

**1997**

**HOUSE  
PUBLIC EMPLOYEES**

**MINUTES**

HOUSE OF REPRESENTATIVES  
COMMITTEE ON PUBLIC EMPLOYEES

1997 - 1998 SESSION

Representative Arlie F. Culp, Chairman

Staff Analyst:  
Sandra Timmons

Staff Attorney:  
Karen Cochrane-Brown

Committee Clerk:  
Waneta Lord

copy

# House Committee On Public Employees

1997 Session

	<u>Tel. No.</u>	<u>Office</u>	<u>Seat</u>	<u>Clerk</u>
Rep. Culp, Arlie Committee Chair	3-5865	1010	62	Lord, Neta
Rep. Barbee, Bobby H.	3-5908	1025	74	Murray, Rosa
Rep. Bowie, Joanne W.	3-5853	1206	26	Gaudette, Sharon
Rep. Brawley, C. Robt.	3-5931	513	02	Trivette, Bonnie
Rep. Capps, J. Russell	5-3005	419B	27	Ahlin, Pamela
Rep. Church, Walter, Sr.	3-5805	1311	33	Fuller, Joyce
Rep. Easterling, Ruth M.	3-5786	606	79	Willis, Judy
Rep. Fitch, Milton Ranking Minority Member	5-2241	1202	91	Branch, Carolyn
Rep. Hiatt, William S.	3-5862	1008	14	Pearce, Edna
Rep. Insko, Verla C.	3-5800	1319	112	Baker, Pat
Rep. Jeffus, Margaret M.	3-5191	1013	108	Robinson, Mary
Rep. Michaux, H.M.	3-5609	1409	57	Scott, Karlene
Rep. Oldham, Warren P.	3-5877	607	58	Prince, Delta
Rep. Sherrill, Wilma M.	3-5601	2215	51	Kelley, Rosa
Rep. Starnes, Edgar V.	3-3012	418A	88	Fleming, Pattie
Rep. Thompson, Gregory J.	3-5828	1002	15	Sykes, Edna
Sandra Timmons Staff Analyst	3-2578	545		
Karen Cochrane-Brown Staff Attorney	3-2578	545		

**House Public Employees Committee**

(Name of Committee)

[illegible]

NORTH CAROLINA GENERAL ASSEMBLY

COMMITTEE SUMMARY REPORT

HOUSE: PUBLIC EMPLOYEES

Valid Through 4-SEP-1997

1997-98 Regular Session

<u>BILL</u>	<u>INTRODUCER</u>	<u>SHORT TITLE</u>	<u>LATEST ACTION ON BILL</u>	<u>IN DATE</u>	<u>OUT DATE</u>
H 127=	THOMPSON	UP STATE EMPLOYEE TRAVEL RATES	*H -RE-REF COM ON APPROP	02-13-97	03-26-97
H 308=	FITCH	REPEAL SUNSET ON FICA SAVINGS USE	H -ASSIGNED TO APP-EDUC	02-24-97	03-05-97
H 868	WAINWRIGHT	STATE EMPLOYEE TMJ BENEFITS	H -CAL PURSUANT RULE 36 (A)	04-07-97	04-30-97
H1135	CANSLER	STATE EMPLOYEE AMENDMENTS	*H -REF TO COM ON RULES	04-21-97	04-30-97
S 799	COOPER	DISCIPLINE DISCLOSURE ACT	*H -REF TO COM ON PUBEMP	05-05-97	
S 924	ODOM	CRIMINAL RECORDS CHECKS/DHR	*R -CH. SL 97-0260	05-05-97	06-05-97
S 936	WARREN	VET EMPLOYMENT ASSISTANCE PRIORITY	*R -CH. SL 97-0171	05-05-97	05-21-97

NOTES- = AFTER BILL NUMBER SHOWS THAT BILL IS IDENTICAL, AS INTRODUCED, TO ANOTHER BILL.

\* AFTER NUMBERS INDICATES THAT TEXT OF BILL WAS ALTERED BY ACTION ON THE BILL.

BOLDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

## MINUTES

### HOUSE PUBLIC EMPLOYEES COMMITTEE

MARCH 5, 1997

The House Public Employees Committee met on March 5, 1997 in Room 415 of the Legislative Office Building at 11:00 A.M. The meeting was called to order by the Chair, Representative Culp, who introduced staff members, pages and agency visitors. The following committee members were present: Representatives Fitch, Hiatt, Jeffus, Oldham and Starnes.



The Chair recognized Representative Fitch, the sponsor of HB-308, An Act to Repeal Sunset on FICA Saving Use, who explained that removing the sunset clause on use of FICA savings makes permanent the 1991 provision allowing State entities to use the savings in employer FICA contributions to pay the expenses for administering the flexible benefits programs for State employees. Representative Fitch stated the bill was requested by the State Personnel Agency. He then recommended a favorable report, re-referring the bill to the Committee on Appropriations.

The motion carried.

Meeting adjourned at 11:15 AM.

(All proceedings of this meeting were recorded and the tapes are available in the Legislative Library.)

Respectfully submitted,

	
Rep. Arlie F. Culp, Chair	Waneta Lord, Committee Clerk

## VISITOR REGISTRATION SHEET

## HOUSE PUBLIC EMPLOYEES

3-6, 1997

Name of Committee

Date \_\_\_\_\_

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

**FIRM OR AGENCY AND ADDRESS**[illegible]

**1997 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Culp** for the Committee on **PUBLIC EMPLOYEES.**

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☐ Committee Substitute for

H.B. 308 A BILL TO BE ENTITLED AN ACT TO MAKE PERMANENT A PROVISION  
ALLOWING SAVINGS IN EMPLOYER FICA CONTRIBUTIONS TO BE USED TO PAY  
FOR ADMINISTRATIVE EXPENSES OF FLEXIBLE COMPENSATION PROGRAMS  
FOR STATE EMPLOYEES AND EMPLOYEES OF EDUCATIONAL INSTITUTIONS  
SUPPORTED BY THE STATE

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on

☒ Appropriations ~~☐ Finance ☐~~

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the  
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (# ), ☐ which changes the title,  
unfavorable as to original bill (Committee Substitute Bill # ), (and recommendation  
that the committee substitute bill # ) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (# ), ☐ which changes  
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)



GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

0308

FEB 20 97

HOUSE PRINCIPAL CLERK

H

D

HOUSE DRH1094-LR040(2.18)

Short Title: Repeal Sunset on FICA Saving Use.

(Public)

Sponsors: Representative Fitch.

Referred to:

- 1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE PERMANENT A PROVISION ALLOWING SAVINGS IN  
3 EMPLOYER FICA CONTRIBUTIONS TO BE USED TO PAY FOR  
4 ADMINISTRATIVE EXPENSES OF FLEXIBLE COMPENSATION  
5 PROGRAMS FOR STATE EMPLOYEES AND EMPLOYEES OF  
6 EDUCATIONAL INSTITUTIONS SUPPORTED BY THE STATE.  
7 The General Assembly of North Carolina enacts:  
8 Section 1. Section 14(i) of Chapter 1044 of the 1991 Session Laws, as  
9 amended by Section 42 of Chapter 561 of the 1993 Session Laws and Section 7.28A  
10 of Chapter 769 of the 1993 Session Laws, reads as rewritten:  
11 "(i) Subsections (a) through (d) of this section are effective January 1, 1990.  
12 Subsections (e) through (h) of this section are effective January 1, 1991. Subsections  
13 (a) through (h) of this section shall expire December 31, 1997."  
14 Section 2. This act is effective when it becomes law.



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March 5, 1997

**MEMORANDUM**

**TO:** House Committee on Public Employees  
**FROM:** Sandra Timmons, Legislative Analyst *ST*  
**RE:** House Bill 308 - Repeal Sunset on FICA Saving Use

House Bill 308 was introduced by Representative Toby Fitch and amends the 1993 Session Laws by removing the sunset clause on the use of FICA savings. This makes permanent the 1991 provision allowing State entities to use the savings in employer FICA contributions to pay the expenses for administering the flexible benefits programs for State employees.

The bill is effective when it becomes law.



## MINUTES

### HOUSE PUBLIC EMPLOYEES COMMITTEE

MARCH 26, 1997

The House Public Employees Committee met on March 26, 1997 in Room 415 of the Legislative Office Building at 11:00 AM. The meeting was called to order by the Chair, Representative Arlie Culp. The following committee members were present: Representatives Bowie, Easterling, Hiatt, Oldham and Thompson.

The Chair recognized Representative Thompson, the sponsor of HB-127, An Act to Increase the Rates of Reimbursement for Lodging and Mileage Expenses Incurred by State Officers and Employees in Connection with Travel on Official Business.

Representative Thompson explained that he was presenting a substitute bill to the committee today which would increase the payment of personal auto mileage to a fixed rate of 31 1/2 cents per mile and increase the lodging payment to \$63.00 per night. His substitute bill also provides for reimbursement for taxes charged by hotels on the rate for their rooms. In response to a question from Representative Oldham, he noted that this proposal in no way changes the fact that a supervisor may approve a higher amount for hotel rooms under some circumstances. It was noted that the increase in mileage and lodging rates would not affect the present session of the General Assembly until the following session. There is no proposed change in the per diem rate for meals while traveling on State business or in the amount allowable for registration fees at meetings.

The committee meeting was attended by members of the State Employees Association who spoke in favor of the proposed changes.

Representative Bowie made a motion which carried that the proposed committee substitute bill be given a favorable report with an unfavorable report for the original HP 127. The committee then re-referred the bill to the Committee on Appropriations.

Meeting adjourned at 11:25 AM

(All proceedings of meeting recorded and tapes available in the Legislative Library.)

Respectfully submitted,

  
Representative Arlie F. Culp, Chair

  
Waneta Lord, Committee Clerk

## VISITOR REGISTRATION SHEET

## HOUSE PUBLIC EMPLOYEES

March 26, 1997

Name of Committee

Date \_\_\_\_\_

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

**FIRM OR AGENCY AND ADDRESS**

Troy GREEN

SEAN

Darrell Amund

SEANC

Edna Sykes

Gen Assembly

**1997 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **CULP** for the Committee on **PUBLIC EMPLOYEES**.

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☒ Committee Substitute for

H.B. 127 A BILL TO BE ENTITLED AN ACT TO INCREASE THE RATES OF REIMBURSEMENT FOR LODGING AND MILEAGE EXPENSES INCURRED BY STATE OFFICERS AND EMPLOYEES IN CONNECTION WITH TRAVEL ON OFFICIAL BUSINESS

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on  
☐ Appropriations ☐ Finance ☐ .

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill (# ), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill # ), (and recommendation that the committee substitute bill # ) be re-referred to the Committee on APPROPRIATIONS.)

☐ With a favorable report as to House committee substitute bill (# ), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 127  
Proposed Committee Substitute H127-PCS7122

Short Title: Up State Emp. Travel Rates.

(Public)

Sponsors:

Referred to:

February 13, 1997

1 A BILL TO BE ENTITLED

2 AN ACT INCREASING THE RATES OF REIMBURSEMENT FOR LODGING  
3 AND MILEAGE EXPENSES INCURRED BY STATE OFFICERS AND  
4 EMPLOYEES IN CONNECTION WITH TRAVEL ON OFFICIAL BUSINESS  
5 AND PROVIDING FOR REIMBURSEMENT FOR TAXES PAID ON  
6 LODGING WHILE ON OFFICIAL BUSINESS.

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 138-6(a) reads as rewritten:

9 "(a) Travel on official business by the officers and employees of State  
10 departments, institutions and agencies which operate from funds deposited with the  
11 State Treasurer shall be reimbursed at the following rates:

12 (1) For transportation by privately owned automobile, irrespective of  
13 the number of miles travelled, the State business standard mileage  
14 reimbursement rate ~~set by the Internal Revenue Service~~ per mile of  
15 travel is established at thirty-one and one-half cents (31.5¢) per  
16 mile and the actual cost of tolls paid. ~~Any other law which sets a~~  
17 ~~mileage rate by referring to the rate set herein, instead establishes a~~  
18 ~~rate of twenty-five cents (25¢) per mile.~~ No reimbursement shall  
19 be made for the use of a personal car in commuting from an  
20 employee's home to his duty station in connection with regularly  
21 scheduled work hours. Any designation of an employee's home as  
22 his duty station by a department head shall require prior approval  
23 by the Office of State Budget and Management on an annual basis.

(2) For bus, railroad, Pullman, or other conveyance, actual fare.

(3) For expenses incurred for subsistence, payment of ~~seventy-one dollars (\$71.00)~~ eighty-one dollars (\$81.00) per day plus applicable lodging taxes when traveling in-state or ~~eighty-three dollars (\$83.00)~~ ninety-three dollars (\$93.00) per day plus applicable lodging taxes when traveling out-of-state. For the purposes of this section, the term 'applicable lodging taxes' means sales taxes and room occupancy taxes paid on reimbursable lodging and documented by a receipt from a commercial establishment. When travel involves less than a full day (24-hour period), a reasonable prorated amount shall be paid in accordance with regulations and criteria which shall be promulgated and published by the Director of the Budget. Reimbursement to State employees for lunches eaten while on official business may be made only in the following circumstances:

- a. When an overnight stay is required reimbursement is allowed while an employee is in travel status;
- b. When the cost of the lunch is included as part of a registration fee for a formal congress, conference, assembly, or convocation, by whatever name called. Such assembly must involve the active participation of persons other than the employees of a single State department, institution, or agency and must be necessary for conducting official State business; or
- c. When the State employee is a member of a State board, commission, committee, or council which operates from funds deposited with the State Treasurer, and the lunch is preplanned as part of the meeting for the entire board, commission, committee, or council.

(4) For convention registration fees not to exceed thirty dollars (\$30.00) per convention."

Section 2. Effective upon the convening of the 1999 Regular Session of the General Assembly, G.S. 120-3.1(a)(2) reads as rewritten:

"(2) A travel allowance at the rate which is the State business standard mileage reimbursement rate set by ~~the Internal Revenue Service in Rev. Proc. 93-51, December 27, 1993, G.S. 138-6,~~ whenever the member travels, whether in or out of session, as a representative of the General Assembly or of its committees or commissions, with the approval of the Legislative Services Commission."

Section 3. The Office of State Budget and Management shall revise the schedule used for reporting allowable subsistence expenses incurred by State officers and employees while traveling on State business by allocating to lodging the increase provided in Section 1 of this act.

1           Section 4. This act becomes effective July 1, 1997, except that Section 2  
2 of this act becomes effective upon the convening of the 1999 Regular Session of the  
3 General Assembly.





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Legislative Services Agency**

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March 26, 1997

**MEMORANDUM**

**TO:** House Committee on Public Employees  
**FROM:** Sandra Timmons, Legislative Analyst  
**RE:** House Bill 127 (Up State Employee Travel Rates)

House Bill 127 increases the allowable lodging and mileage reimbursement rates paid to state officers and employees in connection with travel on official State business. Section one amends G.S. 138-6(a) by increasing the State standard mileage reimbursement rate from 25 cents to 31.5 cents per mile, regardless of the number of miles traveled. Reimbursement for subsistence is increased from \$71 to \$81 per day for in-state travel and from \$83 to \$93 per day for travel out-of-state.

Section 2 of the bill makes the mileage reimbursement rate for General Assembly members equal to the State standard mileage reimbursement rate. The changed rate becomes effective upon the convening of the 1999 Regular Session of the General Assembly.

Section 3 of the bill requires the Office of State Budget and Management to revise the schedule used to report allowable subsistence expenses in connection with travel on official State business.

With the exception of Section 2, House Bill 127 becomes effective on July 1, 1997.

## **MINUTES**

### **HOUSE PUBLIC EMPLOYEES COMMITTEE**

**April 30, 1997**

The House Public Employees Committee met on April 30, 1997 in Room 415 of the Legislative Office Building at 11:00 A.M. The meeting was called to order by the Chair, Representative Culp, who introduced pages. The following committee members were present: Representatives Barbee, Bowie, Brawley, Capps, Easterling, Fitch, Jeffus, Sherrill, Starnes, and Thompson.

Guests were present from the State Budget Office, North Carolina State Health Plan, NCAE, Office of State Personnel, and the State Employees Association of North Carolina.

The Chair recognized Representative Cansler, the sponsor of HB-1135, State Employee Incentive Bonus, who introduced his substitute bill recognizing and rewarding the cost-saving initiative and innovations of state employees. He said he had worked with SEANC to arrive at the wording in the current substitute bill and reviewed the reasons for a strong incentive to be set up.

Representative Cansler noted that a Review Committee would be needed, with four standing appointments from Fiscal Research of the General Assembly, Dept. of Justice, Department of Labor and the State Coordinator and one member appointed by President Pro Tempore of Senate and three State employees appointed by SEANC.

He felt there was potential for big savings in the eleven billion dollar budget as if even two or three percent savings were realized, it would amount to a half million dollars.

Representative Fitch felt the bill needed to go thru the Appropriations Committee, and Cansler explained there was no appropriation needed as any bonuses paid would only come from savings including reversions above the baseline reversion.

Representative Thompson was recognized and asked about the present program's savings total. None of the representatives of SEANEC had figures available. Representative Bowie mentioned that the City of Greensboro had this type of program and it was very successful.

Representative Fitch made a motion that the original be given an unfavorable vote and the substitute be given a favorable vote and that the substitute bill be re-referred to the Committee on Rules. The motion carried.

Chairman Culp recognized Representative Wainwright who sponsored HB 868, An Act to Cover Temporomandibular Joint Dysfunction Appliance Therapy Regardless of Cause under the Teachers' and State Employees' Comprehensive Major Medical Plan.

Representative Wainwright gave a synopsis of the proposed additional benefit to State employees. There was much discussion of the methods and treatment effectiveness, especially the differences between "guards" and "splints". Two members of the Committee were somewhat familiar with the TMJ problem and furnished some insight into treatment practices. A member of the State's Employee Group, Carl Goodwin, noted there were questions regarding the effectiveness of the possible treatments of TMJ and that most insurance plans do not cover such treatment.

Representative Capps asked what percentage of present participants in the State's plans might have this problem. Mr. Goodwin spoke up again saying that there may be as few of two or three in two thousand members - maybe 2% and that there were approximately 10,000 members in the State's Dental Plan.

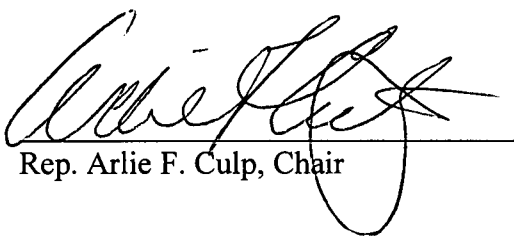
Representative Starnes asked what effect allowing this benefit would have on the present premiums in the Plan. Mr. Goodwin said there probably would be none at the moment.

All Committee members felt that this additional benefit should be made available to State employees. Further discussion was made by Representative Fitch as to the effective date of January 1, 1996 and allowing the bill to be heard in both Houses, a motion was made by Representative Capps that the original bill be given a favorable report. His motion passed.

Meeting adjourned at 12:03 P.M.

(All proceedings of this meeting were recorded and the tapes are available in the Legislative Library.)

Respectfully submitted,



Rep. Arlie F. Culp, Chair



Waneta Lord, Committee Clerk

AGENDA

**HOUSE PUBLIC EMPLOYEES COMMITTEE**

APRIL 30, 1997 - 11:00 AM

- I      CALL MEETING TO ORDER
- II     REMARKS BY CHAIRMAN CULP
- III    INTRODUCTION OF PAGES
- IV    HB 1135 - State Employee Incentive Bonus  
         Sponsor: Representative Cansler  
  
        HB 868 - State Employee TMJ Appliance Benefits  
         Sponsor: Representative Wainwright
- V     ANNOUNCEMENTS
- VI    ADJOURNMENT

VISITOR REGISTRATION SHEET



PUBLIC EMPLOYEES  
Name of Committee

4-30-97  
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
Bobby A. Duffin	State Budget
EVELYN TERRELL	NC STATE HEALTH PLAN
Harold Wright	NC State Health Plan
David G. Duffin	NC State Health Plan
Brian Washington	NCAE
Carl Goodwin	OSP
Nancee Arnold	SEANC
Pat Bradford	SEANC
Stacy Flannery	SEANC
Nellie Riley	OSP
Troy Green	SEANC
Gregory Scarborough	WSPFFA

**1997 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Culp** for the Committee on **Public Employees**.

---

☐ Committee Substitute for

H.B. 1135 A BILL TO BE ENTITLED AN ACT AMENDING THE STATE PERSONNEL ACT TO PROVIDE FOR AN INCENTIVE BONUS PROGRAM TO RECOGNIZE AND REWARD THE COST-SAVING INITIATIVE AND INNOVATIONS OF STATE EMPLOYEES

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on  
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill, unfavorable as to original bill and recommendation that the committee substitute bill be re-referred to the Committee on Rules.)

☐ With a favorable report as to House committee substitute bill (# ), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.  
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1135  
Proposed Committee Substitute H1135-PCS8210

Short Title: State Employee Incentive Bonus.

(Public)

Sponsors:

Referred to:

April 21, 1997

1 A BILL TO BE ENTITLED  
2 AN ACT AMENDING THE STATE PERSONNEL ACT TO PROVIDE FOR AN  
3 INCENTIVE BONUS PROGRAM TO RECOGNIZE AND REWARD THE  
4 COST-SAVING INITIATIVE AND INNOVATIONS OF STATE EMPLOYEES.  
5 The General Assembly of North Carolina enacts:  
6 Section 1. Chapter 126 of the General Statutes is amended by adding a  
7 new Article to read:

8 "ARTICLE 2A.

9 "Incentive Bonus Program.

10 "§ 126-7.3. State employee incentive bonus.

11 (a) A State employee or team of State employees may receive an incentive bonus  
12 or bonuses in reward for suggestions or innovations resulting in monetary savings to  
13 the State, increased revenues to the State, or improved quality of services delivered to  
14 the public. The program is restricted to current State employees. Managers and  
15 supervisors may participate in the program.

16 (b) In addition to any bonuses paid directly to individual State employees, a  
17 portion of the cost-savings associated with any savings realized from permanent  
18 efficiencies implemented pursuant to this section may be contributed to a reserve  
19 fund for State employee performance bonuses. Funds for State employee incentive  
20 bonuses shall only come from savings including reversions above the baseline  
21 reversion of the employing State department, agency, or institution. For the purposes  
22 of this section, 'baseline reversion' means the two-year historical average of  
23 reversions by a State department, agency, or institution.

(c) Savings generated by suggestions and innovations shall be determined at the end of the fiscal year in which the suggestion or innovation is implemented. Any savings are to be calculated using the actual expenditures for a program, activity, or service compared to the budgeted amount for the same. The savings calculation shall include the amount of any reversions in excess of the baseline reversion. Any savings realized through the State employee incentive bonus shall be weighed against continued service to the public.

**"§ 126-7.4. Allocation of incentive bonus funds; nonmonetary recognition.**

(a) If a State employee's suggestion or innovation results in a monetary savings or increased revenue to the State, the funds saved or increased will be distributed according to the following scale:

(1) Twenty percent (20%) of the savings or fifty percent (50%) of the suggester's annual salary, whichever is less, to constitute gainsharing. If a team of State employee's is the suggester, the bonus provided in this subdivision shall be divided equally among the team members, except that no team member may receive in excess of fifty percent (50%) of the employee's annual salary.

(2) Thirty percent (30%) to a performance bonus reserve for all current State employees, to be distributed according to G.S. 126-7, the Comprehensive Compensation System for State employees.

(3) The remainder to the General Fund for nonrecurring budget items.

(b) The budget of a State agency will not be reduced by a similar amount in the following fiscal year. The agency budget will be reduced only if structural or organizational changes are made that warrant the reductions, including the transfer of responsibility for an activity or service to another agency or the elimination of some function of State government.

(c) If a suggestion or innovation results in improved quality of services to the public, but not in monetary savings to the State, the suggester shall receive a nonmonetary award in the form of a certificate, leave with pay, or other similar recognition.

**"§ 126-7.5. Suggestion and review process; role of agency coordinator and agency evaluator.**

(a) The process for a State employee or team of State employees to submit a cost-saving proposal shall begin by the employee or team of employees submitting the suggestion or innovation to an agency coordinator designated by the employing State department, agency, or institution. The agency coordinator, in conjunction with an agency evaluator, shall review the suggestion or innovation for submission to the Review Committee established in G.S. 126-7.6.

(b) The duties of the agency coordinator shall include:

(1) Serving as an information source and maintaining sufficient forms necessary to submit suggestions.

(2) Responsibility for presenting, in conjunction with the agency evaluator, the plan of implementation for a suggestion or innovation to the Review Committee.



1           (3) Working with an agency evaluator designated by the Review  
2           Committee of State employees empaneled pursuant to G.S. 126-  
3           7.6.

4       An agency may have more than one coordinator if required to provide sufficient  
5       services to State employees.

6       (c) The duties of an agency evaluator shall include:

7           (1) Reviewing the feasibility and effectiveness of cost-saving measures  
8           suggested by State employees.

9           (2) Being knowledgeable of the subject program, activity, or service.

10          (3) Determining the budgetary impact of a suggestion or innovation.

11          (4) Judging impartially both the positive and negative effects of a  
12          suggestion or innovation on the current functions of the subject  
13          program, activity, or service.

14       The specific assignments of the agency evaluator shall be determined by the agency  
15       coordinator.

16       (d) The State Coordinator shall be responsible for general oversight and  
17       coordination of the State employee incentive bonus program. The State Coordinator  
18       shall be a State employee working in the Office of the State Auditor.

19       **"§ 126-7.6. Incentive Bonus Review Committee.**

20       (a) The Incentive Bonus Review Committee, hereinafter 'Review Committee',  
21       shall consist of nine members, as follows:

22           (1) The State Coordinator.

23           (2) A representative of the Fiscal Research Division of the General  
24           Assembly.

25           (3) A representative of the Department of Justice.

26           (4) A representative of the Department of Labor.

27           (5) One State employee appointed by the Speaker of the House of  
28           Representatives.

29           (6) One State employee appointed by the President Pro Tempore of  
30           the Senate.

31           (7) Three State employees appointed by the State Employees  
32           Association of North Carolina, Inc.

33       (b) The duties of the Review Committee shall include:

34           (1) Responsibility for receiving from the various agency coordinators  
35           recommendations on suggestion and innovation implementation  
36           plans.

37           (2) Determining the impact of a suggestion or innovation on State  
38           government services by judging the monetary savings, increased  
39           revenues, or improved quality of services generated by a suggestion  
40           or innovation.

41           (3) Ensure that the State employee incentive bonus process does not  
42           result in a negative impact on services provided to taxpayers by  
43           State government.

1 (c) The Fiscal Research Division of the General Assembly shall provide staff and  
2 other necessary support to the Review Committee. The Review Committee shall  
3 publish an annual report."

4 Section 2. G.S. 126-4 reads as rewritten:

5 **"§ 126-4. Powers and duties of State Personnel Commission.**

6 Subject to the approval of the Governor, the State Personnel Commission shall  
7 establish policies and rules governing each of the following:

8 (1) Position classification plans which shall provide for the  
9 classification and reclassification of all positions subject to this  
10 Chapter according to the duties and responsibilities of the  
11 positions.

12 (2) Compensation plans which shall provide for minimum, maximum,  
13 and intermediate rates of pay for all employees subject to the  
14 provisions of this Chapter.

15 (3) For each class of positions, reasonable qualifications as to  
16 education, experience, specialized training, licenses, certifications,  
17 and other job-related requirements pertinent to the work to be  
18 performed.

19 (4) Recruitment programs designed to promote public employment,  
20 communicate current hiring activities within State government, and  
21 attract a sufficient flow of internal and external applicants; and  
22 determine the relative fitness of applicants for the respective  
23 positions.

24 (5) Hours and days of work, holidays, vacation, sick leave, and other  
25 matters pertaining to the conditions of employment. The legal  
26 public holidays established by the Commission as paid holidays for  
27 State employees shall include Martin Luther King, Jr.'s Birthday  
28 and Veterans Day. The Commission shall not provide for more  
29 than 11 paid holidays per year except that in those years in which  
30 Christmas Day falls on a Tuesday, Wednesday, or Thursday, the  
31 Commission shall not provide for more than 12 paid holidays.

32 (5a) In years in which New Year's Day falls on Saturday, the  
33 Commission may designate December 31 of the previous calendar  
34 year as the New Year's holiday, provided that the number of  
35 holidays for the previous calendar year does not exceed 12 and the  
36 number of holidays for the current year does not exceed 10. When  
37 New Year's Day falls on either Saturday or Sunday, the constituent  
38 institutions of The University of North Carolina that adopt  
39 alternative dates to recognize the legal public holidays set forth in  
40 subdivision (5) of this section and established by the Commission  
41 may designate, in accordance with the rules of the Commission  
42 and the requirements of this subdivision, December 31 of the  
43 previous calendar year as the New Year's holiday.

- 1 (6) The appointment, promotion, transfer, demotion and suspension of  
2 employees.
- 3 (7) Cooperation with the State Board of Education, the Department of  
4 Public Instruction, the University of North Carolina, and the  
5 Community Colleges of the State and other appropriate resources  
6 in developing programs in, including but not limited to,  
7 management and supervisory skills, performance evaluation,  
8 specialized employee skills, accident prevention, equal employment  
9 opportunity awareness, and customer service; and to maintain an  
10 accredited Certified Public Manager program.
- 11 (7a) The separation of employees.
- 12 (8) A program of meritorious service awards.
- 13 (9) The investigation of complaints and the issuing of appropriate  
14 action concerning employment, promotion, demotion, transfer,  
15 discharge, reinstatement, and any other issue defined as a contested  
16 case issue by this Chapter in all cases as the Commission shall find  
17 justified.
- 18 (10) Programs of employee assistance, productivity incentives, equal  
19 opportunity, safety and health as required by Part 1 of Article 63 of  
20 Chapter 143 of the General Statutes, and such other programs and  
21 procedures as may be necessary to promote efficiency of  
22 administration and provide for a fair and modern system of  
23 personnel administration. This subdivision may not be construed to  
24 authorize the establishment of an incentive pay program.
- 25 (11) In cases where the Commission finds discrimination or orders  
26 reinstatement or back pay whether (i) heard by the Commission or  
27 (ii) appealed for limited review after settlement or (iii) resolved at  
28 the agency level, the assessment of reasonable attorneys' fees and  
29 witnesses' fees against the State agency involved.
- 30 (12) Repealed by Session Laws 1987, c. 320, s. 2.
- 31 (13) Repealed by Session Laws 1987, c. 320, s. 3.
- 32 (14) The implementation of G.S. 126-5(e).
- 33 (15) Recognition of State employees, public personnel management,  
34 and management excellence.
- 35 (16) The implementation of G.S. 126-7.
- 36 (17) An alternative dispute resolution procedure.
- 37 (18) The implementation of G.S. 126-7.3.

38 The policies and rules of the Commission shall not limit the power of any elected  
39 or appointed department head, in the department head's discretion and upon the  
40 department head's determination that it is in the best interest of the Department, to  
41 transfer, demote, or separate a State employee who is not a career State employee as  
42 defined by this Chapter."

43 Section 3. This act becomes effective July 1, 1997.

**1997 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Culp** for the Committee on **Public Employees**.

---

☐ Committee Substitute for

H.B. 868 A BILL TO BE ENTITLED AN ACT TO COVER TEMPOROMANDIBULAR JOINT DYSFUNCTION APPLIANCE THERAPY REGARDLESS OF CAUSE UNDER THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on  
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (# ), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill # ), (and recommendation that the committee substitute bill # ) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (# ), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.  
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97



**North Carolina General Assembly  
Legislative Services Agency**

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(919) 733-7044

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Raleigh, NC 27603-5925  
(919) 733-2578

**MEMORANDUM**

TO: Representative William Wainwright

FROM: Sam Byrd, Fiscal Research Division *Sam*

DATE: April 29, 1997

SUBJECT: Actuarial Note (House Bill 868)

Re: Temporomandibular Joint Dysfunction Appliance Therapy Covered Regardless of  
Cause under the Teachers' and State Employees' Comprehensive Major Medical Plan.

In accordance with North Carolina General Statute 120-114 and applicable Rules of the North Carolina Senate and House of Representatives, attached is a certified copy of an original actuarial note on the above subject as prepared by the General Assembly's Consulting Actuary. A certified copy of an original actuarial note on the same subject from the Plan Administrator's Consulting Actuary is also attached for your review.

cc: ✓ Rep. Arlie Culp, Committee on Public Employees  
Rep. Jerry Dockham, Committee on Insurance.  
Principal Clerk, House

Attachment(s):

- (1) House Bill 868.
- (2) Actuarial Note, Dilts, Umstead & Dunn, House Bill 868, April 28, 1997.
- (3) Actuarial Note, Aon Consulting, House Bill 868, April 24, 1997.



GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 868

Short Title: State Employee TMJ Appliance Benefits.

(Public)

---

Sponsors: Representative Wainwright.

---

Referred to: Public Employees, if favorable, Insurance.

---

April 7, 1997

1 A BILL TO BE ENTITLED  
2 AN ACT TO COVER TEMPOROMANDIBULAR JOINT DYSFUNCTION  
3 APPLIANCE THERAPY REGARDLESS OF CAUSE UNDER THE  
4 TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR  
5 MEDICAL PLAN.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 135-40.6(8)f. reads as rewritten:

8 "f. Dental Services: Oral surgery, including extraction of teeth,  
9 necessitated because of medical treatment. Dental surgery  
10 and appliances for mouth, jaw, and tooth restoration  
11 necessitated because of external violent and accidental  
12 means, such as the impact of moving body, vehicle collision,  
13 or fall occurring while an individual is covered under G.S.  
14 135-40.3. No benefits are provided in connection with injury  
15 incurred in the act of chewing, nor for damage or breakage  
16 of an appliance such as bridge or denture being cleaned or  
17 otherwise not in normal mouth usage at the time of  
18 accident, nor for appliances for orthodontic treatment when  
19 a class of malocclusion, other than orthognathic, or cross  
20 bite has been diagnosed. Benefits for temporomandibular  
21 joint (TMJ) ~~disfunction~~ dysfunction appliance therapy are  
22 ~~limited to cases where the TMJ disfunction has been~~  
23 ~~diagnosed as solely resulting from accidental means as~~  
24 ~~certified by the~~ covered regardless of whether or not the

1                   cause was accidental when the therapy has been certified as  
2                   medically necessary by the attending practitioner and  
3                   approved by the Claims Processor.

4                   Benefits shall include extractions, fillings, crowns, bridges,  
5                   or other necessary therapeutic and restorative techniques  
6                   and appliances to reasonably restore condition and function  
7                   to that existing immediately prior to the accident. Injury or  
8                   breakage of existing appliances such as bridges and dentures  
9                   is limited to repair of such appliances unless certified as  
10                  damaged beyond repair."

11                 Section 2. This act becomes effective January 1, 1996.

# DILTS, UMSTEAD & DUNN

ACTUARIAL CONSULTING

MARK V. HARTMAN, FSA, MAAA, MCA, EA

Phone: (910) 731-4038  
Fax: (910) 731-2583

668 Link Road  
Lexington, NC 27295

April 28, 1997

Mr. Sam Byrd  
Fiscal Research Division  
North Carolina General Assembly  
300 N. Salisbury Street  
Raleigh, NC 27603-5925

Re: House Bill 868: An Act to Cover TMJ Dysfunction Appliance  
Therapy Regardless of Cause

Dear Mr. Byrd:

This bill amends G.S. 135-40.6(8) regarding benefits for Temporomandibular Joint (TMJ) dysfunction appliance therapy. Currently, benefits for such therapy are limited to cases where the TMJ dysfunction has been diagnosed as solely resulting from accidental means. This bill would provide coverage for TMJ dysfunction appliance therapy regardless of cause when the therapy is certified as medically necessary. This bill becomes effective January 1, 1996.

The estimated cost of this bill is based on analysis of TMJ claims in the plan over the past three years, comparison to plans providing coverage for appliance therapy, and information regarding incidence and treatment of TMJ. The estimated cost for the fiscal year beginning July 1, 1997 is \$304,000, which includes the cost of the retroactive application of this bill. The estimated cost for the fiscal year beginning July 1, 1998 is \$146,000. The estimates assume a three month claim payment lag and an 8% annual trend factor.

If you have any questions, let me know.

Sincerely,

*Mark Hartman*

Mark V. Hartman, FSA, MAAA, MCA, EA  
Consulting Actuary

MVH/jj

**ACTUARIAL NOTE**  
**True & Exact Copy of Original**  
Certified By: *Don W. [Signature]* Date: 4-29-97  
Legislative Fiscal Research



**NORTH CAROLINA TEACHERS' &  
STATE EMPLOYEES' COMPREHENSIVE  
MAJOR MEDICAL PLAN**

• • •

**HOUSE BILL 868  
State Employee TMJ Appliance Benefits**

**ACTUARIAL NOTE**

**True & Exact Copy of Original**

**Certified By:** BW/34W

**Date:** 4-29-97

**Legislative Fiscal Research**

Prepared by:

Aon Consulting  
One Piedmont Center  
3565 Piedmont Road, N.E.  
Atlanta, Georgia 30363

April 1997



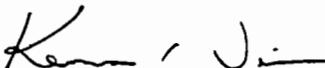
**Alexander  
& Alexander**  
Consulting Group

## ACTUARIAL STATEMENT

The State of North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan (Plan) has requested that Aon Consulting prepare an Actuarial Note in response to an Actuarial Note Request entitled Temporomandibular Joint Dysfunction Appliance Therapy Covered Regardless of Cause under the Teachers' and State Employees' Comprehensive Major Medical Plan.

The Actuarial Note was prepared according to generally accepted actuarial principles and practices, in compliance with General Statute 120-114, and within the confidentiality requirements of General Statute 120-129 through 120-134. As required by statute, the Note includes an explanatory statement of the proposed change(s) and, to the extent possible, an estimate of the financial and actuarial effect of the proposed change(s) on the Plan. The Actuarial Note makes no comment or opinion with regard to the merits of the measure for which the Note is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness, and relied upon the data and information provided by the Plan and their Claims Processing Contractor.



Kenneth C. Vieira, F.S.A., M.A.A.A., E.A.  
Consulting Actuary

4/24/97

Date

Professional Peer Review by:



Fred W. Munzenmaier, F.S.A., M.A.A.A., E.A.  
Managing Director

April 24, 1997

Date

## TMJ Appliance Therapy Covered Regardless Of Cause

### PLAN CHANGE

Currently the North Carolina Teachers' & State Employees' Comprehensive Major Medical Plan (Plan) does not provide coverage of appliance therapy for the treatment of Temporomandibular Joint Dysfunction (TMJ) for causes other than accidental.

House Bill 868 proposes to cover appliance therapy for the treatment of TMJ for all conditions, including accidental causes.

The proposed act is effective retroactive to January 1, 1996.

### PROJECTED COST IMPACT

Plan-Design Change	% Increase			Based on "Midpoint" Increase (in '000's)		
	Low	Mid	High	First Year Cost \$	Second Year Cost \$	Total Biennium Cost \$
TMJ Appliance Therapy Covered Regardless Of Cause	0.005%	0.006%	0.007%	\$105	\$42	\$147

*Based on projected claims of \$639,857,853 and \$691,046,481 for the 1998 and 1999 fiscal years respectively. First year cost assumes a retroactive effective date of January 1, 1996.*

### PRICING APPROACH AND COMMENTS

- A report from the Claims Processing Contractor (CPC) detailed the amount of benefits that were paid for TMJ benefits over the three year period from 1994 to 1996. The report was broken out by institutional, professional and appliance components. There was a comparison of the Plan to the CPC's other indemnity business which covers appliance therapy under all conditions of medical necessity.
- A three year average TMJ incidence rate for the Plan was 3.2 per 1,000 members vs. a CPC rate of 4.7 per 1,000. The difference is primarily caused by membership characteristics. Approximately 10% of the CPC's TMJ claimants require appliance therapy vs. approximately 2% under the Plan with an expected Plan payment of \$350 per device.
- Using a Plan enrollment of approximately 400,000 we would expect between 1,200 and 1,800 cases of TMJ per year. Of these cases 96 to 144 (8%) would require appliance therapy from non-accidental causes. Assuming a \$350 Plan payment per device the total additional cost would range from \$33,600 to \$50,400 per year with the average expected to be \$42,000.
- The retroactive component of the bill makes the first year cost 250% of the expected annual cost.



## MINUTES

### HOUSE PUBLIC EMPLOYEES COMMITTEE

May 21, 1997

The House Public Employees Committee met on May 21, 1997 in Room 415 of the Legislative Office Building at 11:00 A.M. The meeting was called to order by the Chair, Representative Culp. He then made the announcement that discussion on SB 924 had been delayed by lack of needed input from the Federal Bureau of Investigation and would not be on the schedule today. The pages were asked to give their names and the name of their sponsor. The following committee members were present: Representatives Easterling, Hiatt, Jeffus, Oldham, and Thompson.

Guests were present from the North Carolina Veterans Council, North Carolina Veterans Affairs, North Carolina Adult Day AMVETS Services Association, Northampton County Adult Respite Program and County Office on Aging, SEANC, Office of State Personnel, and the North Carolina Veterans Council.

The Chair recognized Senator Warren, who sponsored SB 936, An Act to Provide Priority in Employment Assistance for United States Armed Forces Veterans. The Senator briefly explained what would and would not be affected by the proposed bill. His basic message was that veterans would receive the first opportunity to receive services appropriate to their needs - in all job training and employment assistance programs for which they are eligible and/or qualified. The legislation would not affect veterans' employment for State jobs; nor cost the State or service providers or result in fewer citizens being served. Neither would it result in unqualified veterans being referred to job openings or result in ineligible veterans being enrolled or served by any programs.

Representative Hiatt made the motion that the bill receive a favorable report. Representative Oldham said his questions on the bill had been answered by the facts covered by Senator Warren. Representative Easterling requested information from the Veterans' Associations present as to the addition of ten points to any employment exams taken by veterans. Mr. Steven Guess of the North Carolina Veterans Council said this was and would still be the accepted practice.

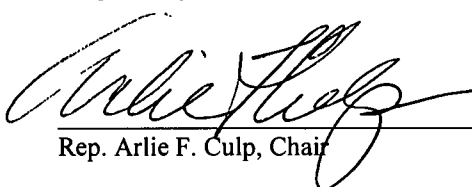
Committee Chair Culp asked Carl Goodwin of the Office of State Personnel if he would like to make any comments. Mr. Goodwin said this bill would have no affect on the State's Personnel Office operations.

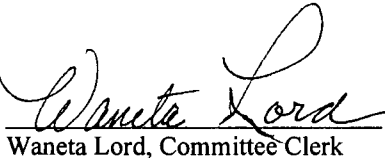
The motion for a favorable report was unanimous.

Meeting adjourned at 12:03 P.M.

(All proceedings of this meeting were recorded and the tapes are available in the Legislative Library.)

Respectfully submitted,

  
Rep. Arlie F. Culp, Chair

  
Waneta Lord, Committee Clerk

VISITOR REGISTRATION SHEET

Public Employers

Name of Committee

5-21-97

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Steve Guess	N.C. Veterans Council
JAMES A. Woodard	N.C. Veterans Affairs
Jean Reeves	NC ADULT DAY AMVETS - Services Assoc.
Harry L. Hedgepeth	Northampton County Adult Respite Roanoke Amaranth, Inc. Program
Susan Skinner	Northampton Co. Office on Aging
Troy Green	SEANC
Danell Arnold	SEANC
Carl Goodwin	OSP
Garrett Shropshire	N.C. Veterans Council

**1997 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Arlie F. Culp** for the Committee on **Public Employees.**

---

☒ Committee Substitute for

S.B. 936 A BILL TO BE ENTITLED AN ACT TO PROVIDE PRIORITY IN

EMPLOYMENT ASSISTANCE FOR UNITED STATES ARMED FORCES VETERANS

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on  
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the  
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (# ), ☐ which changes the title,  
unfavorable as to original bill (Committee Substitute Bill # ), (and recommendation  
that the committee substitute bill # ) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (# ), ☐ which changes  
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.  
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report; with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

FOR JOURNAL USE ONLY

\_\_\_\_ Pursuant to Rule 36(a), the bill is placed on the Calendar of \_\_\_\_\_.

\_\_\_\_ The (committee substitute) bill/resolution (, as amended,) is (ordered engrossed and) re-referred to the Committee on \_\_\_\_\_.

\_\_\_\_ The (committee substitute) bill/resolution (, as amended,) is placed on the Consent Calendar of \_\_\_\_\_. The original bill/resolution is placed on the Unfavorable Calendar.

\_\_\_\_ The bill/resolution is re-referred to the Committee on \_\_\_\_\_.

\_\_\_\_ On motion of (Rep. \_\_\_\_\_,) (the Chair,) the (committee substitute) bill/resolution is (ordered engrossed and) re-referred to the Committee on \_\_\_\_\_.

\_\_\_\_ Pursuant to Rule 36(a), the (House)committee substitute bill (No. \_\_\_\_)/resolution is placed on the Calendar of \_\_\_\_\_. (The original bill) (House Committee Substitute Bill No. \_\_\_\_)/resolution is placed on the Unfavorable Calendar.

\_\_\_\_ On motion of Rep. \_\_\_\_\_, (the rules are suspended) (Rule \_\_\_\_ is suspended) and the bill/resolution is placed on today's calendar. (for immediate consideration.)

\_\_\_\_ On motion of Rep. \_\_\_\_\_, Committee Amendment No.(s) \_\_\_\_\_ is/are adopted (by EV \_\_\_\_\_).

\_\_\_\_ On motion of Rep. \_\_\_\_\_, Committee Amendment No.(s) \_\_\_\_\_ is/are adopted (by EV \_\_\_\_\_).

\_\_\_\_ Rep. \_\_\_\_\_ offers Amendment No. \_\_\_\_\_ which (is adopted.) (fails of adoption.) (by EV \_\_\_\_\_) ( ) This amendment changes the title.

\_\_\_\_ The bill/resolution (, as amended,) passes its second reading (by following vote, \_\_\_\_\_ RC) (, by EV \_\_\_\_\_,) and (remains on the Calendar,) (and there being no objection is read a third time).

\_\_\_\_ The bill/resolution (, as amended,) passes its third reading (by the following vote, \_\_\_\_\_ RC) (, by EV \_\_\_\_\_,) and is ordered \_\_\_\_\_ sent to the Senate.

\_\_\_\_ without engrossment. \_\_\_\_\_ by Special message.  
\_\_\_\_ sent to the Senate for concurrence in \_\_\_\_\_  
\_\_\_\_ House amendment (s): \_\_\_\_\_  
\_\_\_\_ House committee substitute. \_\_\_\_\_  
\_\_\_\_ enrolled.

\_\_\_\_ On motion of Rep. \_\_\_\_\_, the House concurs in the (material) Senate \_\_\_\_\_ (by the following vote, \_\_\_\_\_ RC) (, by EV \_\_\_\_\_,) and the bill is ordered enrolled.

**1997 Session of the General Assembly**

**SENATE BILL 936**

**Short Title: Veterans Employment Assistance Priority**

(Public) Initiated by the North Carolina Veterans Council

Senate Committee Substitute adopted 4/29/97

Third Edition Engrossed 5/1/97

**VETERANS PRIORITY IN EMPLOYMENT AND JOB TRAINING ASSISTANCE PROGRAMS**

**WILL mean that State and Local service providers will provide veterans the first opportunity to receive the services, appropriate to their needs, in all job training and employment assistance programs for which they are eligible and/or qualified;**

**Will NOT affect veterans' employment preference for State jobs;**

**Will NOT cost the State or any service providers;**

**Will NOT result in fewer citizens being served;**

**Will NOT result in unqualified veterans being referred to job openings;**

**Will NOT result in ineligible veterans being enrolled in, or served by, any programs;**

**IS a means of helping to attract and retain a quality work force for North Carolina's businesses; and,**

**IS the "right thing" to do for our veterans.**





**North Carolina General Assembly  
Legislative Services Agency**

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May 21, 1997

**MEMORANDUM**

**TO:** House Committee on Public Employees

**FROM:** Sandra A. Timmons, Senior Legislative Analyst *SA*

**RE:** Senate Bill 936 (Vet Employment Assistance Priority)

Senate Bill 936 amends Chapter 165 of the General Statutes by adding a new article entitled Priority in Employment Assistance for U.S. Armed Forces Veterans. For employment assistance purposes, G.S. 165-44.2 defines a veteran as a person who served in an active duty capacity for at least 180 days and who was discharged under honorable conditions, unless released earlier because of a service-connected disability.

G.S. 165-44.3 directs any public or private recipients of federal or state job training funds to give priority in programs of employment assistance and job training assistance to eligible veterans of the U.S. Armed Forces.

The priority for veterans would cause such service providers to extend the opportunity to participate to eligible registered veterans before such an opportunity was extended to other registered applicants. G.S. 165-44.5 requires that procedures be established consistent with existing federal or State law to provide the priority to participate.

New G.S. 165-44.6 directs the Commission on Workforce Preparedness to:

- Issue and revise directives to implement and further the Article's intent;
- Develop indicators of compliance; and
- Submit a compliance report annually to the Joint Legislative Committee on Governmental Operations, beginning no later than October 1, 1998.

Senate Bill 936 is effective when it becomes law.



AGENDA

HOUSE PUBLIC EMPLOYEES COMMITTEE  
MAY 21, 1997 - 11:00 AM

I CALL MEETING TO ORDER

II REMARKS BY CHAIRMAN CULP

III INTRODUCTION OF PAGES

IV SB 936 - Vet Employment Assistance Priority  
Sponsor: Senator Warren

SB 924 - Criminal Record Checks/DHR  
Sponsor: Senator Odom

*delayed by  
FBI "Problems"*

V ANNOUNCEMENTS

VI ADJOURNMENT



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May 21, 1997

## MEMORANDUM

**TO:** House Committee on Public Employees  
**FROM:** Sandra Timmons, Senior Legislative Analyst *ST*  
**RE:** Senate Bill 924 (Criminal Record Checks/DHR)

Section 1 of Senate Bill 924 creates a new section in Chapter 114 of the General Statutes to allow the Department of Justice to provide the Department of Human Resources (DHR) with a criminal history from the State and National Repositories of Criminal Histories for a person covered under this act.

New subsection 114-19.6(a) defines criminal history as a State or federal history of conviction of a crime. Covered person is defined as an applicant for employment or a current employee in a DHR position which provides direct care for a client, patient, student, resident, or ward of the Department.

Subsection (b) sets general requirements for making and handling the requests, which allow that:

- \* No requests shall be due to a person's age, sex, race, color, national origin, religion, creed, political affiliation, or handicapping condition;
- \* DHR shall provide the Department of Justice with a consent form signed by the covered person, when requesting a criminal history record check alone;
- \* DHR shall provide fingerprints and any additional identifying information required by the State or National Repositories, for requests that include a national criminal record check; (The form signed by the covered person to be checked is to include the person's consent to the check of the criminal record and to the use of fingerprints and other identifying information.)
- \* DHR shall keep all information confidential; and
- \* The Department of Justice shall charge a reasonable fee for conducting these checks.



MEMORANDUM

Page 2

May 21, 1997

Subsection (c) provides that all releases of criminal history information to the DHR shall be subject to, and in compliance with, rules governing the dissemination of criminal history record checks, as adopted by the N.C. Division of Criminal Information. It further specifies that all information the department receives through such checks is privileged information and is for the exclusive use of the DHR.

Subsection (d) outlines the department's option when a covered person's verified criminal history record check reveals one or more convictions specified under subsection (a). Seven factors are listed which DHR shall consider in determining whether employment will be denied.

Subsection (e) authorizes DHR to deny employment to or dismiss a covered person who refuses to consent to a criminal history record check or the use of fingerprints or other required identifying information. Such refusal will constitute just cause for the employment denial or dismissal from employment.

Subsection (f) states that DHR may extend a conditional offer of employment pending the results of a criminal history record check.

Section 2 of the bill requires DHR to use available funds to cover the costs of implementing the provisions of this act.

Senate Bill 924 becomes effective October 1, 1997.

## MINUTES

### HOUSE PUBLIC EMPLOYEES COMMITTEE

June 4, 1997

The House Public Employees Committee met on June 4, 1997 in Room 415 of the Legislative Office Building at 11:00 A.M. The meeting was called to order by the Chair, Representative Culp. The pages were asked to give their names and the county they represented. The following committee members were present: Representatives Barbee, Capps, Hiatt, Insko, and Starnes.

Also present were Jane Gray from the Attorney General's Office, Bill Guy and Steve Davis from the Department of Human Resources.

The Chair recognized Senator Odum the sponsor of SB 924, An Act to Authorize Criminal Record Checks of Employees of and Applicants for Employment with the Department of Human Resources. The Senator briefly explained what would and would not be affected by the proposed bill. Representative Starnes questioned the cost related to record checks. Chairman Culp asked Jane Gray if she could provide information on cost. Ms. Gray told the committee that the cost for a State record check was \$14 (with fingerprints) and for a Federal record check would be \$21. Costs are paid by the Department of Human Resources from funds set aside. Mr. Guy, Department of Human Resources, noted that they had worked with the FBI to provide language in the bill to allow Federal record checks.

Representative Insko made the motion for the bill to be re-referred to the Judiciary Committee. Representative Capps and Barbee felt this was not necessary and Rep. Capps made a motion that the Committee Substitute be given a favorable report, unfavorable as to the original bill.

Committee Chair Culp asked for all those in favor of referring the bill to Judiciary to say so. Only Representative Insko was in favor and the motion failed.

All other representatives voted for a favorable report to the Committee Substitute bill.

Meeting adjourned at 11:25 A.M.

(All proceedings of this meeting were recorded and the tapes are available in the Legislative Library.)

Respectfully submitted,



Rep. Arlie F. Culp, Chair



Waneta Lord, Committee Clerk

**1997 COMMITTEE REPORT  
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **Arlie F. Culp** for the Committee on **PUBLIC EMPLOYEES.**

---

☒ Committee Substitute for

S.B. 924 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE CRIMINAL RECORD  
CHECKS OF EMPLOYEES OF AND APPLICANTS FOR EMPLOYMENT WITH THE  
DEPARTMENT OF HUMAN RESOURCES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on  
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the  
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (# ), ☐ which changes the title,  
unfavorable as to original bill (Committee Substitute Bill # ), (and recommendation  
that the committee substitute bill # ) be re-referred to the Committee on .)

☒ With a favorable report as to House committee substitute bill (~~#~~), ☐ which changes  
~~the title~~, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.  
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

# VISITOR REGISTRATION SHEET

Public Employees  
Name of Committee

6-4-97

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Jane P. Gray

b 5

Bill Dwyer

D H R

Steve Davis

DHR

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

3

SENATE BILL 924

Children & Human Resources Committee Substitute Adopted 4/30/97

Third Edition Engrossed 5/1/97

Short Title: Criminal Record Checks/DHR.

(Public)

Sponsors:

Referred to:

April 17, 1997

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE CRIMINAL RECORD CHECKS OF EMPLOYEES OF  
3 AND APPLICANTS FOR EMPLOYMENT WITH THE DEPARTMENT OF  
4 HUMAN RESOURCES.

5 The General Assembly of North Carolina enacts:

6 Section 1. Chapter 114 of the General Statutes is amended by adding the  
7 following new section to read:

8 "§ 114-19.6. Criminal history record checks of employees of and applicants for  
9 employment with the Department of Human Resources.

10 (a) Definitions. -- As used in this section, the term:

11 (1) 'Criminal history' means a State or federal history of conviction of  
12 a crime, whether a misdemeanor or felony, that bears upon a  
13 covered person's fitness for employment in the Department of  
14 Human Resources. The crimes include, but are not limited to,  
15 criminal offenses as set forth in any of the following Articles of  
16 Chapter 14 of the General Statutes: Article 5, Counterfeiting and  
17 Issuing Monetary Substitutes; Article 5A, Endangering Executive  
18 and Legislative Officers; Article 6, Homicide; Article 7A, Rape and  
19 Other Sex Offenses; Article 8, Assaults; Article 10, Kidnapping and  
20 Abduction; Article 13, Malicious Injury or Damage by Use of  
21 Explosive or Incendiary Device or Material; Article 14, Burglary  
22 and Other Housebreakings; Article 15, Arson and Other Burnings;



Article 16, Larceny; Article 17, Robbery; Article 18, Embezzlement; Article 19, False Pretenses and Cheats; Article 19A, Obtaining Property or Services by False or Fraudulent Use of Credit Device or Other Means; Article 19B, Financial Transaction Card Crime Act; Article 20, Frauds; Article 21, Forgery; Article 26, Offenses Against Public Morality and Decency; Article 26A, Adult Establishments; Article 27, Prostitution; Article 28, Perjury; Article 29, Bribery; Article 31, Misconduct in Public Office; Article 35, Offenses Against the Public Peace; Article 36A, Riots and Civil Disorders; Article 39, Protection of Minors; Article 40, Protection of the Family; Article 59, Public Intoxication; and Article 60, Computer-Related Crime. The crimes also include possession or sale of drugs in violation of the North Carolina Controlled Substances Act, Article 5 of Chapter 90 of the General Statutes, and alcohol-related offenses such as sale to underage persons in violation of G.S. 18B-302, or driving while impaired in violation of G.S. 20-138.1 through G.S. 20-138.5.

(2) 'Covered person' means:

- a. An applicant for employment or a current employee in a position in the Department of Human Resources who provides direct care for a client, patient, student, resident or ward of the Department; or
- b. Supervises positions providing direct care as outlined in subdivision a. of this subdivision.

(b) When requested by the Department of Human Resources, the Department of Justice may provide to the Department of Human Resources a covered person's criminal history from the State and National Repositories of Criminal Histories. Such requests shall not be due to a person's age, sex, race, color, national origin, religion, creed, political affiliation, or handicapping condition as defined by G.S. 168A-3. For requests for a State criminal history record check only, the Department of Human Resources shall provide to the Department of Justice a form consenting to the check signed by the covered person to be checked and any additional information required by the Department of Justice. For requests that include a national criminal record check, the Department of Human Resources shall provide to the Department of Justice the fingerprints of the covered person to be checked, any additional information required by the Department of Justice, and a form consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the State or National Repositories signed by the covered person to be checked. The fingerprints shall be forwarded to the State Bureau of Investigation for a national criminal history record check. The Department of Human Resources shall keep all information pursuant to this section confidential. The Department of Justice shall charge a reasonable fee for conducting the checks of the criminal history records authorized by this section.

1 (c) All releases of criminal history information to the Department of Human  
2 Resources shall be subject to, and in compliance with, rules governing the  
3 dissemination of criminal history record checks as adopted by the North Carolina  
4 Division of Criminal Information. All of the information the Department of Human  
5 Resources receives through the checking of the criminal history is privileged  
6 information and for the exclusive use of the Department of Human Resources.

7 (d) If the covered person's verified criminal history record check reveals one or  
8 more convictions covered under subsection (a) of this section, then the conviction  
9 shall constitute just cause for not selecting the person for employment, or for  
10 dismissing the person from current employment with the Department of Human  
11 Resources. The conviction shall not automatically prohibit employment; however,  
12 the following factors shall be considered by the Department of Human Resources in  
13 determining whether employment shall be denied:

14 (1) The level and seriousness of the crime;

15 (2) The date of the crime;

16 (3) The age of the person at the time of the conviction;

17 (4) The circumstances surrounding the commission of the crime, if  
18 known;

19 (5) The nexus between the criminal conduct of the person and job  
20 duties of the person;

21 (6) The prison, jail, probation, parole, rehabilitation, and employment  
22 records of the person since the date the crime was committed; and

23 (7) The subsequent commission by the person of a crime listed in  
24 subsection (a) of this section.

25 (e) The Department of Human Resources may deny employment to or dismiss a  
26 covered person who refuses to consent to a criminal history record check or use of  
27 fingerprints or other identifying information required by the State or National  
28 Repositories of Criminal Histories. Any such refusal shall constitute just cause for  
29 the employment denial or the dismissal from employment.

30 (f) The Department of Human Resources may extend a conditional offer of  
31 employment pending the results of a criminal history record check authorized by this  
32 section."

33 Section 2. The Department of Human Resources shall use funds  
34 available to cover the costs of implementing Section 1 of this act.

35 Section 3. This act becomes effective October 1, 1997.

**DRAFT**  
**FOR REVIEW ONLY**

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

D

SENATE BILL 924

Children & Human Resources Committee Substitute Adopted 4/30/97

Third Edition Engrossed 5/1/97

Proposed House Committee Substitute for SB 924 S924-HCSRP-001

Short Title: Criminal Record Checks/DHR.

(Public)

Sponsors:

Referred to:

April 17, 1997

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE CRIMINAL RECORD CHECKS OF EMPLOYEES OF AND  
3 APPLICANTS FOR EMPLOYMENT WITH THE DEPARTMENT OF HUMAN  
4 RESOURCES.  
5 The General Assembly of North Carolina enacts:  
6 Section 1. Chapter 114 of the General Statutes is  
7 amended by adding the following new section to read:  
8 "§ 114-19.6. Criminal history record checks of employees of and  
9 applicants for employment with the Department of Human Resources.  
10 (a) Definitions. -- As used in this section, the term:  
11 (1) 'Criminal history' means a State or federal history  
12 of conviction of a crime, whether a misdemeanor or  
13 felony, that bears upon a covered person's fitness  
14 for employment in the Department of Human  
15 Resources. The crimes include, but are not limited  
16 to, criminal offenses as set forth in any of the  
17 following Articles of Chapter 14 of the General  
18 Statutes: Article 5, Counterfeiting and Issuing  
19 Monetary Substitutes; Article 5A, Endangering  
20 Executive and Legislative Officers; Article 6,

Homicide; Article 7A, Rape and Other Sex Offenses; Article 8, Assaults; Article 10, Kidnapping and Abduction; Article 13, Malicious Injury or Damage by Use of Explosive or Incendiary Device or Material; Article 14, Burglary and Other Housebreakings; Article 15, Arson and Other Burnings; Article 16, Larceny; Article 17, Robbery; Article 18, Embezzlement; Article 19, False Pretenses and Cheats; Article 19A, Obtaining Property or Services by False or Fraudulent Use of Credit Device or Other Means; Article 19B, Financial Transaction Card Crime Act; Article 20, Frauds; Article 21, Forgery; Article 26, Offenses Against Public Morality and Decency; Article 26A, Adult Establishments; Article 27, Prostitution; Article 28, Perjury; Article 29, Bribery; Article 31, Misconduct in Public Office; Article 35, Offenses Against the Public Peace; Article 36A, Riots and Civil Disorders; Article 39, Protection of Minors; Article 40, Protection of the Family; Article 59, Public Intoxication; and Article 60, Computer-Related Crime. The crimes also include possession or sale of drugs in violation of the North Carolina Controlled Substances Act, Article 5 of Chapter 90 of the General Statutes, and alcohol-related offenses such as sale to underage persons in violation of G.S. 18B-302, or driving while impaired in violation of G.S. 20-138.1 through G.S. 20-138.5.

(2) 'Covered person' means:

- a. An applicant for employment or a current employee in a position in the Department of Human Resources who provides direct care for a client, patient, student, resident or ward of the Department; or
- b. Supervises positions providing direct care as outlined in sub-subdivision a. of this subdivision.

(b) When requested by the Department of Human Resources, the North Carolina Department of Justice may provide to the Department of Human Resources a covered person's criminal history from the State Repository of Criminal Histories. Such requests shall not be due to a person's age, sex, race, color, national origin, religion, creed, political affiliation, or handicapping

RAFT  
FOR REVIEW ONLY

1 condition as defined by G.S. 168A-3. For requests for a State  
2 criminal history record check only, the Department of Human  
3 Resources shall provide to the Department of Justice a form  
4 consenting to the check signed by the covered person to be  
5 checked and any additional information required by the Department  
6 of Justice. National criminal record checks are authorized for  
7 covered applicants who have not resided in the State of North  
8 Carolina during the past five years. For national checks the  
9 Department of Human Resources shall provide to the North Carolina  
10 Department of Justice the fingerprints of the covered person to  
11 be checked, any additional information required by the Department  
12 of Justice, and a form signed by the covered person to be checked  
13 consenting to the check of the criminal record and to the use of  
14 fingerprints and other identifying information required by the  
15 State or National Repositories. The fingerprints of the  
16 individual shall be forwarded to the State Bureau of  
17 Investigation for a search of the State criminal history record  
18 file and the State Bureau of Investigation shall forward a set of  
19 fingerprints to the Federal Bureau of Investigation for a  
20 national criminal history record check. The Department of Human  
21 Resources shall keep all information pursuant to this section  
22 confidential. The Department of Justice shall charge a  
23 reasonable fee for conducting the checks of the criminal history  
24 records authorized by this section.

25 (c) All releases of criminal history information to the  
26 Department of Human Resources shall be subject to, and in  
27 compliance with, rules governing the dissemination of criminal  
28 history record checks as adopted by the North Carolina Division  
29 of Criminal Information. All of the information the Department  
30 of Human Resources receives through the checking of the criminal  
31 history is privileged information and for the exclusive use of  
32 the Department of Human Resources.

33 (d) If the covered person's verified criminal history record  
34 check reveals one or more convictions covered under subsection  
35 (a) of this section, then the conviction shall constitute just  
36 cause for not selecting the person for employment, or for  
37 dismissing the person from current employment with the Department  
38 of Human Resources. The conviction shall not automatically  
39 prohibit employment; however, the following factors shall be  
40 considered by the Department of Human Resources in determining  
41 whether employment shall be denied:

- 42 (1) The level and seriousness of the crime;  
43 (2) The date of the crime;

- 1       (3) The age of the person at the time of the  
2       conviction;  
3       (4) The circumstances surrounding the commission of the  
4       crime, if known;  
5       (5) The nexus between the criminal conduct of the  
6       person and job duties of the person;  
7       (6) The prison, jail, probation, parole,  
8       rehabilitation, and employment records of the  
9       person since the date the crime was committed; and  
10       (7) The subsequent commission by the person of a crime  
11       listed in subsection (a) of this section.

12       (e) The Department of Human Resources may deny employment to  
13       or dismiss a covered person who refuses to consent to a criminal  
14       history record check or use of fingerprints or other identifying  
15       information required by the State or National Repositories of  
16       Criminal Histories. Any such refusal shall constitute just cause  
17       for the employment denial or the dismissal from employment.

18       (f) The Department of Human Resources may extend a conditional  
19       offer of employment pending the results of a criminal history  
20       record check authorized by this section."

21       Section 2. The Department of Human Resources shall use  
22 funds available to cover the costs of implementing Section 1 of  
23 this act.

24       Section 3. This act becomes effective October 1, 1997.

**DRAFT**  
**FOR REVIEW ONLY**



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May 21, 1997

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**FROM:** Sandra Timmons, Senior Legislative Analyst *ST*  
**RE:** Senate Bill 924 (Criminal Record Checks/DHR)

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Subsection (b) sets general requirements for making and handling the requests, which allow that:

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- \* DHR shall keep all information confidential; and
- \* The Department of Justice shall charge a reasonable fee for conducting these checks.



MEMORANDUM

Page 2

May 21, 1997

Subsection (c) provides that all releases of criminal history information to the DHR shall be subject to, and in compliance with, rules governing the dissemination of criminal history record checks, as adopted by the N.C. Division of Criminal Information. It further specifies that all information the department receives through such checks is privileged information and is for the exclusive use of the DHR.

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Subsection (f) states that DHR may extend a conditional offer of employment pending the results of a criminal history record check.

Section 2 of the bill requires DHR to use available funds to cover the costs of implementing the provisions of this act.

Senate Bill 924 becomes effective October 1, 1997.