIRS AND RENOVATIONS	100,000,000
CLEAN WATER MANAGEMENT TRUST FUND	30,000,000
SAVINGS RESERVE	120,000,000
GRAND TOTAL CURRENT OPERATIONS-GENERAL FUND	442,596,708

PART III. CURRENT OPERATIONS--HIGHWAY FUND

DEPARTMENT OF TRANSPORTATION	
Administration	1,214,914
Construction and Maintenance	
Secondary Construction	192,000
State Maintenance	20,926,120
Capital Improvements	9,000,000
State Aid to Municipalities	192,000
State Aid for Public Transportation and Railroads	7,700,000
Division of Motor Vehicles	765,284

Reserves and Transfers	25,609,682
GRAND TOTAL CURRENT OPERATIONS - HIGHWAY FUND	65,600,000
PART IV. HIGHWAY TRUST FUND	
Intrastate System	48,538,626
Secondary Roads Construction	6,102,120
Urban Loops	19,626,998
State Aid – Municipalities	5,092,834
Program Administration	4,119,422
GRAND TOTAL HIGHWAY TRUST FUND	83,480,000

PART V. BLOCK GRANT FUNDS --

COMMUNITY SERVICES BLOCK GRANT	
Community Action Agencies	12,377,017
Limited Purpose Agencies	687,612
DHHS administer/monitor CSBG	687,612
TOTAL	13,752,241
SOCIAL SERVICES BLOCK GRANT	
County departments of social services (Transfer from TANF - \$4,500,000	27,395,663
Allocation for in-home services provided by county departments of social services	2,101,113
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	3,234,601
Division of Services for the Blind	3,105,711
Division of Facility Services	426,836
Division of Aging - Home and Community Care Block Grant	1,840,234
Child Care Subsidies	3,000,000
Division of Vocational Rehabilitation - United Cerebral Palsy	71,484
State administration	1,693,368
Child Medical Evaluation Program	238,321
Adult day care services	2,155,301
County depts. of social services for child abuse prevention and permanency planning	394,841
Transfer to Preventive Health Services Block Grant for emergency medical services	213,128
Transfer to Preventive Health Services Block Grant for AIDS education, counseling, and testing	66,939
Dept. of Administration for the NC Commission of Indian Affairs In-Home Services Program for the elderly	203,198
Division of Vocational Rehab. - Easter Seals Society	116,779
UNC-CH CARES Program for training and consultation services	247,920
Office of Secretary-Office of Economic Opportunity for NC Senior Citizens' Federation for outreach services to low-income elderly persons	41,302
Special Children Adoption Fund	511,687
Transfer from TANF Block Grant for Enhanced Employee Assistance Program	1,000,000

Transfer from TANF Block Grant for Division of Social Services - Child Caring Agencies	1,500,000
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services- Developmentally Disabled Waiting List for services	5,000,000
TOTAL SSBG	54,558,426
LOW-INCOME ENERGY BLOCK GRANT	
Energy Assistance Programs	8,092,113
Crisis Intervention	7,078,114
Administration	1,988,234
Dept. of Commerce - Weatherization Program	2,684,116
Dept. of Administration - NC Comm'n of Indian Affairs	39,765
TOTAL LEBG	19,882,342
MENTAL HEALTH SERVICES BLOCK GRANT	
Provision of community-based services in Mental Health Study Comm'n Adult Severe and Persistently Mentally Ill Plan	4,301,361
Provision of community-based services to children	1,898,520
Establish Child Residential Treatment Services Program	1,500,000
Administration	783,911
TOTAL MHSBG	8,483,792
SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT	
Provision of community-based alcohol and drug abuse services, tuberculosis services, and services provided by the Alcohol and Drug Abuse Treatment Centers	15,043,841
Continuation of services for pregnant women and women with dependent children	6,567,532
Continuation of services to IV drug abusers and others at risk for HIV diseases	5,210,497
Provision of services to children and adolescents	7,216,992
Juvenile Services-Family Focus	893,811
Juvenile offender services and substance abuse pilot	300,000
Establish Child Residential Treatment Services Program	1,000,000
Administration	2,623,049
TOTAL SAPTBG	38,855,722
CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	
Child care subsidies	117,145,326
Quality and availability initiatives	12,332,039
Administrative expenses	6,814,598
Transfer from TANF Block Grant for child care subsidies	57,957,188
Transfer from TANF Block Grant for child care rate increases and quality initiatives	18,717,812
TOTAL CCDFBG	212,966,963
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT	
Work First Cash Assistance -- Standard Counties	81,859,561
Work First Cash Assistance -- Electing Counties	24,331,095
Work First County Block Grants	92,018,855

Transfer to Child Care and Development Fund Block Grant for child care subsidies	57,957,188
Allocation to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for Work First substance abuse screening, diagnostic, and support treatment services and drug testing	3,500,000
Allocation to Division of Social Services for Work First Evaluation	1,500,000
Allocation to the Division of Social Services for staff development	500,000
Reduction of out-of-wedlock births	1,600,000
Substance Abuse Services for Juveniles	1,182,280
Special Children Adoption Fund	2,300,000
Employment Security Commission - First Stop Employment Assistance	1,000,000

Transfer to Social Services Block Grant - Enhanced Employee Assistance Program	1,00,000
Work First Job Retention and Follow-up Initiatives	1,607,529
Allocation to the Division of Public Health for teen pregnancy prevention	2,000,000
Transfer to Social Services Block Grant for Child Caring Agencies	1,500,000
Child Care Subsidies for TANF Recipients	26,621,241
Work First Housing Initiative	3,000,000
Transfer to Child Care and Development Fund Block Grant for Child Care Rate Increases	18,717,812
Allocation to the Division of Social Services for Domestic Violence Prevention and Awareness	1,000,000
County Child Protective Services, Foster Care and Adoption Workers	2,727,550
Intensive Family Preservation Program	2,000,000
Work First/Boys and Girls Clubs	1,000,000
Transfer to Social Services Block Grant for County Departments of Social Services for Children's Services	4,500,000
Adolescent Pregnancy Prevention Program	239,261
Governor's One-on-One Program -- Office of Juvenile Justice	950,674
Expand Support Our Students -- Office of Juvenile Justice	1,800,000
Residential Substance Abuse Services for Women with Children	5,000,000
Domestic Violence Services for Work First families	3,000,000
Responsible Fatherhood Initiative	1,000,000
After-School Services for At-Risk Children	2,000,000
Business Process Reengineering Project	5,012,000
Division of Social Services -- Administration	500,000
Child Welfare workers for local departments of social services	6,600,000
Work First Pilots	5,400,000
TOTAL TANF BLOCK GRANT	364,925,046

MATERNAL AND CHILD HEALTH BLOCK GRANT

Healthy Mothers/Healthy Children Block Grants to Local Health Departments	9,838,074
High-risk Maternity Clinic Services, Perinatal Education and Training, Childhood Injury Prevention, Public Information and Education, and Technical Assistance to Local Health Departments	2,012,102
Services to Children with Special Health Care Needs	5,078,647
TOTAL MCHBG	16,928,823
PREVENTIVE HEALTH SERVICES BLOCK GRANT	
Statewide Health Promotion Programs	3,184,399
Dental Services/Fluoridation	100,800
Rape Crisis/Victims' Services Program-Council for Women	190,134
Rape Prevention and Education Program -- Division of Public Health and Council for Women	1,137,186
Transfer from Social Services Block Grant -- AIDS/HIV Education, Counseling, and Testing	66,939
Transfer from Social Services Block Grant -- Emergency Medical Services	213,128
Office of Minority Health	159,459
Administrative Costs	143,151
TOTAL PHSBG	5,195,196

Includes standard provisions regarding increases and decreases in federal fund availability. Provides that 25% of Rape Prevention and Rape Education funds in Preventive Health Services Block Grant shall be allocated as grants to nonprofit organizations for rape prevention and education for middle, junior high, and high school students. Provides that if federal funds are received under the maternal and Child Health Block Grant for abstinence education, those funds are transferred to the Department of Public Education for abstinence education.

Provides that \$1,500,000 of TANF Block Grant be used by Division of Social Services to expand evaluation of Work First Program in specified areas, with report to legislature by September 30, 2001 and a final report by September 30, 2002. Provides that \$1,607,529 of TANF Block Grant be used by Division of Social Services be used to continue pilots and strategies that support TANF recipients in attaining and maintaining self-sufficiency, with report on specified job retention information by April 1, 2001.

Provides that \$511,687 of Social Services Block Grant be used to develop guidelines for awarding of funds to adoption agencies. Allows reallocation of Child Care and Development Fund if needed to fully use federal funds. Provides the \$1,500,000 of TANF Block Grant be allocated by Division of Social Services to the State Private Child Caring Agencies Fund. Provides that \$1,000,000 of TANF Block Grant transferred to Social Services Block Grant be used for the Enhanced Employee Assistance Program to continue a grant program of financial incentives for businesses employing former and current Work First recipients. Provides that \$4,237,450 of TANF Block Grant be allocated to county departments of social services for hiring and contracting additional staff to support foster and adoptive families. Provides that \$2,000,000 of TANF Block Grant for Intensive Family Preservation Services Program to plan and implement revised program; notwithstanding GS 143B-150.6, program to provide intensive services to specified children and families; specifies IFPS program to ensure application of standardized assessment for determination of imminent risk of removal; report on revised evaluation model and IFPS program by April 1, 2001.

Requires DHSS and Employment Security Comm'n report on use of funds for First Stop Employment Assistance Program by April 1, 2001.

Specifies eligible uses of grants from TANF Block Grant to Boys and Girls Clubs and encourages coordination with related programs, with report by April 1, 2001.

Provides that \$3,000,000 for TANF Block Grant for Work First Housing Initiative be used only for direct housing support.

Provides that \$5,000,000 of TANF Block Grant to Division of mental Health, Developmental Disabilities, and Substance Abuse Services be used to establish and expand regional residential substance abuse treatment and services for women with children, allows contracts with service providers for this purpose, with reports on progress by October 1, 2000, and March 1, 2001. Provides that \$3,000,000 of TANF Block Grant for domestic violence services to Work first recipients may not be used to establish new domestic shelters, for state administration, or to facilitate lobbying efforts and requires report by February 1, 2001.

Specifies that funds for teen pregnancy prevention and for parenting programs meet specified programmatic requirements, limits administrative expenses to 10% of total budget, requires an independent private consulting firm evaluation of the program, and an annual report by March 1 of each year.

Provides that \$2,00,000 of TANF Block Grant be used to expand after-school programs and services for at-risk children; that it include grant program to community-based programs and fund one position in Division of Social Services, with report by March 1, 2001. Requires report on use of funds to continue the Business Process Reengineering Project by April 1, 2001.

COMMUNITY DEVELOPMENT BLOCK GRANT	
State Administration	1,000,000
Urgent Needs and Contingency	1,000,000
Scattered Site Housing	10,340,000
Economic Development	8,710,000
Community Revitalization	13,500,000
State Technical Assistance	450,000
Housing Development	3,000,000
Infrastructure	7,000,000
TOTAL CDBG	45,000,000

Contains standard provisions on decreases or increases in federal funding availability. Specifies that allocations from any program category may be used to increase the capacity of nonprofit organizations and directs Dep't of Commerce to consider ways to use future CDBG funds to address the abatement of outhouses.

PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY STATEMENTS

	2000-2001 (\$ Millions)
BUDGET REFORM STATEMENT	
Beginning Unreserved Credit Balance	0
Tax Revenues	13,216.3
Nontax Revenues	
Investment Income	214.0
Judicial Fees	106.7
Disproportionate Share Receipts	105.0
Insurance	41.7
Highway Trust Fund Transfer	170.0
Highway Fund Transfer	13.8
Other Nontax Revenue	96.3
SUBTOTAL	13,964.0

HB 1854 Fee bill	6.1
Railroad Debt Repayment	11.0
Y2K Reserve Transfer	9.0
Hurricane Fran Transfer	26.0
HB 1559 IRC Conformity Adjustment	(2.0)
Disproportionate Share Reserve Transfer	1.0
Crime Victims Compensation Fund Reversion	1.0
State/Federal Retirees Administrative Cost Reimbursement	0.1
Federal Retirees Refund Reversion	0.3
TOTAL GENERAL FUND AVAILABILITY	14,016.3

Directs transfer from the 11th and 12th month carryforward balance in the State Aid to Local School Administrative Units the sum \$240,000,000 to a reserve for allocation pursuant to the consent order in Smith v. State and Shaver v. State. Directs that the unencumbered balance in the Department of Commerce Y2K conversion Fund be transferred to the General Fund on July 1, 2000. Directs transfer of \$26,000,000 in unencumbered Hurricane Fran Disaster Relief Fund be transferred to the General Fund on July 1, 2000. Directs transfer of \$350,000 from unencumbered funds from Dep't of Revenue to General Fund on July 1, 2000. Directs Commissioner of Insurance to transfer funds quarterly from Dep't of Insurance Fund to General Fund to repay funds appropriated, plus accrued interest.

Highway Fund Availability	
Beginning Credit Balance	6,980,000
Estimated Revenue	1,240,030,000
TOTAL HIGHWAY FUND AVAILABILITY	1,247,010,000

PART VII. GENERAL PROVISIONS

Controller Financial Statement Reporting Clarification. Amends GS 143-20.1 to clarify that every fiscal year all state agencies and component units of the State, as defined by generally accepted accounting principles (underlined words added) are to prepare annual financial statements on all funds administered by them no later than 60 days after the end of the State's fiscal year then ended in accordance with generally accepted accounting principles. Specifies that the Controller is to notify the Director of the Budget of any such component units that have not complied with section within the specified time; Director is to employ whatever means necessary, including the withholding of allotments, to ensure immediate corrective actions. Amends GS 143B-426.39 to add to the State Controller's powers, the power to prescribe that newly created or acquired component units of the State must have the same fiscal year as the State unless exempted by the Controller, and to specify that Comprehensive Annual Financial Report prepared by Controller is to be prepared in accordance with generally accepted accounting principles and is to include State agencies and component units of the State, as defined by those principles. Amends GS 115D-58.5(a) to specify that each community college's accounting system is to be consistent with procedures prescribed by the State Controller (was, State Auditor). Makes clarifying changes.

Raise State Tort Claims Limit. Amends GS 143-291(a), 143-291.3, and 143-299.2 to raise from \$150,000 to \$500,000 each of the following: the limit on the amount of damages that may be awarded cumulatively to all claimants in any tort claim action against the State on account of injury and damage to any one person, the amount of any counterclaim that may be filed on behalf of a State department, institution, or agency or a county or city board of education, and the cumulative limitation on payments by the State to all claimants on account of injury and damage to any one person. Effective when it becomes law, and applies to all judgments entered and all settlements finalized on or after that date.

North Carolina Railroad Debt Repayment. Specifies terms for NC Railroad Co.'s payment of interest, dividends, and principal to State. Section expires when interest-bearing investment demand note executed under authorization of SL 1997-443, Sec. 32.30(b), has been satisfied and all required amounts have been repaid in full to the State.

State Supported Science/Technology Recommendations/Study. Requires Legislative Research Comm'n to study whether, consistent with specified findings, non-State entities should be required to provide as conditions of State funding or in-kind support: (1) acknowledgement that the funding or support is provided to serve a public purpose, (2) copies of specified financial reports, (3) quarterly reports of marketing activities related to any of its scientific or technological development activity that has received State funding or support, and (4) prior notice of any acquisition, merger, or corporate activity that would affect the public purpose and public benefit, or benefit any of its corporate officers in the form of a valuable interest in a for-profit entity. LRC is also to study whether such funding or support should only be provided as a contractual agreement, and whether a condition of the contract should be that the non-State entity reimburse the State for all State support of any invention, etc., that is transferred or marketed for a profit, and agree to provide the State prospectively a share in the future profits generated by a State-supported scientific or technological development. LRC is to report to the 2001 Session.

PART VIII. PUBLIC SCHOOLS

Expenditure of Funds to Improve Student Accountability. Amends SL 1999-237, Sec. 8.17 to specify that funds appropriated for Student Accountability Standards may also be used to improve the academic performance of students who are performing at Level I or II on the high school end-of-course tests. Specifies that funds appropriated for Student Accountability Standards do not revert at the end of each fiscal year but remain available for expenditure until Aug. 31 of the subsequent fiscal year. Makes technical corrections to section.

Use of Staff Development Funds Mentor Training. Amends GS 115C-105.27 to specify that the strategies for improving student performance under school improvement plans may provide, in the plan for use of staff development funds to implement the school improvement plan, that a portion of those funds be used for mentor training and for release time and substitute teachers while mentors and teachers mentored are meeting.

Exceptional Children. Specifies following allocation of funds appropriated for exceptional children for fiscal 2000-2001. *Academically or intellectually gifted children:* Each local school administrative unit receives \$843.59 per child for 4% of the 2000-2001 allocated average daily membership in the unit. Funds are to be allocated for a total of 51,542 children for 2000-2001 school year. *Children with special needs:* Each unit receives \$2,549.74 per child for the lesser of all children who are identified as children with special needs or 12.5% of the 2000-2001 allocated average daily membership in the unit. Maximum number of children for which funds are to be allocated is 156,296 for 2000-2001 school year. Specifies that dollar amounts allocated are also to increase in accordance with legislative salary increments for personnel serving exceptional children.

Limited English Proficiency. Amends SL 1999-237, Sec. 8.10 to specify, for the portion of the funds that is allocated to local school administrative units and to charter schools for students with limited proficiency in the English language on the basis of the number of identified students, that the maximum number of identified students for whom a unit or charter school receives funds shall not exceed 10.6% of its average daily may use funds allocated to them for tutors and transportation costs.

Exceptional Children Head Count. Directs Comm'n on Children with Special Needs to study the issue of when the head count of such children should be performed and whether a single count during a school year is adequate. Comm'n is to report the results of its study to 2001 General Assembly.

Reduce Impact of Significant Reductions in ADM in Small Schools Systems. Provides that if a county school administrative unit with 3,000 or fewer students loses more than 4% in projected average daily membership due to shifts of enrollment to charter schools located within the unit, the State Board of Education may use funds appropriated to State Aid to Local School Administrative Units for fiscal 2000-2001 to reduce the loss of funds to the unit's schools, other than charter schools, to a 4% maximum.

Funds for the Testing and Implementation of the New Student Information System.

Authorizes the State Board of Education to transfer up to \$1 million in funds appropriated for Uniform Education Reporting System for fiscal 2000-2001 to Dep't of Public Instruction, to lease or purchase equipment necessary for testing and implementing NC WISE, the new student information system in the public schools.

Use of the ADM Reserve. Authorizes State Board of Education to allocate additional funds to local school unit that has inadequate resources due to establishment of a new charter school or authorization from State Board to increase the enrollment of an existing charter school by more than 10%. Funds are to come from Reserve for Average Daily Membership Adjustment; Board is to develop policies to implement section.

Class-Size Computation for K-2. Requires local school administrative units to use teacher positions allocated for kindergarten through second grade to hire classroom and reading teachers for children in those grades and to otherwise reduce the student teacher ratio in those grades. Specifies that both the maximum average class size for the grade span kindergarten, first grade, and second grade, and the maximum size of an individual class with the grade span is to be 26 students, notwithstanding the provisions of GS 115C-301(c).

Teacher Salary Schedules. Authorizes Director of the Budget, effective for 2000-2001 school year, to transfer from the Reserve for Compensation Increase for fiscal 2000-2001 funds necessary to implement teacher salary schedule set out in section, including funds for employer's retirement and social security contributions and funds for annual longevity payments. Provides for salary supplements for teachers with certification based on academic preparation at six-year and doctoral degree levels, and specifies salary levels for school psychologists, speech pathologists, audiologists, and nurses.

School-Based Administrator Salaries. Specifies that funds appropriated to Reserve for Compensation Increase are to be used for the implementation of the salary schedule for school-based administrators as provided in section; may be used for State-paid employees only. Provides classification table for placement of principals and assistant principals on table. Allows for percentage salary increases up to 6% for meeting specified performance goals concerning 1997-98, 1998-99, and 1999-2000 years, and for lump-sum payments of up to 2% for meeting specified goals in 2000-2001. Provides for salary supplements for principals and assistant principals with certification based on academic preparation at six-year and doctoral degree levels. Longevity pay for principals and assistant principals is to be as provided for State employees under the State Personnel Act. Contains various other provisions dealing with special salary situations.

School Central Office. Specifies salary ranges for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for fiscal 2000-2001, with longevity pay to be as provided for State employees under the State Personnel Act. Superintendent's range is based on Average Daily Membership. Local board of education determines appropriate category and placement, within appropriated funds. Provides for salary supplements for superintendents and others listed, who have certification based on academic preparation at six-year and doctoral degree levels. Forbids State Board to permit local units to transfer State funds from other funding categories for salaries for central office administrators.

Directs Director of the Budget to transfer from the Reserve for Compensation Increase, beginning July 1, 2000, funds necessary to provide an average annual salary increase of 5%, including funds for the employer's retirement and social security contributions, commencing July 1, 2000, for all permanent personnel paid from the Central Office Allotment. State Board of Education is to allocate these funds to local school administrative units, and local boards of education are to establish guidelines for providing these salary increases to these personnel.

Noncertified Personnel Salary Funds. Authorizes Director of the Budget to transfer from the Reserve for Compensation Increase for fiscal 2000-2001, funds necessary to provide a salary increase of 5% , including funds for the employer's retirement and social security contributions, commencing July 1, 2000, for all noncertified public school employees whose salaries are supported from the State's General Fund. Funds are to be used for no other purpose. Directs local boards of education to increase the rates of pay for all such employees who were employed for fiscal 1999-2000 and who continue their employment for fiscal 2000-2001 by at least 5%, unless they were employed for less than two-thirds of the employment period for fiscal 1999-2000

and continue to be employed for fiscal 2000-2001 and local board chooses to adopt a different policy providing for smaller raises. Authorizes State Board to adopt salary ranges for noncertified personnel to support 5% increases for fiscal 2000-2001.

Teacher Assistant Salary Schedule. Provides 5% raise for teacher assistants and adds teacher assistant salary schedule.

Funds to Implement the ABCs of Public Education Program. Requires State Board of Education to use funds appropriated for State Aid to Local School Administrative Units for fiscal 1999-2000 and 2000-2001 to provide incentive funding for schools that met or exceeded the projected levels of improvement in student performance during the 1999-2000 school year, under ABCs of Public Education Program. Specifies amounts of awards, which are in accordance with State Board policy.

Supplemental Funding in Low-Wealth Counties. Amends SL 1999-237, Sec. 8.5(b) to allow use of funds for school computer technicians, and to encourage local boards of education to use at least 25% (was 20%) of the funds received pursuant to section 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 and children who are performing at Level I or II on the writing tests in grades 4 or 7.

National Board for Professional Teaching Standards Certification. Adds new GS 115C-296.2 authorizing the State to pay the National Board for Professional Teaching Standards participation fee and to provide up to three days of approved paid leave to all teachers participating in the NBPTS program who have completed three years of teaching in an NC public school (as defined in section) and who teach for a year after completing the process. NBPTS is an independent, nonprofit organization that provides a voluntary national teacher certification program. Specifies requirements for teacher participation in program and requires State Board of Education to adopt policies and guidelines to implement section.

Allocation of Central Office Administration Funds. Requires that expansion budget funds appropriated to State Aid to Local School Administrative Units for fiscal 2000-2001 for Central Office Administration be used to ensure that every local school administrative unit receives the amount calculated under the State Board of Education's distribution formula used for allocation of these funds.

Reduction of Paperwork in Public Schools. Amends GS 115C-307(g) to specify that a teacher shall be given access to the student information management system to expedite the process of preparing reports or otherwise providing information. Provides that a teacher is not to be required by the local board, the superintendent, or the principal to provide information that is already available on that system, to provide the same information more than once during a school year, or complete forms regarding compliance with the federal Individuals with Disabilities Act that are not required by the US Dep't of Education. Amends GS 115C-47(18) to require each local board of education, prior to the beginning of each school year, to eliminate, to the maximum extent possible, any duplicate or obsolete reporting requirements. Requires each local board to establish a paperwork control committee to monitor all reports and other paperwork produced by or required by the central office.

Requires State Board of Education to take various specific steps listed in section to reduce paperwork and cut State spending for various compliance issues, with savings in some cases specifically directed to direct services. State Board is to report to the Joint Legislative Education Oversight Committee prior to Dec. 15, 2001, on its progress in implementing this section.

School Leadership Pilot Project. Specifies that local school administrative units that participate in the cited project of the Center for Leadership in School Reform are to receive State funds for this purpose for no more than three fiscal years.

PART IX. COMMUNITY COLLEGES

Expand Focused Industrial Training Program. Allows State Community College Board to expand cited program and authorizes program to provide customized training programs for manufacturing industries and for companies and industries involved in the design and programming of computers and telecommunications systems.

State Board Reserve Allocations. Requires State Community College Board to use \$75,000 of reserved funds to implement performance budgeting and improve accountability and \$100,000 to continue development of the virtual learning community.

Report Card on Teacher Education Programs/Study of High School Programs. Amends GS 115C-296(b1) to require that performance reports continue to be submitted annually and that they be provided to the Joint Legislative Education Oversight Committee by Dec. 15 or by a date that coincides with the federal reporting date once it is established. Requires the Education Cabinet to study specified issues relating to public school, community college, and university programs offered to high school students (including cooperative high school program, adult high school diploma program, advanced placement courses, etc.) and to report its findings to the Joint Legislative Education Oversight Committee by Nov. 15, 2000.

Budget Realignment to Implement Reorganization Authorized. Allows State Community College Board to transfer funds within Community Colleges System Office budget to implement departmental reorganization plan adopted by State Board in September 1999. Requires State Board to report to Joint Legislative Education Oversight Committee, House and Senate Education Appropriations committees, and Fiscal Research Div'n within 30 days of budget realignment.

Use of 1999-2000 Over-Realized Receipts. Notwithstanding GS 115D-31(e), allows \$2 million of specified funds to be used for operations of Community Colleges System Office for 2000-01 to offset base budget reduction of equal amount. Effective June 30, 2000.

Asheville-Buncombe Technical Community College Funds Do Not Revert. Effective June 30, 2000, as title indicates with respect to funding for small business center.

Study Distance Learning/Education Programs. Requires State Community Colleges Board to contract with independent consultant to study funding methods and delivery of distance learning and education programs. Specifies issues to be studied and requires consultant to take into account two specific approaches to distance learning currently being considered by the community colleges system. Authorizes State Board to use reserve funds for study. Requires State Board to report results of study to Joint Legislative Education Oversight Committee and Fiscal Research Div'n by Jan. 15, 2001.

Performance Budgeting/Clarifications. Repeals provisions of GS 115D-31.3(b), (c), and (d). Amends GS 115D-31.3 to establish twelve new performance standards which will be used to evaluate performance of community colleges; to require that community colleges be evaluated, for the purpose of performance budgeting, on six of these twelve factors; to allow community colleges to carry forward 1/3 of 1% of its appropriation for each of the six factors on which the college performs successfully or attains the standard of significant improvement; to allow remaining funds to be used to reward superior performance and for distribution to colleges that perform successfully on at least five of the six performance measures; to provide that funds retained by community colleges under section may be used for purchase of equipment, initial program start-up costs including faculty salaries for the first year of a program, and one-time faculty and staff bonuses (but may not be used for continuing salary increases or other continuing obligations); and to provide that funds must be encumbered within 12 months.

Community College Tuition/Legal Immigrants. Amends GS 115D-39 to provide that a nonresident of the US who has resided in NC for 12 months and has filed an immigrant petition with the INS is considered a state resident for community college tuition purposes.

Supplemental Funding for Summer Term Curriculum Instruction. Specifies legislative intent with respect to cited appropriation and procedures for allocation of funding. General Assembly will review program annually to determine whether funding will be increased. Disclaims legislative intent to provide additional funding for summer term curriculum enrollment increases or to increase rate of funding per FTE for summer term enrollment. Requires State Community College Board to adopt calendar demarcating range of dates within which fall, spring, and summer terms may begin and end. Prohibits overlap between summer term and either spring or fall terms. Requires State Board to "hold harmless" any community college for which program audit services section notes an audit exception for membership hours reported on the Spring 1999 Curriculum Institution Class Report for the Spring 1998 to Spring 1999 reporting period for classes which began after the institution's published ending date for that term.

PART X. UNIVERSITIES

Realign Center for School Leadership Development Programs. Effective Oct. 1, 2000 transfers the Principals Executive Program and the Mathematics and Science Education Network from UNC-CH to the UNC Board of Governors and requires that these programs be coordinated within the UNC Center for School Leadership Development.

UNC Need-Based Student Financial Aid Program. Requires that \$5 million in recurring funds be used to establish and implement cited program for needy in-state students seeking undergraduate or masters degrees at UNC institutions. Eligibility formula must offset Pell grants and federal tax credits before determining eligibility for new grants and include requirement for "self help" (use of personal savings, earnings, borrowing, etc.). New program will be administered by NC State Education Assistance Authority. Distribution formula may be modified if necessitated due to reduced funding for program. Program must be implemented in accordance with recommendations adopted by UNC Board of Governors in November 1999.

UNC Charlotte Retain Land Sale Proceeds. Allows UNC-C to retain proceeds from sale of chancellor's residence and to use these funds and other nonappropriated funds to construct new chancellor's residence.

Aid to Students Attending Private Colleges Procedure. Increases state financial assistance paid to private colleges to \$1,100 per academic year for each full-time equivalent NC undergraduate student enrolled as of Oct. 1, 2000, and increases state assistance paid to NC students at NC private colleges to \$1,800 per academic year.

UNC Distance Education. States legislature's intent in providing funding for distance education and that priority for use of funds is funding for courses needed to earn baccalaureate degrees, especially baccalaureate completion programs offered at community college sites.

Higher Education Compensation. Requires Joint Legislative Education Oversight Committee to study need for an Excellent Universities and Community Colleges Act that addresses need and ability of UNC and community college systems to attract and retain excellent faculty. If committee determines that there are critical issues regarding faculty compensation, it must include in its recommendations and report whether major new legislative initiative is needed to address those issues. Committee must report findings and recommendations to 2001 General Assembly.

Joint Legislative Education Oversight Committee Study Global Education Programs. As title indicates. Authorizes report to 2001 General Assembly.

Model Teacher Consortium. Allocates \$1.3 million to restore model teacher consortium program to the 21 counties that were part of the program in 1998-99 and to add Bladen, Caswell, Camden, Wayne, Alamance, Beaufort, Washington, and Onslow counties.

Study Principal Fellows Program. Directs Board of Governors to conduct specified study and to make recommendations to secure more diverse participation with a report to the Joint Legislative Education Oversight Committee by Jan. 15, 2001.

PART XI. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Subpart 1. Administration

State Health Standards. Effective Oct. 1, 2000, adds new GS 130A-5.1 requiring Sec'y of Dep't of Health & Human Services (DHHS) to adopt measurable standards and goals for community health and to report annually to General Assembly and Governor on how NC compares to national health measurements and state community health goals, steps taken to meet established goals, and additional steps proposed to achieve goals.

DHHS Study of New Facilities Division. Requires DHHS to study whether new facilities division to consolidate physical plant operations of all state institutions should be established and to report its findings and recommendations by Jan. 1, 2001 to House and Senate Human Resources Appropriations committees.

Elimination of Vacant DHHS Positions. Requires DHHS to eliminate 29 vacant positions effective July 1, 2000. Exempts positions that impact direct patient care or services and positions at state psychiatric hospitals, alcohol and drug abuse treatment centers, Wright School, and Whitaker School.

Quality Criteria for Long-Term Care. Requires DHHS and NC Institute of Medicine to convene special work group to develop criterion-based indicators for monitoring quality of care in nursing homes, adult care homes, assisted living facilities, and home health care programs, to implement these criteria for monitoring long-term care, and pursue options to use these criteria in

lieu of federally-mandated standards for surveying nursing homes under the Medicaid and Medicare programs.

Long-Term Care Services Data. Requires DHHS and NC Institute of Medicine by Jan. 1, 2001 to identify screening, level of services, and care planning instruments to be used for all DHHS long-term care services, to develop a timetable for testing and implementing these instruments, and to compile county-level data on number of adults who use DHHS long-term care services and expenditures by division and program. Amends sec. 11.7A of S.L. 1999-237 to delay from Jan. 1, 2001 to Jan. 1, 2002 the date by which DHHS must implement the initial phase of a comprehensive data system for tracking long-term care expenditures and develop a system of state-wide long-term care services coordination and case management.

Subpart 2. Medical Assistance

Medicaid Program. (1) Authorizes state Medicaid program to cover services provided by family nurse practitioners. (2) Provides that public ambulance providers will be reimbursed at cost. (3) Provides that mental health services for children eligible for EPSDT services may be provided by licensed or certified psychologists, certified mental health nurse practitioners, and licensed clinical social workers when Medicaid eligible children are referred by their primary care physician or area mental health program; allows DHHS to adopt temporary rules to implement this provision. (4) Provides that mental health services that are subject to independent utilization review are exempt from annual 24 visit limit under Medicaid program. (5) Allows DHHS to proceed with planning and development work on Program of All-Inclusive Care for the Elderly; requires DHHS to issue progress report by Jan. 30, 2001 to House and Senate Human Resources Appropriations committees. (6) Requires DHHS to submit quarterly, rather than monthly, reports on expenditures for acute care and long-term care services to General Assembly's Fiscal Research Div'n and Office of State Budget and Management. (7) Repeals provision authorizing DHHS to administer Medicaid estate recovery program under temporary rules. (8) Repeals provision requiring DHHS to study effect of allowing continuous one-year Medicaid enrollment of categorically needy families with children. (9) Requires DHHS, by Oct. 1, 2000, to amend state Medicaid plan to exclude the value of burial plots and the cash value of life insurance (when the total face value of cash value bearing life insurance policies does not exceed \$10,000) in determining Medicaid eligibility for aged, blind, and disabled persons. (10) Requires Fiscal Research Div'n in cooperation with DHHS to contract with an independent consultant to study and review the amount, sufficiency, duration, and scope of services provided under Medicaid program. Requires interim progress reports by Oct. 1, 2000, and Jan. 1, 2000, and final report to General Assembly by May 1, 2001. Directs study of feasibility of authorizing Medicaid reimbursement for children eligible for EPSDT services by providers eligible for reimbursement under state employee health plan with report to Legislature by Oct. 1, 2000. *County Medicaid Cost-Share.* (1) Effective July 1, 2000, provides that county share of cost of Medicaid services currently and previously provided by area mental health authorities shall be increased each fiscal year until county share reaches 15% of nonfederal share of Medicaid costs by SFY 2009-10. (2) Effective July 1, 2000, provides that county share of cost of Medicaid personal care services for adult care home residents shall be decreased each fiscal year until county share reaches 15% of nonfederal share of Medicaid costs by SFY 2009-10. (3) Repeals provision authorizing DHHS to transfer funds from State-County Special Assistance program to support expansion of Medicaid personal care services for adult care home residents.

Medicaid Reserve Fund Transfer. Increases from \$29 million to \$99 million the amount transferred to DHHS for SFY 2000-01 for Medicaid programs pursuant to GS 143-23.2.

Waive NC Health Choice Waiting Period for Special Needs Children. Amends GS 108A-70.18(8) to provide that waiting period is waived if health insurance benefits available to family of a special needs child (as defined in GS 108A-70.23(a)) have been terminated due to a long-term disability or a substantial reduction in or limitation of lifetime medical benefits or benefit category. Provides that total amount of state funds expended for NC Health Choice program for 2000-01 may not exceed amount of state funds appropriated to match federal funds for this program.

Subpart 3. Facility Services

Extend Adult Care Home Moratorium/Study. Extends until Sept. 30, 2001, the existing moratorium on DHHS approval for construction of additional adult care home beds. Requires DHHS to study various types of adult care homes covered by moratorium, identify adult care

homes by predominant type of residents served, identify current public funding and additional funding sources available to serve resident populations, recommend licensure categories appropriate to population served, and report results of study by March 1, 2001 to House and Senate Human Resources Appropriations committees.

Use of Fire Protection Fund for Emergency Generators. Amends GS 122A-5.13 as title indicates.

Study Multiunit Assisted Housing with Services Facilities. Requires NC Study Comm'n on Aging to study multiunit assisted housing with services facilities and to report its findings and recommendations by Feb. 1, 2001 to the House and Senate Human Resources Appropriations committees.

Subpart 4. Social Services

Adult care Homes Reimbursement Rate Increase/State Auditor Study. Effective Oct. 1, 2000 increases from \$1,016 to \$1,062 the maximum monthly rate for residents in adult care home facilities. Requires State Auditor to study adult care home cost reimbursement system and to report results of study by March 1, 2001 to House and Senate Human Resources Appropriations committees.

Extend Special Assistance Demonstration Project. Extends until June 30, 2002, the current demonstration project under which Special Assistance payments may be made to individuals in in-home living arrangements.

Child Welfare System Improvements. (1) Requires DHHS Div'n of Social Services (DSS) to report annually by Oct. 1 of each year (now, semiannually) on activities of state Child Fatality Review Team. (2) Incorporates into GS 131D-10.6A the current uncodified statutory provisions regarding minimum training requirements for child welfare services staff hired after Dec. 31, 1997, and requires DSS to ensure that training opportunities are available to meet training requirements.

Special Children Adoption Fund. Requires that \$1.1 million of funds appropriated to DHHS be used to support Special Children Adoption Fund and that \$400,000 be reserved for payment to participating private adoption agencies. Requires DSS to develop guidelines for awarding funds to licensed public and private adoption agencies. Funds may be used only to enhance adoption services. No local match is required. Funds must be used for post-adoption services for families with incomes under 200% of federal poverty level.

Special Needs Adoptions Incentive Fund. Effective Jan. 1, 2001, establishes Special Needs Adoptions Incentive Fund to provide financial assistance to facilitate adoption of children with special needs residing in licensed foster care homes. Funds must be matched by county funds. Social Services Comm'n must adopt rules to implement section.

Subpart 5. Mental Health, Developmental Disabilities, and Substance Abuse Services

NonMedicaid Reimbursement Changes. Increases the eligibility level for the Atypical Antipsychotic Medication Program from 125% to 150% of the federal poverty level and adjusts the state payments for participation in the program of gainfully employed participants with incomes between 150% and 300% of the federal poverty level.

Area Board Member Per Diem. Amends GS 122C-120 to provide that per diem for area mental health board members may not exceed \$50 and that reimbursement of subsistence expenses will be at rates allowed for state employees under GS 138-6(a)(3).

Child Mental Health Residential Treatment/Services Program. Requires DHHS to establish cited program to provide residential treatment alternatives for children at risk of institutionalization or out-of-home placement and to implement new program in conjunction with Office of Juvenile Justice. Specifies components of new program. Provides that funds for program may not be allocated until memorandum of agreement specifying administrative and financial responsibilities has been executed between DHHS and other state and local agencies. Services under program are not an entitlement for non-Medicaid-eligible children. Requires DHHS to submit progress report on new program by Feb. 1, 2001, and final report by May 1, 2002 to House and Senate Human Resources Appropriations committees.

Funds for Child and Adolescent Residential Unit at Murdoch Center. Requires that \$3 million of appropriated funds be used to develop and operate six-bed short-term residential unit to meet needs of autistic children whose behaviors place them at serious risk of institutionalization, and to develop and operate four-bed residential program for such children to offer short-term diagnostic/prescriptive services or comprehensive interventions to transition children back to their

homes and communities. Requires DHHS to submit progress reports by Dec. 1, 2000 and April 1, 2001 and final report by Jan. 1, 2002 to House and Senate Human Resources Appropriations committees.

Services to Children at Risk for Institutionalization or Other Out-of-Home Placement. (1) Requires DHHS to provide only those treatment services that are medically necessary, to implement utilization review of services provided, to eliminate Willie M. program, and take other specified actions to ensure that children at risk for institutionalization of out-of-home placement are appropriately served. Requires DHHS to submit progress report by Feb. 1, 2001 and final report by May 1, 2002 to House and Senate Human Resources Appropriations committees. (2) Repeals provisions in GS Ch. 122C regarding "eligible assaultive and violent children" (Willie M.).

Services to Multiply-Diagnosed Adults. (1) Requires DHHS to provide only those treatment services that are medically necessary, to implement utilization review of services provided, to eliminate Thomas S. program, and take other specified actions to ensure that multiply-diagnosed adults are appropriately served. Requires DHHS to submit progress report by Feb. 1, 2001 and final report by May 1, 2002 to House and Senate Human Resources Appropriations committees. (2) Prohibits use of state funds for purchase of single-family or other residential dwellings to house multiply-diagnosed adults.

Funds for Mental Health, Developmental Disabilities, and Substance Abuse Services Oversight Committee. (1) Requires DHHS to transfer \$350,000 of appropriated funds to General Assembly for comprehensive study of developmental disabilities services and to hire professional staff to assist Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. Effective only if S 1217 or H 1519 is enacted. (2) Requires DHHS to study whether new division of developmental disabilities should be established and to report findings and recommendations to House and Senate Human Resources Appropriations committees.

Mental Health, Developmental Disabilities, and Substance Abuse Services Reserve for System Reform and Olmstead Decision. Creates the cited fund in the Office of State Budget and Management to provide start-up funds for programs and services that provide community alternatives for individuals in state institutions, facilitate state's compliance with cited Supreme Court decision, and facilitate reform of mental health system. Funds may be used for one-time expenditures that will not impose additional financial obligations on state or to establish or expand community-based services if sufficient recurring funding can be identified. Unexpended funds do not revert. Requires periodic reports by DHHS to Legislative Study Comm'n on Mental Health, Developmental Disabilities, and Substance Abuse Services and Legislative Comm'n on Gov't Operations.

Early Intervention Services. Increases allocation for early intervention services from \$610,000 to \$860,000 for 2000-01. Requires that local education agencies participating in pilot program provide data for preschool program for children with disabilities comparable to that provided by DHHS for children served in infant-toddler program.

Subpart 6. Child Development

Transfer Funds for Client Services. Requires Div'n of Child Development to transfer \$3 million to DSS to fund client services provided by county dep'ts of social services.

Child Care Subsidy Rates. (1) Provides that certain payments for purchase of child care services will be made on basis of subsidy rate, rather than county market rate. Provides that, effective Sept. 1, 2000, payments to licensed child care centers and home with two or more stars will receive subsidy rate for corresponding quality level for age group or rate charged privately-paying parents, whichever is lower. (2) Adds new GS 110-109 requiring DHHS by April 1, 2001, to conduct biennial statewide market rate study of child care facilities and to establish market rate for child care centers and homes at each rated quality level for each county and each age group and a statewide market rate at each rated quality level for each age group (generally applicable in counties that have fewer than 75 children in age group at rated quality level). Market rate must be set at 75th percentile of fees charged to unsubsidized, private-paying parents.

Early Childhood Education and Development Initiatives. (1) Amends GS 143B-168.12(a) to prohibit members of General Assembly from serving as member of local Smart Start board; to allow state Smart Start Partnership to reallocate and use unspent funds to obtain services or resources if it determines that it would be more efficient to obtain services or resources at state,

rather than local, level; to require state Partnership to develop a regional, rather than centralized, accounting and contract management system; to require all local Smart Start partnerships to participate in the regional accounting and contracting systems; to allow the state Partnership to adjust allocations by no more than 10% based on local performance assessments; and to repeal the mandatory adjustments based on superior, satisfactory, and needs improvement assessments. (2) Amends GS 143B-168.13(6) to require that funding formula be updated in collaboration with NC Partnership for Children, Inc. (3) Amends GS 143B-168.15(b) to require that 70% of funding allocated for direct services be used for child care related activities and early childhood programs that improve access to child care and early childhood education services, develop new child care and early childhood education services, and improve the quality of child care and early childhood education services in all settings (replacing detailed list of services). (4) Effective Sept. 1, 2000, amends GS 143B-168.15(g) to delete requirement that local partnerships give priority to augmenting state's supplemental subsidy payment rate for licensed child care centers and homes earning a rated license that exceeds minimum licensing standards, and to allow NC Partnership to require that up to 50% of local partnership's direct services allocation be used to expand child care subsidies if there is a significant local waiting list for subsidized child care. (5) Repeals requirement that NC Partnership continue to implement recommendations contained in Smart Start performance audit. (6) Increases from \$78,928,826 to \$121,413,725 the amount allocated for 2000-01 to administer and deliver Smart Start services in all 100 counties; authorizes use of \$500,000 in nonrecurring funds for 2000-01 to assist local partnerships in efforts to develop local collaboration; provides that NC Partnership will receive \$964,351 in 2000-01 for state-level administration of Smart Start program; requests that Governor fully fund Smart Start program in continuation budget for 2001-03 at level recommended by Governor for 1999-2001. (7) Increases allocation to Frank Porter Graham Child Development Center by \$50,750 for 2000-01.

Subpart 7. Deaf and Hard of Hearing Services

Family Support/Division of Services for the Deaf and the Hard of Hearing Services Contract. Increases allocation for 2000-01 from \$503,238 to \$723,238.

Subpart 8. Public Health

Maintain Funding for Developmental Evaluation Centers. Requires DHHS to replace reductions in funding with Medicaid receipts; prohibits reduction of program budget below amount certified in 1999-2000 program budget.

Use of Newborn Screening Fees. Amends GS 130A-125 to require DHHS to provide physiological screening in each ear for presence of permanent hearing loss in newborns and to allow fees collected for lab tests to be used to offset cost of Newborn Screening Program. Requires DHHS to submit progress report on implementation of newborn hearing screening program by March 1, 2001 to Fiscal Research Div'n and to House and Senate Human Resources Appropriations committees.

Heart Disease and Stroke Prevention Task Force Report. Requires task force to submit additional report by Oct. 1, 2000 to Fiscal Research Div'n and to House and Senate Human Resources Appropriations committees on its actual budget and activities for 1999-2000 and impact and effectiveness of task force.

Extend Osteoporosis Task Force. Requires task force to submit final report by Oct. 1, 2001 rather than Oct. 1, 2000, and provides that task force expires upon submission of final report.

Limitations on Expansion of Intensive Home Visitation Program. Prohibits amendment of state Medicaid plan to include reimbursement for intensive home visiting services. Requires DHHS to arrange for independent evaluation of first-year pilot programs that began in Feb., 1998, to determine whether pilot programs are effective in NC.

AIDS Drug Assistance Program (ADAP). Allows DHHS to use up to \$50,000 of appropriated funds to implement comprehensive information management system based on system used by Elderly Drug Assistance Program. Requires that system include information on cost of prescribed drugs on monthly basis and demographics of program participants (age, gender, race, ethnicity, and county of residence). Allows expansion of eligibility limit for program to 150% of federal poverty level if Office of State Budget and Management certifies that DHHS has developed information management system as required by section. Requires DHHS to make interim report by Oct. 1, 2000 and final report by April 1, 2001 to Fiscal Research Div'n and House and Senate Human Resources Appropriations committees.

Communicable Disease Control Aid to Counties/Report. Requires DHHS to report to the Fiscal Research Div'n and the House and Senate Human Resources Appropriations committees by Oct. 1, 2000 on impact of combining funds 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.

Public Health Prevention Activities Report. Requires that first report be submitted by Oct. 1, 2000 (now, April 15, 2000), that report include additional information with respect to specified organizations and programs, and that report be submitted to Fiscal Research Div'n and to House and Senate Human Resources Appropriations committees.

Preventive Health Program Plan. Requires DHHS to report by Feb. 1, 2001 to Fiscal Research Div'n and House and Senate Human Resources Appropriations committees.

Prescription Drug Assistance Program. Increases allocation for 2000-01 from \$500,000 to \$1 million.

Adolescent Pregnancy Prevention Programs. Effective July 1, 2005, repeals GS 130A-131.15 (adolescent pregnancy prevention projects). Provides that, effective July 1, 2000, guidelines for administration of funds for parenting programs and teen pregnancy prevention will be guidelines established by sec. 5(x) of this act. Provides that programs funded under GS 130A-131.15 for 1999-2000 will continue to receive funding through five-year funding cycle in accordance with GS 130A-131.15.

PART XII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

New Hanover farmers market funds. Effective June 30, 2000, allows Dep't to use funds appropriated last year for grants to local markets to be used to produce written materials to educate the public and promote development of a local farmer's market in New Hanover or to solicit donations for property. Specifies that \$40,000 of the funds may be used for that purpose and are not to revert at end of fiscal year.

PART XIII. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Grassroots science program. Specifies that schedule of allocation of appropriations to Dep't for program is same for fiscal 2000-01 as for 1999-2000.

Environmental education grants. Allows up to 15% of the \$200,000 appropriated to Dep't for grants to be used for cost of administering the grants. Remainder of funds must be used to provide grants to promote environmental education throughout the state. Grants under the section may be awarded to schools, community organizations and environmental education centers for developing library collections or for school group field trips. Requires Dep't to report to Governmental Operations Comm'n, Environmental Review Comm'n, and Fiscal Research Division by Jan. 1, 2001 and again by July 1, 2001 on operation of grant program.

DENR study of DENR. Directs Dep't to continue to evaluate organization to identify ways to increase efficiency and to retain staff and better serve the public through permit reform and organizational excellence. Dep't to report to Appropriations Committee and Environmental Review Comm'n by Jan. 15, 2001.

Relocation study/ Coastal Management Division Office. Directs Dep't to study feasibility of relocating cited office to one or more of the 20 coastal counties within jurisdiction of Coastal Management Act. Dep't to report findings to appropriations committee and Fiscal Research Division by Jan. 15, 2001.

ERC study recodification of environmental statutes. Directs Environmental Review Comm'n to study recodification of statutes dealing with environment, and may have bills to implement recommendations introduced in 2001 legislative session.

Reallocate Town Fork Creek Funds. Amends SL 1997-443, Sec. 15.11 to shift permissible use of funds reserved by that act by allowing Stokes County Water and Sewer Authority, Inc. to use funds for Walnut Cove/Industrial Site Connecting Project, instead of for Madison Connection Project. Amount in question is \$930,680.

Agriculture cost share. Allows Dep't to use \$240,000 for fiscal 2000-01 of its financial assistance funding to support cost-share technical assistance in soil and water conservation districts participating in Agriculture Cost Share Program for Nonpoint Source Pollution Control.

One stop permit assistance pilot projects. Directs Dep't to establish one-stop environmental permit application assistance and tracking system pilot projects in at least two regional offices. Specifies intent of legislature to expand pilot statewide as soon as possible after 2000-01 fiscal year. Pilot project to include procedure by which applicant receives a time frame in which he or she can expect a final decision on application. Unless otherwise provided by law, when applicant provides required information, Dep't must provide answer within 60 days or permit is automatically approved. Does not apply if applicant adds additional information or if applicant agrees to longer time. Dep't to track time spent to process permits, and identify each permit that took more than 90 days to reach decision. Dep't to report to appropriations committees, Fiscal Research and Environmental Review Comm'n by April 1, 2001, with report to include recommended projected time frame for permit applications.

Transfer Clean Water Revolving Loan and Grant Fund administration and personnel. Transfers all personnel working in Clean Water Revolving and Grant Fund and personnel working to implement Chapter 159G of General Statutes from Public Water Supply Section of Division of Environmental Health to Construction Grants and Loans Section of Division of Water Quality. Administration of cited programs transferred to same section. By August 1, 2000, Dep't to file a report of positions transferred to Appropriations Committee and to Fiscal Research. Provides that section prevails over any conflicting section of statutes and requires report by January 15, 2001 on need for any statutory changes.

Beach Management Plan. Directs Dep't to compile and evaluate information on current conditions and erosion rates of beaches, on coastal geology, and on storm or other erosion hazards for use in developing state plan. Directs Dep't to develop multiyear beach management and restoration strategy. Plan is to be as complete as resources and available information allow, and to be revised every two years and submitted to legislature no later than March 1 of each odd-numbered year. First plan to be submitted no later than May 1, 2001. Allows matching funds to be used if federal funds are available to fund planning projects.

PART XIV. DEPARTMENT OF COMMERCE

Authorization to Reallocate Previously Appropriated Petroleum Overcharge Funds. Authorizes use of specified funds for Residential Energy Conservation Program, as well as for State Energy Efficiency Program.

Energy Conservation Projects in State-Owned Buildings. Requires that \$1 million in specified funding be used to implement energy conservation projects in state buildings.

Petroleum Overcharge Funds Allocation. Allocates \$2.6 million from specified funding for Residential Energy Conservation Program; allocates \$2 million from specified funding for Housing Trust Fund for residential energy-related uses permitted under Stripper Well Litigation; allocates \$1 million from specified funding to NC Community Development Initiative, Inc. for residential energy-related uses permitted under Stripper Well Litigation; provides that remaining funds in Special Reserve for Oil Overcharge Funds may be expended only as authorized by General Assembly and that funds in Diamond Shamrock Settlement reserve to administer petroleum overcharge funds will continue to be available to Dep't on as-needed basis.

Authorization to Expend Reed Act Funds. Authorizes Employment Security Comm'n to spend \$2,078,049 of specified funding for automation purposes.

Worker Training Trust Fund Appropriations. Decreases appropriation for employment and training grant program by \$100,000 for 2000-01; redirects specified appropriations from Dep't of Community Colleges to Community Colleges Systems Office; requires that June 2000 interest earnings from Employment Security Comm'n Reserve Fund be deposited to Worker Training Trust Fund for 2000-01.

Oregon Inlet Funds/NonRevert. Effective June 30, 2000, provides that unexpended and unencumbered funds for Oregon Inlet Project do not revert to General Fund.

Industrial Development Funds. Effective June 30, 2000, provides that unexpended and unencumbered funds appropriated to recruit a large recycling facility do not revert to General Fund and shall be used to increase the Industrial Development Fund. Effective June 30, 2000, provides that unexpended and unencumbered funds appropriated as job loss assistance funds do not revert to General Fund and shall be used to increase the Industrial Development Fund.

Rural Redevelopment Authority. Requires that \$250,000 of funds appropriated to NC Rural Redevelopment Authority be reserved and released if H 1819 or S 1516 or similar bill creating the Authority is enacted.

Regional Economic Development Commission Allocations. Requires that \$206,088 (interest earnings) be subtracted from funding allocation for Global TransPark Development Zone and reallocated to seven specified regional economic development commissions. Requires that \$350,000 in appropriated funds be allocated in accordance with sec. 16.3 of S.L. 1999-237, as amended by this section, and that \$350,000 be allocated equally to the regional economic development comm'ns.

Economic Development Commission Funds Secured. Amends GS 158-12 to provide that when an economic development comm'n deposits money in a bank and the deposit is secured as provided under GS 159-31(b), a public officer or employee may not be held liable for any losses sustained because of default or insolvency of the depository.

Extend Funding of the Study Commission on the Future of Electric Service in North Carolina. Provides that expenses incurred through June 30, 2006 will be reimbursed from funds in the Utilities Commission and Public Staff Fund.

North Carolina Technological Development Authority, Inc. Requires cited authority to provide Fiscal Research Div'n with a copy of its annual audited financial statement and to report to Fiscal Research Div'n and Joint Legislative Comm'n on Gov't Operations on past and planned activities and expenditures.

World Trade Center North Carolina Report. Requires organization to provide Fiscal Research Div'n with a copy of its annual audited financial statement and to report to Fiscal Research Div'n and Joint Legislative Comm'n on Gov't Operations on past and planned activities and expenditures.

Rural Economic Development Center Funds. Requires that an additional \$400,000 be used for program to provide supplemental funding for matching requirement for authorized projects and activities, that \$400,000 be allocated to the capacity building assistance program, and that \$250,000 for Agricultural Advancement Consortium be placed in reserve for expenses associated with Consortium.

Energy Division Study of Residential Energy Conservation Assistance Program. Requires Dep't to determine, by county, for 1998-99 and 1999-2000 the number of owner-occupied houses that were allocated funds from program and amount of funds allocated by county, to make the same determinations with respect to rental houses, and to report its findings to the House and Senate Natural and Economic Resources Appropriations committees and to the Fiscal Research Div'n by Jan. 15, 2001.

Cap on Residential Energy Conservation Assistance Program. Provides that amount spent for weatherization activities in program may not exceed \$8,977,069 in 2000-01.

PART XV. JUDICIAL DEPARTMENT

Community Mediation Centers. Repeals GS 7A-346.1, which required reports from local Dispute Settlement Centers to Administrative Office of the Courts (AOC). Adds similar provisions to repealed GS 7A-346.1, but requires reports to be made to Mediation Network of NC, and that network to report to General Assembly on matters required by legislation. Provides that, of funds appropriate to AOC for community mediation centers, funds allocated to Durham and Wake centers are to be allocated to Carolina Correctional Services, Inc.

Court technology fund report date. Amends GS 7A-343.2 to require report to Governmental Operations Comm'n and appropriations committees each August 1 and February 1, instead of single annual report on March 1.

Magistrate authorizations. Amends GS 7A-133 to increase by one the maximum number of magistrates allowed for the following counties: Pasquotank, Hertford, Warren, Wake, Brunswick, Alamance, Orange, Guilford, Union, Alexander, Mecklenburg, Jackson.

Add district court judges. Adds additional district court judge to following districts: 1 (Camden, Chowan, Currituck, Dare, Gates, Pasquotank and Perquimans), 4 (Sampson, Duplin, Jones), 9B (Warren and part of Vance), 10 (Wake), 11 (Harnett, Johnston, Lee), 17A (Rockingham), 22 (Alexander, Davidson, Davie, Iredell), and 26 (Mecklenburg). Governor to appoint initial holder of office, with first election to be held in 2004 for four year terms. Judgeships

effective Dec. 15, 2000 or 15 days after preclearance under Section 5 of Voting Rights Act, whichever is later.

Worthless check program. Expands worthless check enforcement program established by SL 1997-443 to Cumberland, Edgecombe, Nash, and Onslow counties.

AOC/local government contracts for court employees. Amends various statutes to allow cities and counties to enter into contracts with AOC to provide funds for superior court secretaries, assistant or deputy clerks, or assistant public defenders if affected court offices provide factual basis to show that "overwhelming public interest warrants the use of additional resources for the speedy disposition of cases involving drug offense, domestic violence, or other offenses involving a threat to public safety." Specifies that contracts do not obligate AOC or legislature to continue positions or services provided by positions if contracts end.

Additional Court of Appeals judges. Effective October 1, 2000 adds three additional judgeships to court of appeals. Governor to make initial appointments, with appointees to serve until January 1, 2005. First election to be held in 2004 for eight-year term.

Additional superior court judges. Adds superior court judgeship in district 4B (Onslow) and 26B (part of Mecklenburg). Governor to make initial appointments, on or after October 1, 2000 to serve until Jan. 1 following initial election; Onslow judgeship to have first election in 2006, and Mecklenburg judgeship to have first election in 2004. Effective 15 days after preclearance under Voting Rights Act or Oct. 1, 2000, whichever is later.

Equipment replacement costs. Amends GS 143-11(b) to require Governor to include in budget message an estimate of the equipment replacement costs for Judicial Department for budget period. *Reduce special judgeships.* Effective Oct. 1, 2000, amends GS 7A-45.1 to abolish one special superior court judgeship created by that section (judgeship abolished has term expiring Sept. 30, 2000).

PART XVI. DEPARTMENT OF CORRECTION

Community corrections formula. Amends SL 1999-237, Sec. 18, to continue formulas established by that section for distribution of State-County Criminal Justice Partnership Act.

Parole Comm'n staffing and reorganization report. Amends SL 1999-237, Sec. 18.1 to require annual report from Comm'n on its progress in implementing staff reductions through the 2002-2003 fiscal year.

Reimbursement to counties for jail inmates. Amends SL 1999-237, Sec. 18.10 to extend act's coverage for 2000-2001 fiscal year (act allows Dep't to use funds appropriated to it to pay \$40 per day as reimbursement for prisoners waiting to be transferred to Department of Correction).

PART XVII. DEPARTMENT OF JUSTICE

CJIN annual report. Amends SL 1999-237, Sec. 19.2, to require Criminal Justice Information Network to report to legislature by March 1, 2001 on its progress, expenditures, and long-term strategic plans.

Use of property forfeited to federal government. Amends SL 1999-237, Sec. 19.3, to continue act's provisions regulating use of assets forfeited to federal government and then transferred to state Justice Dep't.

PART XVIII. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

National Guard educational assistance grants. Amends GS 127A-193 to increase grants to members of National Guard from \$1000 to \$2000 per year.

Victims Compensation Fund reversion. Directs that \$1,025,000 from cash balance in cited Fund to revert to General Fund on July 1, 2000.

PART XIX. OFFICE OF JUVENILE JUSTICE

Center for Prevention of School Violence transfer. Transfers cited center to OJJ, from UNC system.

Juvenile Information System Network. Transfers three positions and sum of \$225,000 from Justice Dep't to support Network.

Training School/Detention staffing study. Shifts reporting date for cited study from April 1 to September 1, 2000.

Reports on Boys and Girls Clubs funds. Amends SL 1999-237, sec. 21.10 to require report on use of funds to cited clubs, and to direct OJJ to consider for funding any counties eligible in 1999-2000 fiscal year but not funded, and to report on any new clubs proposed to be funded by OJJ.

Matching funds. Amends SL 1999-237, Sec. 21.11, to allow OJJ to continue authority to use funds appropriated to OJJ as match for federal funds under Juvenile Accountability Incentive Block Grants.

Private Multifunctional juvenile facility. Amends SL 1999-237, sec. 21.13, to amend provision allowing OJJ to house juveniles in its custody in private facilities, to specify that OJJ must "only house juveniles in the North Carolina juvenile justice system," and to require report on May 1 for next three years on operation of facility.

Mecklenburg multipurpose group homes. Specifies that funds previously appropriated to construct eight bed secure group home for females and upgrade Gatling Detention Center may instead be used to construct two eight bed group homes, with maximum of two beds per home used for secure detention. Specifies that both may be used for males until there is a need for a female facility. Allows OJJ to contract with Mecklenburg County to operate homes.

GRASP transfer. Transfers Guard Response Alternative Sentencing Program from Crime Control to OJJ.

Fund transfer to new dep't. Provides that if bills establishing Dep't of Juvenile Justice are enacted, funds appropriate to OJJ are transferred to new dep't.

Forsyth detention center. Allows \$1.75 million appropriate for construction of detention center in Forsyth to be carried forward to 2000-01 fiscal year to allow project time to complete needs assessment and for review and evaluation of county's plan for center.

PART XX. GENERAL ASSEMBLY

Extend Technological Infrastructure Study Reporting Date. Requires committee to report by Dec. 1, 2000.

Illuminate the Nighttime Display of the United States and North Carolina Flags at the Legislative Building. Allocates \$4,800 as title indicates.

PART XXI. DEPARTMENT OF ADMINISTRATION

National World War II Memorial Funds. Requires that \$150,000 of appropriated funds be used for voluntary contribution by state for construction of National World War II Memorial in Washington, D.C.

Cost-Benefit Analysis of Constructing State Facilities Instead of Leasing Property for State Operations. Requires that report be submitted by Jan. 1, 2001 instead of March 30, 2000.

Repeal Health Care Purchasing Alliance Act. Effective Dec. 31, 2000, repeals Art. 66 of GS Ch. 143 as title indicates.

Procurement Card Pilot Program Extension/Savings. Extends pilot program to Aug. 1, 2001.

Riverside Golf Course Receipts. Provides that receipts received by the NC Commission on Indian Affairs from rental of specified golf course may be used for course improvements.

PART XXII. OFFICE OF THE STATE CONTROLLER

Overpayments Project. Transfers funds in specified account as of July 1, 2000 to General Fund and allocates \$550,000 of transferred funds for data processing, debt collection, and e-commerce costs. Requires that certain overpayments recovered in 2000-01 be deposited in same account and that State Controller report monthly to Fiscal Research Div'n and Joint Legislative Comm'n on Gov't Operations on revenues deposited in account.

Pilot Program on Reporting on Collection of Bad Debts by State Agencies Extended. As title indicates. Requires State Controller to report to General Assembly by May 15, 2001 on results of bad debt collection clearinghouse pilot.

PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT

Consolidation of the Office of State Budget and Management and the Office of State Planning. Consolidates these two offices effective July 1, 2000.

NC Youth Legislative Assembly Fund. Provides that specified Fund is nonreverting and may be used only for support of Youth Legislative Assembly.

PART XXIV. RULES REVIEW COMMISSION

Reserve for Attorneys' Fees of Rules Review Commission. Establishes reserve in Office of State Budget and Management consisting of state appropriations and reimbursement of commission's actual attorneys fees by state agencies when state agency files petition for judicial review of commission's decision and commission prevails. Requires Dep't of Labor to deposit to this reserve fund \$196,000 in order to continue petition for judicial review of commission decision (involving ergonomics rule-making).

PART XXV. DEPARTMENT OF TRANSPORTATION

Cash-Flow Highway Fund and Highway Trust Fund Appropriations. Certifies anticipated revenues of Highway Fund and Highway Trust Fund for 2001-02 through 2004-05.

Department of Transportation Contract Goals for Businesses Owned by Disabled Veterans. Amends GS 136-28.4(b) to include businesses owned by disabled veterans in goals for minority businesses.

State Highway Patrol to Study Reimbursements for Costs of Added Special Services at Scheduled Events. As title indicates. Study results and recommendations must be reported to Joint Legislative Transportation Oversight Committee by Nov. 1, 2000.

Global TransPark Construction Bonds. Amends GS 63A-4(a)(22) to authorize issuance of bonds for construction of buildings or facilities. Prohibits construction of building with bond funds unless there is a bona fide offer to lease at least 50% of space in building and no satisfactory comparable building is available within five miles of Global TransPark airport.

Study of Commission Contracts for Issuance of Motor Vehicle Registration Plates and Certificates. Creates cited comm'n consisting of 11 members (four senators appointed by Senate President Pro Tem; four representatives appointed by House Speaker; one DMV contractor appointed by Senate President Pro Tem; one DMV contractor appointed by House Speaker; and the Comm'r of Motor Vehicles (or designee). Requires comm'n to study system of contracting for issuance of motor vehicle registration plates and certificates pursuant to GS 20-63(h) and (i) as well as other matters, and to report findings and recommendations to General Assembly before 2001 legislative session. Appropriates \$25,000 from Highway Fund for comm'n expenses. Effective July 1, 2000.

Clarify Development Authority of Regional Public Transportation Authorities. Amends GS 160A-610 to authorize joint transit development projects; to authorize the selection of developers or development teams in a manner similar to that provided under GS 143-129(h); and to authorize development agreements to undertake planning, construction, and operation of joint transit development projects.

State Full Funding Grant Agreements with Transportation Authorities. Amends GS 136-44.20 to allow Sec'y of Transportation or other eligible entity, subject to appropriations by General Assembly, to enter into state full funding grant agreements with a regional public transportation authority (RPTA), a regional transportation authority (RTA), or a city (as defined in GS 160A-1(2)) to provide state matching funds for "new start" fixed guideway projects. Specifies additional conditions and requirements with respect to such agreements.

Exempt Farm Trucks from the State Requirements that Certain Business Vehicles Be Marked. Amends GS 20-101 as title indicates.

Some maintenance funds distributed on basis of need. Requires one-half of fund for road maintenance and one-half of fund for contract resurfacing be expended based on pavement condition survey. Directs DOT study of incorporating measures of maintenance need into allocation formulas with report to Legislature by Dec. 1, 2000.

PART XXVI. SALARIES AND BENEFITS

Governor and Council of State. Sets salary of Governor at \$119,339, and sets salaries of Council of State at \$105,326.

Nonelected Department heads. Sets salary of cabinet officials at \$102,903.

Certain nonelected executive salaries. Sets salary of various officials at levels specified in bill, ranging from \$71,298 for Manager of Ports Railway Comm'n to \$131,077 for State Controller.

Judicial Branch Salaries. Sets salaries of judicial officials as follows: Chief Justice, \$119,339; Associate Justice, \$116,221; Chief Judge, Court of Appeals, \$113,315; Judge, Court of Appeals, \$111,379; Senior Resident Superior Court Judge, \$108,353; Superior Court Judge, \$105,326; Chief District Judge, \$95,640; District Judge, \$92,614; District Attorney and Public Defender, \$97,578; Director, AOC, \$108,353; Assistant Director, AOC, \$98,970. Sets average assistant public defender and district attorney salaries at \$60,023, with minimum at \$30,643. Raises salaries of other, full-time permanent employees of Judicial Department (except for clerks and magistrates covered below) by 5%. Effective July 1, 2000.

Clerks of Court. Sets salaries of elected clerks of court at \$95,640; \$87,032; \$78,425; and \$69,818, depending on population of county.

Assistant and Deputy Clerks of Court. Sets minimum and maximum for assistant clerks and head bookkeeper at \$26,088 and \$46,191 respectively, and deputy clerks at \$35,580 and \$22,209.

Magistrates. Sets salaries of magistrates at \$26,465 for entry rate and \$46,594 at step 6, with proportional salaries in steps in between.

General Assembly Principal Clerks. Sets salaries of House and Senate Principal Clerks at \$88,354.

Sergeant-at-arms and Reading Clerks. Sets salaries of Legislature's Sergeant-at arms and Reading Clerks at \$288 per week.

Legislative employees. Directs Legislative Administrative Officer to increase salaries of nonelected legislative employees by 5%, and specifies that nothing in act limits any of provisions of GS 120-32.

Community Colleges. Provides funds to provide average salary increase of 2% for permanent, full-time institutional personnel supported by state funds, and pro rata increases for part-time employees, with actual increases to be determined according to State Community College guidelines. In addition, all personnel to receive a fixed 3% increase.

UNC. Provides funds to provide average salary increase of 2% for permanent, full-time institutional personnel supported by state funds, and pro rata increases for part-time employees, with actual increases to be determined according to Board of Governor's guidelines. In addition, all personnel to receive a fixed 3% increase. Amends SL 1999-237, Sec. 26.11 to reduce salary increase for School of Math and Science teachers to 6.5% (was 7.5%).

Most state employees. Salaries for employees whose salaries are set by State Personnel Act are raised by 2% for career growth recognition and 3% for cost of living adjustment. Provides for 2% bonus for employees at top of salary range. Raises salaries of any employee in exempt position whose salary set by Governor or by Governor and Council of State by 5%, and provides pro rata raises for part time employees. Provides that persons paid partially from state funds receive a pro rata increase.

Salary adjustment fund. Provides that appropriations not used for legislative salary increases may be used to supplement Salary Adjustment fund. Fund must first be used to provide reclassifications of positions already approved by State Personnel Office. State Budget Office to report to Governmental Operations Comm'n on use of funds. State Personnel Office to report to Legislative Research Comm'n and Governmental Operations Comm'n by Dec. 1, 2000 on adequacy of Salary Adjustment Fund.

Agency teacher/principal supplement. Directs Budget Office to provide 5% supplements to teachers and principals who are "State agency teachers" and principals or assistant principals.

Deputy Industrial Commission Pay Equity. Directs Office of State Personnel to conduct salary equity study of Deputy Industrial Commissioner class, and authorizes up to \$35,000 to be used to address inequities.

Firemen's and Rescue Squad worker's pension fund. Amends GS 58-86-45(a) to allow application to cited fund by March 31, 2001, and must pay \$10 per month for each month for which credit is sought, plus interest, and has until June 30, 2001 to pay monthly fee. Effective October 1, 2000.

Increase Firemen's and Rescue Squad worker's pension fund benefits. Raises monthly benefit for fund to \$151 per month, effective July 1, 2000.

Contribution rates. Sets employer's contribution rates for various retirement systems, as follows: Teachers and state employees 8.41% (was 10.83%); State Law Enforcement, 12.41% (was 15.83%); Optional retirement for university employees, 9.64% (was 9.36%); Judicial 19.86% (was 20.58%); Legislative 23.98% (was 24.70%). Each of rates includes 1.28% for hospital and medical benefits. Rate for teachers and State employees and University optional plan includes 1% to go to Supplemental Retirement Income Plan, deferred compensation program, or to a 403(a) program. Directs Trustees for Teachers and State Employee's retirement system to adopt assumptions as necessary to put in effect the contribution rates specified in bill, but not to exceed an increase in recognition of the value of assets from the current to 77% of market value. Directs Board of Trustees of Firemen and Rescue Squad Worker's pension funds to adopt a fixed amortization period of nine years for purpose of unfunded accrued liability for the fund, beginning with the valuation for June 30, 1999. Effective July 1, 2000.

Retirement systems benefits. Amends GS 135-5 to provide that persons in state retirement system who retire after July 1, 2000 use multiplier of 1.81% per year of creditable service to determine possible benefit (up from 1.80%); adds .6% increase to existing retirees benefits, figured on benefits applicable on June 30, 2000, and a 4% increase for those who retired on or before July 1, 1999, with a prorated increase for those who retired during fiscal 1999-2000, based on number of months they were retired during that fiscal year. Amends GS 135-65 to increase benefits for persons retired under Judicial Retirement system by 2.6% for persons who retired before July 1, 1999, and a pro rata amount for those who retired during fiscal 1999-2000. Amends GS 120-4.22A to increase retirement benefits for persons who retired before July 1, 1999 by 4%, and a pro rate amount for those who retired during fiscal 1999-2000. Amends GS 128-27 to provide that persons in local government employees retirement system who retire after July 1, 2000 use multiplier of 1.78% per year of creditable service to determine possible benefit (up from 1.77%); adds .6% increase to existing retirees benefits, figured on benefits applicable on June 30, 2000, and a 3.8% increase for those who retired on or before July 1, 1999, with a prorated increase for those who retired during fiscal 1999-2000, based on number of months they were retired during that fiscal year.

Grace period to file certificates of eligibility for firemen's relief fund moneys. Repeals GS 58-84-45 and adds new GS 58-84-46 to provide that by Oct. 31 of each year, the clerk of each fire district that has a local board of trustees shall file a certificate of eligibility, which must contain information required by Insurance Comm'r. If certificate is not filed by Jan. 31 by next year, district forfeits its next payment due to its trustees and Comm'r pays the forfeited amount to NC State Firemen's Ass'n. Effective July 1, 2000 and applies retroactively to Oct. 31, 1998.

Include full time fire marshal in Fireman's and Rescue Squad Workers Pension Fund. Amends GS 58-86-25 as indicated.

PART XXVII. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

Capital Appropriations/General Fund. Appropriates from the General Fund for 2000-01 \$13.356 million to the Dep't of Environment and Natural Resources for water resources projects and \$1,618,172 to the Dep't of Crime Control and Public Safety for the Charlotte National Guard Armory.

Water Resources Development Project Funds. Specifies conditions under which allocations may be adjusted or savings may be used. Requires DENR to make quarter reports on use of funds to Fiscal Research Div'n, Office of State Budget and Management, and Joint Legislative Comm'n on Gov't Operations. Allows budget director to transfer funds, after consultation with Joint Legislative Comm'n on Gov't Operations, to match additional federal funding for beach renourishment projects.

Expenditure of Funds from Reserve for Repairs and Renovations. Allocates 46% of funds to UNC Board of Governors and 54% of funds to Office of State Budget and Management for repairs and renovations pursuant to GS 143-15.3A. Allows Board of Governors to use funds for repair and renovation of facilities not supported from General Fund if sufficient funds are not available from other sources. Requires Board of Governors and Office of Budget and Management to submit

proposed allocations to Fiscal Research Div'n and Joint Legislative Comm'n on Gov't Operations for review.

PART XXVIII. MISCELLANEOUS PROVISIONS

Executive Budget Act Applies. As title indicates.

Committee Report. Provides that June 13, 2000 report of House Appropriations Committee shall be used to construe act; that budget enacted by General Assembly must be interpreted in accordance with special provisions of act and other appropriate legislation; and that budget enacted by General Assembly prevails in event of conflict with line item budget certified by budget director.

Most Text Applies Only to 2000-01. As title indicates.

Effect of Headings. Provides that headings of act do not expand, limit, or define text of act, except for effective dates referring to a part.

Severability Clause. Provides that invalidity of any section or provision does not affect validity of act as whole.

Effective Date. Except as otherwise provided, act is effective July 1, 2000.

June 14, 2000

H 1840. 2000 APPROPRIATIONS ACT. Intro. 5/30/00. House amendment makes the following changes to 2nd edition. Amendment 2 makes technical change to reconcile TANF Block Grant appropriation. Amendment 3 amends GS 136-28.4(b) goal for participation by women businesses in DOT contracts from 5% to 10%. Amendment 5 adds direction that \$1.55 million appropriated for State/County Special Assistance be used for Child Support Call Center. Amendment 8 adds Wilson County to worthless check collection program. Amendment 14 moves \$1,817,738 from the Department of Public Instruction to the Community Colleges System Office, with funds to provide community services courses through the Community Services Block Grant Program.

June 21, 2000

H 1840. 2000 APPROPRIATIONS ACT. Intro. 5/30/00. Senate committee substitute makes the following changes to 3rd edition.

Part I. Introduction and Title of Act. Same.

PART II. Current Operations – GENERAL FUND -- Makes following revisions in 2000-2001 budget (amounts in parentheses are reductions, House/Senate differences in bold):

<u>Department</u>	<u>2000-2001</u> <i>House</i>	<u>2000-2001</u> <i>Senate</i>
	(\$)	(\$)
GENERAL ASSEMBLY	(522,500)	(272,500)
JUDICIAL DEPARTMENT	13,313,192	12,753,327
OFFICE OF THE GOVERNOR		
Office of State Budget and Management	200,000	200,000
Office of State Budget and Management	300,000	320,000
Special Appropriations		
DEPARTMENT OF SECRETARY OF STATE	55,111	95,003
DEPARTMENT OF STATE AUDITOR	28,054	28,054
DEPARTMENT OF STATE TREASURER	567,817	567,817
DEPARTMENT OF PUBLIC INSTRUCTION	(27,130,392)	(14,835,567)
DEPARTMENT OF JUSTICE	(238,316)	(238,316)
DEPARTMENT OF ADMINISTRATION	385,428	627,428
OFFICE OF GOVERNOR -- HOUSING FINANCE	--	3,000,000

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES	1,462,925	2,362,925
DEPARTMENT OF LABOR	(300,000)	(300,000)
DEPARTMENT OF INSURANCE	(21,403)	(21,403)
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES	(1,787,030)	(1,856,337)
OFFICE OF ADMINISTRATIVE HEARINGS	(73,178)	(73,178)
RULES REVIEW COMMISSION	48,000	48,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Office of the Secretary	(17,870,000)	(17,595,000)
Division of Aging	250,000	250,000
Division of Child Development	(4,600,000)	(4,600,000)
Division of Services for the Deaf and Hard of Hearing	1,251,250	1,251,250
Division of Social Services	5,450,000	5,450,000
Division of Health Services	(3,309,871)	(3,628,871)
Division of Medical Assistance	(107,645,129)	(107,176,129)
Division of Services for the Blind	803,750	803,750
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	23,482,474	22,432,474
Division of Facility Services	1,649,000	1,649,000
Division of Vocational Rehabilitation Services	5,358,672	5,358,672
TOTAL DHHS	(95,179,854)	(95,804,854)
DEPARTMENT OF CORRECTION	(13,068,958)	(13,718,958)
DEPARTMENT OF COMMERCE		
Commerce	2,605,480	2,882,671
Biotechnology Center	1,000,000	1,000,000
Rural Economic Development Center	1,050,000	1,650,000
State Aid to Non-State Entities	4,700,000	4,700,000
DEPARTMENT OF REVENUE	(760,805)	(260,805)
DEPARTMENT OF CULTURAL RESOURCES	3,107,142	3,107,142
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY	(568,000)	(568,000)
OFFICE OF STATE CONTROLLER	(115,000)	(115,000)
UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS		
General Administration	(473,190)	(473,190)
University Institutional Programs	36,386,455	39,237,236
Related Educational Programs	3,257,457	3,257,457
UNC-Chapel Hill - Health Affairs	(385,467)	(385,467)
NCSU-Academic Affairs	(493,514)	(493,514)
UNC-Wilmington	(140,039)	(140,039)
WCU	(159,178)	(159,178)

WSSU	(69,448)	(69,448)
NCCU	10,646	10,646
UNC Hospitals-Chapel Hill	(2,691,748)	--
TOTAL UNC Board of Governors	35,241,974	40,784,503
COMMUNITY COLLEGES SYSTEM OFFICE	15,988,864	17,806,602
DEBT SERVICE	(52,200,000)	(52,200,000)
OFFICE OF JUVENILE JUSTICE	156,726	936,726
RESERVE FOR COMPENSATION INCREASE	496,500,000	397,000,000
SUPPLEMENTAL RETIREMENT CONTRIBUTION	72,150,000	--
RETIREMENT CONTRIBUTION ADJUSTMENT	(172,466,000)	--
RESERVE FOR RETIREES HEALTH BENEFITS	(50,000,000)	(50,000,000)
RESERVE FOR STATE HEALTH PLAN	(32,700,000)	(32,700,000)
STATEWIDE RESERVE FOR SALARY INCREASE	--	(11,000,000)
DEATH BENEFIT CONTRIBUTION ADJUSTMENT	(10,864,000)	(10,864,400)
RESERVE FOR REPAIRS AND RENOVATIONS	100,000,000	100,000,000
CLEAN WATER MANAGEMENT TRUST FUND	30,000,000	30,000,000
SAVINGS RESERVE	120,000,000	120,000,000
 GRAND TOTAL CURRENT OPERATIONS-GENERAL FUND	 442,596,708	 455,040,880

PART III. CURRENT OPERATIONS--HIGHWAY FUND

	<i>House</i>	<i>Senate</i>
DEPARTMENT OF TRANSPORTATION		
Administration	1,214,914	1,214,914
Construction and Maintenance		
Secondary Construction	192,000	192,000
State Maintenance	20,926,120	24,628,852
Capital Improvements	9,000,000	9,000,000
State Aid to Municipalities	192,000	192,000
State Aid for Public Transportation and Railroads	7,700,000	7,700,000
Division of Motor Vehicles	765,284	765,284
Reserves and Transfers	25,609,682	21,906,950
GRAND TOTAL CURRENT OPERATIONS - HIGHWAY FUND	65,600,000	65,600,000

PART IV. HIGHWAY TRUST FUND -- No change.

PART V. BLOCK GRANT FUNDS --

	<i>House</i>	<i>Senate</i>
COMMUNITY SERVICES BLOCK GRANT--No change.		
SOCIAL SERVICES BLOCK GRANT--No change.		
LOW-INCOME ENERGY BLOCK GRANT--No change.		
MENTAL HEALTH SERVICES BLOCK GRANT--No change.		
SUBSTANCE ABUSE PREVENTION AND TREATMENT		

BLOCK GRANT--No change.

CHILD CARE AND DEVELOPMENT FUND BLOCK

GRANT--No change.

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)

BLOCK GRANT--Changes following lines only:

Governor's One-on-One Program -- Office of Juvenile Justice	950,674	--
Expand Support Our Students -- Office of Juvenile Justice	1,800,000	2,750,674
Child Welfare Training	--	2,000,000
Work First Business Council	--	100,000
JobLink Pilots	--	750,000
TOTAL TANF BLOCK GRANT	364,925,046	369,425,046

MATERNAL AND CHILD HEALTH BLOCK GRANT--No change.

PREVENTIVE HEALTH SERVICES BLOCK GRANT--No change.

Special provisions and limitations on these block grant funds are the same, with the following exceptions. Adds requirement for report on Enhanced Employee Assistance Program to legislature by April 1, 2001 and specifies contents of report. Deletes provision regarding transfer of \$2,727,550 to county departments of social services for programs to recruit, train, and support prospective foster and adoptive families. Deletes provision regarding transfer of \$950,674 to Office of Juvenile Justice to continue One-on-One Program. Revises provision regarding transfer to Office of Juvenile Justice to expand Support Our Students Program to increase the amount from \$1,800,000 to \$2,750,674. Revises provision on transfer to county departments of social services for Child Protective services and services for foster and adoptive families to change the amount from \$6,600,000 to \$8,250,000. Adds provisions authorizing Departments of Health and Human Services, Commerce, and Public Instruction to allocate available block grant funds for pilot programs for the Closing the Achievement Gap program. Adds provision allocating \$2,000,000 in the TANF Block Grant to be used as follows: \$350,000 for a regional training center in southeastern NC, \$750,000 to support the Masters Degree in Social Work/Baccalaureate Degree in Social Work Collaborative, and \$720,000 for various other child welfare training initiatives. Adds provision allocating \$750,000 for JobLink pilots, with legislative reports on specified items relative to this program to be made to the legislature by February 15, 2001 and May 15, 2001..

COMMUNITY DEVELOPMENT BLOCK GRANT--No change in amounts or special provisions and limitations on these block grants.

PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY STATEMENTS

	2000-2001 (\$ Millions) <i>House</i>	2000-2001 (\$ Millions) <i>Senate</i>
BUDGET REFORM STATEMENT		
Beginning Unreserved Credit Balance	0	0
Tax Revenues	13,216.3	13,216.3
Nontax Revenues		
Investment Income	214.0	214.0
Judicial Fees	106.7	106.7
Disproportionate Share Receipts	105.0	105.0
Insurance	41.7	41.7
Highway Trust Fund Transfer	170.0	170.0

Highway Fund Transfer	13.8	13.8
Other Nontax Revenue	96.3	96.3
SUBTOTAL	13,964.0	13,963.8
HB 1854 Fee bill	6.1	6.1
Railroad Debt Repayment	11.0	--
Y2K Reserve Transfer	9.0	9.0
Hurricane Fran Transfer	26.0	48.0
HB 1559 IRC Conformity Adjustment	(2.0)	(2.0)
Disproportionate Share Reserve Transfer	1.0	1.0
Crime Victims Compensation Fund Reversion	1.0	1.0
State/Federal Retirees Administrative Cost Reimbursement	0.1	0.1
Federal Retirees Refund Reversion	0.3	0.3
Capital Reversion	--	1.4
TOTAL GENERAL FUND AVAILABILITY	14,016.3	14,028.7

Deletes provision regarding quarterly transfers from the Department of Insurance Fund.
Adds provision providing for reversion of Capital Fund.

Highway Fund Availability -- No change.

PART VII. GENERAL PROVISIONS

Controller Financial Statement Reporting Clarification. Deleted.

Raise State Tort Claims Limit. Revises provision as follows. Amends GS 143-299.2 to provide that the increase in the cap of \$150,000 to \$500,000 applies to those claims arising out of any one occurrence. Clarifies that unit of State government that employed the employee at time the action arose must pay the first \$150,000 of any award. Adds new GS 143-299.4 to provide that for each claim payable during a fiscal year in excess of \$150,000 per claim for any one person, each State agency must transfer to the Office of State Budget and management its proportionate share of that agency's lapsed salaries, as determined by the Director of the Budget, to be used to pay the balance of the claim in excess of \$150,000. Amends GS 143-300.1(c) to provide that if the Industrial Comm'n awards damages against a county or city board of education, the Attorney General pays the first \$150,000 of the award for claims involving school buses and transportation service vehicles and the State Board of Education pays the remainder. Makes similar and conforming changes to GS 143-300.1(d), GS 143-300.6(a), and GS 143-300.16(a). Limits counterclaims made by the State to \$150,000 or the amount of the plaintiff's claim. Makes all provisions in section applicable to claims or actions pending on or after the effective date, except provisions concerning counterclaims, which are applicable to claims filed on or after the effective date.

North Carolina Railroad Debt Repayment. Deleted.

State Supported Science/Technology Recommendations/Study. Same

Disaster Relief Funds. Authorizes the Director of the Budget to use lapsed salaries during the 2000-2001 to match federal funds for disaster relief.

Clean Water Management Trust Fund. Adds new section 7.7 to prohibit the State Controller from reserving to the Fund any portion of the unreserved credit balances remaining in the General Fund at the end of the 2000-2001 fiscal year. Rewrites GS 143-15.3B(a) to appropriate \$40 million from General Fund to the Clean Water Management Fund for 2001-2002, \$70 million for 2002-2003, and \$100 million for 2003-2004. Makes various conforming changes. Effective June 30, 2001.

Electronic Procurement. Adds new sec. 7.8 to add GS 143B-472.70 (Part 17. Electronic Procurement in Government). Directs electronic or digital procurement by State agencies, community colleges, and local school administrative units to be conducted in accordance with standards developed by the Dept. of Administration and the Office of State Controller, in conjunction with the Office of Information Technology Services (ITS), the Office of the State

Auditor, the Office of State Treasurer, the University of North Carolina General Administration, the Community College System Office, and the Department of Public Instruction. Directs ITS to serve as application service provider and to operate system. Authorizes the Dept. of Administration to provide training upon request to State agencies, community colleges, and school units.

Development and Implementation of Web Portal/Public Agency Links. Adds new GS Ch. 66, art. 11B (Electronic Access to State Services). Directs the Office of Information Technology Services (ITS) to develop the standards for the development and operation of one or more centralized Web portals to allow access to State services 24-7. Directs ITS to submit its plan to the Information Resource Management Comm'n (IRMC) for review and approval. Directs each State department and institution to link its Internet to a centralized Web portal system.

Date Labels for Meat/Poultry /Seafood. Adds new GS 106-130(15) (Foods deemed misbranded). Provides that foods so deemed if labeling includes a "sell-by" date and the date has been obscured or removed. Allows removal for purpose of repackaging and relabeling or relabeling for products whose shelf life has been extended through certain processes.

Training for Members of Property Tax Commission. Adds provision revising GS 105-288(d) to allow payment of expenses for relevant training or continuing education classes.

PART VIII. PUBLIC SCHOOLS

Expenditure of Funds to Improve Student Accountability. Same.

Use of Staff Development Funds Mentor Training. Same.

Exceptional Children. Same.

Limited English Proficiency. Same.

Exceptional Children Head Count. Same.

Reduce Impact of Significant Reductions in ADM in Small Schools Systems. Same.

Funds for the Testing and Implementation of the New Student Information System. Same.

Use of the ADM Reserve. Same.

Class-Size Computation for K-2. Same.

Litigation Reserve. Same.

Teacher Salary Schedules. Same.

School-Based Administrator Salaries. Same.

School Central Office Salaries. Lowers upper limits of salary ranges for School Administrators and Superintendents by approximately 1.9% per salary group. Reduces average annual salary increase from 5% to 3%.

Noncertified Personnel Salary Funds. Reduces average annual salary increase from 5% to 3%. Changes other references to salary increase levels in section from 5% to 3%.

Teacher Assistant Salary Schedule. Provides for at least 3% salary increase. Permits a local school board to adopt a policy that provides for raises of less than 3% for assistants employed for less than two-thirds of the relevant employment periods. Requires that Joint Education Oversight Committee make recommendations about a salary schedule for this group and the cost of its implementation and sets forth a salary schedule that the recommendation should be similar to.

Funds to Implement the ABCs of Public Education Program. Same.

Supplemental Funding in Low-Wealth Counties. Same.

National Board for Professional Teaching Standards Certification. Adds new subsection (f) to proposed GS 115C-296.2. Subsection provides that teachers with NBPTS certification who change employment must continue to receive the NBPTS salary differential for two years in the new position.

Allocation of Central Office Administration Funds. Deleted.

Reduction of Paperwork in Public Schools. Rewrites amendment of GS 115C-307(g) to clarify what kinds of information a teacher is not required to report and when a local board may require redundant reporting. Rewrites amendment of GS 115C-47(18) to permit appointment of a person or committee to monitor paperwork requirements (House version provided for only a committee).

School Leadership Pilot Project. Same.

Average Salaries. Deleted.

High School Exit Exams. New provision authorizes State Board to use up to \$3 million in fiscal 2000-2001 from appropriation to State Aid to Local School Administrative Units to continue

development of exam, develop a computer skills test, purchase scoring and reporting equipment, and revise science and English language arts tests.

Guidelines for Charter School Expanded Enrollment. New provision amends GS 115C-238.29D(d) to provide that enrollment growth of greater than ten percent for a charter school is considered a material revision of the charter application and requires approval by the State Board. Describes when the State Board may approve an enrollment growth of greater than ten percent for a charter school. Includes: actual enrollment is within ten percent of its maximum authorized enrollment, the charter school is not currently identified as low-performing, and the charter school meets generally accepted standards of fiscal management.

Encourage Retired Teachers to Return to the Classroom. New provision amends GS 135-3(8)c to exempt earnings as a substitute, interim, or permanent teacher from inclusion in computation of post-retirement earnings for a beneficiary who has been retired at least twelve months and has not been employed in any capacity, except as a substitute teacher, with a public school for at least twelve months immediately preceding the effective date of reemployment. Current statute provides exemption only for teachers in low performing schools or in geographic areas determined by the State Board to have a shortage of teachers.

Small School System Supplemental Funding. New provision changes base for the consolidated funds allotment from \$355,000 to \$466,000.

Prospective Teacher Scholarship Loan Program. Authorizes State Board of Education to use up to \$500,000 in fiscal 2000-2001 from appropriations for State Aid to Local School Administrative Units to fund this Program.

APA petitions for Children with Special Needs. Adds amendment to GS 150B-23(f) to set period for filing a petition for contested case review regarding programs and services for children with special needs at 180 days.

Closing the Achievement Gap. Directs State Board of Education to study connection between the identification of minority and at-risk students as students with behavioral or emotional disabilities and the gap in student achievement. Specifies items to be studied. Requires Board to study underrepresentation of minority and at-risk students in honors classes, advanced placement classes, and academically gifted programs. Requires interim report to specified legislative committees on both studies by January 15, 2001 and final report by May 15, 2001. Requires Board to design an annual Minority Achievement Report Card, with report on this by November 15, 2000. Requires Board to develop guidelines to enable the formation of a local task force in each local school administrative unit regarding closing the gap in academic achievement. Requires Board to develop a plan and budget (projecting five year cost) to address specified issues, with a report to the legislature by November 15, 2000. Requires Board to develop a plan to establish a hotline to collect complaints alleging disparate treatment of minority students and students from low-income families and specifies matters to be considered in developing said plan., with report to legislature on implementation by November 15, 2000. Requires Board to report on student suspensions and expulsions, with local boards to submit required data to the Board by October 15, 2000 and a Board report to the legislature by January 15, 2001.

Tyrell County School Pay. Allows Tyrell County School Board to elect to pay all or part of its monthly-paid employees every two weeks.

PART IX. COMMUNITY COLLEGES

Expand Focused Industrial Training Program. Same.

State Board Reserve Allocations. Same.

Report Card on Teacher Education Programs/Study of High School Programs. Provides that performance report for 1999-2000 shall be submitted to Joint Legislative Education Oversight Committee by 12/15/2000; subsequent reports due annually by Oct. 1.

Budget Realignment to Implement Reorganization Authorized. Same.

Use of 1999-2000 Over-Realized Receipts. Same.

Asheville-Buncombe Technical Community College Funds Do Not Revert. Same.

Study Distance Learning/Education Programs. Same.

Performance Budgeting/Clarifications. Same.

Community College Tuition/Legal Immigrants. Same.

Supplemental Funding for Summer Term Curriculum Instruction. Adds provision directing State Board to report on implementation to Joint Legislative Education Oversight Committee by 11/1/2000.

Funds for Regional and Cooperative Initiatives. Amends provisions of 1999 Appropriations Act concerning funds allocated to Dep't of Community Colleges for Nonreverting Start-Up Fund for Regional and Cooperative Initiatives. Directs State Board to consider significant job losses and other indicators of economic distress in county or regional service by applicant when considering funding requests. Provides that funds may be used only for nonrecurring costs of starting new programs, expanding existing regional and cooperative programs, or both. Prohibits use of funds for construction, renovation, or other capital related costs.

Encourage Training Programs in Boat-Building. States that General Assembly encourages Community College System to continue to develop and provide specialized programs to support the boat-building industry.

Study Regulation of Propriety Schools. Directs Legislative Research Comm'n to study current programs governing licensure and regulation of proprietary schools under GS CH. 115D, Art. 8.

PART X. UNIVERSITIES

Realign Center for School Leadership Development Programs. Same.

UNC Need-Based Student Financial Aid Program. Same.

UNC Charlotte Retain Land Sale Proceeds. Same.

Aid to Students Attending Private Colleges Procedure. Same.

UNC Distance Education. Deletes statement that priority for use of funds is to fund courses needed to earn baccalaureate degrees, especially programs offered at community college sites.

Higher Education Compensation. Same.

Joint Legislative Education Oversight Committee Study Global Education Programs. Same.

Model Teacher Consortium. Deleted.

Study Principal Fellows Program. Deleted.

State Purchasing System Available to Private Universities. Amends GS 143-49 to add private higher education institutions to agencies that Sec'y of Administration may authorize to use State purchasing system.

Transfer Center for Ergonomics Funds to NCSU. Transfers \$500,000 from Dep't of Labor to UNC Board of Governors to be allocated to NCSU continuation budget for 2001-03 biennium for Center for Ergonomics.

Accountability for School Leadership Development Programs. Directs Board of Governors to review programs under UNC Center for School Leadership and, in course of the review, to recommend to Joint Legislative Education Oversight Committee by 3/1/2001 (a) proposal for implementing specific and validated accountability and performance measures that clearly demonstrate strengths, weaknesses, and costs of each program, and (b) recommendations for improving program coordination and efficiencies.

PART XI. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Subpart 1. Administration

State Health Standards. Same.

DHHS Study of New Facilities Division. Same.

Elimination of Vacant DHHS Positions. Same.

Quality Criteria for Long-Term Care. Same.

Long-Term Care Services Data. Same.

Closing the achievement gap. Adds provision directing use of \$250,000 for 2000-01 fiscal year to establish pilot program to assist families having children performing below school grade level in strengthening family cohesiveness, functioning, and economic progress and improving children's academic performance. Program to be implemented by 8/1/2001. Directs Dep't to establish task force to advise on development and implementation of the program. Directs Dep't to make progress report to Comm'n on Improving Academic Achievement of Minority and At-Risk Students by 3/1/2001 and final report by 2/1/2002.

Subpart 2. Medical Assistance

Medicaid Program. Adds provision that upon approval of demonstration waiver by Health Care Financing Admin., DHHS may provide Medicaid coverage for family planning services to men and women of child-bearing age with family incomes equal to or less than 185% of federal poverty level. Coverage contingent upon federal approval of waiver and to begin no earlier than 1/1/2001.

County Medicaid Cost-Share. Same.

Medicaid Reserve Fund Transfer. Same.

Waive NC Health Choice Waiting Period for Special Needs Children. Same.

Subpart 3. Facility Services

Extend Adult Care Home Moratorium/Study. Same.

Use of Fire Protection Fund for Emergency Generators. Same.

Study Multiunit Assisted Housing with Services Facilities. Same.

Training programs for recruitment of certified nursing assistants. Directs use of \$500,000 for 2000-01 to develop and implement on-site Internet training and other innovative programs to improve recruitment and reduce turnover of certified nursing assistants in nursing facilities. Directs Community Colleges System Office to work with nursing home providers to develop and implement program; to be tested at least five nursing facilities. Directs Community Colleges System Office to report progress to Study Comm'n on Aging by 6/30/2001.

Subpart 4. Social Services

Adult care Homes Reimbursement Rate Increase/State Auditor Study. Same.

Extend Special Assistance Demonstration Project. Same.

Child Welfare System Improvements. Same.

Special Children Adoption Fund. Same.

Special Needs Adoptions Incentive Fund. Same.

Funds for child support call center. Deleted.

Child welfare services data collection. Directs Div'n of Social Services to report to Senate and House Appropriations Subcommittees on Health and Human Services by 4/1/2001 specified data relating to child welfare services.

Subpart 5. Mental Health, Developmental Disabilities, and Substance Abuse Services

NonMedicaid Reimbursement Changes. Same.

Area Board Member Per Diem. Same.

Child Mental Health Residential Treatment/Services Program. Same.

Funds for Child and Adolescent Residential Unit at Murdoch Center. Reduces funding to \$1.2 million.

Services to Children at Risk for Institutionalization or Other Out-of-Home Placement. Same.

Services to Multiply-Diagnosed Adults. Same.

Funds for Mental Health, Developmental Disabilities, and Substance Abuse Services Oversight Committee. Adds legislative findings. Amends GS Ch. 120 to establish Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, composed of eight member of House and eight member of Senate. Directs Joint Committee to develop a Plan for Mental Health System Reform with intent that General Assembly will fully implement the plan by 7/1/2005. Spells out in detail matters to be addressed by the Plan and directs that Plan be reported to 2001 General Assembly.

Mental Health, Developmental Disabilities, and Substance Abuse Services Reserve for System Reform and Olmstead Decision. Same.

Early Intervention Services. Same.

Licensure exception for certain nonprofit substance abuse facilities. Amends GS 122C-22(a) to exempt from licensure 24-hour nonprofit facilities established for shelter care and recovery from alcohol or other drug addiction through 12-step, self-help, peer role modeling, and self-governance approach.

Subpart 6. Child Development

Transfer Funds for Client Services. Same.

Child Care Subsidy Rates. Adds provisions directing DHHS to conduct one-time interim market rate study by 4/1/2002. Study is to incorporate results of April 2001 study and to survey rates charged at child care facilities that have changed rate quality level since 2001 study. Directs DHHS to implement results of study within six months of completion. Provides that noncitizen

families legally resident in NC shall be eligible for child care subsidies if all other eligibility conditions are met. Noncitizen families illegally residing in NC may become eligible only if at least one of following conditions are met: (1) child is receiving child protective services or foster care services, (2) child is developmentally delayed or at risk of being so, or (3) child is citizen of US.

Early Childhood Education and Development Initiatives. Adds provision allowing use of federal funds and volunteer services (other than specified block grant funds) to meet matching funds requirements imposed on NC Partnership for Children, Inc., and local partnerships.

Subpart 7. Deaf and Hard of Hearing Services

Family Support/Division of Services for the Deaf and the Hard of Hearing Services Contract. Same.

Subpart 8. Public Health

Maintain Funding for Developmental Evaluation Centers. Same.

Use of Newborn Screening Fees. Same.

Heart Disease and Stroke Prevention Task Force Report. Same.

Extend Osteoporosis Task Force. Same.

Limitations on Expansion of Intensive Home Visitation Program. Same.

AIDS Drug Assistance Program (ADAP). Same.

Communicable Disease Control Aid to Counties/Report. Same.

Public Health Prevention Activities Report. Technical changes only.

Preventive Health Program Plan. Same.

Prescription Drug Assistance Program. Same.

Study on Prescription Drug Assistance for Elderly and Disabled. Establishes 12-member Legislative Study Comm'n on Prescription Drug Assistance for Elderly and Disabled Persons. Four members each to be appointed by President Pro Tempore, Speaker, and Governor. Authorizes interim reports to 2001 General Assembly and final report to 2003 General Assembly.

Adolescent Pregnancy Prevention Programs. Replaces House provision. Amends GS 130A-131.15 directing DHHS, Div'n of Public Health, in collaboration with local program administrators, to adopt guidelines for administration of funds for teen pregnancy prevention and for parenting programs. Establishes the following programmatic requirements: (1) council development at local level is encouraged but not required for funding; (2) directs Dep't to target counties with highest teen pregnancy rates, increasingly higher rates, or high rates within demographic subgroups, and greatest need for parenting programs; (3) implementation of best practice models to be encouraged; and (4) programs not required to provide cash match, but in-kind match may be required. Funds for state-level administration not to exceed 10% of total budget. DHHS must contract with independent private consulting firm to evaluate programs. DHHS must report annually by March 1 to House and Senate Appropriations Subcommittees on Health and Human Services. Specifies information to be provided in the report.

Departmental Study of Dental Public Health Services. Directs DHHS to study feasibility of providing dental public health services to Medicaid recipients. Requires report to Senate and House Appropriations Subcommittees by 1/1/2001.

Funds for Prevention of Birth Defects and Reduction in Infant Mortality. Earmarks \$469,000 for 2000-01 to provide State match for Medicaid waiver to provide Medicaid coverage for family planning services to men and women of child-bearing age whose family income is equal to or less than 185% of federal poverty level. Funding may include two staff positions and related support. Funds not to be expended earlier than 1/1/2001. Funding contingent on waiver by HCFA.

PART XII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

New Hanover farmers market funds. Same.

PART XIII. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Grassroots science program. Same.

Environmental education grants. Same.

DENR study of DENR. Same.

Relocation study/ Coastal Management Division Office. Same.

ERC study recodification of environmental statutes. Deletes provision allowing consideration of legislation recommended by study at any session of General Assembly.

Reallocate Town Fork Creek Funds. Same.

Agriculture cost share. Same.

One stop permit assistance pilot projects. Same.

Transfer Clean Water Revolving Loan and Grant Fund administration and personnel.

Deleted.

Beach Management Plan. Same.

Study water capacity use area issues. Adds provision directing Natural & Economic Resources Appropriations Subcommittees of House and Senate to study proposed rules providing for delineation of water capacity use area in Beaufort, Carteret, Craven, Duplin, Edgecombe, Greene, Jones, Lenoir, Martin, Onslow, Pamlico, Pitt, Washington, Wayne, and Wilson. Directs subcommittees to report findings and recommendations to 2001 General Assembly.

PART XIV. DEPARTMENT OF COMMERCE

Authorization to Reallocate Previously Appropriated Petroleum Overcharge Funds. Same.

Petroleum Overcharge Funds Allocation. Same.

Authorization to Expend Reed Act Funds. Same.

Worker Training Trust Fund Appropriations. Same except for \$100,000 for fiscal 2000-2001 to the Community Colleges System Office for the Composites Testing and Training Center.

Oregon Inlet Funds/NonRevert. Same.

Industrial Development Funds. Deleted.

Rural Redevelopment Authority. Same.

Regional Economic Development Commission Allocations. Same.

Economic Development Commission Funds Secured. Transfers substance of amended GS 158-12 to new GS 158-12.1 to provide that seven named existing economic development commissions are authorized to secure their funds in this manner, but only for so long as the commissions are receiving State funds.

Extend Funding of the Study Commission on the Future of Electric Service in North Carolina. Same.

North Carolina Technological Development Authority, Inc. Same.

World Trade Center North Carolina Report. Same.

Rural Economic Development Center Funds. Same except appropriation for 2000-2001 increased from \$3,363,693 to \$3.45 million. Increases allocation for supplemental funding for matching requirements from \$1,263,693 to \$1.35 million. Directs that an additional \$300,000 for 2000-2001 shall be added to the Research and Demonstration Grants Program for value-added alternative crop research and \$300,000 for oyster research.

Energy Division Study of Residential Energy Conservation Assistance Program. Same.

Cap on Residential Energy Conservation Assistance Program. Same.

Rural Tourism Development Funds. Adds new sec. 14.16 to appropriate \$300,000 to Dept. of Commerce for 2000-2001 for Rural Tourism Development Grant program for grants to local governments and nonprofit organizations. Prohibits any recipient or tourism project from receiving more than \$50,000 in 2000-2001.

Employment Security Comm'n Study of Older and Second Career Workers. Adds new sec. 14.17 to direct commission to determine efforts made by public and private agencies to educate employers on the benefits of hiring, retraining, and retraining mature workers and to determine ways technology is being used to enhance placement of older workers. Directs Commission to report to Chairs of the House Economic Growth and Community Development Committee, the Senate Pensions & Retirement and Aging Committee, the Legislative Research Comm'n on Employment Security, and Aging Study Comm'n by April 1, 2001.

Transfer Energy Division from Dept. of Commerce to the Dept. of Health and Human Services and Dept. of Administration. As subtitle indicates. Changes the name of the State Energy Conservation Plan to the State Energy Efficiency Program. Transfers the Residential Energy Conservation Assistance Program (RECAP) in the Energy Division to the Dept. of Health and Human Services. Transfers the Energy Policy Council and State Energy Efficiency Program in the Energy Division to the Dept. of Administration. Directs that the transfers begin on July 1, 2000, and be completed by Sept. 1, 2000. Directs that all vacant positions in the Energy Division be abolished, effective July 1, 2000.

PART XV. JUDICIAL DEPARTMENT

Community Mediation Centers. Same.

Court technology fund report date. Same.

Magistrate authorizations. Deletes additional magistrates for Wake, Orange, and Union.

Adds one additional magistrate for Anson. Otherwise, same.

Add district court judges. Adds additional district court judge for District 28 (Buncombe).

Worthless check program. Same.

AOC/local government contracts for court employees. Same.

Additional Court of Appeals judges. Deleted.

Additional superior court judges. Provides that additional superior court judge for District 4B (Onslow) shall be elected in 2002 for term expiring 12/31/2006, and additional judge for District 26B (part of Mecklenburg) shall be elected in 2002 for term expiring 12/31/2010.

Equipment replacement costs. Same.

Reduce special superior court judgeships/extend term of special superior court judge. Adds provisions that term of special superior court judge who first took office in 1986 is extended through 12/31/2000 (now, 9/30/2000).

Revise Superior Court 26A, 26B, and 26C boundaries. Redraws boundaries of the three superior court districts in Mecklenburg County.

PART XVI. DEPARTMENT OF CORRECTION

Community corrections formula. Same.

Post-Release and Parole Comm'n staffing and reorganization report. Same.

Reimbursement to counties for jail inmates. Same.

Ban private prisons housing out-of-state inmates. New provision adds new GS 148-37.1, which prohibits municipalities, counties, and private entities from authorizing, constructing, owning, or operating any type of correctional facility for inmates serving sentences for violations of the laws of a jurisdiction other than North Carolina. Makes a specific exception to this prohibition for facilities owned or operated by the federal government and used exclusively for housing inmates serving federal sentences. Repeals 1997, 1998, and 1999 sessions laws that (a) prohibited the same entities as above from housing inmates from other states until the Dep't of Correction had developed standards for such facilities and (b) banned private confinement facilities within North Carolina that receive state funds from housing inmates from other states or North Carolina counties without written consent by the Secretary of Correction. Applies this provision retroactively to July 1, 1998.

PART XVII. DEPARTMENT OF JUSTICE

CJIN annual report. Same.

Use of property forfeited to federal government. Same.

Traffic Law Enforcement Statistics. New provision amends GS 114-10(2a) to require that the following information be collected: the officer making each traffic enforcement stop, the date of each stop, the agency of the officer making each stop, and the geographic area of each stop (if Highway Patrol, that means the Patrol District, for other stops it means the city or county of the stop). Permits officer identity to be tracked by assigned anonymous ID numbers. Provides that the correlation between the ID numbers and the names of officers shall not be a public record.

Certification of Department of Correction Employees. New provision amends GS Ch. 17C to remove the certification and discipline of corrections officers and probation/parole officers from the jurisdiction of the NC Criminal Justice Education and Training Standards Commission (CJETSC). This provision becomes effective June 30, 2001, unless the CJETSC has established and implemented by the convening of the 2001 General Assembly a new certification system for employees in the Dep't of Correction, as originally requested of the Comm'n in Section 18.14 of SL 1999-237. Requires Comm'n to report on new system to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by the convening of the 2001 General Assembly. States that if the new system is not established and implemented by the deadline above, it is the General Assembly's intent to develop a new system for certification of DOC

employees and to enact the system to coincide with the repeal of the Comm'n's authority over the certification of correctional employees effective June 30, 2001.

PART XVIII. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

National Guard educational assistance grants. Same.

Victims Compensation Fund reversion. Same.

PART XIX. OFFICE OF JUVENILE JUSTICE

Center for Prevention of School Violence transfer. Same.

Juvenile Information System Network. Same.

Training School/Detention staffing study. Same.

Reports on Boys and Girls Clubs funds. Same.

Matching funds. Same.

Private Multifunctional juvenile facility. Same.

Mecklenburg multipurpose group homes. Same.

GRASP transfer. Same.

Fund transfer to new dep't. Same.

Forsyth detention center. Same.

SOS administrative cost limits. New provision amends SL 1999-237, Sec. 21.3 to increase the funds permitted to be spent for SOS administration in 2000-2001 from \$450,000 to \$550,000

Management information system costs. New provision permits OJJ to use up to \$300,000 in available 2000-2001 funds to support recurring communications costs in its management information system.

PART XX. GENERAL ASSEMBLY

Extend Technological Infrastructure Study Reporting Date. Same.

Illuminate the Nighttime Display of the United States and North Carolina Flags at the Legislative Building. Same.

PART XXI. DEPARTMENT OF ADMINISTRATION

National World War II Memorial Funds. Increases from \$150,000 to \$392,000 funds in fiscal 2000-2001 to be used by the Div'n of Veterans Affairs to fund the voluntary contribution of the State toward construction of the Memorial.

Cost-Benefit Analysis of Constructing State Facilities Instead of Leasing Property for State Operations. Same.

Repeal Health Care Purchasing Alliance Act. Same.

Procurement Card Pilot Program Extension/Savings. Same.

Riverside Golf Course Receipts. Deleted.

Women/Abuser Treatment Programs. New provision permits the Dep't to adopt temporary rules to approve abuser treatment programs that apply to the NC Council for Women.

PART XXII. OFFICE OF THE STATE CONTROLLER

Overpayments Project. Same.

Pilot Program on Reporting on Collection of Bad Debts by State Agencies Extended. Same.

PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT

Consolidation of the Office of State Budget and Management and the Office of State Planning.

Adds subsection requiring that Dep't of Environment and Natural Resources transfer from the Div'n of Land Resources to this new Office the responsibility for development of topographic mapping in cooperation with the US Geological Survey, as well as \$177,000 to match federal funding under the cooperative agreement.

NC Youth Legislative Assembly Fund. Same.

PART XXIV. RULES REVIEW COMMISSION

Reserve for Attorneys' Fees of Rules Review Commission. Deletes provision that would have required Dep't of Labor to deposit \$196,000 to reserve fund if it had a pending petition on the date this section was to become effective.

PART XXV. DEPARTMENT OF TRANSPORTATION

Cash-Flow Highway Fund and Highway Trust Fund Appropriations. Same.

Department of Transportation Contract Goals for Businesses Owned by Disabled Veterans.

Replaces amendment of GS 136-28.4(b) that would have provided new contract goals with a study. Requires that Dep't study the need for continuing or modifying contract goals for the participation of disadvantaged businesses in highway contracts. Includes identifying new classes of businesses. Requires report no later than February 1, 2001.

State Highway Patrol to Study Reimbursements for Costs of Added Special Services at Scheduled Events. Same.

Global TransPark Construction Bonds. Deletes following clause from amendment of GS 63A-4(a)(22): no building or facility may be constructed using these funds unless an offer or proposal to lease at least 50% of the square footage has been made and no satisfactory comparable building or facility is available within five miles of the Global TransPark Airport.

Unpaved Road Improvement Pilot Program. New provision outlines requirements of pilot program, including establishment of eligibility guidelines for which roads will be improved, selection of at least one eligible county in each of the seven Distribution Regions, provision for minimal improvement of selected unpaved roads, authorization to contract with private vendors to perform the actual minimal improvements, and reporting requirements.

Study of Commission Contracts for Issuance of Motor Vehicle Registration Plates and Certificates. Same.

Clarify Development Authority of Regional Public Transportation Authorities. Same.

State Full Funding Grant Agreements with Transportation Authorities. Makes technical changes.

Exempt Farm Trucks from the State Requirements that Certain Business Vehicles Be Marked. Same.

Some maintenance funds distributed on basis of need. Deleted.

Railroad dividends. New provision adds new GS 124-5.1, which provides that dividends received by the State from the NC Railroad Co. be applied to reduce obligations of the Beaufort and Morehead Railroad Co. (BMRC) entered into pursuant to Sec. 27.11 of SL 1999-237. Further dividends must be used to improve the property of the NC Railroad Co. Provides for BMRC obligations to be deemed paid as of January 1, 2000.

Detention of commercial vehicles until payment of fines/penalties. New provision adds commercial vehicles operating under authority of a motor carrier who has not paid a fine assessed pursuant to GS 20-17.7 to existing GS 20-96, which permits detention of vehicles.

Lease of right-of-way for WFU medical school parking. New provision permits Dep't to lease right-of-way of a portion of Highway 421/Business 40 as title indicates.

Western passenger rail infrastructure funds reserve. New provision provides that funds appropriated for this purpose in 1998-99 and unspent shall remain unencumbered and unexpended until further action by the General Assembly.

Study of Highway Fund and Highway Trust fund cash balances and use of cash-flow financing. New provision directs the Joint Legislative Transportation Oversight Committee to contract with a consultant to conduct study indicated in title. Lists topics which must be addressed, including recommendations about appropriate levels of cash balance, use of revenues to accelerate highway construction, any necessary organizational changes in the Dep't, and any necessary statutory changes. Requires that study be completed before March 31, 2001. Requires that funding come from funds available to the Committee.

Study of western passenger rail service. New provision requires that Dep't use necessary funds from appropriation to conduct a study of the feasibility of providing passenger rail service in western North Carolina. Topics to be studied include: timetable for implementing passenger service, costs, and performance measures. Requires report be submitted on or before March 1, 2001.

Small Urban Construction Funds. Requires that no more than 50% of funds allocated for this purpose are to be obligated prior to December 31, 2000.

PART XXVI. SALARIES AND BENEFITS

Governor and Council of State. Provides 3% salary increase.

Nonelected Department heads. Provides 3% salary increase.

Certain nonelected executive salaries. Provides 3% salary increase.

Judicial Branch Salaries. Provides 3% salary increase.

District Attorney and Public Defender Salaries. Amends GS 7A-65 to provide that salary of district attorneys and public defenders shall be midpoint between salary of senior resident superior court judge and salary of chief district court judge. Salaries of full-time assistant district attorneys and full-time assistant public defenders shall be set by Current Operations Appropriations Act.

Clerks of Court. Provides 3% salary increase.

Assistant and Deputy Clerks of Court. Provides 3% salary increase.

Magistrates.. Provides 3% salary increase.

General Assembly Principal Clerks. Provides 3% salary increase.

Sergeant-at-arms and Reading Clerks. Provides 3% salary increase.

Legislative employees. Provides 3% salary increase.

Community Colleges. Provides 3% salary increase.

UNC. Provides funds sufficient to 3% salary increase for EPA employees of UNC System to be allocated to individuals according to rules adopted by Board of Governors.

Most state employees. Provides 3% salary increase.

Salary adjustment fund. Same.

Division of Water Quality Salary Funds. Allocates \$445,769 to Dep't of Environment & Natural Resources for salary range revisions and special entry rate adjustments for Engineer and Allied Classes and Office Support Services Occupational Group Classes in Div'n of Water Quality.

Agency teacher/principal supplement. Same.

Deputy Industrial Commission Pay Equity. Same.

Firemen's and Rescue Squad worker's pension fund. Same.

Increase Firemen's and Rescue Squad worker's pension fund benefits. Same.

Contribution rates. Sets employer contribution rates for 2000-01 as follows: 9.95% to TSERS; 14.95% to LEO; 8.64% to University Employees' Optional Program; 19.86% to Judicial Retirement System; 23.98% to Legislative Retirement System. Contribution rates include 1.28% for hospital and medical benefits.

Deferred Compensation Study. Directs Legislative Research Comm'n to study enhancements to deferred compensation plans for teachers and state employees.

Retirement systems benefits. Retains House provision for employees retiring on or after 7/1/00. Reduces increase in benefits to TSERS retirees retiring before 7/1/99 to 2.1%.

Grace period to file certificates of eligibility for firemen's relief fund moneys. Same.

Include full-time fire marshal in Fireman and Rescue Squad Workers Pension Fund. Same.

PART XXVII. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

Capital Appropriations/General Fund. Same.

Water Resources Development Project Funds. Adds subsection to appropriate \$13.356 million for water resources development projects, including

Wilmington Harbor Deepening, \$12.5 million

Brunswick County Beaches, \$4.125 million

Wilmington Harbor Maintenance Dredging, \$200,000

Carolina Beach Protection, \$840,000

Kure Beach Protection, \$1.1 million

Long Beach Sea Turtle Habitat Restoration, \$3.261 million

Stumpy Point Bay Maintenance Dredging, \$240,000

Rollinson Channel Maintenance Dredging, \$120,000

Silver Lake Harbor Maintenance Dredging, \$160,000

Deep Creek Watershed (Yadkin County), \$1 million

Expenditure of Funds from Reserve for Repairs and Renovations. Deleted.

PART XXVIII. MISCELLANEOUS PROVISIONS

Executive Budget Act Applies. Same.

Committee Report. Changes reference to House Appropriations Committee Report to Senate Appropriations Committee Report and directs that the report be printed as part of the Session Laws. Adds subsection providing that budget is a line item budget in accordance with the Administrative Policies and Procedures Manual of the Office of the State Controller. Provides that the base budget and transfers of funds were made in accordance with the Senate Appropriations Committee Report on the Continuation, Expansion, and Capital Budgets.

Most Text Applies Only to 2000-01. Same.

Effect of Headings.. Same.

Severability Clause. Same.

Effective Date. Same. June 22, 2000

H 1840. 2000 APPROPRIATIONS ACT. Intro. 5/30/00. Senate amendment makes the following changes to 4th edition. Amendment # 1 amends Section 11.2 to change effective date of elimination of vacant Dep't of Health and Human Services positions from July 1, 2000 to November 1, 2000. Amendment # 2 amends Section 24(b) to provide that if Senate Bill 1305 becomes law, the Sec'y of State may use revenues generated from administering the act to implement the provisions of that act. Amendment # 3 amends Section 23(b) to transfer \$219,377 from the Dep't of Revenue to the Office of Administrative Hearings. Amendment # 4 amends Section 2 to decrease the appropriation to the Judicial Dep't by \$33,016 and to add that amount to the appropriation for the Dep't of Correction. Amendment # 5 amends Section 12.2 to require the Dep't of Labor to budget an additional \$100,000 in over-realized indirect cost receipts for fiscal 2000-2001, which will be transferred to the Dep't of Agriculture and Consumer Services for allocation to North Carolina State University to conduct turfgrass research projects. Amendment # 6 amends Section 23a.1. to provide that of the funds appropriated from the Dep't of Insurance Fund to the Dep't of Insurance, \$150,000 for fiscal 2000-2001 shall be used for expenses of establishing and modifying the insurance protection classifications of fire districts, subject to adoption of House Bill 1696. Amendment # 11 (substitute for displaced Amendment # 10) adds Section 26.18A to create in the Office of State Treasurer the State Employees' Reserve, to be used to be appropriated to maintain the fiscal integrity of the State Employees' Comprehensive Major Medical Plan and to provide benefits enhancements to State employees and retirees. Appropriates \$218,638,000 from the General Fund and \$17,033,800 from the Highway fund to the Reserve. Funds shall first be appropriated to offset deficits in the medical plan, with any remaining

funds to be appropriated for compensation increases and enhancements in State employee salaries and retirees' benefits.

June 30, 2000

H 1840. 2000 APPROPRIATIONS ACT. Intro. 5/30/00. Conference report recommends the following changes to 5th edition to reconcile matters in controversy. Items not in controversy are so indicated; conference recommendations on items in controversy are summarized.

PART I. INTRODUCTION AND TITLE OF ACT. Not in controversy.

PART II. CURRENT OPERATIONS – GENERAL FUND -- Makes following revisions in 2000-2001 budget:

<u>Department</u>	<u>2000-2001</u> <i>House</i> (\$)	<u>2000-2001</u> <i>Senate</i> (\$)	<u>2000-2001</u> <i>Conference</i> (\$)
GENERAL ASSEMBLY	(522,500)	(272,500)	(272,500)
JUDICIAL DEPARTMENT	13,313,192	12,753,327	14,289,072
OFFICE OF THE GOVERNOR			
Office of State Budget and Management	200,000	200,000	200,000
Office of State Budget and Management Special Appropriations	300,000	320,000	420,000
DEPARTMENT OF SECRETARY OF STATE	55,111	95,003	2,854,671
DEPARTMENT OF STATE AUDITOR	28,054	28,054	28,054
DEPARTMENT OF STATE TREASURER	567,817	567,817	8,181,082
DEPARTMENT OF PUBLIC INSTRUCTION	(27,130,392)	(14,835,567)	(6,480,392)
DEPARTMENT OF JUSTICE	(238,316)	(238,316)	(238,316)
DEPARTMENT OF ADMINISTRATION	385,428	627,428	627,428
OFFICE OF GOVERNOR -- HOUSING FINANCE	--	3,000,000	3,000,000
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES	1,462,925	2,362,925	2,176,618
DEPARTMENT OF LABOR	(300,000)	(300,000)	(300,000)
DEPARTMENT OF INSURANCE	(21,403)	(21,403)	428,597
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES	(1,787,030)	(1,856,337)	(1,670,030)
OFFICE OF ADMINISTRATIVE HEARINGS	(73,178)	(73,178)	(64,368)
RULES REVIEW COMMISSION	48,000	48,000	48,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Office of the Secretary	(17,870,000)	(17,595,000)	(17,595,000)
Division of Aging	250,000	250,000	250,000
Division of Child Development	(4,600,000)	(4,600,000)	(4,600,000)
Division of Services for the Deaf and Hard of Hearing	1,251,250	1,251,250	1,251,250
Division of Social Services	5,450,000	5,450,000	5,450,000
Division of Health Services	(3,309,871)	(3,628,871)	(3,329,871)
Division of Medical Assistance	(107,645,129)	(107,176,129)	(107,176,129)
Division of Services for the Blind	803,750	803,750	803,750
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	23,482,474	22,432,474	22,758,474
Division of Facility Services	1,649,000	1,649,000	1,649,000

Division of Vocational Rehabilitation Services	5,358,672	5,358,672	5,358,672
TOTAL DHHS	(95,179,854)	(95,804,854)	(95,179,854)
DEPARTMENT OF CORRECTION	(13,068,958)	(13,718,958)	(13,685,942)
DEPARTMENT OF COMMERCE			
Commerce	2,605,480	2,882,671	2,882,671
Biotechnology Center	1,000,000	1,000,000	1,000,000
Rural Economic Development Center	1,050,000	1,650,000	1,650,000
State Aid to Non-State Entities	4,700,000	4,700,000	4,700,000
DEPARTMENT OF REVENUE	(760,805)	(260,805)	(497,071)
DEPARTMENT OF CULTURAL RESOURCES	3,107,142	3,107,142	3,107,142
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY	(568,000)	(568,000)	(568,000)
OFFICE OF STATE CONTROLLER	(115,000)	(115,000)	(115,000)
UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS			
General Administration	(473,190)	(473,190)	(473,190)
University Institutional Programs	36,386,455	39,237,236	39,762,236
Related Educational Programs	3,257,457	3,257,457	3,257,457
UNC-Chapel Hill - Health Affairs	(385,467)	(385,467)	(385,467)
NCSU-Academic Affairs	(493,514)	(493,514)	(493,514)
UNC-Wilmington	(140,039)	(140,039)	(140,039)
WCU	(159,178)	(159,178)	(159,178)
WSSU	(69,448)	(69,448)	(69,448)
NCCU	10,646	10,646	10,646
UNC Hospitals-Chapel Hill	(2,691,748)	--	--
TOTAL UNC Board of Governors	35,241,974	40,784,503	41,309,503
COMMUNITY COLLEGES SYSTEM OFFICE	15,988,864	17,806,602	17,806,602
DEBT SERVICE	(52,200,000)	(52,200,000)	(52,200,000)
OFFICE OF JUVENILE JUSTICE	156,726	936,726	966,726
RESERVE FOR COMPENSATION INCREASE	496,500,000	397,000,000	456,750,000
RESERVE FOR COMPENSATION BONUS	--	--	83,500,000
PREMIUM RESERVE (Retirees)	(50,000,000)	(50,000,000)	(50,000,000)
SUPPLEMENTAL RETIREMENT CONTRIBUTION	72,150,000	--	--
RETIREMENT CONTRIBUTION ADJUSTMENT	(172,466,000)	--	(191,294,000)
PREMIUM RESERVE (Employees)	(32,700,000)	(32,700,000)	(32,700,000)
STATE EMPLOYEE RESERVE	--	--	48,000,000
DEATH BENEFIT CONTRIBUTION ADJUSTMENT	(10,864,000)	(10,864,400)	(10,864,400)
STATEWIDE RESERVE FOR SALARY INCREASE	--	(11,000,000)	(11,000,000)
RESERVE FOR REPAIRS AND RENOVATIONS	100,000,000	100,000,000	100,000,000
CLEAN WATER MANAGEMENT TRUST FUND	30,000,000	30,000,000	30,000,000
SAVINGS RESERVE	120,000,000	120,000,000	120,000,000
GRAND TOTAL CURRENT OPERATIONS-GENERAL FUND	442,596,708	455,040,880	476,796,293

PART III. CURRENT OPERATIONS--HIGHWAY FUND

	<i>House</i>	<i>Senate</i>	<i>Conference</i>
DEPARTMENT OF TRANSPORTATION			
Administration	1,214,914	1,214,914	1,214,914

Construction and Maintenance			
Secondary Construction	192,000	192,000	192,000
State Maintenance	20,926,120	24,628,852	20,577,486
Capital Improvements	9,000,000	9,000,000	9,000,000
State Aid to Municipalities	192,000	192,000	192,000
State Aid for Public Transportation and Railroads	7,700,000	7,700,000	7,700,000
Division of Motor Vehicles	765,284	765,284	765,284
Reserves and Transfers	25,609,682	21,906,950	25,958,316
GRAND TOTAL CURRENT OPERATIONS - HIGHWAY FUND	65,600,000	65,600,000	65,600,000

PART IV. HIGHWAY TRUST FUND -- No change.

PART V. BLOCK GRANT FUNDS --

	<i>House</i>	<i>Senate</i>	<i>Conference</i>
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT--Only following matters in controversy:			
Governor's One-on-One Program -- Office of Juvenile Justice	950,674	--	--
Expand Support Our Students -- Office of Juvenile Justice	1,800,000	2,750,674	2,750,674
Child Welfare Training	--	2,000,000	2,000,000
Work First Business Council	--	100,000	100,000
JobLink Pilots	--	750,000	300,000
TOTAL TANF BLOCK GRANT	364,925,046	369,425,046	362,973,046

Of special provisions and limitations on these block grant funds in controversy, Senate provisions adopted with following changes in amount of TANF Block Grant for (1) allocation to county departments of social services for Child Welfare Improvements set at \$7,260,000 (House was \$6,600,000, Senate was \$8,250,000); (2) allocation for JobLink pilots set at \$300,000 (Senate was \$750,000).

PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY STATEMENTS

	2000-2001 (\$ Millions) <i>House</i>	2000-2001 (\$ Millions) <i>Senate</i>	2000-2001 (\$ Millions) <i>Conference</i>
BUDGET REFORM STATEMENT			
Beginning Unreserved Credit Balance	0	0	0
Tax Revenues	13,216.3	13,216.3	13,216.3
Nontax Revenues			
Investment Income	214.0	214.0	214.0
Judicial Fees	106.7	106.7	106.7
Disproportionate Share Receipts	105.0	105.0	105.0
Insurance	41.7	41.7	42.1
Highway Trust Fund Transfer	170.0	170.0	170.0
Highway Fund Transfer	13.8	13.8	13.8
Other Nontax Revenue	96.3	96.3	103.9
SUBTOTAL	13,964.0	13,963.8	13,971.8

HB 1854 Fee bill	6.1	6.1	6.1
Railroad Debt Repayment	11.0	--	--
Y2K Reserve Transfer	9.0	9.0	9.0
Hurricane Fran Reserve Transfer	26.0	48.0	48.0
11 th /12 th Month Carryforward Revision	--	--	11.0
HB 1559 IRC Conformity Adjustment	(2.0)	(2.0)	(2.0)
Disproportionate Share Reserve Transfer	1.0	1.0	1.0
Crime Victims Compensation Fund Reversion	1.0	1.0	1.0
State/Federal Retirees Administrative Cost	0.1	0.1	0.1
Reimbursement			
Federal Retirees Refund Reversion	0.3	0.3	0.3
Capital Reversion	--	1.4	--
SB 1305 UCC Revision	--	--	3.9
TOTAL GENERAL FUND AVAILABILITY	14,016.3	14,028.7	14,050.2

Includes provision regarding quarterly transfers from the Department of Insurance Fund.
Deletes provision providing for reversion of Capital Fund.

Highway Fund Availability -- Not in controversy.

PART VII. GENERAL PROVISIONS

Controller Financial Statement Reporting Clarification. Amends GS 143-20.1 to clarify that every fiscal year all state agencies and component units of the State, as defined by generally accepted accounting principles are to prepare annual financial statements on all funds administered by them no later than 60 days after the end of the State's fiscal year then ended in accordance with generally accepted accounting principles. Specifies that the Controller is to notify the Director of the Budget of any such component units that have not complied with section within the specified time; Director is to employ whatever means necessary, including the withholding of allotments, to ensure immediate corrective actions. Amends GS 143B-426.39 to add to the State Controller's powers, the power to prescribe that newly created or acquired component units of the State must have the same fiscal year as the State unless exempted by the Controller, and to specify that Comprehensive Annual Financial Report prepared by Controller is to be prepared in accordance with generally accepted accounting principles and is to include State agencies and component units of the State, as defined by those principles. Amends GS 115D-58.5(a) to specify that each community college's accounting system is to be consistent with procedures prescribed by the State Controller (was, State Auditor). Makes clarifying changes.

Raise State Tort Claims Limit. Amends GS 143-299.2 to provide that the increase in the cap of \$150,000 to \$500,000 applies to those claims arising out of any one occurrence. Clarifies that unit of State government that employed the employee at time the action arose must pay the first \$150,000 of any award. Adds new GS 143-299.4 to provide that for each claim payable during a fiscal year in excess of \$150,000 per claim for any one person, each State agency must transfer to the Office of State Budget and management its proportionate share of that agency's lapsed salaries, as determined by the Director of the Budget, to be used to pay the balance of the claim in excess of \$150,000. Amends GS 143-300.1(c) to provide that if the Industrial Comm'n awards damages against a county or city board of education, the Attorney General pays the first \$150,000 of the award for claims involving school buses and transportation service vehicles and the State Board of Education pays the remainder. Makes similar and conforming changes to GS 143-300.1(d), GS 143-300.6(a), and GS 143-300.16(a). Limits counterclaims made by the State to \$150,000 or the amount of the plaintiff's claim. Makes all provisions in section applicable to claims or actions pending on or after the effective date, except provisions concerning counterclaims, which are applicable to claims filed on or after the effective date.

North Carolina Railroad Dividends/Report. Adds GS 124.5.1 to provide that in order to increase the capital of NC Railroad Company, and dividends received are to be applied to reduce obligations described in SL 1997-443, as amended by SL 1999-237. Specifies that any dividends

must also be used by Dep't of Transportation to improve NC Railroad Property as recommended by Railroad's board of directors. Effective January 1, 2000, interest may not be accrued or charged on the remaining balance of the obligations described above. Interest accrued on those obligations relating to periods before Jan. 1, 2000 is deemed paid by State to the NC Railroad. Amends GS 124-3 to require any railroad in which state has interest must report annually to Governmental Operations Comm'n instead of to the Governor, and to require report to include summary of real property transactions since last report, and annual financial statements; requires railroads to provide any additional information within its possession. ..

State Supported Science/Technology Recommendations/Study. Not in controversy.

Disaster Relief Funds. Authorizes the Director of the Budget to use lapsed salaries during the 2000-2001 to match federal funds for disaster relief.

Clean Water Management Trust Fund. Prohibits the State Controller from reserving to the Fund any portion of the unreserved credit balances remaining in the General Fund at the end of the 2000-2001 fiscal year. Rewrites GS 143-15.3B(a) to appropriate \$40 million from General Fund to the Clean Water Management Fund for 2001-2002, \$70 million for 2002-2003, and \$100 million for 2003-2004. Makes various conforming changes. Effective June 30, 2001.

Electronic Procurement. Adds GS 143B-472.70 (Part 17. Electronic Procurement in Government). Directs Dept. of Administration and the Office of State Controller, in conjunction with the Office of Information Technology Services (ITS), the Office of the State Auditor, the Office of State Treasurer, the University of North Carolina General Administration, the Community College System Office, and the Department of Public Instruction to collaborate to develop electronic or digital procurement standards. Authorizes the Dept. of Administration to provide training upon request to State agencies, community colleges, and school units. Office of Information Technology to act as an Application Service Provider for electronic procurement system and operate the system in accordance with standards developed by Dep't of Administration, State Controller, and ITS. Specifies that provision does not modify existing law relating to procurement between UNC, UNC Health Care, local school units, community colleges and Dep't of Administration.

Development and Implementation of Web Portal/Public Agency Links. Adds GS Ch. 66, art. 11B (Electronic Access to State Services). Directs the Office of Information Technology Services (ITS) to develop the standards for the development and operation of one or more centralized Web portals to allow access to State services 24-7. Directs ITS to submit its plan to the Information Resource Management Comm'n (IRMC) for review and approval. Directs each State department and institution to link its Internet to a centralized Web portal system.

Date Labels for Meat/Poultry /Seafood. Adds GS 106-130(15) (Foods deemed misbranded). Provides that foods so deemed if labeling includes a "sell-by" date and the date has been obscured or removed. Allows removal for purpose of repackaging and relabeling or relabeling for products whose shelf life has been extended through certain processes.

Training for Members of Property Tax Commission. Revises GS 105-288(d) to allow payment of expenses for relevant training or continuing education classes or for meetings to decide cases.

PART VIII. PUBLIC SCHOOLS

Expenditure of Funds to Improve Student Accountability. Not in controversy.

Use of Staff Development Funds Mentor Training. Not in controversy.

Exceptional Children. Not in controversy.

Limited English Proficiency. Not in controversy.

Exceptional Children Head Count. Not in controversy.

Reduce Impact of Significant Reductions in ADM in Small Schools Systems. Not in controversy.

Funds for the Testing and Implementation of the New Student Information System. Not in controversy.

Use of the ADM Reserve. Not in controversy.

Class-Size Computation for K-2. Not in controversy.

Litigation Reserve. Not in controversy.

Teacher Salary Schedules. Adopts provision setting certified school nurses on the M salary schedule.

School-Based Administrator Salaries. Not in controversy.

School Central Office Salaries. Sets the upper limits of salary ranges for School Administrators and Superintendents approximately midway between the upper limits set by the House and Senate. Sets average annual salary increase at 4.2% (House was 5% and Senate was 3%).

Noncertified Personnel Salary Funds. Sets average annual salary increase at 4.2% (House was 5% and Senate was 3%).

Teacher Assistant Salary Schedule. Provides for at least 4.2% (House was 5% and Senate was 3%) salary increase. Permits a local school board to adopt a policy that provides for raises of less than 3% for assistants employed for less than two-thirds of the relevant employment periods. Otherwise conference committee report completely rewrites section so it now (1) provides that effective October 1, 2000, any teacher assistant then employed who was also employed in that capacity April 1, 2000 will receive a \$500 compensation bonus; (2) drops the interim salary schedule set out in both the House and Senate versions and instead sets out parameters for the such a schedule (must be based on years of experience, must reflect an annual increase of a set percentage depending on experience, with experience level maximum of 21 to 30 years, must have a minimum monthly salary grade of \$1,380, and must include incremental increases based on educational certification and degree standards) and directs the State Board of Education to adopt such a schedule.

Funds to Implement the ABCs of Public Education Program. Not in controversy.

Supplemental Funding in Low-Wealth Counties. Not in controversy.

National Board for Professional Teaching Standards Certification. Adds GS 115C-296.2 authorizing the State to pay the National Board for Professional Teaching Standards participation fee and to provide up to three days of approved paid leave to all teachers participating in the NBPTS program who have completed three years of teaching in an NC public school (as defined in section) and who teach for a year after completing the process. Specifies requirements for teacher participation in program and requires State Board of Education to adopt policies and guidelines to implement section.

Allocation of Central Office Administration Funds. Requires that expansion budget funds appropriated to State Aid to Local School Administrative Units for fiscal 2000-2001 for Central Office Administration be used to ensure that every local school administrative unit receives the amount calculated under the State Board of Education's distribution formula used for allocation of these funds.

Reduction of Paperwork in Public Schools. Amends GS 115C-307(g) to specify that a teacher shall be given access to the information in the student information management system to expedite the process of preparing reports or otherwise providing information. Provides that a teacher is not to be required by the local board, the superintendent, or the principal to provide information that is already available on that system, to provide the same information more than once during a school year unless the information has changed from the ensuing period, or forms in question concerning a student with disabilities are not necessary for compliance with the federal Individuals with Disabilities Act. Amends GS 115C-47(18) to require each local board of education, prior to the beginning of each school year, to eliminate, to the maximum extent possible, any duplicate or obsolete reporting requirements. Requires each local board to name a person or establish a paperwork control committee to monitor all reports and other paperwork produced by or required by the central office.

School Leadership Pilot Project. Not in controversy.

Average Salaries. Provision deleted.

High School Exit Exams. Authorizes State Board to use up to \$3 million in fiscal 2000-2001 from appropriation to State Aid to Local School Administrative Units to continue development of exam, develop a computer skills test, purchase scoring and reporting equipment, and revise science and English language arts tests.

Guidelines for Charter School Expanded Enrollment. Amends GS 115C-238.29D(d) to provide that enrollment growth of greater than ten percent for a charter school is considered a material revision of the charter application and requires approval by the State Board. Describes when the State Board may approve an enrollment growth of greater than ten percent for a charter

school. Includes: actual enrollment is within ten percent of its maximum authorized enrollment, the charter school is not currently identified as low-performing, and the charter school meets generally accepted standards of fiscal management.

Encourage Retired Teachers to Return to the Classroom. Amends GS 135-3(8)c to exempt earnings as a substitute, interim, or permanent teacher from inclusion in computation of post-retirement earnings for a beneficiary who has been retired at least twelve months and has not been employed in any capacity, except as a substitute teacher, with a public school for at least twelve months immediately preceding the effective date of reemployment. Current statute provides exemption only for teachers in low performing schools or in geographic areas determined by the State Board to have a shortage of teachers. Makes corresponding revision to GS 115C-325(a)(5a).

Small School System Supplemental Funding. Changes base for the consolidated funds allotment from \$355,000 to \$466,000.

Prospective Teacher Scholarship Loan Program. Authorizes State Board of Education to use up to \$500,000 in fiscal 2000-2001 from appropriations for State Aid to Local School Administrative Units to fund this Program.

APA Petitions for Children with Special Needs. Provision (which added amendment to GS 150B-23(f) to set period for filing a petition for contested case review regarding programs and services for children with special needs at 180 days) deleted.

Closing the Achievement Gap. Directs State Board of Education to study connection between the identification of minority and at-risk students as students with behavioral or emotional disabilities and the gap in student achievement. Specifies items to be studied. Requires Board to study underrepresentation of minority and at-risk students in honors classes, advanced placement classes, and academically gifted programs. Requires interim report to specified legislative committees on both studies by January 15, 2001 and final report by May 15, 2001. Requires Board to design an annual Minority Achievement Report Card, with report on this by November 15, 2000. Requires Board to develop guidelines to enable the formation of a local task force in each local school administrative unit regarding closing the gap in academic achievement. Requires Board to develop a plan and budget (projecting five year cost) to address specified issues, with a report to the legislature by November 15, 2000. Requires Board to develop a plan to establish a hotline to collect complaints alleging disparate treatment of minority students and students from low-income families and specifies matters to be considered in developing said plan., with report to legislature on implementation by November 15, 2000. Requires Board to report on student suspensions and expulsions, with local boards to submit required data to the Board by October 15, 2000 and a Board report to the legislature by January 15, 2001. Directs the Education Cabinet, through its Research Council, to review the findings and recommendations of the State Board of Education required by this section (and the results of several other specified studies) and to report to the Joint Legislative Education Oversight Committee on the best practices and methodologies identified that are most effective in closing the achievement gap for children of various demographic groups.

Tyrell County School Pay. Allows Tyrell County School Board to elect to pay all or part of its monthly-paid employees every two weeks.

PART IX. COMMUNITY COLLEGES

Expand Focused Industrial Training Program. Not in controversy.

State Board Reserve Allocations. Not in controversy.

Report Card on Teacher Education Programs/Study of High School Programs. Provides that performance report for 1999-2000 shall be submitted to Joint Legislative Education Oversight Committee by 12/15/2000; subsequent reports due annually by Oct. 1.

Budget Realignment to Implement Reorganization Authorized. Not in controversy.

Use of 1999-2000 Over-Realized Receipts. Not in controversy.

Asheville-Buncombe Technical Community College Funds Do Not Revert. Not in controversy.

Study Distance Learning/Education Programs. Not in controversy.

Performance Budgeting/Clarifications. Not in controversy.

Community College Tuition/Legal Immigrants. Not in controversy.

Supplemental Funding for Summer Term Curriculum Instruction. Specifies legislative intent with respect to cited appropriation and procedures for allocation of funding. General Assembly will review program annually to determine whether funding will be increased. Disclaims legislative intent to provide additional funding for summer term curriculum enrollment increases or to increase rate of funding per FTE for summer term enrollment. Requires State Community College Board to adopt calendar demarcating range of dates within which fall, spring, and summer terms may begin and end. Prohibits overlap between summer term and either spring or fall terms. Requires State Board to "hold harmless" any community college for which program audit services section notes an audit exception for membership hours reported on the Spring 1999 Curriculum Institution Class Report for the Spring 1998 to Spring 1999 reporting period for classes which began after the institution's published ending date for that term. Directs State Board to report on implementation to Joint Legislative Education Oversight Committee by November 1, 2000.

Funds for Regional and Cooperative Initiatives. Amends provisions of 1999 Appropriations Act concerning funds allocated to Dep't of Community Colleges for Nonreverting Start-Up Fund for Regional and Cooperative Initiatives. Directs State Board to consider significant job losses and other indicators of economic distress in county or regional service by applicant when considering funding requests. Provides that funds may be used only for nonrecurring costs of starting new programs, expanding existing regional and cooperate programs, or both. Prohibits use of funds for construction, renovation, or other capital related costs.

Encourage Training Programs in Boat-Building. States that General Assembly encourages Community College System to continue to develop and provide specialized programs to support the boat-building industry.

Study Regulation of Propriety Schools. Directs Legislative Research Comm'n to study current programs governing licensure and regulation of proprietary schools under GS CH. 115D, Art. 8.

PART X. UNIVERSITIES

Realign Center for School Leadership Development Programs. Not in controversy.

UNC Need-Based Student Financial Aid Program. Not in controversy.

UNC Charlotte Retain Land Sale Proceeds. Not in controversy.

Aid to Students Attending Private Colleges Procedure. Not in controversy.

UNC Distance Education. States legislature's intent in providing funding for distance education. States that the intent is to provide expanded opportunities for higher education to more North Carolina residents, including nontraditional students, and to increase the number of North Carolina residents who earn postsecondary degrees.

Higher Education Compensation. Not in controversy.

Joint Legislative Education Oversight Committee Study Global Education Programs. Not in controversy.

Model Teacher Consortium. Allocates \$1.3 million to restore model teacher consortium program to the 21 counties that were part of the program in 1998-99 and to add Bladen, Caswell, Camden, Wayne, Alamance, Beaufort, Washington, and Onslow counties. Directs Board of Governors to conduct specified study regarding less restrictive policies to secure greater participation..

State Purchasing System Available to Private Universities. Amends GS 143-49 to add private higher education institutions to agencies that Sec'y of Administration may authorize to use State purchasing system.

Transfer Center for Ergonomics Funds to NCSU. Transfers \$500,000 from Dep't of Labor to UNC Board of Governors to be allocated to NCSU continuation budget for 2001-03 biennium for Center for Ergonomics.

Accountability for School Leadership Development Programs/Study Principal Fellows Program. Directs Board of Governors to review programs under UNC Center for School Leadership and, in course of the review, to recommend to Joint Legislative Education Oversight Committee by March 1, 2001 (a) proposal for implementing specific and validated accountability and performance measures that clearly demonstrate strengths, weaknesses, and costs of each program, and (b) recommendations for improving program coordination and efficiencies. Also directs Board of Governors to study (in collaboration with the State Board of Education) the policies and legislation creating the Principal Fellows Program and to make recommendations that

would increase the flexibility necessary for the program to attract a broader age, racial, and ethnic makeup of the applicant pool. Report is due to the Joint Legislative Education Oversight Committee by Jan. 15, 2001.

PART XI. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Subpart 1. Administration

State Health Standards. Not in controversy.

DHHS Study of New Facilities Division. Not in controversy.

Elimination of Vacant DHHS Positions. Not in controversy.

Quality Criteria for Long-Term Care. Not in controversy.

Long-Term Care Services Data. Not in controversy.

Closing the achievement gap. Includes provision directing use of \$250,000 for 2000-01 fiscal year to establish pilot program to assist families having children performing below school grade level in strengthening family cohesiveness, functioning, and economic progress and improving children's academic performance. Program to be implemented by 8/1/2001. Directs Dep't to establish task force to advise on development and implementation of the program. Directs Dep't to make progress report to Comm'n on Improving Academic Achievement of Minority and At-Risk Students by 3/1/2001 and final report by 2/1/2002.

Subpart 2. Medical Assistance

Medicaid Program. Adopts provision that upon approval of demonstration waiver by Health Care Financing Admin., DHHS may provide Medicaid coverage for family planning services to men and women of child-bearing age with family incomes equal to or less than 185% of federal poverty level. Coverage contingent upon federal approval of waiver and to begin no earlier than 1/1/2001.

County Medicaid Cost-Share. Not in controversy.

Medicaid Reserve Fund Transfer. Not in controversy.

Waive NC Health Choice Waiting Period for Special Needs Children. Not in controversy.

Subpart 3. Facility Services

Extend Adult Care Home Moratorium/Study. Not in controversy.

Use of Fire Protection Fund for Emergency Generators. Not in controversy.

Study Multiunit Assisted Housing with Services Facilities. Not in controversy.

Training programs for recruitment of certified nursing assistants. Directs use of \$500,000 for 2000-01 to develop and implement on-site Internet training and other innovative programs to improve recruitment and reduce turnover of certified nursing assistants in nursing facilities. Directs Community Colleges System Office to work with nursing home providers to develop and implement program; to be tested at least five nursing facilities. Directs Community Colleges System Office to report progress to Study Comm'n on Aging by 6/30/2001.

Subpart 4. Social Services

Adult care Homes Reimbursement Rate Increase/State Auditor Study. Not in controversy.

Extend Special Assistance Demonstration Project. Not in controversy.

Child Welfare System Improvements. Not in controversy.

Special Children Adoption Fund. Not in controversy.

Special Needs Adoptions Incentive Fund. Not in controversy.

Funds for child support call center. Not included.

Child welfare services data collection. Directs Div'n of Social Services to report to Senate and House Appropriations Subcommittees on Health and Human Services by 4/1/2001 specified data relating to child welfare services.

Subpart 5. Mental Health, Developmental Disabilities, and Substance Abuse Services

NonMedicaid Reimbursement Changes. Not in controversy.

Area Board Member Per Diem. Not in controversy.

Child Mental Health Residential Treatment/Services Program. Not in controversy.

Funds for Child and Adolescent Residential Unit at Murdoch Center. Retains funding level of \$1.2 million for program as set in Senate budget, provides that \$326,000 of funds appropriated to DHHS to be used to provide residential services for children with autism. Requires Department to submit progress reports to legislature on 12/1/00 and 4/1/00 on its compliance with section, with final report on 1/1/02.

Services to Children at Risk for Institutionalization or Other Out-of-Home Placement. Not in controversy.

Services to Multiply-Diagnosed Adults. Not in controversy.

Funds for Mental Health, Developmental Disabilities, and Substance Abuse Services Oversight Committee. Deletes legislative findings and amendment to GS Ch. 120 establishing Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. Directs DHHS to transfer \$350,000 of funds appropriated to it to General Assembly to be used for mental health, substance abuse and developmental disabilities system reform initiative proposed in S 1217 and H 1519, with funds to be used to study issue and hire staff to assist Legislative Oversight Commission for Mental Health, Substance Abuse and Developmental Disability Services, but funds may not be transferred unless one of cited bills is enacted. DHHS to study whether new division of developmental disabilities should be established, with report to legislature by 1/1/01. Directs DHHS to proceed with plans to replace Dorothea Dix facility, with report to legislature and cited oversight committee on its progress by 10/1/2000.

Mental Health, Developmental Disabilities, and Substance Abuse Services Reserve for System Reform and Olmstead Decision. Not in controversy.

Early Intervention Services. Not in controversy.

Licensure exception for certain nonprofit substance abuse facilities. Includes amendment to GS 122C-22(a) which exempts from licensure 24-hour nonprofit facilities established for shelter care and recovery from alcohol or other drug addiction through 12-step, self-help, peer role modeling, and self-governance approach.

Subpart 6. Child Development

Transfer Funds for Client Services. Not in controversy.

Child Care Subsidy Rates. Includes provision directing DHHS to conduct one-time interim market rate study by 4/1/2002. Study is to incorporate results of April 2001 study and to survey rates charged at child care facilities that have changed rate quality level since 2001 study. Directs DHHS to implement results of study within six months of completion. Provides that noncitizen families legally resident in NC shall be eligible for child care subsidies if all other eligibility conditions are met. Noncitizen families illegally residing in NC may become eligible only if at least one of following conditions are met: (1) child is receiving child protective services or foster care services, (2) child is developmentally delayed or at risk of being so, or (3) child is citizen of US.

Early Childhood Education and Development Initiatives. Rewrites provision dealing with match for cited programs to provide that cash match must be 15% (now 10%) and inkind donations may not exceed 5% (now 10%). Allows NC Partnership for Children to carryforward any amount over matching requirement to meet match for next year. Allows volunteer services to be included as inkind match, with value to be at fair market value using average state wage as determined by Employment Security Commission.

Subpart 7. Deaf and Hard of Hearing Services

Family Support/Division of Services for the Deaf and the Hard of Hearing Services Contract. Not in controversy.

Subpart 8. Public Health

Maintain Funding for Developmental Evaluation Centers. Not in controversy.

Use of Newborn Screening Fees. Not in controversy.

Heart Disease and Stroke Prevention Task Force Report. Not in controversy.

Extend Osteoporosis Task Force. Not in controversy.

Limitations on Expansion of Intensive Home Visitation Program. Not in controversy.

AIDS Drug Assistance Program (ADAP). Not in controversy.

Communicable Disease Control Aid to Counties/Report. Not in controversy.

Public Health Prevention Activities Report. Includes technical changes.

Preventive Health Program Plan. Not in controversy.

Prescription Drug Assistance Program. Not in controversy.

Study on Prescription Drug Assistance for Elderly and Disabled. Deletes provision establishing Legislative Study Comm'n on Prescription Drug Assistance for Elderly and Disabled Persons.

Adolescent Pregnancy Prevention Programs. Includes provision which amends GS 130A-131.15 directing DHHS, Div'n of Public Health, in collaboration with local program administrators, to adopt guidelines for administration of funds for teen pregnancy prevention and for parenting programs. Establishes the following programmatic requirements: (1) council development at local level is encouraged but not required for funding; (2) directs Dep't to target counties with highest teen pregnancy rates, increasingly higher rates, or high rates within demographic subgroups, and greatest need for parenting programs; (3) implementation of best practice models to be encouraged; and (4) programs not required to provide cash match, but in-kind match may be required. Funds for state-level administration not to exceed 10% of total budget. DHHS must contract with independent private consulting firm to evaluate programs. DHHS must report annually by March 1 to House and Senate Appropriations Subcommittees on Health and Human Services. Specifies information to be provided in the report.

Departmental Study of Dental Public Health Services. Deletes provision directing DHHS to study feasibility of providing dental public health services to Medicaid recipients.

Funds for Prevention of Birth Defects and Reduction in Infant Mortality. Directs DHHS to use \$150,000 of funds appropriated to it for public awareness activities on the prevention of birth defects and infant mortality reduction.

Medicaid coverage of Family Planning Services. Earmarks \$469,000 for 2000-01 to provide State match for Medicaid waiver to provide Medicaid coverage for family planning services to men and women of child-bearing age whose family income is equal to or less than 185% of federal poverty level. Funding may include two staff positions and related support. Funds not to be expended earlier than 1/1/2001. Funding contingent on waiver by HCFA.

PART XIII. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Grassroots science program. Not in controversy.

Environmental education grants. Not in controversy.

DENR study of DENR. Requires DENR to report on its self-evaluation and make recommendations to the Appropriations Subcommittees on Natural and Economic Resources in both the House and Senate and to the Environmental Review Commission.

Relocation study/ Coastal Management Division Office. Not in controversy.

ERC study recodification of environmental statutes. Deletes provision allowing consideration of legislation recommended by study at any session of General Assembly.

Reallocate Town Fork Creek Funds. Not in controversy.

Agriculture cost share. Not in controversy.

One stop permit assistance pilot projects. Not in controversy.

Transfer Clean Water Revolving Loan and Grant Fund administration and personnel.

Deleted.

Beach Management Plan. Not in controversy.

Study water capacity use area issues. Includes provision directing Natural & Economic Resources Appropriations Subcommittees of House and Senate to study proposed rules providing for delineation of water capacity use area in Beaufort, Carteret, Craven, Duplin, Edgecombe, Greene, Jones, Lenoir, Martin, Onslow, Pamlico, Pitt, Washington, Wayne, and Wilson. Directs subcommittees to report findings and recommendations to 2001 General Assembly.

PART XIV. DEPARTMENT OF COMMERCE

Authorization to Reallocate Previously Appropriated Petroleum Overcharge Funds. Not in controversy.

Petroleum Overcharge Funds Allocation. Not in controversy.

Authorization to Expend Reed Act Funds. Not in controversy.

Worker Training Trust Fund Appropriations. Includes \$100,000 for fiscal 2000-2001 to the Community Colleges System Office for the Composites Testing and Training Center.

Oregon Inlet Funds/NonRevert. Not in controversy.

Industrial Development Funds. Deleted.

Rural Redevelopment Authority. Not in controversy.

Regional Economic Development Commission Allocations. Not in controversy.

Economic Development Commission Funds Secured. Transfers substance of amended GS 158-12 to new GS 158-12.1 to provide that seven named existing economic development commissions are authorized to secure their funds in this manner, but only for so long as the commissions are receiving State funds.

Extend Funding of the Study Commission on the Future of Electric Service in North Carolina. Not in controversy.

North Carolina Technological Development Authority, Inc. Not in controversy.

World Trade Center North Carolina Report. Not in controversy.

Rural Economic Development Center Funds. Appropriation for 2000-2001 increased from \$3,363,693 to \$3.45 million. Increases allocation for supplemental funding for matching requirements from \$1,263,693 to \$1.35 million. Directs that an additional \$300,000 for 2000-2001 shall be added to the Research and Demonstration Grants Program for value-added alternative crop research and \$300,000 for oyster research.

Energy Division Study of Residential Energy Conservation Assistance Program. Not in controversy.

Cap on Residential Energy Conservation Assistance Program. Not in controversy.

Rural Tourism Development Funds. Appropriates \$300,000 to Dept. of Commerce for 2000-2001 for Rural Tourism Development Grant program for grants to local governments and nonprofit organizations. Prohibits any recipient or tourism project from receiving more than \$50,000 in 2000-2001.

Employment Security Comm'n Study of Older and Second Career Workers. Direct commission to determine efforts made by public and private agencies to educate employers on the benefits of hiring, retraining, and retraining mature workers and to determine ways technology is being used to enhance placement of older workers. Directs Commission to report to Chairs of the House Economic Growth and Community Development Committee, the Senate Pensions & Retirement and Aging Committee, the Legislative Research Comm'n on Employment Security, and Aging Study Comm'n by April 1, 2001.

Transfer Energy Division from Dept. of Commerce to the Dept. of Health and Human Services and Dept. of Administration. As subtitle indicates. Changes the name of the State Energy Conservation Plan to the State Energy Efficiency Program. Transfers the Residential Energy Conservation Assistance Program (RECAP) in the Energy Division to the Dept. of Health and Human Services. Transfers the Energy Policy Council and State Energy Efficiency Program in the Energy Division to the Dept. of Administration. Directs that the transfers begin on July 1, 2000, and be completed by Sept. 1, 2000. Directs that all vacant positions in the Energy Division be abolished, effective July 1, 2000.

PART XV. JUDICIAL DEPARTMENT

Community Mediation Centers. Not in controversy.

Court technology fund report date. Not in controversy.

Magistrate authorizations. Adds Wake to counties authorized to receive additional magistrate in Senate Budget.

Add district court judges. Includes new judges in Districts 1, 4, 9B, 10, 11, 17A, 22A, 26, and 28.

Worthless check program. Not in controversy.

AOC/local government contracts for court employees. Not in controversy.

Additional Court of Appeals judges. Provides for three court of appeals judges, effective Dec. 15, 2000, to be appointed by Governor for initial term to expire Jan. 1, 2005. Adds staff for each judge, but does not include support staff for court's clerk or central staff that was included in House bill.

Additional superior court judges. Provides that additional superior court judge for District 4B (Onslow) shall be elected in 2002 for term expiring 12/31/2006, and additional judge for District 26B (part of Mecklenburg) shall be elected in 2002 for term expiring 12/31/2010.

Equipment replacement costs. Not in controversy.

Reduce special superior court judgeships/extend term of special superior court judge.

Provides that judgeship created under GS 7A-45.1 is eliminated Oct. 1, 2000 and that term of

special superior court judge who first took office in 1986 is extended through 12/31/2000 (now, 9/30/2000).

Revise Superior Court 26A, 26B, and 26C boundaries. Deletes provision in Senate version redrawing boundaries of the three superior court districts in Mecklenburg County.

Sentencing Services programs. Amends GS 7A-773.1 to make it clear that information prepared by these programs to aid in sentencing of convicted offenders may not be used at trial for any purpose and amends GS 15A-1333 to make it clear that information is not a public record and is treated like other information in pre-sentence reports.

PART XVI. DEPARTMENT OF CORRECTION

Community corrections formula. Not in controversy.

Post-Release and Parole Comm'n staffing and reorganization report. Not in controversy.

Reimbursement to counties for jail inmates. Not in controversy.

Ban private prisons housing out-of-state inmates. Includes provision adding new GS 148-37.1, which prohibits municipalities, counties, and private entities from authorizing, constructing, owning, or operating any type of correctional facility for inmates serving sentences for violations of the laws of a jurisdiction other than North Carolina. Makes a specific exception to this prohibition for facilities owned or operated by the federal government and used exclusively for housing inmates serving federal sentences. Repeals 1997, 1998, and 1999 sessions laws that (a) prohibited the same entities as above from housing inmates from other states until the Dep't of Correction had developed standards for such facilities and (b) banned private confinement facilities within North Carolina that receive state funds from housing inmates from other states or North Carolina counties without written consent by the Secretary of Correction. Applies this provision retroactively to July 1, 1998.

PART XVII. DEPARTMENT OF JUSTICE

CJIN annual report. Not in controversy.

Use of property forfeited to federal government. Not in controversy.

Traffic Law Enforcement Statistics. Amends GS 114-10(2a), effective August 1, 2000, to require that the following information be collected: the officer making each traffic enforcement stop, the date of each stop, the agency of the officer making each stop, and the geographic area of each stop (if Highway Patrol, that means the Patrol District, for other stops it means the city or county of the stop). Permits officer identity to be tracked by assigned anonymous ID numbers. Provides that the correlation between the ID numbers and the names of officers shall not be a public record.

Certification of Department of Correction Employees. Includes provision amending GS Ch. 17C to remove the certification and discipline of corrections officers and probation/parole officers from the jurisdiction of the NC Criminal Justice Education and Training Standards Commission (CJETSC). This provision becomes effective June 30, 2001, unless the CJETSC has established and implemented by the convening of the 2001 General Assembly a new certification system for employees in the Dep't of Correction, as originally requested of the Comm'n in Section 18.14 of SL 1999-237. Requires Comm'n to report on new system to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by the convening of the 2001 General Assembly. States that if the new system is not established and implemented by the deadline above, it is the General Assembly's intent to develop a new system for certification of DOC employees and to enact the system to coincide with the repeal of the Comm'n's authority over the certification of correctional employees effective June 30, 2001.

PART XVIII. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

National Guard educational assistance grants. Not in controversy.

Victims Compensation Fund reversion. Not in controversy.

PART XIX. OFFICE OF JUVENILE JUSTICE

Center for Prevention of School Violence transfer. Not in controversy.

Juvenile Information System Network. Not in controversy.

Training School/Detention staffing study. Not in controversy.

Reports on Boys and Girls Clubs funds. Not in controversy.

Matching funds. Not in controversy.

Private Multifunctional juvenile facility. Not in controversy.

Mecklenburg multipurpose group homes. Not in controversy.

GRASP transfer. Not in controversy.

Fund transfer to new dep't. Not in controversy.

Forsyth detention center. Not in controversy.

SOS administrative cost limits. Includes provision amending SL 1999-237, Sec. 21.3 to increase the funds permitted to be spent for SOS administration in 2000-2001 from \$450,000 to \$550,000

Management information system costs. Includes provision permitting OJJ to use up to \$300,000 in available 2000-2001 funds to support recurring communications costs in its management information system.

PART XX. GENERAL ASSEMBLY

Extend Technological Infrastructure Study Reporting Date. Not in controversy.

Illuminate the Nighttime Display of the United States and North Carolina Flags at the Legislative Building. Not in controversy.

Legislative Study on Prescription Drug Assistance for Elderly and Disabled Persons. Adds Legislative Study Commission to determine the feasibility of assisting all elderly and disabled residents of North Carolina who lack government-sponsored or private health insurance coverage for prescription drugs but need assistance with the purchase of prescription drugs.

PART XXI. DEPARTMENT OF ADMINISTRATION

National World War II Memorial Funds. Provides for \$392,000 in fiscal 2000-2001 to be used by the Div'n of Veterans Affairs to fund the voluntary contribution of the State toward construction of the Memorial.

Cost-Benefit Analysis of Constructing State Facilities Instead of Leasing Property for State Operations. Not in controversy.

Repeal Health Care Purchasing Alliance Act. Not in controversy.

Procurement Card Pilot Program Extension/Savings. Not in controversy.

Riverside Golf Course Receipts. Authorizes the Commission of Indian Affairs to use funds received pursuant to the lease executed between the State and the Riverside Golf Course for repairs, renovations, and other capital improvements to the golf course.

Women/Abuser Treatment Programs. Permits the Dep't to adopt temporary rules to approve abuser treatment programs that apply to the NC Council for Women.

PART XXII. OFFICE OF THE STATE CONTROLLER

Overpayments Project. Not in controversy.

Pilot Program on Reporting on Collection of Bad Debts by State Agencies Extended. Not in controversy.

PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT

Consolidation of the Office of State Budget and Management and the Office of State Planning. Adds subsection requiring that Dep't of Environment and Natural Resources transfer from the Div'n of Land Resources to this new Office the responsibility for development of topographic mapping in cooperation with the US Geological Survey, as well as \$177,000 to match federal funding under the cooperative agreement.

NC Youth Legislative Assembly Fund. Not in controversy.

PART XXIIIB. OFFICE OF ADMINISTRATIVE HEARINGS

Office of Administrative Hearings Positions. Transfers \$219, 377 of funds appropriated to the Department of Revenue in 2000-2001 to the Office of Administrative Hearings to hire and train an agency legal specialist and computer specialist and to upgrade salaries of existing personnel.

PART XXIV. RULES REVIEW COMMISSION

Reserve for Attorneys' Fees of Rules Review Commission. Deletes provision that would have required Dep't of Labor to deposit \$196,000 to reserve fund if it had a pending petition on the date this section was to become effective.

PART XXIVA. DEPARTMENT OF STATE TREASURER

Department of State Treasurer Information Technology Sitemaps. Authorizes the Department to spend receipts to continue improvement of its investment banking operations system, retirement payroll system and other information technology.

PART XXIVB. SECRETARY OF STATE

Secretary of State UCC Filings. Authorizes the Dept to use up to \$868,664 in recurring funds and \$1,891,004 in nonrecurring funds for personnel, start up expenses and other costs necessary for incorporating the revisions to Article 9 of the Uniform Commercial Code as provided in S 1305.

PART XXV. DEPARTMENT OF TRANSPORTATION

Cash-Flow Highway Fund and Highway Trust Fund Appropriations. Not in controversy.

Department of Transportation Contract Goals for Businesses Owned by Disabled Veterans.

Replaces amendment of GS 136-28.4(b) that would have provided new contract goals with a study. Requires that Dep't study the need for continuing or modifying contract goals for the participation of disadvantaged businesses in highway contracts. Includes identifying new classes of businesses. Requires report no later than February 1, 2001.

State Highway Patrol to Study Reimbursements for Costs of Added Special Services at Scheduled Events. Not in controversy.

Global TransPark Construction Bonds. Deletes following clause from amendment of GS 63A-4(a)(22): no building or facility may be constructed using these funds unless an offer or proposal to lease at least 50% of the square footage has been made and no satisfactory comparable building or facility is available within five miles of the Global TransPark Airport.

Unpaved Road Improvement Pilot Program. Outlines requirements of pilot program, including establishment of eligibility guidelines for which roads will be improved, selection of at least one eligible county in each of the seven Distribution Regions, provision for minimal improvement of selected unpaved roads, authorization to contract with private vendors to perform the actual minimal improvements, and reporting requirements.

Study of Commission Contracts for Issuance of Motor Vehicle Registration Plates and Certificates. Not in controversy.

Clarify Development Authority of Regional Public Transportation Authorities. Not in controversy.

State Full Funding Grant Agreements with Transportation Authorities. Makes technical changes.

Exempt Farm Trucks from the State Requirements that Certain Business Vehicles Be Marked. Not in controversy.

Some maintenance funds distributed on basis of need. Deleted.

Railroad dividends. Deleted.

Detention of commercial vehicles until payment of fines/penalties. Adds commercial vehicles operating under authority of a motor carrier who has not paid a fine assessed pursuant to GS 20-17.7 to existing GS 20-96, which permits detention of vehicles.

Lease of right-of-way for WFU medical school parking. Permits Dep't to lease right-of-way of a portion of Highway 421/Business 40 as title indicates.

Western passenger rail infrastructure funds reserve. Provides that funds appropriated for this purpose in 1998-99 and unspent shall remain unencumbered and unexpended until further action by the General Assembly.

Study of Highway Fund and Highway Trust fund cash balances and use of cash-flow financing. Directs the Joint Legislative Transportation Oversight Committee to contract with a consultant to conduct study indicated in title. Lists topics which must be addressed, including recommendations about appropriate levels of cash balance, use of revenues to accelerate highway construction, any necessary organizational changes in the Dep't, and any necessary

statutory changes. Requires that study be completed before March 31, 2001. Requires that funding come from funds available to the Committee.

Study of western passenger rail service. Requires that Dep't use necessary funds from appropriation to conduct a study of the feasibility of providing passenger rail service in western North Carolina. Topics to be studied include: timetable for implementing passenger service, costs, and performance measures. Requires report be submitted on or before March 1, 2001.

Small Urban Construction Funds. Requires that no more than 50% of funds allocated for this purpose are to be obligated prior to December 31, 2000.

PART XXVI. SALARIES AND BENEFITS

Governor and Council of State. Provides 4.2% salary increase.

Nonelected Department heads. Provides 4.2% salary increase.

Certain nonelected executive salaries. Provides 4.2% salary increase.

Judicial Branch Salaries. Provides 4.2% salary increase.

District Attorney and Public Defender Salaries. Amends GS 7A-65 to provide that salary of district attorneys and public defenders shall be midpoint between salary of senior resident superior court judge and salary of chief district court judge. Salaries of full-time assistant district attorneys and full-time assistant public defenders shall be set by Current Operations Appropriations Act.

Clerks of Court. Provides 4.2% salary increase.

Assistant and Deputy Clerks of Court. Provides 4.2% salary increase.

Magistrates. Provides 4.2% salary increase.

General Assembly Principal Clerks. Provides 4.2% salary increase.

Sergeant-at-arms and Reading Clerks. Provides 4.2% salary increase.

Legislative employees. Provides 4.2% salary increase.

Community Colleges. Provides 4.2% salary increase.

UNC. Provides funds sufficient to 4.2% salary increase for EPA employees of UNC System to be allocated to individuals according to rules adopted by Board of Governors.

Most state employees. Provides 4.2% salary increase.

Compensation Bonus/State employees. Provides \$500 one-time bonus for most state employees. Exempts the governor, council of state, cabinet level officials, judges and others whose salaries are specifically set out in the budget.

Salary adjustment fund. Not in controversy.

Division of Water Quality Salary Funds. Deletes provision.

Agency teacher/principal supplement. Not in controversy.

Deputy Industrial Commission Pay Equity. Not in controversy.

Firemen's and Rescue Squad worker's pension fund. Not in controversy.

Increase Firemen's and Rescue Squad worker's pension fund benefits. Not in controversy.

States Employees' Reserve. Appropriates \$57.1 million to the Reserve to offset deficits.

Contribution rates. Sets employer contribution rates for 2000-01 as follows: 7.13% to TSERS; 12.13% to LEO; 8.64% to University Employees' Optional Program; 19.86% to Judicial Retirement System; 23.98% to Legislative Retirement System. Contribution rates include 1.28% for hospital and medical benefits.

Deferred Compensation Study. Deleted.

Retirement systems benefits. Retains House provision for employees retiring on or after 7/1/2000. Reduces increase in benefits to TSERS retirees retiring before 7/1/99 to 3.6%. Makes other technical amendments.

Grace period to file certificates of eligibility for firemen's relief fund moneys. Not in controversy.

Include full-time fire marshal in Fireman and Rescue Squad Workers Pension Fund. Not in controversy.

PART XXVII. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

Capital Appropriations/General Fund. Not in controversy.

Water Resources Development Project Funds. Adds subsection to appropriate \$13.356 million for water resources development projects, including:

Wilmington Harbor Deepening, \$12.5 million

Brunswick County Beaches, \$4.125 million
Wilmington Harbor Maintenance Dredging, \$200,000
Carolina Beach Protection, \$840,000
Kure Beach Protection, \$1.1 million
Long Beach Sea Turtle Habitat Restoration, \$3.261 million
Stumpy Point Bay Maintenance Dredging, \$240,000
Rollinson Channel Maintenance Dredging, \$120,000
Silver Lake Harbor Maintenance Dredging, \$160,000
Deep Creek Watershed (Yadkin County), \$1 million

Expenditure of Funds from Reserve for Repairs and Renovations. Allocates 46% of funds in the Reserve and Repairs and Renovations to the Board of Governors. .

PART XXVIII. MISCELLANEOUS PROVISIONS

Executive Budget Act Applies. Not in controversy.

Committee Report. Changes reference to Senate Appropriations Committee Report to Joint Appropriations Committee Report and directs that the report be printed as part of the Session Laws. Adds subsection providing that if HB 1854 (2000 Fee Increase) does not become law or becomes law but does not increase receipts by at least \$41,020,000, the Director of the Budget shall examine and survey the progress of the collection of all General Fund revenues, Directs the Director to reduce appropriation if he or she finds that the General funds are inadequate.

Most Text Applies Only to 2000-01. Not in controversy.

Effect of Headings.. Not in controversy.

Severability Clause. Not in controversy.

Effective Date. Not in controversy.