

1997

**HOUSE
APPROPRIATIONS**

MINUTES

HOUSE APPROPRIATIONS COMMITTEE

1997 SESSION

COMMITTEE CHAIRMEN

Representative George M. Holmes
Representative Theresa H. Esposito
Representative Billy J. Creech
Representative James W. Crawford, Jr.

FISCAL STAFF

Janice Wheeler
Lynn Muchmore

BILL DRAFTING COUNSEL

Emily Johnson
Phyllis Pickett

COMMITTEE CLERKS

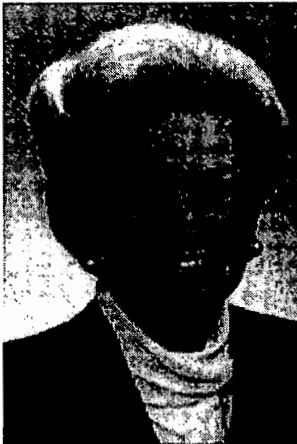
Glenda P. Jacobs
Melissa Jackson
Betty Anne Lennon
Linda Winstead

1997 - 1998

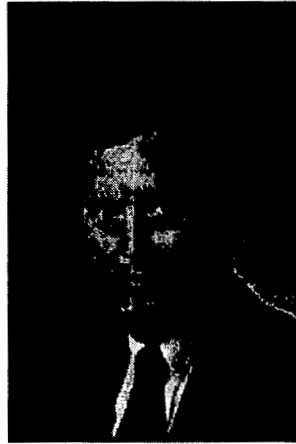
HOUSE APPROPRIATIONS COMMITTEE



George M. Holmes
Co-Chair
Senior Ranking Member



Theresa Harlow Esposito
Co-Chair



Billy James Creech
Co-Chair



James W. Crawford
Co-Chair

SUBCOMMITTEE ON CAPITAL AND BUDGET



Carolyn B. Russell
Co-Chair



Gene Wilson
Co-Chair

SUBCOMMITTEE ON EDUCATION



Jean R. Preston
Co-Chair



Gene G. Arnold
Co-Chair



Robert Grady
Co-Chair

SUBCOMMITTEE ON GENERAL GOVERNMENT



William M. Ives
Co-Chair



Eugene McCombs
Co-Chair



Wilma M. Sherrill
Co-Chair

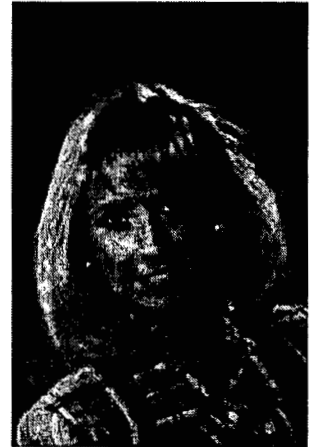
SUBCOMMITTEE ON HUMAN RESOURCES



Charlotte A. Gardner
Co-Chair



Lanier M. Cansler
Co-Chair



Debbie Clary
Co-Chair

SUBCOMMITTEE ON JUSTICE & PUBLIC SAFETY



Larry T. Justus
Co-Chair



Gregg Thompson
Co-Chair

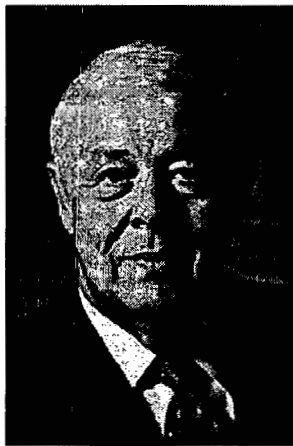


Joe Kiser
Co-Chair

SUBCOMMITTEE ON NATURAL AND ECONOMIC RESOURCES



Frank Mitchell
Co-Chair



Rex L. Baker
Co-Chair



James C. Carpenter
Co-Chair

SUBCOMMITTEE ON TRANSPORTATION



Joanne W. Bowie
Co-Chair



W. Edwin McMahan
Co-Chair



Jerry C. Dockham
Co-Chair

1997 - 1998
APPROPRIATIONS COMMITTEE



George M. Holmes
Co-Chair
Senior Ranking Member



**Theresa Harlow
Esposito**
Co-Chair



Billy James Creech
Co-Chair



James W. Crawford
Co-Chair



Alma S. Adams



M. W. Aldridge



Martha Alexander



Gene G. Arnold



Rex L. Baker



Bobby Harold Barbee



Cherie Killian Berry



James B. Black



Daniel T. Blue, Jr.



Donald A. Bonner



Joanne W. Bowie



Jerry Braswell



Lanier Cansler



James C. Carpenter



Walter Church, Sr.



Debbie Clary



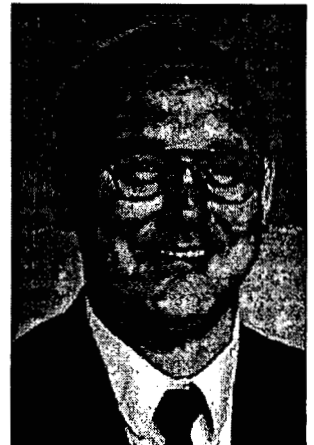
Arlie F. Culp



Bill Culpepper



Don Davis



Michael Decker



Jerry C. Dockham



Bevely M. Earle



Ruth M. Easterling



J. Sam Ellis



Stan Fox



Charlotte A. Gardner



Robert Grady



Bobby Ray Hall



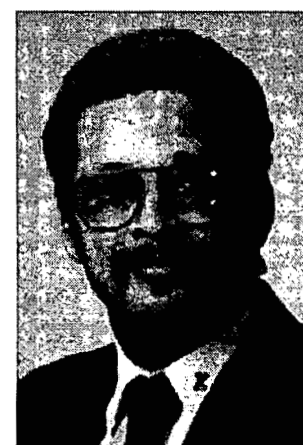
Thomas C. Hardaway



Edwin M. Hardy



William S. Hiatt



Howard J. Hunter, Jr.



J. W. Hurley



Verla C. Insko



William M. Ives



Margaret M. Jeffus



Larry T. Justus



Theodore J. Kinney



Joe Kiser



Mary E. McAllister



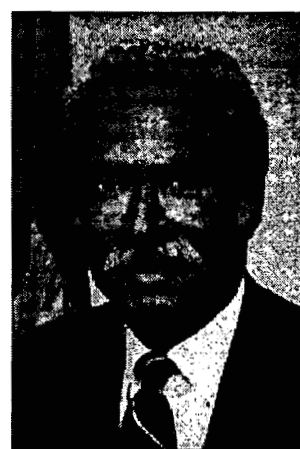
Eugene McCombs



Paul R. McCrary



W. Edwin McMahan



H. M. Michaux, Jr.



Frank Mitchell



Richard L. Moore



Richard T. Morgan



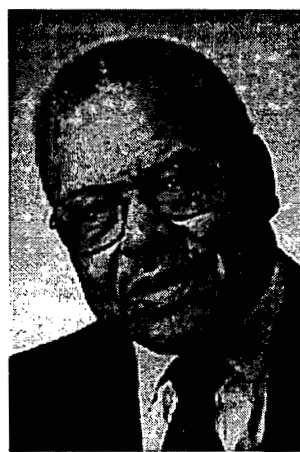
Jane H. Mosley



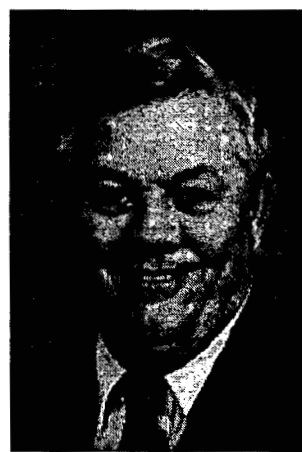
Charles B. Neely, Jr.



Edd Nye



Warren C. Oldham



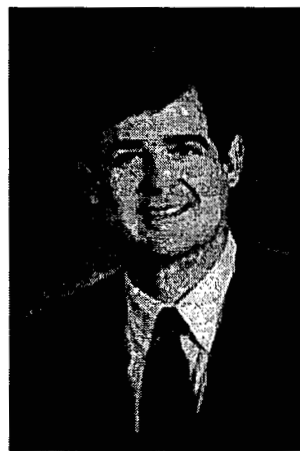
William C. Owens, Jr.



Jean R. Preston



E. David Redwine



Dennis Reynolds



Gene Rogers



Carolyn B. Russell



Drew P. Saunders



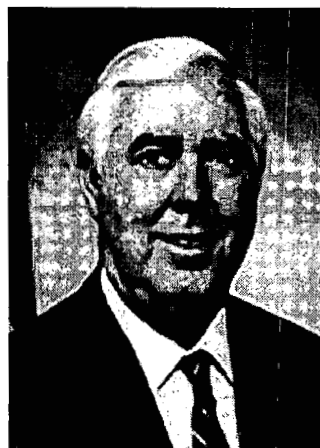
P. Wayne Sexton



Wilma M. Sherrill



Fern Shubert



Ronald L. Smith



Ronnie Sutton



Gregg Thompson



Joe P. Tolson



William L. Wainwright



Alex Warner



Nurham O. Warwick



Nurham O. Warwick



Cynthia Bailey Watson



John Hugh Weatherly



Mike Wilkins



Gene Wilson



Douglas Y. Yongue

Ex-Officio Members



N. Leo Daughtry



Julia C. Howard



Steve Wood

HOUSE COMMITTEE ON APPROPRIATIONS
1997 SESSION

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. HOLMES, CO-CHAIR Glenda Jacobs, Clerk	3-5900	631	6
REP. ESPOSITO, CO-CHAIR Melissa Jackson, Clerk	5-2530	634	5
REP. CREECH, CO-CHAIR Betty Anne Lennon, Clerk	3-5829	635	42
REP. CRAWFORD, CO-CHAIR Linda Winstead, Clerk	3-5824	1301	24
REP. ADAMS Jo Malone	3-5902	542	103
REP. ALDRIDGE Susan Groh	3-5958	640	39
REP. ALEXANDER Margy Blackmon	3-5605	1209	34
REP. ARNOLD Jean McNeill	3-5747	535	54
REP. BAKER Jo Hinton	3-5787	632	50
REP. BARBEE Rosa Murray	3-5908	1025	74
REP. BERRY Betty Smith	3-5861	1006	41
REP. BLACK Janice Carmichael	5-4946	1229	31
REP. BLUE Lin Threatt	5-2528	1227	80

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. BONNER Lucy Johnson	5-9664	617	109
REP. BOWIE Sharon Gaudette	3-5853	1206	26
REP. BRASWELL Dianna Gilmore	3-5809	539	96
REP. CANSLER Barbara Cansler	5-3007	419a	53
REP. CARPENTER Kara McCraw	3-5777	537	85
REP. CHURCH Joyce Fuller	3-5805	1311	33
REP. CLARY Mary Jamison	5-3011	418B	75
REP. CULP Wanita Lord	3-5865	1010	62
REP. CULPEPPER Dot Crocker	3-5802	604	36
REP. DAVIS Audrey Johnson	5-3003	419c	89
REP. DECKER Cindy Keen	3-7208	2121	13
REP. DOCKHAM Nell Herndon-Edwards	3-5822	1106	18
REP. EARLE Monica McClain	5-4466	602	95
REP. EASTERLING Judy Willis	3-5786	606	79

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. ELLIS Susan Everett	3-5821	1303	78
REP. FOX Sue Buehlmann	3-5757	1217	46
REP. GARDNER Barbara Hocutt	5-3017	417b	7
REP. GRADY Peggy Murray	5-3024	402	37
REP. GULLEY Lucille Carter	3-5860	1307	98
REP. HALL Billie Stevens	3-5906	637	87
REP. HARDAWAY Jan Brooks	3-5775	1323	56
REP. HARDY Joel Raupe	5-3019	417a	100
REP. HIATT Edna Pearce	3-5862	1008	14
REP. H. HUNTER Barbara Phillips	3-2962	613	68
REP. HURLEY Dot Anderson	3-5859	1004	71
REP. INSKO Pat Baker	3-5800	1319	112
REP. IVES Jayne Walton	3-5784	633	90
REP. JEFFUS Mary Lee Robinson	3-5191	1013	108

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. JUSTUS Carolyn Justus	3-5956	2204	2
REP. KINNEY Soraya Dunnigan	3-5867	527a	116
REP. KISER Marilyn Holder	3-5803	1313	86
REP. MCALLISTER Annecia Norwood	3-5706	603	70
REP. MCCOMBS Suzanne Erskine	3-5881	514	10
REP. MCCRARY Barbara Berry	3-5780	610	55
REP. MCMAHAN Sharon Cram	3-5732	2213	28
REP. MICHAUX Karlene Scott	3-5609	1409	57
REP. MITCHELL Susan Thomason	3-5959	638	9
REP. MOORE Kathy Cali	3-5661	1019	101
REP. MORGAN Dixie Epps	5-3028	404	17
REP. MOSLEY Gennie Thurlow	3-5781	2221	106
REP. NEELY Betty Harrison	5-3001	420	29
REP. NYE Jo Bobbitt	3-5477	639	23

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. OLDHAM Delta Prince	3-5877	538	58
REP. OWENS Marie Sheets	3-0010	608	22
REP. PRESTON Alice Falcone	5-3026	403	38
REP. REDWINE Katie Shull	3-4948	1204	117
REP. REYNOLDS Tina Covington	3-5820	533	76
REP. ROGERS Judy Veorse	5-3023	416a	35
REP. RUSSELL Susan Brothers	5-0875	2207	27
REP. SAUNDERS Ruth Fish	3-5530	1017	110
REP. SEXTON Debbie Turner	3-5974	506	102
REP. SHERRILL Rosa Kelley	3-5601	2215	51
REP. SHUBERT Dawn Ellis	3-5771	2119	64
REP. SMITH Edna Collar	3-5827	1221	104
REP. SUTTON Juanita Coley	3-5782	1317	83
REP. THOMPSON Edna Sykes	3-5828	1002	15

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. TOLSON Gayle Christian	3-5607	609	59
REP. WAINWRIGHT Denise Smith	3-5898	614	20
REP. WARNER Ann Stancil	3-5806	1420	81
REP. WARWICK Carolyn Honeycutt	3-5886	1015	113
REP. WATSON Ebern Watson	5-3015	417c	19
REP. WEATHERLY Debbie Puckett	3-5849	503	61
REP. WILKINS Lillie Pearce	3-5746	1220	32
REP. G. WILSON Rebecca Jones	3-7727	1109	52
REP. YONGUE Jenny Umstead	3-5823	1305	94

HOUSE APPROPRIATIONS COMMITTEE

1997-1998 ATTENDANCE

DATES	a.m. 5/29		p.m. 5/29		p.m. 5/29		a.m. 5/30		p.m. 5/30		6/12		6/30				
Holmes, Co-Chair	✓		✓		✓		✓		✓		✓		✓				
Esposito, Co-Chair	✓		✓		✓		✓		✓		✓		✓				
Creech, Co-Chair	E		E		E		E		E		✓		✓				
Crawford, Co-Chair	✓		✓		✓		✓		✓		✓		✓				
Adams	✓		✓								✓		✓				
Aldridge	✓		✓		✓		✓		✓		✓		✓				
Alexander			✓		✓		✓		✓		✓		✓				
Arnold	✓		✓		✓		✓		✓		✓		✓				
Baker	✓		✓		✓		✓		✓		✓		✓				
Barbee	✓		✓		✓		✓		✓								
Berry	✓		✓		✓		✓		✓								
Black	✓		✓		✓		✓				✓						
Blue	✓		✓		✓		✓		✓				✓				
Bonner	✓		✓		✓		✓		✓		✓		✓				
Bowie	✓		✓		✓		✓		✓		✓						
Braswell			✓														
Cansler	✓		✓		✓		✓		✓		✓		✓				
Carpenter	✓		✓		✓		✓		✓		✓		✓				
Church	✓		✓		✓		✓				✓		✓				
Clary	✓		✓		✓		✓		✓				✓				



TO: Representatives Holmes, Esposito, Creech and Crawford, Co-Chairs
House Appropriations Committee

FROM: Representative Charles B. Neely, Jr. *CBN*

DATE: May 29, 1997

This is to advise I will be in Washington, DC the afternoon of May 29th and all day May 30th, and would like to request an excused absence from the House Appropriations Committee meetings on those dates.

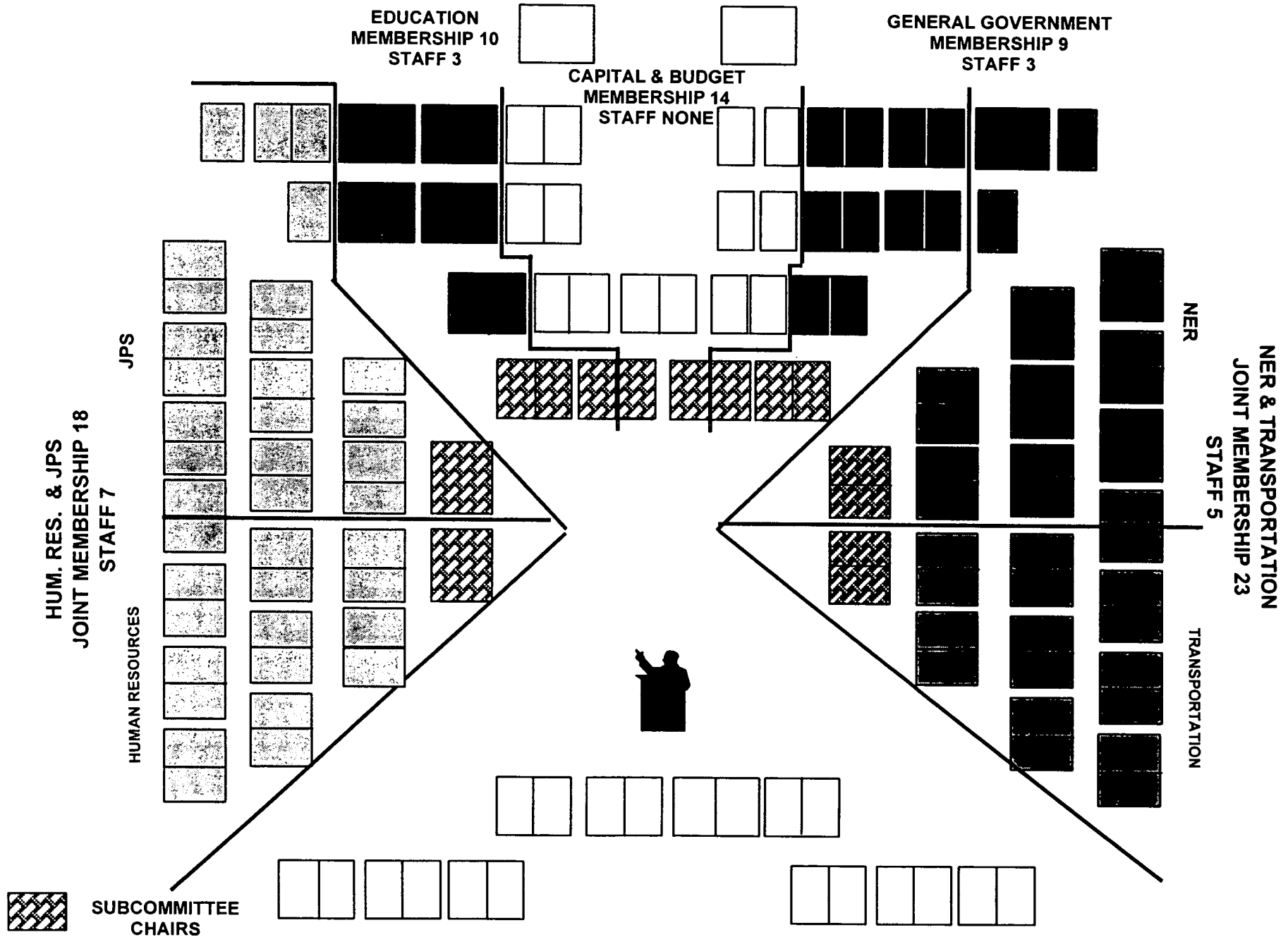
Thank you for your consideration.

DATES	2.m 5/29		2.m 5/29		2.m 5/29		2.m 5/30		2.m 5/30		6/12		6/30				
Culp	✓		✓		✓		✓		✓		✓						
Culpepper	✓		✓		✓		✓		✓		✓						
Daughtry	✓		✓														
Davis	✓		✓		✓		✓		✓		✓		✓				
Decker	✓		✓		✓		✓		✓		✓		✓				
Dockham	✓		✓		✓		✓		✓				✓				
Earle	✓		✓		✓		✓		✓				✓				
Easterling	✓		✓		✓		✓		✓		✓						
Ellis	✓		✓		✓		✓		✓		E		✓				
Fox	✓		✓				✓		✓		E		✓				
Gardner	✓		✓		✓		✓		✓				✓				
Grady	✓		✓		✓		✓		✓				✓				
Gulley	✓		✓		✓		✓		✓		✓		✓				
Hall	✓										✓		✓				
Hardaway	✓		✓		✓		✓				✓						
Hardy	✓		✓		✓		✓		✓				✓				
Hiatt	✓		✓		✓		✓		✓		✓		✓				
Howard	✓		✓		✓		✓		✓								
Hunter, H	✓		✓		✓		✓		✓		✓						
Hurley	✓		✓				✓		✓		✓		✓				
Insko	✓		✓		✓		✓		✓		✓		✓				
Ives	✓		✓		✓		✓		✓		✓		✓				
Jeffus	✓		✓				✓		✓		✓		✓				
Justus	✓		✓		✓		✓		✓		✓		✓				

DATES	a.m. 5/29		p.m. 5/29		p.m. 5/29		a.m. 5/30		p.m. 5/30		6/12		6/30				
Kinney	✓		✓		✓				✓								
Kiser	✓		✓		✓		✓		✓		✓		✓				
McAllister	✓		✓														
McCombs	✓		✓		✓		✓		✓		✓		✓				
McCrary	✓		✓				✓		✓		✓		✓				
McMahan	✓		✓		✓		✓		✓		✓		✓				
Michaux	✓		✓		✓		✓		✓		✓						
Mitchell	✓		✓		✓		✓		✓		✓		✓				
Moore	✓		✓		✓		✓		✓		✓						
Morgan	✓		✓		✓		✓		✓								
Mosley	✓		✓		✓		✓						✓				
Neely	E		E		E		E										
Nye	✓		✓		✓		✓		✓		✓		✓				
Oldham	✓		✓		✓		✓		✓		✓		✓				
Owens	✓		✓		✓		✓		✓		✓		✓				
Preston	✓		✓		✓		✓		✓		✓		✓				
Redwine	✓		✓		✓		✓		✓		✓		✓				
Reynolds	✓		✓		✓		✓		✓		✓		✓				
Rogers	✓		✓		✓		✓		✓		✓		✓				
Russell	✓		✓		✓		✓		✓		✓		✓				
Saunders	✓		✓		✓		✓		✓		✓		✓				
Sexton	✓		✓		✓		✓		✓		✓		✓				
Sherrill	✓		✓		✓		✓		✓		✓		✓				
Shubert	✓		✓		✓		✓		✓		✓		✓				

[illegible]

HOUSE APPROPRIATIONS SEATING 1997 SESSION



NORTH CAROLINA GENERAL ASSEMBLY
COMMITTEE SUMMARY REPORT

HOUSE: APPROPRIATIONS

Valid Through 29-AUG-1997

1997-98 Regular Session

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H 18=	HOWARD	JOB TRAINING STUDY	H -ASSIGNED TO APP-CAP	02-12-97	
H 31	BAKER	COMPETITIVE GOVERNMENT INITIATIVE	*H -ASSIGNED TO APP-NTEC	03-18-97	
H 32	BOYD-MCINTYRE	NC A&T BLDG. FUNDS	H -RE-ASSIGNED TO APP-CAP	02-04-97	
H 33	BOYD-MCINTYRE	NC A&T LAND ACQUISITION FUNDS	H -RE-ASSIGNED TO APP-CAP	02-04-97	
H 43=	DAVIS D	MAIN STREET INCENTIVE FUND	H -ASSIGNED TO APP-CAP	02-05-97	
H 60=	BROWN	AG/FORESTRY STUDY FUNDS	H -ASSIGNED TO APP-CAP	02-05-97	
H 73=	GOODWIN	REDUCE COUNTY SHARE PAYMENTS	*H -RE-REF COM ON APPROP	04-03-97	
H 74=	CANSLER	CREDIT FOR LONG-TERM CARE INSURANCE	*H -RE-REF COM ON APPROP	06-09-97	
H 80=	CLARY	ADULT DAY CARE FUNDS	H -ASSIGNED TO APP-CAP	02-10-97	
H 91	CANSLER	NONBETTERMENT RELOCATION COSTS	H -ASSIGNED TO APP-CAP	02-20-97	
H 104	BRAWLEY	MOORESVILLE LIBRARY FUNDS	H -ASSIGNED TO APP-CAP	02-11-97	
H 106=	NEELY	INTERSTATE AUDITORS/REGULATORY FUNDS	H -RE-REF COM ON APPROP	03-04-97	
H 108=	EARLE	ALZHEIMER'S ASSOCIATION FUNDS	H -ASSIGNED TO APP-CAP	02-12-97	
H 109=	EARLE	IN-HOME FUNDS	H -ASSIGNED TO APP-CAP	02-12-97	
H 111=	BROWN	FOREST FIRE AIRCRAFT FUNDS	H -ASSIGNED TO APP-CAP	02-12-97	
H 117	BUCHANAN	ENERGY STUDY RECOMMENDATIONS	H -RE-REF COM ON RULES	04-15-97	06-03-97
H 121	HALL	ERWIN TEXTILE MUSEUM FUNDS	H -ASSIGNED TO APP-CAP	02-12-97	
H 126	DAUGHTRY	INCREASE PENSION BENEFITS	*H -RE-REF COM ON APPROP	03-06-97	
H 127=	THOMPSON	UP STATE EMPLOYEE TRAVEL RATES	*H -RE-REF COM ON APPROP	03-26-97	
H 131=	JUSTUS	EXTEND HEART DISEASE TASK FORCE	H -RE-REF COM ON APPROP	03-06-97	
H 132=	BEALL	FOLKMOOT USA FUNDS	H -ASSIGNED TO APP-CAP	02-13-97	
H 140	JUSTUS	EXTEND CRIME CONTROL STUDY	H -RE-REF COM ON APPROP	03-06-97	
H 154=	EASTERLING	MATERNAL OUTREACH FUNDS	H -ASSIGNED TO APP-CAP	02-13-97	
H 155	EASTERLING	GRASSROOTS SCIENCE MUSEUM FUNDS	H -ASSIGNED TO APP-CAP	02-13-97	
H 156=	EASTERLING	CHILD MEDICAL EVALUATION FUNDS	H -ASSIGNED TO APP-CAP	02-13-97	
H 157=	WARNER	COMM. COLLEGE SCHOLARSHIP PROGRAM	*H -ASSIGNED TO APP-EDUC	04-21-97	
H 161	CRAWFORD	MODEL TEACHER CONSORTIUM FUNDS	H -RE-ASSIGNED TO APP-EDUC	02-13-97	
H 162=	CRAWFORD	INCREASE DRUG PENALTIES	H -RE-REF COM ON APPROP	03-03-97	
H 166=	ALDRIDGE	PHYSICAL FITNESS ACT FUNDS	*H -RE-REF COM ON APPROP	05-07-97	
H 167=	ALDRIDGE	HEART DISEASE DATA FUNDS	H -RE-REF COM ON APPROP	05-06-97	

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.

BOLDDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

NORTH CAROLINA GENERAL ASSEMBLY

COMMITTEE SUMMARY REPORT

HOUSE: APPROPRIATIONS

Valid Through 29-AUG-1997

1997-98 Regular Session

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H 169=	JUSTUS	CONTINUE SENTENCING COMMISSION	H -RE-REF COM ON APPROP	03-06-97	
H 170	BERRY	NO SALES TAX ON FUNERALS	*H -RE-REF COM ON APPROP	06-23-97	
H 171=	EARLE	STRIKE OUT STROKE FUNDS	H -RE-REF COM ON APPROP	05-06-97	
H 179=	JUSTUS	PROBATION/PAROLE PERFORMANCE AUDIT	H -ASSIGNED TO APP-CAP	02-17-97	
H 180=	CULP	DRY HYDRANT FUNDS	H -ASSIGNED TO APP-CAP	02-17-97	
H 181	CULP	RANDOLPH FOREST RANGER FUNDS	H -ASSIGNED TO APP-CAP	02-17-97	
H 183	BOWIE	DWI/FELONY PRIOR RECORD LEVEL	*H -RATIFIED	04-01-97	04-22-97
H 190	RAMSEY	MADISON FORESTRY FUNDS	H -ASSIGNED TO APP-CAP	02-17-97	
H 218	MCCRARY	CONFORM WITNESS TRAVEL FEES	*H -RE-REF COM ON APPROP	03-04-97	
H 223	OLDHAM	WSSU CAPITAL FUNDS	H -ASSIGNED TO APP-CAP	02-17-97	
H 230	JEFFUS	WOMEN'S MEMORIAL FUNDS-2	H -ASSIGNED TO APP-CAP	02-17-97	
H 232	HIATT	DMV MEDICAL EVALUATION FUNDS	H -ASSIGNED TO APP-CAP	02-17-97	
H 241=	MITCHELL	CONSERVATION EASEMENTS FUND	H -ASSIGNED TO APP-CAP	02-17-97	
H 242=	MITCHELL	SCRAP TIRE DISPOSAL TAX AMENDMENTS	*H -RE-REF COM ON FINANCE	03-26-97	03-27-97
H 243=	MITCHELL	DAM SAFETY FUNDS	H -ASSIGNED TO APP-CAP	02-17-97	
H 244=	MITCHELL	ENVIRONMENTAL EDUCATION TRUST FUND	H -ASSIGNED TO APP-CAP	02-17-97	
H 245=	MITCHELL	WETLANDS RESTORATION FUNDS	*H -RE-ASSIGNED TO APP-CAP	03-27-97	
H 246=	MITCHELL	AMEND NATURAL HERITAGE TRUST FUND	H -ASSIGNED TO APP-CAP	02-17-97	
H 249=	CULP	NATURAL RESOURCES LEADERSHIP FUNDS	H -ASSIGNED TO APP-CAP	02-17-97	
H 250	MCMAHAN	CHANGE TAG AGENT COMPENSATION	H -RE-REF COM ON APPROP	03-18-97	
H 252	PRESTON	CORE SOUND USE MAPPING	H -RE-ASSIGNED TO APP-NTEC	02-17-97	05-14-97
H 254	PRESTON	SHELLFISH REHABILITATION FUND	H -RE-ASSIGNED TO APP-NTEC	02-17-97	05-14-97
H 255=	PRESTON	PORTS CAPITAL FUNDS	H -ASSIGNED TO APP-CAP	02-17-97	
H 256	PRESTON	SCHOOL BUDGET ACCOUNTABILITY	*H -ASSIGNED TO APP-EDUC	03-17-97	
H 259=	WATSON	CAPE FEAR RIVER FUNDS	H -ASSIGNED TO APP-CAP	02-17-97	
H 264	REDWINE	FIRE/RESCUE OPEN ENROLLMENT	H -RE-REF COM ON APPROP	03-12-97	
H 273=	RAYFIELD	TEXTILE CENTER CAPITAL FUNDS	H -RE-ASSIGNED TO APP-CAP	02-18-97	
H 274	MITCHELL	LOW PRESSURE PIPE EMERG. FUND-2	*H -ASSIGNED TO APP-NTEC	07-22-97	
H 278	HUNTER H	OLD GATES CO. COURTHOUSE FUNDS	H -ASSIGNED TO APP-CAP	02-19-97	
H 279	HUNTER H	NORTHAMPTON WELCOME CENTER FUNDS	H -ASSIGNED TO APP-CAP	02-19-97	

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BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H 285	MCCOMBS	HIGHWAY PATROL PLANNING FUNDS	H -ASSIGNED TO APP-CAP	02-20-97	
H 287	BRAWLEY	AUTO RACING HALL OF FAME FUNDS	H -ASSIGNED TO APP-CAP	02-20-97	
H 289=	GRAY	MUSEUM OF NATURAL SCIENCES FUNDS	H -ASSIGNED TO APP-CAP	02-20-97	
H 300	PRESTON	BEAUFORT HISTORICAL FUNDS	H -ASSIGNED TO APP-CAP	02-24-97	
H 304	ROGERS	BERTIE BEAVER FUNDS	H -ASSIGNED TO APP-CAP	02-24-97	
H 308=	FITCH	REPEAL SUNSET ON FICA SAVINGS USE	H -ASSIGNED TO APP-EDUC	03-05-97	
H 318=	DICKSON	CANCER CONTROL FUNDS	H -ASSIGNED TO APP-CAP	02-25-97	
H 329=	BROWN	SMALL FARMS ASSISTANCE FUNDS	H -REF TO COM ON APPROP	02-26-97	
H 330	BROWN	FARMERS MARKET CAPITAL FUNDS-2	H -RE-ASSIGNED TO APP-CAP	02-26-97	
H 331	BROWN	ROLLINS LAB FUNDS-2	H -RE-ASSIGNED TO APP-CAP	02-26-97	
H 332	BROWN	FFA CAPITAL IMPROVEMENT FUNDS	H -REF TO COM ON APPROP	02-26-97	
H 334	CULP	NC TECHNOLOGICAL DEV. AUTH FUNDS-2	H -REF TO COM ON APPROP	02-26-97	
H 341=	ALEXANDER	GATLING DETENTION CENTER FUNDS	H -REF TO COM ON APPROP	02-26-97	
H 345=	SHERRILL	DOMESTIC VIOLENCE FUNDS	H -REF TO COM ON APPROP	02-26-97	
H 351=	BRUBAKER	EXCELLENT SCHOOLS ACT	*H -CAL PURSUANT RULE 36 (A)	04-17-97	04-28-97
H 352	WILKINS	HYDRILLA ERADICATION FUNDS	H -REF TO COM ON APPROP	02-27-97	
H 359	HILL	SOIL/WATER ANALYSIS FUNDS	H -REF TO COM ON APPROP	02-27-97	
H 360	HILL	AGRONOMIC ADVISORY FUNDS-2	H -REF TO COM ON APPROP	02-27-97	
H 361	CULP	FORESTRY CLASSIFICATION FUNDS	H -REF TO COM ON APPROP	03-03-97	
H 362=	SUTTON	S. E. FARMERS' MARKET FUNDS	H -RE-ASSIGNED TO APP-CAP	03-03-97	
H 364	BROWN	ENVIRONMENTAL FARMING CAP FUNDS	H -RE-ASSIGNED TO APP-CAP	03-03-97	
H 365	BROWN	ENVIRONMENTAL FARMING FUNDS	H -REF TO COM ON APPROP	03-03-97	
H 366	BROWN	PESTICIDE PROTECTION FUNDS	H -REF TO COM ON APPROP	03-03-97	
H 369=	WEATHERLY	NC BIOTECHNOLOGY CENTER FUNDS	H -REF TO COM ON APPROP	03-03-97	
H 377=	HILL	SE COMMUNITY COLLEGE FUNDS	H -ASSIGNED TO APP-EDUC	03-03-97	
H 381=	WOOD	CHARTER SCHOOL START-UP FUNDS	H -ASSIGNED TO APP-EDUC	03-04-97	
H 383	MOSLEY	MORRISVILLE LIBRARY FUNDS	H -REF TO COM ON APPROP	03-04-97	
H 384	MOSLEY	CARY MUSEUM FUNDS	H -REF TO COM ON APPROP	03-04-97	
H 385=	YONGUE	SALMONELLA TESTING FUNDS	H -REF TO COM ON APPROP	03-04-97	
H 386	YONGUE	AGRIC. INFO./TECH. NEEDS FUNDS	H -REF TO COM ON APPROP	03-04-97	

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H 392	CRAWFORD	1997 CURRENT OPERATIONS BUDGET	H -REF TO COM ON APPROP	03-04-97	
H 399=	INSKO	ENGLISH AS A SECOND LANGUAGE FUNDS	H -REF TO COM ON APPROP	03-05-97	
H 449	HACKNEY	DART CONTINUING CARE FUNDS	H -REF TO COM ON APPROP	03-10-97	
H 454=	GRADY	LOW-WEALTH SCHOOL SUPP. FUNDS	H -ASSIGNED TO APP-EDUC	03-10-97	
H 462	SMITH	NONCERTIFIED SCHOOL EMPLOYEE FUNDS	H -ASSIGNED TO APP-EDUC	03-10-97	
H 472	MINER	DORTON ARENA FUNDS	H -RE-ASSIGNED TO APP-CAP	03-10-97	
H 479	ADAMS	NC A&T AGRICULTURAL RESEARCH FUNDS	H -ASSIGNED TO APP-EDUC	03-10-97	
H 480=	ADAMS	WOMENWORK FUND	*H -ASSIGNED TO APP-GGOV	07-14-97	
H 489	SHERRILL	MOUNTAIN STATE FAIR FUNDS-2	H -REF TO COM ON APPROP	03-10-97	
H 490	EASTERLING	SMART START FUNDS	H -ASSIGNED TO APP-HRES	03-10-97	
H 492=	HOLMES	CAPITAL IMPROVEMENTS APPROP. ACT	H -REF TO COM ON APPROP	03-10-97	
H 493=	HOLMES	CURRENT OPERATIONS APPROPRIATIONS	H -REF TO COM ON APPROP	03-10-97	
H 494=	GRAY	INSTITUTE OF GOVERNMENT FUNDS	H -RE-ASSIGNED TO APP-CAP	03-10-97	
H 502	ELLIS	AMEND MOTOR VEHICLE DEFINITION	*HF-FAILED 2ND READING	05-01-97	07-09-97
H 509=	THOMPSON	SCHOOL BOND INTEREST USE	H -RE-ASSIGNED TO APP-CAP	03-13-97	
H 512	PRESTON	SCHOOL SAFETY ACT	*H -ASSIGNED TO APP-EDUC	03-24-97	
H 521	BUCHANAN	AMERICAN LEGION BLDG. FUNDS	H -REF TO COM ON APPROP	03-17-97	
H 524=	MORRIS	UNC ALCOHOL STUDIES FUND	*R -CH. SL 97-0377	04-29-97	06-11-97
H 540=	YONGUE	NC BIOTECHNOLOGY CENTER FUNDS-2	H -REF TO COM ON APPROP	03-19-97	
H 543=	INSKO	COCHLEAR IMPLANT FUNDS	H -REF TO COM ON APPROP	03-19-97	
H 551=	WRIGHT	AIDS PREVENTION FUNDS	H -REF TO COM ON APPROP	03-19-97	
H 552=	WRIGHT	1898 WILMINGTON HISTORIC FUNDS	H -REF TO COM ON APPROP	03-19-97	
H 553=	WRIGHT	PINE FOREST CEMETERY FUNDS	H -REF TO COM ON APPROP	03-19-97	
H 555	WATSON	SCHOOL NURSE FUNDS	H -REF TO COM ON APPROP	03-20-97	
H 556=	WATSON	WAKE SCHOOLS DEVELOPMENT CHARGES	H -REF TO COM ON APPROP	03-20-97	
H 557=	WATSON	AUTISM FOUNDATION CAPITAL FUNDS	H -REF TO COM ON APPROP	03-20-97	
H 558	CHURCH	DREXEL FAIR FACILITIES FUNDS	H -REF TO COM ON APPROP	03-20-97	
H 560	ALEXANDER	DIVORCE EDUCATION	*H -ASSIGNED TO APP-JPS	04-14-97	
H 561=	ALEXANDER	COALITION 2001 FUNDS	H -REF TO COM ON APPROP	03-20-97	
H 565	ELLIS	WAKE LOCAL ACT	*S -REF TO COM ON RULES &	04-29-97	07-14-97

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H 573	THOMPSON	PROJECT CHALLENGE FUNDS	H -REF TO COM ON APPROP	03-20-97	
H 575=	ALDRIDGE	CRANIOFACIAL ANOMOLIES FUNDS	H -RE-ASSIGNED TO APP-NTEC	03-20-97	
H 582	TOLSON	EASTERN NC LIVESTOCK ARENA FUNDS	H -RE-ASSIGNED TO APP-CAP	03-24-97	
H 592=	CRAWFORD	NC HIGH SCHOOL AA CAPITAL FUNDS	H -REF TO COM ON APPROP	03-24-97	
H 593=	SMITH	NORTH CAROLINA AQUARIUMS FUNDS	H -RE-ASSIGNED TO APP-CAP	03-24-97	
H 610=	WEATHERLY	SOUTH MOUNTAINS GAMELANDS FUNDS	H -RE-ASSIGNED TO APP-CAP	03-25-97	
H 620=	RAMSEY	WCU ARTS CENTER FUNDS	H -RE-ASSIGNED TO APP-CAP	03-26-97	
H 635=	IVES	ADDITION TO STATE PARKS SYSTEM	*H -RE-ASSIGNED TO APP-CAP	04-24-97	
H 639=	WATSON	AGRICULTURAL LOAN FUNDS	H -REF TO COM ON APPROP	03-27-97	
H 641	CANSLER	AFFORDABLE HOUSING ASSIST. FUNDS	H -REF TO COM ON APPROP	03-27-97	
H 642	BARBEE	1997 RETIREMENT BENEFITS ACT	H -RE-REF COM ON APPROP	04-16-97	
H 645	RAMSEY	JACKSON COURTHOUSE FUNDS	H -REF TO COM ON APPROP	03-27-97	
H 654	SEXTON	TRANSFER ROCKINGHAM CORR. CENTER	H -REF TO COM ON APPROP	03-27-97	
H 662	TALLENT	ADULT DAY CARE FUNDS-3	H -REF TO COM ON APPROP	03-27-97	
H 665=	EDDINS	CRIME VICTIMS' RIGHTS ACT	*H -ASSIGNED TO APP-JPS	07-10-97	
H 667=	WATSON	ADVP FUNDS	H -REF TO COM ON APPROP	03-31-97	
H 677	STARNES	PATTERSON SCHOOL CAPITAL FUNDS	H -REF TO COM ON APPROP	03-31-97	
H 679=	DAUGHTRY	EXPAND TECHNOLOGY IN SCHOOLS	H -ASSIGNED TO APP-EDUC	03-31-97	
H 680=	WILKINS	PERSON MUSEUM OF HISTORY FUNDS	H -REF TO COM ON APPROP	03-31-97	
H 688	CULP	DRY HYDRANT PILOT FUNDS	H -REF TO COM ON APPROP	03-31-97	
H 705	WILKINS	PERSON CO. COUNSELING CTR. FUNDS	H -REF TO COM ON APPROP	03-31-97	
H 706=	WILKINS	PERSON MUSEUM OF HISTORY FUNDS	H -REF TO COM ON APPROP	03-31-97	
H 711	MOSLEY	STATE GOVT. MODEL CHILD CARE FUNDS	H -REF TO COM ON APPROP	03-31-97	
H 716	CLARY	ADULT DAY CARE FUNDS-4	H -REF TO COM ON APPROP	04-01-97	
H 717	CLARY	SENIOR CENTER FUNDS-2	H -REF TO COM ON APPROP	04-01-97	
H 738	DICKSON	EQUINE INFECTIOUS ANEMIA FUNDS	H -REF TO COM ON APPROP	04-01-97	
H 743	MORRIS	JUVENILE ASSESSMENT PROJECT FUNDS	H -REF TO COM ON APPROP	04-01-97	
H 745	IVES	ELECTION NOTICES/ONE STOP	*H -RE-REF COM ON ELE-LAW	04-23-97	07-16-97
H 749=	SMITH	ON SLOW EMERGENCY CTR. FUNDS	H -REF TO COM ON APPROP	04-02-97	
H 752	ARNOLD	STOLEN LICENSES	S -REF TO COM ON ST GVT	04-23-97	06-30-97

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OUT DATE

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H 763=	HILL	MUSEUM OF FORESTRY FUNDS	H -RE-ASSIGNED TO APP-CAP	04-02-97	
H 764=	BRASWELL	DUBLIN AGR. CENTER FUNDS	H -REF TO COM ON APPROP	04-02-97	
H 767	MCALLISTER	UNC EDUCATIONAL CONSORTIUM FUNDS	H -ASSIGNED TO APP-EDUC	04-03-97	
H 769	SHERBILL	DROPOUT PREVENTION/ DRIVERS LICENSE	* H -RATIFIED	05-07-97	05-21-97
H 774=	RAMSEY	HAYWOOD AGRICULTURE CTR. FUNDS	H -REF TO COM ON APPROP	04-03-97	
H 775=	HILL	COLUMBUS ECONOMIC DEV. FUNDS	H -REF TO COM ON APPROP	04-03-97	
H 802=	WATSON	DUBLIN AGR. CENTER FUNDS	H -REF TO COM ON APPROP	04-03-97	
H 805=	HUNTER H	BATTERERS' PROGRAM FUNDS	H -REF TO COM ON APPROP	04-03-97	
H 813	ALEXANDER	RECONSTRUCTIVE SURGERY/COVERAGE	H -RE-REF COM ON APPROP	04-29-97	
H 822	CULPEPPER	SCHOOL RESOURCE OFFICER/TYRRELL HS	H -ASSIGNED TO APP-EDUC	04-07-97	
H 827=	HUNTER H	HEALTHY CAROLINIANS FUND	H -REF TO COM ON APPROP	04-07-97	
H 842	YONGUE	PEMBROKE FIRE TRUCK FUNDS	H -REF TO COM ON APPROP	04-07-97	
H 848	BOWIE	GUILFORD DETENTION CENTER FUNDS	H -ASSIGNED TO APP-CAP	04-07-97	
H 849	BOWIE	PT CAM FUNDS	* H -RE-REF COM ON APPROP	05-21-97	
H 857=	ALEXANDER	AT-RISK CHILDRENS FUNDS	H -REF TO COM ON APPROP	04-07-97	
H 858=	ALEXANDER	ADDICTION RESEARCH AUTHORITY	H -REF TO COM ON APPROP	04-07-97	
H 863	MCALLISTER	CUMBERLAND SHELTERED WORKSHOP FUNDS	H -REF TO COM ON APPROP	04-07-97	
H 864	PRESTON	CLASS-SIZE REDUCTION IN GRADE 3	H -ASSIGNED TO APP-EDUC	04-07-97	
H 878=	MCCOMAS	NC'S SOUTHEAST FUNDS	H -REF TO COM ON APPROP	04-07-97	
H 880=	MILLER G	MUSEUM OF LIFE & SCIENCE FUNDS	H -REF TO COM ON APPROP	04-07-97	
H 883	BOYD-MCINTYRE	PT CAM FUNDS	H -RE-ASSIGNED TO APP-CAP	04-07-97	
H 906	MAINWRIGHT	ADOPTION FUNDS	H -REF TO COM ON APPROP	04-10-97	
H 910	NYE	TOUCHING FAMILIES' LIVES FUNDS	H -REF TO COM ON APPROP	04-10-97	
H 911=	JEFFUS	NC COUNCIL FOR WOMENS FUNDS	H -REF TO COM ON APPROP	04-10-97	
H 912=	BERRY	HICKORY LIBRARY FUNDS	H -REF TO COM ON APPROP	04-10-97	
H 913=	RUSSELL	OSTEOPOROSIS TASK FORCE	H -REF TO COM ON APPROP	04-10-97	
H 917=	HACKNEY	CHATHAM FUNDS FOR SITING COSTS	H -REF TO COM ON APPROP	04-10-97	
H 919	WILKINS	BOAT FUEL TAX FOR BOATS	* H -RE-REF COM ON APPROP	06-26-97	
H 920	DECKER	NC POSTAL HISTORY COMMISSION	* H -ASSIGNED TO APP-GGOV	04-28-97	
H 922=	INSKO	CARRBORO MUSIC FESTIVAL FUNDS	H -REF TO COM ON APPROP	04-10-97	

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H 924=	WAINWRIGHT	JONES CO. CIVIC CTR. FUNDS	H -REF TO COM ON APPROP	04-10-97	
H 931=	CANSLER	CHILD CARING INST. FUNDS	H -REF TO COM ON APPROP	04-14-97	
H 932=	CANSLER	MENTAL HEALTH DRUG FUNDS	H -REF TO COM ON APPROP	04-14-97	
H 937=	TOLSON	FOUNTAIN LIBRARY FUNDS	H -REF TO COM ON APPROP	04-14-97	
H 938	PRESTON	ACCIDENT VICTIM I.D./FUNDS	H -REF TO COM ON APPROP	04-14-97	
H 939	HURLEY	DRUG TAX FOR CRIMESTOPPERS	*H -ASSIGNED TO APP-JPS	05-13-97	
H 941=	WATSON	VOC REHAB/INDEP. LIVING FUNDS	H -REF TO COM ON APPROP	04-14-97	
H 943=	CLARY	FOSTER CARE/ADOPTION FUNDS	H -REF TO COM ON APPROP	04-15-97	
H 947	HUNTER R	MOBILE PRESCHOOL PROGRAM FUNDS	H -ASSIGNED TO APP-EDUC	04-15-97	
H 949=	GARDNER	IMPROVE CHILD PROTECTION/RECORDS	*H -PRES. TO GOV. 08-19	07-21-97	08-04-97
H 950=	GARDNER	NC TRANSPORTATION MUSEUM FUNDS	H -RE-ASSIGNED TO APP-CAP	04-15-97	
H 953	WAINWRIGHT	HURRICANE DEBRIS REMOVAL FUNDS	H -REF TO COM ON APPROP	04-15-97	
H 957=	ALDRIDGE	PITT CC INDUSTRIAL BLDG. FUNDS	H -RE-ASSIGNED TO APP-CAP	04-16-97	
H 960	MOSLEY	VISITING ARTISTS FUNDS	H -REF TO COM ON APPROP	04-16-97	
H 961	BEALL	EXPAND COMMUNITY LINK FUNDS	H -ASSIGNED TO APP-EDUC	04-16-97	
H 962	BEALL	SWAIN COUNTY JAIL FUNDS	H -REF TO COM ON APPROP	04-16-97	
H 963=	KINNEY	FSU FINE ARTS CTR. FUNDS	H -RE-ASSIGNED TO APP-CAP	04-16-97	
H 971	WAINWRIGHT	JONES FORESTRY BUILDING FUNDS	H -RE-ASSIGNED TO APP-CAP	04-16-97	
H 973	REYNOLDS	ON-LINE VEHICLE REGISTRATION PILOT	*H -RE-REF COM ON APPROP	05-12-97	
H 975	SEXTON	N.C.N.G. LENGTHY SERVICE BONUS	H -RE-REF COM ON APPROP	04-23-97	
H 979	JEFFUS	SUBSTITUTE TEACHER PAY RAISE	*H -RE-REF COM ON APPROP	05-14-97	
H 983	BOWIE	NC RAILROAD ACQUISITION	H -REF TO COM ON APPROP	04-17-97	
H 984	CULP	S&W SUPERVISOR HEALTH BENEFITS	H -RE-REF COM ON APPROP	04-28-97	
H 986	KISER	RAISE REIMBURSEMENT TO COUNTIES	H -REF TO COM ON APPROP	04-17-97	
H 991=	GRAY	U.S.S. NC BATTLESHIP FUNDS	H -RE-ASSIGNED TO APP-CAP	04-17-97	
H 992=	GRAY	UNC NONAPPROPRIATED CAP. PROJECTS	H -RE-ASSIGNED TO APP-CAP	04-17-97	
H 998=	BROWN	SOUTHERN DAIRY COMPACT	S -RE-REF COM ON APPROP	05-27-97	06-11-97
H1000	MERCER	FORESTRY FIRE PROTECTION FUNDS	H -REF TO COM ON APPROP	04-17-97	
H1003	RUSSELL	CAPITOL PLANNING & BUDGETING ACT	H -REF TO COM ON APPROP	04-17-97	
H1011=	CAPPS	LOW PRESSURE PIPE EMERG. FUND	*S -RE-REF COM ON AGRICUL&	04-21-97	07-15-97

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H1019	PRESTON	RIGOROUS ACADEMIC CONTROL STANDARDS	H -ASSIGNED TO APP-EDUC	04-29-97	
H1022	HARDY	RETIREMENT SERVICE TRANSFERS	H -RE-REF COM ON APPROP	04-23-97	
H1031	GRADY	RETIREMENT INCENTIVE	H -RE-REF COM ON APPROP	04-30-97	
H1043=	BROWN	FARM ENVIRONMENTAL COMPLIANCE FUND	H -RE-REF COM ON APPROP	04-29-97	
H1060=	HUNTER H	CENTRAL CHILDREN'S HOME FUNDS	H -REF TO COM ON APPROP	04-21-97	
H1081	ALLRED	CONDEMNATION AWARDS	*H -ASSIGNED TO APP-TRAN	07-01-97	
H1089=	KINNEY	UNC MILITARY TUITION	*H -ASSIGNED TO APP-EDUC	04-28-97	
H1093	NESBITT	HP HELICOPTER TO ASHEVILLE	H -RE-REF COM ON APPROP	04-30-97	
H1103	BRAWLEY	LAKE NORMAN/WILDLIFE OFFICER FUNDS	H -REF TO COM ON APPROP	04-21-97	
H1128=	MINER	CPA EDUCATION REQUIREMENTS	H -RE-REF COM ON APPROP	05-01-97	
H1139	HUNTER R	CLEAN WATER REVOLVING LOAN FUNDS	*H -RE-REF COM ON RULES	04-21-97	08-21-97
H1147	INSKO	AREA 3 SOIL & WATER FUNDS	H -REF TO COM ON APPROP	04-22-97	
H1148	DECKER	TEEN COURT FUNDS/GUIDELINES	H -REF TO COM ON APPROP	04-22-97	
H1149=	MITCHELL	HOME OWNERSHIP FUNDS	H -REF TO COM ON APPROP	04-22-97	
H1150	BROWN	FOOD BANK OF NORTHWEST NC FUNDS	H -REF TO COM ON APPROP	04-22-97	
H1151	ARNOLD	EASTERN NC LIVESTOCK ARENA FUNDS-2	H -ASSIGNED TO APP-CAP	05-14-97	
H1154	BLACK	SAFE SCHOOL PLANS/ACCOUNTABILITY	*H -RE-REF COM ON APPROP	05-14-97	
H1159=	SMITH	MOSQUITO CONTROL FUNDS	H -REF TO COM ON APPROP	04-24-97	
H1161	97 HSE ENVIRON	FISHERIES REFORM ACT APPROP.	H -REF TO COM ON APPROP	04-24-97	
H1163=	HENSLEY	WAKE'S DOTF FUNDS	H -REF TO COM ON APPROP	04-28-97	
H1164=	LUEBKE	OSHA ERGONOMIC STANDARDS FUND	H -REF TO COM ON APPROP	04-28-97	
H1167	ADAMS	MAKING IT UPSTREAM FUNDS	H -REF TO COM ON APPROP	04-28-97	
H1168	SUTTON	INDIAN COMM. & CTR. FUNDS	H -REF TO COM ON APPROP	04-29-97	
H1169	SUTTON	PEMBROKE LIBRARY FUNDS	H -REF TO COM ON APPROP	04-29-97	
H1171	SHERRILL	BLUE RIDGE DESTINATION CTR. FUNDS	H -RE-ASSIGNED TO APP-CAP	04-29-97	
H1172	BOYD-MCINTYRE	HINES HALL CAPITAL FUNDS	H -RE-ASSIGNED TO APP-CAP	04-29-97	
H1174	FITCH	WILSON FARMER MARKET FUNDS	H -RE-ASSIGNED TO APP-CAP	04-29-97	
H1176	CRAWFORD	GRANVILLE CEMETERY FUNDS	H -REF TO COM ON APPROP	04-29-97	
H1178	HUNTER H	WINTON MUSEUM FUNDS	H -REF TO COM ON APPROP	04-29-97	
H1179	HUNTER H	ECONOMIC DEVELOPMENT FUNDS-2	H -REF TO COM ON APPROP	04-29-97	

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

BOLDLED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

NORTH CAROLINA GENERAL ASSEMBLY
COMMITTEE SUMMARY REPORT

HOUSE: APPROPRIATIONS

Valid Through 29-AUG-1997

1997-98 Regular Session

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H1181	STARNES	HIDDENITE CENTER FUNDS	H -REF TO COM ON APPROP	04-29-97	
H1183	MOORE	CIVIC EDUCATION PROGRAM FUNDS	H -RE-REF COM ON APPROP	05-12-97	
H1184	HENSLEY	RESTORE YATES MILL FUNDS	H -REF TO COM ON APPROP	04-29-97	
H1185	INSKO	ORANGE TEEN COURT FUNDS	H -REF TO COM ON APPROP	04-30-97	
H1186	EARLE	IN-HOME ASSISTANCE PROJECT/FUNDS	H -REF TO COM ON APPROP	04-30-97	
H1190	NYE	VOC. REHAB. FACILITIES FUNDS	H -REF TO COM ON APPROP	05-01-97	
H1193	BROWN	AGRICULTURAL FAIRS COMMITTEE/FUNDS	H -RE-REF COM ON APPROP	05-13-97	
H1196	IVES	TRANSYLVANIA VOCATIONAL FUNDS	H -REF TO COM ON APPROP	05-01-97	
H1198	REYNOLDS	SAVINGS RESERVE/SCHOOL TECH. FUND	H -RE-REF COM ON APPROP	05-12-97	
H1199	SHUBERT	MONETARY INCENTIVE/ACAD. EXCELLENCE	*H -RE-REF COM ON APPROP	05-22-97	
H1200=	SMITH	CMAST CAPITAL FUNDS	H -RE-ASSIGNED TO APP-CAP	05-05-97	
H1208	CULPEPPER	BLACKBEARD'S FLAGSHIP FUNDS	H -REF TO COM ON APPROP	05-05-97	
H1209	BOYD-MCINTYRE	RESEARCH STUDIES/WOMEN/FUNDS	H -REF TO COM ON APPROP	05-05-97	
H1211	WILSON G	UNC CONSTRUCTION FUNDS	H -RE-ASSIGNED TO APP-CAP	05-05-97	
H1212	REYNOLDS	TECHNOLOGY & TRAINING FUNDS	H -ASSIGNED TO APP-EDUC	05-08-97	
H1213	NESBITT	POLICE/JUVENILE CENTER FUNDS	H -REF TO COM ON APPROP	05-05-97	
H1214	HUNTER R	HOUSE DISTRICT 49 FUNDS	H -REF TO COM ON APPROP	05-05-97	
H1215	MICHAUX	OAH INJUNCTIVE RELIEF/FUNDS	H -REF TO COM ON APPROP	05-05-97	
H1216	HIGHTOWER	ANSON CHILD SUPPORT OFFICE FUNDS	H -REF TO COM ON APPROP	05-05-97	
H1217	MINER	UNITED ARTS COUNCIL FUNDS	H -REF TO COM ON APPROP	05-05-97	
H1218	BLACK	ADULT/STUDENT RATIO REDUCTIONS	H -REF TO COM ON APPROP	05-05-97	
H1229	CULPEPPER	DARKER VEHICLE WINDOW FOR LUPUS	*H -RE-REF COM ON APPROP	06-25-97	
S 19	PERDUE	NO SOCIAL PROMOTIONS PERMITTED	*H -RE-REF COM ON RULES	07-14-97	08-06-97
S 178=	HORTON	AMEND NATURAL HERITAGE TRUST FUND	*R -CH. SL 97-0366	04-28-97	06-12-97
S 286	PERDUE	NEW & EXPANDING INDUSTRY FUNDS	*R -CH. SL 97-0038	03-18-97	04-01-97
S 352=	PLYLER	CURRENT OPERATIONS APPROPRIATIONS	*S -RATIFIED	04-24-97	06-02-97
S 473	PLYLER	CONTINUING BUDGET AUTHORITY	*R -CH. SL 97-0256	06-26-97	06-30-97
S 475=	PERDUE	WOMEN WORK FUND	*H -RE-REF COM ON APPROP	08-11-97	
S 545=	MILLER B	SALE OF NAT. SCI. MUSEUM OBJECTS	H -RE-REF COM ON APPROP	07-10-97	
S 714	FORRESTER	RECONSTRUCTIVE SURGERY/COVERAGE-2	*R -CH. SL 97-0312	05-15-97	06-30-97

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NORTH CAROLINA GENERAL ASSEMBLY

COMMITTEE SUMMARY REPORT

HOUSE: APPROPRIATIONS

Valid Through 29-AUG-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>
S 833=	KERR	UNC RECEIPT-SUPPORTED CAPITAL PROJ.	*R -CH. SL 97-0425	05-01-97	06-30-97
S 853	CONDER	REVENUE OFFICERS' POLICE POWERS	*S -RATIFIED	08-27-97	08-27-97
S1015	MARTIN W	WELFARE REFORM ACT OF 1997-2	*H -RE-REF COM ON APPROP	05-27-97	

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BOLDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

JOINT MEETINGS OF THE APPROPRIATIONS COMMITTEE - 1977

February 12, 1997

February 19, 1997

March 19, 1997

The record of these meetings can be found in the notebook of the Joint Meetings of the
Appropriations Committee for 1977

MINUTES
HOUSE COMMITTEE ON APPROPRIATIONS
May 29, 1997

The full House Appropriations Committee met on May 29, 1997 in Room 643 of the Legislative Office Building. Representative George Holmes called the meeting to order at 10:15 A.M. There were 73 members present. Rep. Holmes welcomed press, staff, and members. He introduced the pages and the other cochairs.

He said that we would hear the reports of the subcommittees which will be given by the subcommittee cochairs and will include their recommendations for spending and special provisions; questions and amendments will be taken up at the end of each presentation. A substantive amendment can be presented at the end of the reports. Rep. Holmes said that if an amendment increases the total expenditures it will be ruled out of order. Funds for an amendment that adds, takes, or appropriates money must be found within the availability budget.

The tentative schedule is to work until noon today, continue after Session, work tomorrow and have a bill ready Monday.

Representative Preston presented the Education Subcommittee Report budget items in the public schools section and part of the special provisions. Representative Grady covered the public school salary schedules and community colleges. Rep. Arnold followed with the university budget and special provisions. They answered questions from the committee members with the assistance of staff. The report is attached.

At 12 O'clock, Rep. Holmes adjourned the meeting for lunch and Session.

At 3:00 P.M. the meeting was reconvened by Rep. Holmes; 78 members were present. Discussion continued about the Education report. When that was finished the following motions were presented:

Amendment #1 (attached) by Rep. Fox regarding funding for expansion of Total Quality Education to support implementation of the ABC program. Failed by voice vote.

Amendment #2 by Representative Michaux on page 5, item 27 to add these six institutions to those to be funded under this item: Elizabeth City State, Fayetteville State, North Carolina A&T State, North Carolina Central, Winston-Salem State, UNC at Pembroke and to change the total number of schools to be funded to eleven. Failed by voice vote.

Amendment #3 (attached) by Rep. Adams regarding funding for NC A&T. Failed by roll call vote of 46 to 31.

Amendment #4 (attached) by Representative Adams to adopt a special provision regarding UNC Capital Facilities Study. Adopted by voice vote.

Amendment #5 (attached) by Rep. Sutton. Passed by voice vote.

Amendment #6 (attached) by Rep. Grady regarding funds for Southwestern Community College. Passed by voice vote.

Amendment #7 (attached) by Rep. Jeffus regarding state aid to school administrative units. Defeated 27-42 by division vote.

Amendment #8 (attached) by Rep. Shubert regarding funds for advanced placement tests. Withdrawn.

Amendment #9 (attached) by Rep. Cansler regarding UNC Asheville. Failed by voice vote.

Amendment #10 (attached) by Rep. Moore on page 83 of the report. Adopted by voice vote.

Amendment #11 (attached) by Rep. McAllister to add a special provision regarding expanding the model teacher education consortium. Defeated by voice vote.

Amendment #12 (attached) by Rep. Davis regarding student performance at the end of kindergarten, first and second grades. Defeated by voice vote.

Amendment #13 (attached) by Rep. Smith regarding noncertified school personnel. Defeated 17-46 by division vote.

Amendment #14 (attached) by Rep. Preston to amend the report on page 46, lines 3-4. Passed by voice vote.

The meeting adjourned at 5:30 PM for one hour.

Representative Holmes called the meeting to order at 5:45 P.M. There were 62 members present. Representative Bowie gave the administration report for the Subcommittee on Transportation; Representative McMahan gave the special provisions. Committee members asked questions about public railroad service, the visitors' centers, the graduated drivers license program, and the legislative salary increases to the highway department employees.

Motions to accept the following amendments were offered:

Amendment #1 (attached) by Rep. Redwine about the Visitors Centers which deletes pages 26-28 of the special provision. Failed 25-29 by division.

Amendment #2 (attached) by Rep. Morgan was a special provision regarding contract lobbyists. Passed by voice vote.

Amendment #3 (attached) by Rep. Shubert was to delete a special provision regarding stock in the N. C. Railroad Company. Failed by voice vote.

Amendment #4 (attached) by Rep. Reynolds was for a special provision regarding the STARS program. Passed by voice vote.

Representative Mitchell, Representative Baker and Representative Carpenter presented the report for the Subcommittee on Natural and Economic Resources. Rep. Mitchell spoke about the money items of the report; Representatives Baker and Carpenter explained the special provisions.

Committee members asked questions which the cochairmen answered. Two amendments were offered:

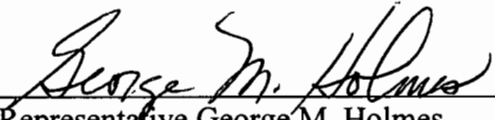
Amendment No. 1 (attached) by Rep. Culp was for a special provision regarding a drinking water revolving loan fund. Passed by voice vote.

Appropriations Committee Minutes
May 29, 1997
Page 4

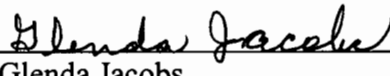
Amendment No. 2 (attached) by Rep. Cansler regarding affordable housing assistance funds. Failed by voice vote.

The meeting adjourned at 9:50 P.M. and Representative Holmes announced that the committee would meet Friday morning, May 30, 1997 at 9:00 A.M.

Respectfully submitted,



Representative George M. Holmes
Presiding Cochair



Glenda Jacobs
Committee Clerk

Representative Theresa H. Esposito, Cochair
Representative Billy Creech, Cochair
Representative James W. Crawford, Jr., Cochair

H

Education Budget Recommendations

**House Appropriations Subcommittee
on Education**

**Representative Gene Arnold
Representative Robert Grady
Representative Jean Preston
Co-Chairs**

May 28, 1997

Public Education

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$4,400,046,882	\$4,480,110,794

Legislative Changes

Excellent Schools Funds

1 ABC Incentive Funds

ABC Incentive funds for schools that achieve standards established by the State Board of Education.

\$72,400,000 NR

2 Additional Pay for Mentor Teachers

Provide additional funds to the State Board of Education to pay for mentor teachers.

\$3,500,000 NR

3 Extra Pay for New Teacher Development

Provide additional funds to the State Board of Education to pay for additional days for new teachers for training and staff development.

\$800,000 NR

4 Staff Development Reading and Math/ABC Assistance

Provide funds to the State Board of Education to for staff development in reading as required under the ABC program and math education. Funds are also used for the ABC assistance teams in low performing school systems.

\$6,800,000 R \$6,800,000 R

5 Vacation Days Used as Teacher Workdays

Pay teachers for vacation days that are used as required teacher workdays and extra duties.

\$5,000,000 R \$5,000,000 R

6 Extra Pay for Extra Duties

Provides funds to local school systems for pay teachers for providing additional instructional services to students outside of the regular school day.

\$1,900,000 R \$1,900,000 R

House Subcommittee on Education

Public Schools

7 School Safety Funds	\$10,200,000	R	\$10,200,000	R
Improve school safety by providing additional funds to expand alternative schools and other programs for at-risk students. Local school systems may also use these funds to hire school safety officers.				
8 School Technology Funds	\$20,000,000	NR		
Provides additional funds for the School Technology Trust Fund.				
9 Low Wealth Supplemental Funding	\$5,000,000	R	\$5,000,000	R
Increase supplemental funding for low wealth school systems.				
10 Increase Funds for Handicapped Children	\$2,950,512	R	\$2,950,512	R
Additional funding for children with special needs to reflect the April 1997 head count. These funds are in addition to the increases in the Continuation Budget.				
11 Principals Salary Funds				
Provide funds equivalent to an additional 3% for principals salaries. Dollars are shown in the salary and benefit portion of the Appropriations Committee Report.				
12 Revise Average Daily Membership and Average Salary	\$4,818,618	R	\$2,622,174	R
Revise average daily membership projections to reflect changes in the expected number of students in various grade levels in FY1997-98 and FY1998-99. Also reflects an increase of 400 private school students entering charter schools in FY1997-98.				
13 Adjustment in Average Salary	(\$7,704,040)	R	(\$7,825,991)	R
Adjust projected average salary for school employees in FY1997-98 and FY1998-99 to December 1996 actual salaries.				

House Subcommittee on Education

14 Adjustment in Average Salary

(\$20,415,665) R (\$20,779,145) R

Adjust projected average salary for school employees in FY1997-98 and FY1998-99 to September 1996 actual salaries.

15 Career Development Hold Harmless

(\$2,551,197) R (\$2,551,197) R

Eliminate hold harmless funding for former career development pilot units. Due to projected salary increase these funds will no longer be needed.

16 Global Curriculum Program

\$200,000 NR

Funds to improve students knowledge and understanding of middle and high school students in the areas of international and cultural studies.

17 Model Teacher Consortium

\$600,000 R \$600,000 R

Provide funds to expand the Model Teacher Consortium into additional counties.

18 School Bus Purchases

(\$29,700,000) R
\$29,700,000 NR

Purchase school buses with nonrecurring funds during FY1997-98.

19 Positions to Assist Local School Construction

\$200,000 NR

Provide funds to the Department of Public Instruction to contract for architectural services, mechanical engineering services, and accounting services to assist in the review of school construction projects that result from the recent statewide school bond referendum.

20 Support Charter Schools

\$103,147 R \$103,147 R

Appropriate funds to the State Board of Education to provide assistance and oversight of the charter school program.

21 Uniform Education System Funds

\$2,551,197 R \$2,551,197 R

Provide funds to the State Board of Education to support the Uniform Education Reporting System and the accountability efforts of the board.

House Subcommittee on Education

22 National Board for Professional Teaching Standards

Continue to support North Carolina teachers in the process of attempting to achieve certification by the National Board for Professional Teaching Standards.

\$567,330 NR

Total Legislative Changes

(\$20,447,428) R \$6,570,697 R
\$127,367,330 NR

Total Position Changes

Revised Budget

\$4,506,966,784 \$4,486,681,491

UNC System

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$1,418,358,030	\$1,425,342,510

Legislative Changes

A.Academic Campuses

23 Non-Academic Support	(\$3,594,742)	R	(\$3,644,100)	R
Reduce non-academic budgets by 1% across the board (0.5% for Area Health Education Centers). Instruction and libraries are exempted from this reduction.				
24 Overhead Receipts	(\$381,521)	R	(\$381,521)	R
Revise overhead receipts estimates up to levels anticipated during 1996-97				
25 UNC-Charlotte	(\$349,631)	NR		
Reduction in Reserve for New Buildings: The library addition will be completed later than planned, and will be occupied in late 1997-98.				

B.Schedule of Priorities

26 Enrollment Changes			\$3,744,391	R
Projected enrollment for 1997-98 is lower than the number of students budgeted for 1996-97 by 969 full-time equivalents (FTE); provides for an additional 925 fulltime equivalent students in second year of biennium, and to account for a shift to more in-state students.				
	(\$1,895,403)	NR		
	-59.20		61.00	
27 Funding Equity	\$21,000,000	R	\$21,000,000	R
Provides funding for 5 campuses (ASU, ECU, UNC-C, UNC-G, UNC-W) found to be relatively under funded compared to other campuses in a study conducted at the direction of the General Assembly				

House Subcommittee on Education

28 Libraries	\$2,000,000	R	\$2,000,000	R
Improvements in library collections, services, and staffing; initial development of NC Virtual Library with community colleges and State Library.				
29 University Outreach to the Public Schools	\$1,785,000	R	\$1,185,000	R
Funding to:				
a. Increase clinical experience for prospective teachers and involvement of classroom teachers;				
b. Increase number of Principal Fellows;				
c. Improve coordination of professional development programs for school professionals with priorities of State Board of Education;				
d. Implement Early Math Placement Program in high schools to improve math preparation.				
e. Support for "Reading Together", a tutorial program for second graders.				
30 New Degree Programs	\$2,000,000	R	\$2,000,000	R
Funds to complete expansion of allied health initiatives in speech and language pathology and occupational and physical therapy, new doctoral programs at UNC-Charlotte, and other programs previously authorized for planning by the UNC Board of Governors.				
31 Area Health Education Centers			\$2,000,000	R
Funds will increase family medicine residencies and provide more community based training experiences for mid-level practitioners and pharmacy students				
32 Administrative Support for New Processes	\$300,000	R	\$600,000	R
Improvements in data collection and analysis for assessment, evaluation, and budgeting purposes.				
C.Related Educational Programs				
33 Scholarship Fund Balances				
Reduce appropriations and use accumulated cash balances in non-reverting trust funds due to cash repayments; revert balance in old scholarship fund				
	(\$1,850,790)	NR		

House Subcommittee on Education

34 Aid to Private Medical Schools

(\$329,000) R (\$365,000) R

Continue assistance for same level of enrollments as actual numbers for 1996-97

35 Board of Governors Dental Scholars

(\$9,968) R (\$24,704) R

Hold inflationary increases below projected levels

36 Board of Governors Medical Scholars

(\$38,735) R (\$20,700) R

Hold inflationary increases to 3% annually

37 Aid to Students Attending Private Colleges

\$7,864,668 R \$7,864,668 R

Increase Legislative Tuition Grant from \$1,300 to \$1,450 per year for each fulltime NC undergraduate; increase need-based scholarship funding from \$600 per fulltime equivalent (FTE) NC student to \$750 per NC FTE student.

D.Agricultural Programs

38 Funding for Agricultural Enhancement

\$1,100,000 R \$1,100,000 R

Funds to assure the competitiveness of NC State Agricultural Programs in attracting quality faculty and students

39 Agricultural Research

\$500,000 R \$500,000 R

Additional funding for enhancement of agricultural production and life sciences industries while sustaining and improving environmental quality

E.UNC Hospitals

40 UNC Hospitals Reduction

(\$10,000,000) R (\$10,000,000) R

Reduce UNC Hospitals General Fund operating support.

House Subcommittee on Education

F.Other

41 Manufacturing Extension Partnership

Funds to match increase in federal grant to expand services to manufacturers through NC State

\$900,000 NR

42 Piedmont Triad Center for Applied Manufacturing

Funds to supplement the operating costs of the PT-CAM facility through NC A & T State University while it develops the capacity to be self-supporting

\$400,000 NR

43 East Carolina Performance Center

Start up costs and initial operating expenses for the L. T. Walker International Human Performance Center

\$350,000 NR

G.Tuition

44 Tuition Increase

(\$6,606,067) R (\$12,067,925) R

1997-98: Increases of 3% (\$22-42 per year) in-state ; non-residents at NC State and UNC-CH 5%, NC School of the Arts 3% to more fully fund cost of education for non-residents

1998-99: 2% across the board

Total Legislative Changes

\$15,589,635 R \$15,490,109 R
(\$2,445,824) NR

Total Position Changes

-59.20 61.00

Revised Budget

\$1,431,501,841 \$1,440,832,619

Community Colleges

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Budget	\$489,218,944		\$489,576,870

Legislative Changes

45 Occupational Extension	\$13,993,517	R	\$13,993,517	R
Increases funds available for occupational extension programs as requested by the State Board of Community Colleges. These are short-term job training programs that do not lead to a degree.				
46 Equipment and Books	\$15,000,000	NR		
Funds \$12.55 million for additional equipment, \$1.95 million for library books, and \$500,000 for the State Board of Community Colleges to participate in the NC-LIVE project with UNC and the State Library which reduces the duplication of expenditures for library resources.				
47 New and Expanding Industry Funds	\$4,000,000	NR		
These funds will provide money for customized training projects to attract new industry and to support training needs of existing industries that expand their workforce.				
48 Enrollment Increase	\$1,715,534	R	\$1,715,534	R
Funds the enrollment increases for the community college system.				
49 New Industry Equipment for Regional Coordinators	(\$300,000)	R	(\$300,000)	R
Reduce the funds available to buy equipment for the Department of Community Colleges regional coordinators to move across the state as needed. These funds have been underspent for several years and can be reduced.				
50 Community Services Block Grant	(\$86,581)	R	(\$86,581)	R
Reduce funds in the Community Services Block Grant that offers hobby and leisure classes to the community.				

House Subcommittee on Education

51 Maintenance of Plant	(\$517,506)	R	(\$517,506)	R
These funds supplement local funds for maintenance costs for three community colleges that have more than 50% of their students residing outside the home county of the college. These colleges are College of the Albemarle, Southwestern Community College and Central Carolina Community College.				
52 JTPA Administrative Funds	(\$17,216)	R	(\$17,216)	R
Reduce the administrative funds allocated to colleges that offer JTPA class size projects from federal funds.				
53 Curriculum Improvement Projects	(\$113,709)	R	(\$113,709)	R
Reduce the State funds in this program by the amount reverted due to the availability of federal funds for this purpose.				
54 State Board Reserve Fund	(\$250,000)	R	(\$250,000)	R
Reduce the State Board Reserve Fund from \$900,000 to \$650,000 as requested by the Governor.				
Total Legislative Changes	\$14,424,039	R	\$14,424,039	R
	\$19,000,000	NR		
Total Position Changes				
Revised Budget	\$522,642,983		\$504,000,909	

CODE NO. 97DPI-H001

Requested by: Representatives Arnold, Grady, Preston

CAREER DEVELOPMENT

- 1 Section 8.1. (a) The State Board of Education shall use funds available
2 for the 1997-98 and 1998-99 fiscal years to ensure that individual employees do not
3 receive less on a monthly basis in salary and State-funded bonuses during the 1997-98
4 fiscal year or during the 1998-99 fiscal year than they received on a monthly basis
5 during the 1994-95 fiscal year, so long as the employees qualify for bonuses under the
6 local differentiated pay plan. The State Board of Education may also use funds
7 appropriated to State Aid to Local School Administrative Units for the 1997-98 and
8 1998-99 fiscal years as is necessary to hold individual employees harmless as provided
9 in this subsection.
- 10 (b) Funds appropriated for local school administrative units receiving
11 career development funds for the 1996-97 fiscal year that did not revert on June 30,
12 1997, shall not be used for expenses other than the costs of holding individual
13 employees harmless as provided in subsection (a) of this section.

Requested by: Representatives Arnold, Grady, Preston

SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

1 Section 8.2. (a) Funds for Supplemental Funding. -- The General
2 Assembly finds that it is appropriate to provide supplemental funds in low-wealth
3 counties to allow those counties to enhance the instructional program and student
4 achievement; therefore, funds are appropriated to Aid to Local School
5 Administrative Units for the 1997-98 fiscal year and the 1998-99 fiscal year to be used
6 for supplemental funds for schools.

7 (b) Use of Funds for Supplemental Funding. -- Local school
8 administrative units shall use funds received pursuant to this section only to provide
9 instructional positions, instructional support positions, teacher assistant positions,
10 clerical positions, instructional supplies and equipment, staff development, and
11 textbooks; provided, however, local school administrative units may use these funds
12 for salary supplements for instructional personnel and instructional support
13 personnel.

14 (c) Definitions. -- As used in this section:

15 (1) "Anticipated county property tax revenue availability" means the
16 county adjusted property tax base multiplied by the effective State
17 average tax rate.

18 (2) "Anticipated total county revenue availability" means the sum of
19 the:

- 20 a. Anticipated county property tax revenue availability,
- 21 b. Local sales and use taxes received by the county that are
22 levied under Chapter 1096 of the 1967 Session Laws or
23 under Subchapter VIII of Chapter 105 of the General
24 Statutes,
- 25 c. Food stamp exemption reimbursement received by the
26 county under G.S. 105-164.44C,
- 27 d. Homestead exemption reimbursement received by the
28 county under G.S. 105-277.1A,
- 29 e. Inventory tax reimbursement received by the county under
30 G.S. 105-275.1 and G.S. 105-277A,
- 31 f. Intangibles tax distribution and reimbursement received by
32 the county under G.S. 105-213 and G.S. 105-213.1, and
- 33 g. Fines and forfeitures deposited in the county school fund for
34 the most recent year for which data are available.

35 (3) "Anticipated total county revenue availability per student" means
36 the anticipated total county revenue availability for the county
37 divided by the average daily membership of the county.

- 1 (4) "Anticipated State average revenue availability per student" means
2 the sum of all anticipated total county revenue availability divided
3 by the average daily membership for the State.
4 (5) "Average daily membership" means average daily membership as
5 defined in the North Carolina Public Schools Allotment Policy
6 Manual, adopted by the State Board of Education. If a county
7 contains only part of a local school administrative unit, the average
8 daily membership of that county includes all students who reside
9 within the county and attend that local school administrative unit.
10 (6) "County adjusted property tax base" shall be computed as follows:
11 a. Subtract the present-use value of agricultural land,
12 horticultural land, and forestland in the county, as defined
13 in G.S. 105-277.2, from the total assessed real property
14 valuation of the county,
15 b. Adjust the resulting amount by multiplying by a weighted
16 average of the three most recent annual sales assessment
17 ratio studies,
18 c. Add to the resulting amount the:
19 1. Present-use value of agricultural land, horticultural
20 land, and forestland, as defined in G.S. 105-277.2,
21 2. Value of property of public service companies,
22 determined in accordance with Article 23 of Chapter
23 105 of the General Statutes, and
24 3. Personal property value for the county.
25 (7) "County adjusted property tax base per square mile" means the
26 county adjusted property tax base divided by the number of square
27 miles of land area in the county.
28 (8) "County wealth as a percentage of State average wealth" shall be
29 computed as follows:
30 a. Compute the percentage that the county per capita income
31 is of the State per capita income and weight the resulting
32 percentage by a factor of five-tenths,
33 b. Compute the percentage that the anticipated total county
34 revenue availability per student is of the anticipated State
35 average revenue availability per student and weight the
36 resulting percentage by a factor of four-tenths,
37 c. Compute the percentage that the county adjusted property
38 tax base per square mile is of the State adjusted property tax
39 base per square mile and weight the resulting percentage by
40 a factor of one-tenth,
41 d. Add the three weighted percentages to derive the county
42 wealth as a percentage of the State average wealth.

- 1 (9) "Effective county tax rate" means the actual county tax rate
2 multiplied by a weighted average of the three most recent annual
3 sales assessment ratio studies.
4 (10) "Effective State average tax rate" means the average of effective
5 county tax rates for all counties.
6 (10a) "Local current expense funds" means the most recent county
7 current expense appropriations to public schools, as reported by
8 local boards of education in the audit report filed with the
9 Secretary of the Local Government Commission pursuant to G.S.
10 115C-447.
11 (11) "Per capita income" means the average for the most recent three
12 years for which data are available of the per capita income
13 according to the most recent report of the United States
14 Department of Commerce, Bureau of Economic Analysis,
15 including any reported modifications for prior years as outlined in
16 the most recent report.
17 (12) "Sales assessment ratio studies" means sales assessment ratio
18 studies performed by the Department of Revenue under G.S. 105-
19 289(h).
20 (13) "State average current expense appropriations per student" means
21 the most recent State total of county current expense
22 appropriations to public schools, as reported by local boards of
23 education in the audit report filed with the Secretary of the Local
24 Government Commission pursuant to G.S. 115C-447.
25 (14) "State average adjusted property tax base per square mile" means
26 the sum of the county adjusted property tax bases for all counties
27 divided by the number of square miles of land area in the State.
28 (14a) "Supplant" means to decrease local per student current expense
29 appropriations from one fiscal year to the next fiscal year.
30 (15) "Weighted average of the three most recent annual sales
31 assessment ratio studies" means the weighted average of the three
32 most recent annual sales assessment ratio studies in the most recent
33 years for which county current expense appropriations and
34 adjusted property tax valuations are available. If real property in a
35 county has been revalued one year prior to the most recent sales
36 assessment ratio study, a weighted average of the two most recent
37 sales assessment ratios shall be used. If property has been revalued
38 the year of the most recent sales assessment ratio study, the sales
39 assessment ratio for the year of revaluation shall be used.

40 (d) Eligibility for Funds. -- Except as provided in subsection (h) of this
41 section, the State Board of Education shall allocate these funds to local school
42 administrative units located in whole or in part in counties in which the county
43 wealth as a percentage of the State average wealth is less than one hundred percent
44 (100%).

1 (e) Allocation of Funds. -- Except as provided in subsection (g) of this
2 section, the amount received per average daily membership for a county shall be the
3 difference between the State average current expense appropriations per student and
4 the current expense appropriations per student that the county could provide given
5 the county's wealth and an average effort to fund public schools. (To derive the
6 current expense appropriations per student that the county could be able to provide
7 given the county's wealth and an average effort to fund public schools, multiply the
8 county wealth as a percentage of State average wealth by the State average current
9 expense appropriations per student.)

10 The funds for the local school administrative units located in whole or in
11 part in the county shall be allocated to each local school administrative unit, located
12 in whole or in part in the county, based on the average daily membership of the
13 county's students in the school units.

14 If the funds appropriated for supplemental funding are not adequate to
15 fund the formula fully, each local school administrative unit shall receive a pro rata
16 share of the funds appropriated for supplemental funding.

17 (f) Formula for Distribution of Supplemental Funding Pursuant to This
18 Section Only. -- The formula in this section is solely a basis for distribution of
19 supplemental funding for low-wealth counties and is not intended to reflect any
20 measure of the adequacy of the educational program or funding for public schools.
21 The formula is also not intended to reflect any commitment by the General Assembly
22 to appropriate any additional supplemental funds for low-wealth counties.

23 (g) Minimum Effort Required. -- Counties that had effective tax rates in
24 the 1994-95 fiscal year that were above the State average effective tax rate but that
25 had effective rates below the State average in the 1995-96 fiscal year or thereafter
26 shall receive reduced funding under this section. This reduction in funding shall be
27 determined by subtracting the amount that the county would have received pursuant
28 to Section 17.1(g)(ii) of Chapter 507 of the 1995 Session Laws from the amount that
29 the county would have received if qualified for full funding and multiplying the
30 difference by ten percent (10%). This method of calculating reduced funding shall
31 apply one time only.

32 This method of calculating reduced funding shall not apply in cases in
33 which the effective tax rate fell below the statewide average effective tax rate as a
34 result of a reduction in the actual property tax rate. In these cases, the minimum
35 effort required shall be calculated in accordance with Section 17.1(g)(ii) of Chapter
36 507 of the 1995 Session Laws.

37 If the county documents that it has increased the per student
38 appropriation to the school current expense fund in the current fiscal year, the State
39 Board of Education shall include this additional per pupil appropriation when
40 calculating minimum effort pursuant to Section 17.1(g)(ii) of Chapter 507 of the 1995
41 Session Laws.

42 (h) Nonsupplant requirement. -- A county in which a local school
43 administrative unit receives funds under this section shall use the funds to supplement
44 local current expense funds and shall not supplant local current expense funds. For

1 the 1997-99 fiscal biennium, the State Board of Education shall not allocate funds
2 under this section to a county found to have used these funds to supplant local per
3 student current expense funds. The State Board of Education shall make a finding
4 that a county has used these funds to supplant local current expense funds in the
5 prior year, or the year for which the most recent data are available, if:

6 (1) The current expense appropriation per student of the county for
7 the current year is less than ninety-five percent (95%) of the
8 average of the local current expense appropriations per student for
9 the three prior fiscal years; and

10 (2) The county cannot show (i) that it has remedied the deficiency in
11 funding, or (ii) that extraordinary circumstances caused the county
12 to supplant local current expense funds with funds allocated under
13 this section.

14 The State Board of Education shall adopt rules to implement this section.

15 (i) Reports. -- The State Board of Education shall report to the Joint
16 Legislative Education Oversight Committee prior to May 1, 1998, on its analysis of
17 whether counties supplanted funds.

18 (j) Department of Revenue Reports. -- The Department of Revenue shall
19 provide to the Department of Public Instruction a preliminary report for the current
20 fiscal year of the assessed value of the property tax base for each county prior to
21 March 1 of each year and a final report prior to May 1 of each year. The reports
22 shall include for each county the annual sales assessment ratio and the taxable values
23 of (i) total real property, (ii) the portion of total real property represented by the
24 present-use value of agricultural land, horticultural land, and forestland as defined in
25 G.S. 105-277.2, (iii) property of public service companies determined in accordance
26 with Article 23 of Chapter 105 of the General Statutes, and (iv) personal property.

Requested by: Representatives Arnold, Grady, Preston

SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

1 Section 8.3. (a) **Funds for small school systems.** -- Except as provided in
2 subsection (b) of this section, the State Board of Education shall allocate funds
3 appropriated for small school system supplemental funding (i) to each county school
4 administrative unit with an average daily membership of less than 3,150 students and
5 (ii) to each county school administrative unit with an average daily membership of
6 from 3,150 to 4,000 students if the county in which the local school administrative
7 unit is located has a county adjusted property tax base per student that is below the
8 State adjusted property tax base per student and if the total average daily
9 membership of all local school administrative units located within the county is from
10 3,150 to 4,000 students. The allocation formula shall:

- 11 (1) Round all fractions of positions to the next whole position.
- 12 (2) Provide five and one-half additional regular classroom teachers in
13 counties in which the average daily membership per square mile is
14 greater than four, and seven additional regular classroom teachers
15 in counties in which the average daily membership per square mile
16 is four or less.
- 17 (3) Provide additional program enhancement teachers adequate to
18 offer the standard course of study.
- 19 (4) Change the duty-free period allocation to one teacher assistant per
20 400 average daily membership.
- 21 (5) Provide a base for the consolidated funds allotment of at least one
22 hundred fifty thousand dollars (\$150,000), excluding textbooks.
- 23 (6) Allot vocational education funds for grade 6 as well as for grades
24 7-12.

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

33 (b) **Nonsupplant requirement.** -- A county in which a local school
34 administrative unit receives funds under this section shall use the funds to supplement
35 local current expense funds and shall not supplant local current expense funds. For
36 the 1997-99 fiscal biennium, the State Board of Education shall not allocate funds
37 under this section to a county found to have used these funds to supplant local per
38 student current expense funds. The State Board of Education shall make a finding

1 that a county has used these funds to supplant local current expense funds in the
2 prior year, or the year for which the most recent data are available, if:

- 3 (1) The current expense appropriation per student of the county for
4 the current year is less than ninety-five percent (95%) of the
5 average of the local current expense appropriations per student for
6 the three prior fiscal years; and
- 7 (2) The county cannot show (i) that it has remedied the deficiency in
8 funding, or (ii) that extraordinary circumstances caused the county
9 to supplant local current expense funds with funds allocated under
10 this section.

11 The State Board of Education shall adopt rules to implement this section.

12 (c) **Phase-out provision.** -- If a local school administrative unit becomes
13 ineligible for funding under this formula solely because of an increase in population
14 or an increase in the county adjusted property tax base per student of the county in
15 which the local school administrative unit is located, funding for that unit shall be
16 phased-out over a two-year period. For the first year of ineligibility, the unit shall
17 receive the same amount it received for the prior fiscal year. For the second year of
18 ineligibility, it shall receive half of that amount.

19 (d) **Definitions.** -- As used in this section:

- 20 (1) "Average daily membership" means within two percent (2%) of
21 the average daily membership as defined in the North Carolina
22 Public Schools Allotment Policy Manual, adopted by the State
23 Board of Education.
- 24 (2) "County adjusted property tax base per student" means the total
25 assessed property valuation for each county, adjusted using a
26 weighted average of the three most recent annual sales assessment
27 ratio studies, divided by the total number of students in average
28 daily membership who reside within the county.
- 29 (2a) "Local current expense funds" means the most recent county
30 current expense appropriations to public schools, as reported by
31 local boards of education in the audit report filed with the
32 Secretary of the Local Government Commission pursuant to G.S.
33 115C-447.
- 34 (3) "Sales assessment ratio studies" means sales assessment ratio
35 studies performed by the Department of Revenue under G.S. 105-
36 289(h).
- 37 (4) "State adjusted property tax base per student" means the sum of all
38 county adjusted property tax bases divided by the total number of
39 students in average daily membership who reside within the State.
- 40 (4a) "Supplant" means to decrease local per student current expense
41 appropriations from one fiscal year to the next fiscal year.
- 42 (5) "Weighted average of the three most recent annual sales
43 assessment ratio studies" means the weighted average of the three
44 most recent annual sales assessment ratio studies in the most recent

1 years for which county current expense appropriations and
2 adjusted property tax valuations are available. If real property in a
3 county has been revalued one year prior to the most recent sales
4 assessment ratio study, a weighted average of the two most recent
5 sales assessment ratios shall be used. If property has been revalued
6 the year of the most recent sales assessment ratio study, the sales
7 assessment ratio for the year of revaluation shall be used.
8 (e) **Reports.** -- The State Board of Education shall report to the Joint
9 Legislative Education Oversight Committee prior to May 1, 1998, on the results of its
10 analysis of whether counties supplanted funds.

CODE NO. 97DPI-H004

Requested by: Representatives Arnold, Grady, Preston

LITIGATION RESERVE

- 1 Section 8.4. (a) Funds in the State Board of Education's Litigation
- 2 Reserve that are not expended or encumbered on June 30, 1997, shall not revert on
- 3 July 1, 1997, but shall remain available for expenditure until June 30, 1999.
- 4 (b) The State Board of Education may expend up to five hundred
- 5 thousand dollars (\$500,000) for the 1997-98 fiscal year from unexpended funds for
- 6 certified employees' salaries to pay expenses related to pending litigation.
- 7 (c) Subsection (a) of this section becomes effective June 30, 1997.

Requested by: Representatives Arnold, Grady, Preston

EXCEPTIONAL CHILDREN FUNDS

Section 8.5. The funds appropriated for exceptional children in this act shall be allocated as follows:

(1) Each local school administrative unit shall receive for academically gifted children the sum of seven hundred ten dollars and sixty-one cents (\$710.61) per child for four percent (4.0%) of the 1997-98 allocated average daily membership in the local school administrative unit, regardless of the number of children identified as academically gifted in the local school administrative unit. The total number of children for which funds shall be allocated pursuant to this subdivision is 49,045 for the 1997-98 school year.

(2) Each local school administrative unit shall receive for exceptional children other than academically gifted children the sum of two thousand one hundred thirty-one dollars and eighty-seven cents (\$2,131.87) per child for the lesser of (i) all children who are identified as exceptional children other than academically gifted children or (ii) twelve and five-tenths percent (12.5%) of the 1997-98 allocated average daily membership in the local school administrative unit. The maximum number of children for which funds shall be allocated pursuant to this subdivision is 142,956 for the 1997-98 school year.

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

CODE NO. 97DPI-H006

Requested by: Representatives Arnold, Grady, Preston

MINIMUM VACATION LEAVE FOR BUS DRIVERS

1 Section 8.6. Notwithstanding any other provision of law, all regular
2 school bus drivers, who have been employed for at least one academic year and who
3 are not entitled to more than one day of paid vacation leave, are entitled to one day
4 of paid vacation leave in each subsequent school year. An employee who is
5 terminated or resigns before taking the leave day is not entitled to compensation for
6 the day.

CODE NO. 97DPI-H008

Requested by: Representatives Arnold, Grady, Preston

DELETE REPORT ON GUARANTEED ENERGY SAVINGS CONTRACTS

1 Section 8.8. Section 9 of Chapter 775 of the 1993 Session Laws is
2 repealed.
3

Requested by: Representatives Arnold, Grady, Preston

SCHOOL PAY DATE FLEXIBILITY PILOT PROGRAM

1 Section 8.9. The State Board of Education may continue a pilot program
2 to grant no more than four local boards of education additional flexibility in setting
3 the pay dates for their 10-month employees. Notwithstanding the provisions of G.S.
4 115C-302(a) and G.S. 115C-316(a), local school administrative units participating in
5 the pilot may pay 10-month employees for a full month of employment when days
6 employed are less than a full month at the beginning or the end of the teachers'
7 contracts. No local school administrative unit shall be required to participate in the
8 pilot. A local board participating in the pilot shall bear all of the cost of recouping
9 funds prepaid for work never done and the cost of these funds that cannot be
10 recouped.

11 The State Board of Education shall report to the Joint Legislative
12 Education Oversight Committee on the pilot program prior to September 15, 1998.

CODE NO. 97DPI-H010

Requested by: Representatives Arnold, Grady, Preston

ALTERNATIVE SCHOOLS/AT-RISK STUDENTS

1 Section 8.10. (a) Local boards of education may use funds from the
2 Alternative Schools/At-Risk Student allotment to form partnerships with the
3 Communities In Schools Program or to contract with the Communities In Schools
4 Program for services.

5 (b) Local boards of education shall not use these State funds in the
6 Alternative Schools/At-Risk Student allotment to supplant local funds.

7 (c) The State Board of Education may use up to two hundred thousand
8 dollars (\$200,000) of the funds in the Alternative Schools/At-Risk Student allotment
9 to implement G.S. 115C-12(24).

Requested by: Representatives Arnold, Grady, Preston

ADVANCED PLACEMENT TESTS

1 Section 8.11. (a) Advanced Placement tests are taken by many high
2 school students who are seeking college credit for coursework completed in high
3 school. The Board of Governors of The University of North Carolina is encouraged
4 to develop a standardized system of credit for the Advanced Placement test scores to
5 ensure that college credit granted for Advanced Placement courses is equitable and
6 predictable.

7 (b) The Board of Governors of The University of North Carolina shall
8 encourage the University system to assist the public school systems of the State to
9 provide education for teachers who are instructors of Advanced Placement courses.

10 (c) Notwithstanding any other provision of law, the State Board of
11 Community Colleges shall allow a college to earn regular budget FTEs for a college
12 level course taught to high school students even though the course instructor is a
13 local high school teacher under contract, provided the following criteria are met:

14 (1) The course does not duplicate or supplant the Advanced
15 Placement courses or the other college level course offerings of the
16 high school.

17 (2) The contractual responsibilities of the high school teacher
18 employed as an instructor for the course do not supplant the
19 regular classroom and teaching responsibilities of the teacher.

20 (3) The State Board of Community Colleges is satisfied that the
21 substance, quality, and level at which the course is taught merits it
22 being considered a college level course.

23 (d) The State Board of Education and the State Board of Community
24 Colleges shall report to the Joint Legislative Education Oversight Committee by
25 March 1, 1998, regarding the cooperative effort being made to encourage high school
26 students to complete college general education courses through the community
27 college system. The report shall include information about the curricula designed to
28 encourage this effort, the number of students enrolled in college courses, and the
29 fiscal impact of these efforts.

Requested by: Representatives Arnold, Grady, Preston

**DATA ON TEACHER ASSISTANTS' YEARS OF EXPERIENCE, CREDENTIALS,
AND PLACEMENT ON LOCALLY ADOPTED SALARY SCHEDULES/REVIEW OF
TEACHER ASSISTANT EDUCATION PROGRAMS AND STANDARDS**

1 Section 8.12. (a) The State Board of Education shall collect data on
2 teacher assistants' years of experience in the public schools and in State and local
3 government and the degrees that they hold. The State Board shall report the results
4 of its study to the Joint Legislative Education Oversight Committee prior to February
5 15, 1998.

6 The State Board of Education shall also collect data on locally adopted
7 salary schedules for teacher assistants and the distribution of teacher assistants on the
8 locally adopted schedules. The State Board shall report the results of its study to the
9 Joint Legislative Education Oversight Committee prior to February 15, 1998.

10 (b) The State Board of Education shall review existing teacher assistant
11 education programs, including the program offered by the North Carolina Association
12 of Teacher Assistants.

13 The State Board of Education shall also develop educational standards,
14 goals, and competencies for teacher assistants.

15 The State Board of Education shall report on the results of its study and
16 on the educational standards, goals, and competencies, to the Joint Legislative
17 Education Oversight Committee prior to February 15, 1998.

18 (c) The State Board of Community Colleges shall review the reports
19 submitted to the Joint Legislative Oversight Committee by the State Board of
20 Education pursuant to subsection (b) of this section and shall use the reports to
21 develop a plan for a certification program for teacher assistants. The State Board of
22 Community Colleges shall report to the Joint Legislative Education Oversight
23 Committee on the plan it develops, including the costs of implementing the plan.

CODE NO. 97DPI-H013

Requested by: Representatives Arnold, Grady, Preston

CLASS-SIZE COMPUTATION FOR K-2

1 Section 8.13. The expansion budget funds appropriated by the 1993 and
2 1995 General Assemblies to provide teacher positions to reduce class size in second
3 grade shall be allocated by the State Board of Education to local school
4 administrative units on the basis of one teacher for every 23 students in second grade.
5 Local school administrative units shall use these funds (i) to reduce class size in
6 second grade to 23 or fewer students or (ii) to hire reading teachers within
7 kindergarten through third grade or otherwise reduce the student-teacher ratio within
8 kindergarten through third grade.
9 For the purpose of calculating the maximum allowable class size for
10 kindergarten, first grade, and second grade, the ratio of teachers to students shall be 1
11 to 26.

Requested by: Representatives Arnold, Grady, Preston

ABC'S PERFORMANCE RECOGNITION FOR PERSONNEL SERVING PRE-KINDERGARTEN THROUGH TWELFTH GRADE

Section 8.14. G.S. 115C-105.36 reads as rewritten:

"§ 115C-105.36. Performance recognition.

(a) The personnel serving students in pre-kindergarten through twelfth grade in schools that achieve a level of expected growth greater than one hundred percent (100%) at a level to be determined by the State Board of Education are eligible for financial awards in amounts set by the State Board. Schools and personnel shall not be required to apply for these awards. For the purpose of this section, 'personnel' includes the principal, assistant principal, instructional personnel, instructional support personnel, and teacher assistants assigned to that school.

(b) The State Board shall establish a procedure to allocate the funds for these awards to the local school administrative units in which the eligible schools are located. Funds shall become available for expenditure July 1 of each fiscal year. Funds shall remain available until November 30 of the subsequent fiscal year for expenditure for:

(1) Awards to the ~~personnel~~; personnel serving students in pre-kindergarten through grade 12; or

(2) The purposes authorized in a plan that has been:

- a. Developed and voted on by the personnel in the same manner that a school improvement plan is approved under G.S. 115C-105.27;
- b. Approved by a majority of the personnel who vote on the plan; and
- c. Submitted to and approved by the local board of education.

The local board shall approve this plan unless the plan involves expenditures of funds that are not for a public purpose or that are otherwise unlawful."

Requested by: Representatives Arnold, Grady, Preston

SCHOOL LAW REVISION SUBCOMMITTEE EXTENDED

1 Section 8.15. (a) The cochair of the Joint Legislative Education
2 Oversight Committee may appoint a subcommittee to revise the public school laws.

3 The subcommittee shall consist of equal numbers of members appointed
4 by the Senate chair and the House chair. Either chair may appoint to the
5 subcommittee members, including public members, who are not also members of the
6 Committee.

7 Members of the subcommittee who are not members of the Committee
8 may participate fully in all subcommittee business, including all deliberations and
9 votes; however, these members are not members of the Committee for any other
10 purpose.

11 (b) The subcommittee shall:

12 (1) Conduct a comprehensive review of the public school laws;

13 (2) Identify laws that are outdated, vague, unnecessary, or otherwise in
14 need of revision; and

15 (3) Revise the public laws so they are consistent with the North
16 Carolina Constitution and with the goals of the General Assembly
17 and the State Board of Education in order to improve student
18 performance, increase local flexibility and control, and promote
19 economy and efficiency.

CODE NO. 97DPI-H016

Requested by: Representatives Arnold, Grady, Preston

DISTANCE LEARNING PROGRAM

- 1 Section 8.17. Notwithstanding any other provision of law, funds
- 2 appropriated to the State Board of Education and to State Aid to Local School
- 3 Administrative Units for the Distance Learning Program shall be used for distance
- 4 learning educational purposes, as directed by the State Board of Education.

CODE NO. 97DPI-H017

Requested by: Representatives Arnold, Grady, Preston

**CRIME CONTROL GRANTS FOR THE N.C. CENTER FOR THE PREVENTION OF
SCHOOL VIOLENCE**

1 Section 8.18. The Secretary of Crime Control and Public Safety shall
2 continue to make grants for the 1997-99 fiscal biennium for the operating expenses of
3 the North Carolina Center for the Prevention of School Violence. If grant funds are
4 not available for this purpose, the Board of Governors of The University of North
5 Carolina may use funds within its budget for the expenses of the Center.

Requested by: Representatives Arnold, Grady, Preston

CHARTER SCHOOL ACCOUNTABILITY REQUIREMENTS

Section 8.19. G.S. 115C-238.29F(f) reads as rewritten:

"(f) Accountability. --

- (1) The school is subject to the financial audits, the audit procedures, and the audit requirements adopted by the State Board of Education for charter schools. These audit requirements may include the requirements of the School Budget and Fiscal Control Act.
- (2) The school shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System.
- (3) The school shall report at least annually to the chartering entity and the State Board of Education the information required by the chartering entity or the State Board."

Requested by: Representatives Arnold, Grady, Preston

AVAILABILITY OF FUNDS ALLOCATED FOR STAFF DEVELOPMENT

1 Section 8.21. G.S. 115C-417 reads as rewritten:

2 **"§ 115C-417. Availability of funds allocated for staff development.**

3 Funds allocated by the State Board of Education for staff development at the local
4 level shall become available for expenditure on ~~September 1~~ July 1 of each fiscal year
5 and shall remain available for expenditure until ~~August 31~~ December 31 of the
6 subsequent fiscal year."

Requested by: Representatives Arnold, Grady, Preston

TEACHER CERTIFICATION

1
2 Section 8.22. (a) The State Board of Education shall establish an advisory
3 committee to assist it in studying the lateral entry program, a program which
4 encourages lateral entry into the profession of teaching by skilled individuals from the
5 private sector. In the course of the study, the State Board shall consider the
6 recruitment, retention, training, and evaluation of persons who enter the teaching
7 profession by lateral entry. The State Board shall place special emphasis on lateral
8 entry of teachers at the high school level who have significant post-bachelors degree
9 experience.

10 The State Board of Education shall report the results of its study to the
11 Joint Legislative Education Oversight Committee prior to April 15, 1998.

12 (b) The State Board of Education shall use funds appropriated from the
13 Worker Training Trust Fund in Section 14 of this act to design and implement a
14 public school teacher apprenticeship program. Notwithstanding any other provision of
15 law, individuals who participate in the program may be granted a provisional
16 teaching certificate by the State Board of Education for no more than five years and
17 shall be required to obtain certification before contracting for a sixth year of service
18 with any local administrative unit in this State.

19 The State Board of Education shall collaborate with and may contract
20 with the Governor's Commission on Workforce Preparedness on designing and
21 implementing the program.

22 (c) An applicant is eligible for initial certification as a teacher if the
23 applicant (i) took the NTE specialty area tests and completed an approved out-of-
24 state teacher education program prior to July 1, 1996, and (ii) met the minimum
25 specialty area test score in effect for North Carolina when the applicant took the test.

Requested by: Representatives Arnold, Grady, Preston

FUNDS FOR NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS

1 Section 8.23. (a) Funds appropriated to the Department of Public
2 Instruction in this act shall be used to pay for the National Board for Professional
3 Teaching Standards (NBPTS) participation fee and for up to three days of approved
4 paid leave for teachers participating in the NBPTS program during the 1997-98
5 school year and the 1998-99 fiscal year for State-paid teachers who (i) have
6 completed three years of teaching in North Carolina schools operated by local boards
7 of education, the Department of Human Resources, the Department of Correction, or
8 The University of North Carolina, or affiliated with The University of North
9 Carolina, prior to application for NBPTS certification, and (ii) who have not
10 previously received State funds for participating in any certification area in the
11 NBPTS program. Teachers participating in the program shall take paid leave only
12 with the approval of their supervisors.

13 A teacher for whom the State pays the participation fee (i) who does not
14 complete the process or (ii) who completes the process but does not teach in a North
15 Carolina public school for at least one year after completing the process, shall repay
16 the certification fee to the State. Repayment is not required if the process is not
17 completed or the teacher fails to teach for one year due to the death or disability of
18 the teacher or other extenuating circumstances as may be recognized by the State
19 Board.

20 (b) The State Board shall adopt policies and guidelines to implement this
21 section.

Requested by: Representatives Arnold, Grady, Preston

LOSS OF BUDGET FLEXIBILITY UNDER CERTAIN CIRCUMSTANCES/PROHIBITION ON USE OF STATE FUNDS TO BUY OUT SUPERINTENDENTS' CONTRACTS

Section 8.28. (a) G.S. 115C-451 reads as rewritten:

"§ 115C-451. Reports to State Board of Education; failure to comply with School Budget Act.

(a) The State Board of Education shall have authority to require local school administrative units to make such reports as it may deem advisable with respect to the financial operation of the public schools.

(b) The State Board of Education shall be responsible for assuring that local boards of education comply with State laws and regulations regarding the budgeting, management, and expenditure of funds. When a local board of education willfully or negligently fails or refuses to comply with these laws and regulations, the State Board of Education shall issue a warning to the local board of education and direct it to take remedial action. In addition, the State Board may suspend the flexibility given to the local board under G.S. 115C-105.21A and may require the local board to use funds during the term of suspension only for the purposes for which they were allotted or for other purposes with the specific approval from the State Board.

(c) If the local board of education, after warning, persists in willfully or negligently failing or refusing to comply with these laws and regulations, the State Board of Education shall by resolution assume control of the financial affairs of the local board of education and shall appoint an administrator to exercise the powers assumed. The adoption of a resolution shall have the effect of divesting the local board of education of its powers as to the adoption of budgets, expenditure of money, and all other financial powers conferred upon the local board of education by law."

(b) G.S. 115C-271 reads as rewritten:

"§ 115C-271. Selection by local board of education, term of office.

~~Each local board of education shall elect a superintendent of schools for a term of one to four years, ending on June 30th of the final 12 months of the contract. The board of education may, with the written consent of the current superintendent, extend or renew the term of the superintendent's contract at any time after the first 12 months of the contract; provided, however, that the current superintendent's contract may not be extended for a term of greater than four years; and provided, further, that if new board members have been elected or appointed and are to be sworn in, the board may not act to extend or renew the current superintendent's contract until after the new members have been sworn in. The term and conditions of employment shall be stated in a written contract which shall be entered into between the board of education and the superintendent. A copy of the contract shall be filed with the Superintendent of Public Instruction before any person is eligible for this office.~~

1 ~~Contracts of employment for a period of less than one year shall be governed and~~
2 ~~limited by G.S. 115C-275.~~

3 ~~It is the policy of the State of North Carolina that the superintendents of each of~~
4 ~~the several school administrative units be hired solely at the discretion of the local~~
5 ~~boards of education and that a candidate for superintendent of a local school~~
6 ~~administrative unit must have been, at least, a principal in a North Carolina public~~
7 ~~school or have equivalent experience as prescribed by the State Board of Education~~
8 ~~and have other minimum credentials, educational prerequisites and experience~~
9 ~~requirements as the State Board of Education shall prescribe. The State Board of~~
10 ~~Education is directed to promulgate prerequisites for candidacy for superintendent~~
11 ~~not later than January 1, 1985.~~

12 ~~If any board of education shall elect a person to serve as superintendent of schools~~
13 ~~in any local school administrative unit who is not qualified, or cannot qualify,~~
14 ~~according to this section, such election is null and void and it shall be the duty of~~
15 ~~such board of education to elect a person who can qualify.~~

16 (a) It is the policy of the State that each local board of education has the sole
17 discretion to elect a superintendent of schools. However, the State Board shall adopt
18 rules that establish the qualifications for election. At a minimum, each
19 superintendent shall have been a principal in a North Carolina public school or shall
20 have equivalent experience. In addition, the State Board may establish other
21 minimum credentials, educational prerequisites, and experience requirements. It is
22 the duty of each local board to elect a superintendent who is qualified. If a local
23 board elects a superintendent who is not qualified or who cannot qualify under this
24 section, then the election and contract are null and void and the board shall elect a
25 person who is qualified.

26 (b) Each local board of education shall elect a superintendent under a written
27 contract of employment for a term of no more than three years, ending on June 30 of
28 the final months of the contract. Contracts of employment for a period of less than
29 one year shall be governed and limited by G.S. 115C-275. Each local board shall file
30 a copy of the contract with the State Board of Education before the individual is
31 eligible for this office.

32 (c) At any time after the first 12 months of the contract, a local board may, with
33 the written consent of the current superintendent, extend or renew the term of the
34 superintendent's contract for a term of no more than three years. If new board
35 members have been elected or appointed and are to be sworn in, a board shall not
36 act to extend or renew the current superintendent's contract until after the new
37 members have been sworn in.

38 (d) A local board may terminate the superintendent's contract before the contract
39 term of employment has expired so long as all the following conditions are met:

- 40 (1) No State funds are used for this purpose.
41 (2) Local funds appropriated for teachers, textbooks, or classroom
42 materials, supplies and equipment are not transferred or used for
43 this purpose.

1 (3) The local board makes public the funds that are to be transferred
2 or used for this purpose.
3 (4) The local board notifies the State Board of the funds that are to be
4 transferred or used for this purpose.
5 (5) No funds acquired through donation or fund-raising are used for
6 this purpose, except for funds raised specifically for this purpose or
7 for funds donated by private for-profit corporations.
8 Immediately upon receipt of the notification from a local board under this
9 subsection, the State Board shall review the accounts of that local school
10 administrative unit. If the State Board finds that the local board failed to meet all the
11 conditions set out in this subsection, the State Board shall issue a warning to the local
12 board as provided in G.S. 115C-451 and, in addition to any other actions the State
13 Board may take under G.S. 115C-451, shall order the local board to take action to
14 comply with this subsection."

Requested by: Representatives Arnold, Grady, Preston

**UNIFORM EDUCATION REPORTING SYSTEMS FUNDS/BUILDING LEVEL
REPORTS ON SCHOOL FUNDING**

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Section 8.26. (a) Funds appropriated for the 1997-99 fiscal biennium for the Uniform Education Reporting System shall be used for the maintenance, enhancement, or purchase of financial personnel or for student information software, in order to support the State Board of Education's responsibilities under G.S. 115C-12(18).

(b) The State Board of Education shall modify the Uniform Education Reporting System to provide clear, accurate, and standard information on the use of funds at the unit and school level. The plan shall provide information that will enable the General Assembly to determine State, local, and federal expenditures for personnel at the unit and school level. The plan also shall allow the tracking of expenditures for textbooks, educational supplies and equipment, capital outlay, at-risk students, and other purposes. The revised Uniform Education Reporting System shall be implemented beginning with the 1998-99 school year.

Requested by: Representatives Arnold, Grady, Preston

LEGISLATORS MAY SERVE ON SCHOOL TECHNOLOGY COMMISSION

Section 8.27. (a) G.S. 115C-102.5 reads as rewritten:

"§ 115C-102.5. Commission on School Technology created; membership.

(a) There is created the Commission on School Technology. The Commission shall be located administratively in the Department of Public Instruction but shall exercise all its prescribed statutory powers independently of the Department of Public Instruction.

(b) The Commission shall consist of the following ~~16~~ 18 members:

(1) The State Superintendent of Public Instruction or a designee;

(2) One representative of The University of North Carolina, appointed by the President of The University of North Carolina;

(3) One representative of the North Carolina Community College System, appointed by the President of the North Carolina Community College System;

(4) The Deputy Controller for the Information Resources Management Commission in the Office of the State Controller;

(5) Four members appointed by the Governor;

(6) ~~Four~~ Six members appointed by the ~~General Assembly upon the recommendation of the~~ President Pro Tempore of the Senate ~~in accordance with G.S. 120-121, two of whom shall be members of the Senate. one of whom~~ One of these six members shall be recommended appointed by the President of the Senate to serve as cochair; and

(7) ~~Four~~ Six members appointed by the ~~General Assembly upon the recommendation of the~~ Speaker of the House of Representatives ~~in accordance with G.S. 120-121, two of whom shall be members of the House of Representatives. one of whom~~ One of these six members shall be recommended appointed by the Speaker of the House of Representatives to serve as cochair.

In appointing members pursuant to subdivisions (5), (6), and (7) of this subsection, the appointing ~~entities~~ persons shall select individuals with technical or applied knowledge or experience in learning and instructional management technologies or individuals with expertise in curriculum or instruction who have successfully used learning and instructional management technologies.

No producers, vendors, or consultants to producers or vendors of learning or instructional management technologies shall serve on the Commission.

Members shall serve for two-year terms. Vacancies in terms of members ~~appointed by the Governor~~ shall be filled by the appointing officer. ~~Vacancies in terms of members appointed by the General Assembly shall be filled in accordance with G.S.~~

1 ~~120-122.~~ Persons appointed to fill vacancies shall qualify in the same manner as
2 persons appointed for full terms.

3 ~~(e) Notwithstanding G.S. 120-123 and subsection (b) of this section, the~~
4 ~~Commission shall also include one member of the Senate appointed by the President~~
5 ~~Pro Tempore of the Senate and one member of the House of Representatives~~
6 ~~appointed by the Speaker of the House of Representatives. These members shall be~~
7 ~~voting members. The term of office of these members shall end November 1, 1994.~~

8 (d) Members of the Commission who are also members of the General Assembly
9 shall be paid subsistence and travel expenses at the rate set forth in G.S. 120-3.1.
10 Members of the Commission who are officials or employees of the State shall receive
11 travel allowances at the rate set forth in G.S. 138-6. All other members of the
12 Commission shall be paid the per diem and allowances set forth in G.S. 138-5.

13 (e) The Department of Public Instruction, the Department of Community
14 Colleges, and the Office of the State Controller shall provide requested professional
15 and clerical staff to the Commission. The Commission may also employ professional
16 and clerical staff and may hire outside consultants to assist it in its work. The
17 Commission shall use an outside consultant to perform a requirements analysis for
18 learning and instructional management technologies on a statewide basis that is based
19 on information gathered from each local school administrative unit and that considers
20 the needs of teachers, students, and administrators."

21 (b) G.S. 115C-102.6B reads as rewritten:

22 **"§ 115C-102.6B. Approval of State school technology plan.**

23 (a) The Commission shall present the State school technology plan it develops to
24 the Joint Legislative Commission on Governmental Operations and the Joint
25 Legislative Education Oversight Committee for their comments prior to January 1,
26 1995. At least every two years thereafter, the Commission shall develop any
27 necessary modifications to the State school technology plan and present them to the
28 Joint Legislative Commission on Governmental Operations and the Joint Legislative
29 Education Oversight Committee.

30 (b) After presenting the plan or any proposed modifications to the plan to the
31 Joint Legislative Commission on Governmental Operations and the Joint Legislative
32 Education Oversight Committee, the Commission shall submit the plan or any
33 proposed modifications to (i) the Information Resources Management Commission
34 for its approval of the technical components of the plan set out in G.S. 115C-
35 102.6A(1) through (4), and (ii) the State Board of Education ~~for its approval of~~
36 information purposes only. The State Board shall adopt a plan that includes the
37 components of the a plan set out in G.S. 115C-103.6A (1) through (16).

38 At least one-fourth of the members of any technical committee that reviews the
39 plan for the Information Resources Management Commission shall be people actively
40 involved in primary or secondary education.

41 (c) If no changes are made to the plan or the proposed modifications to the plan
42 after the submission to the Information Resources Management Commission and the
43 State Board of Education, the plan or the proposed modifications shall take effect

1 upon approval by the Information Resources Management Commission and the State
2 Board of Education."
3 (c) G.S. 120-123(60) is repealed.

Requested by: Representatives Arnold, Grady, Preston

RIGOROUS ACADEMIC CONTENT STANDARDS

Section 8.28. (a) G.S. 115C-12 is amended by adding the following new subdivision to read:

"(9b) Power to Develop Content Standards. -- The Board shall develop a comprehensive plan to revise content standards and the standard course of study in the core academic areas of reading, writing, mathematics, science, history, geography, and civics. The Board shall involve and survey a representative sample of parents, teachers, and the public to help determine academic content standard priorities and usefulness of the content standards. A full review of available and relevant academic content standards that are rigorous, specific, sequenced, clear, focused, and measurable, whenever possible, shall be a part of the process of the development of content standards. The revised content standards developed in the core academic areas shall (i) reflect high expectations for students and quality; (ii) be clearly grounded in the content of each academic area; (iii) be defined grade-by-grade and course-by-course; (iv) be understandable to parents and teachers; (v) be developed in full recognition of the time available to teach the core academic areas at each grade level; and (vi) be measurable, whenever possible, in a reliable, valid, and efficient manner for accountability purposes.

High school course content standards shall include alignment with coursework required for admission to constituent institutions of The University of North Carolina and end-of-course testing. This alignment shall include a plan to develop and implement end-of-course tests for the minimum courses required for admission to these institutions. The Board of Governors of The University of North Carolina shall work in collaboration with the State Board of Education to insure that teacher and school administrator programs, ongoing professional development and other university activity in the State's public schools align with the State Board's priorities.

The Board also shall develop and implement an ongoing process to align State programs and support materials with the revised academic content standards for each core academic area every five years. Alignment shall include revising textbook criteria, support materials, State tests, teacher and school administrator preparation, and ongoing professional development programs to be compatible with content standards. The Board shall develop

1 and make available to teachers and parents support materials,
2 including teacher and parent guides, for academic content
3 standards."

4 (b) The State Board of Education shall report to the Joint Legislative
5 Education Oversight Committee by April 15, 1998, on the implementation of this act,
6 including the Board's comprehensive plan to revise content standards and the
7 standard course of study and the Board's proposed timetable to align State programs
8 and support materials with these standards so that the first cycle of alignment is
9 completed by December 31, 2002. The Board, in its report, may recommend any
10 necessary statutory changes.

11 (c) The North Carolina Standards and Accountability Commission has
12 submitted a report to the State Board of Education. Therefore, effective August 1,
13 1997, Article 8A of Chapter 115C of the General Statutes is repealed.

14 Funds appropriated to the Standards and Accountability Commission for
15 the 1997-99 fiscal biennium shall be used by the State Board of Education to develop
16 core academic area standards and to align State programs and support materials with
17 the core academic standards in accordance with G.S. 115C-12(9b).

Requested by: Representatives Arnold, Grady, Preston, Black

SAFE SCHOOLS

1 Section 8.31. (a) G.S. 115C-366 is amended by adding the following
2 new subsections to read:

3 "(a3) Before the admission of a student to any public school in North Carolina,
4 the local board shall require the student's parent, guardian, or custodian to provide a
5 statement made under oath or affirmation before a qualified official indicating
6 whether the student is, at the time, under suspension or expulsion from attendance at
7 a private or public school in this or any other state or has been convicted of a felony
8 in this or any other state.

9 (a4) Notwithstanding any other law, a local board may deny admission to or place
10 reasonable conditions on the admission of a student who has been suspended from a
11 school under G.S. 115C-391 or who has been suspended from a school for conduct
12 that could have led to a suspension from a school within the local school
13 administrative unit where the student is seeking admission until the period of
14 suspension has expired. Also, a local board may deny admission to or place
15 reasonable conditions on the admission of a student who has been expelled from a
16 school under G.S. 115C-391 or who has been expelled from a school for behavior
17 that indicated the student's continued presence in school constituted a clear threat to
18 the safety of other students or employees or who has been convicted of a felony in
19 this or any other state. If the local board denies admission to a student who has been
20 expelled or convicted of a felony, the student may request the local board to
21 reconsider that decision in accordance with G.S. 115C-391(d)."

22 (b) Article 54 of Chapter 7A of the General Statutes is amended by
23 adding the following new section to read:

24 "§ 7A-675.1. Notification of schools when juveniles are alleged or found to be
25 delinquent.

26 (a) Notwithstanding G.S. 7A-675, the juvenile court counselor shall deliver verbal
27 and written notification of the following actions to the principal of the school that the
28 juvenile attends:

- 29 (1) A petition is filed under G.S. 7A-560 that alleges delinquency for
30 an offense that would be a felony if committed by an adult;
31 (2) The judge transfers jurisdiction over a juvenile to superior court
32 under G.S. 7A-608;
33 (3) The judge dismisses under G.S. 7A-637 the petition that alleges
34 delinquency for an offense that would be a felony if committed by
35 an adult;
36 (4) The judge issues a dispositional order under Article 52 of Chapter
37 7A of the General Statutes including, but not limited to, an order
38 of probation that requires school attendance, concerning a juvenile

1 alleged or found delinquent for an offense that would be a felony if
2 committed by an adult; or

3 (5) The judge modifies or vacates any order or disposition under G.S.
4 7A-664 concerning a juvenile alleged or found delinquent for an
5 offense that would be a felony if committed by an adult.

6 Notification of the school principal in person or by telephone shall be made before
7 the beginning of the next school day. Delivery shall be made as soon as practicable
8 but at least within five days of the action. Delivery shall be made in person or by
9 certified mail. Notification that a petition has been filed shall describe the nature of
10 the offense. Notification of a dispositional order, a modified or vacated order, or a
11 transfer to superior court shall describe the judge's action and any applicable
12 disposition requirements. As used in this subsection, the term 'offense' shall not
13 include any offense under Chapter 20 of the General Statutes.

14 (b) If the principal of the school the juvenile attends returns any notification as
15 required by G.S. 115C-404, and if the juvenile court counselor learns that the juvenile
16 is transferring to another school, the juvenile court counselor shall deliver the
17 notification to the principal of the school to which the juvenile is transferring.
18 Delivery shall be made as soon as practicable and shall be made in person or by
19 certified mail.

20 (c) Principals shall handle any notification delivered under this section in
21 accordance with G.S. 115C-404.

22 (d) For the purpose of this section, 'school' means any public or private school in
23 the State that is authorized under Chapter 115C of the General Statutes."

24 (c) Article 29 of Chapter 115C of the General Statutes is amended by
25 adding a new section to read:

26 **"§ 115C-404. Use of juvenile court information.**

27 (a) Written notifications received in accordance with G.S. 7A-675.1 are
28 confidential records, are not public records as defined under G.S. 132-1, and shall not
29 be made part of the student's official record under G.S. 115C-402. Immediately upon
30 receipt, the principal shall maintain these documents in a safe, locked record storage
31 that is separate from the student's other school records. The principal shall maintain
32 these documents until the principal receives notification that the judge dismissed the
33 petition under G.S. 7A-637, the judge transferred jurisdiction over the student to
34 superior court under G.S. 7A-608, or the judge granted the student's petition for
35 expunction of the records. At that time, the principal shall shred, burn, or otherwise
36 destroy the documents to protect the confidentiality of this information. In no case
37 shall the principal make a copy of these documents.

38 (b) Documents received under this section may be used only to protect the safety
39 of or to improve the educational opportunities for the student or others. Upon
40 receipt of each document, the principal shall share the document with appropriate
41 staff members who shall indicate in writing that they have read the document and
42 that they agree to maintain its confidentiality. For the purposes of this section,
43 'appropriate staff members' are those individuals who have direct guidance, teaching,
44 or supervisory responsibility for the student, or who have a specific need to know in

1 order to protect the safety of the student or others. The failure of a principal or staff
2 member to maintain the confidentiality of these documents as required by this section
3 is grounds for the dismissal of that individual.

4 (c) If the student graduates, withdraws from school, is suspended for the
5 remainder of the school year, is expelled, or transfers to another school, the principal
6 shall return the documents to the juvenile court counselor and, if applicable, shall
7 provide the counselor with the name and address of the school to which the student
8 is transferring."

9 (d) G.S. 15A-505 reads as rewritten:

10 "**§ 15A-505. Notification of ~~minor's parent.~~ parent and school.**

11 (a) A ~~law enforcement~~ law enforcement officer who charges a minor with a
12 criminal offense shall notify the minor's parent or guardian of the charge, as soon as
13 practicable, in person or by telephone. If the minor is taken into custody, the law
14 enforcement officer or the officer's immediate superior shall notify a parent or
15 guardian in writing that the minor is in custody within 24 hours of the minor's arrest.
16 If the parent or guardian of the minor cannot be found, then the officer or the
17 officer's immediate superior shall notify the minor's next-of-kin of the minor's arrest
18 as soon as practicable.

19 (b) The notification provided for by subsection (a) of this section shall not be
20 required if:

- 21 (1) The minor is emancipated;
22 (2) The minor is not taken into custody and has been charged with a
23 motor vehicle moving violation for which three or fewer points are
24 assessed under G.S. 20-16(c), except an offense involving impaired
25 driving, as defined in G.S. 20-4.01(24a); or
26 (3) The minor has been charged with a motor vehicle offense that is
27 not a moving violation.

28 (c) A law enforcement officer who charges a person with a criminal offense that is
29 a felony, except for a criminal offense under Chapter 20 of the General Statutes, shall
30 notify the principal of any school the person attends of the charge as soon as
31 practicable but at least within five days. The notification may be made in person or
32 by telephone. If the person is taken into custody, the law enforcement officer or the
33 officer's immediate supervisor shall notify the principal of any school the person
34 attends. This notification shall be in writing and shall be made within five days of the
35 person's arrest. As used in this subsection, the term 'school' means any public or
36 private school in the State that is authorized under Chapter 115C of the General
37 Statutes."

38 (e) Prior to August 15, 1997, the State Board of Education shall review
39 and modify, if necessary, its policies and procedures on data kept and reports made
40 on acts of violence in school and on students suspended or expelled from school, to
41 ensure that data and reports are accurate and consistent on a statewide basis. The
42 State Board shall report to the Joint Legislative Education Oversight Committee prior
43 to March 15, 1998, on the impact of its efforts to attain accurate and consistent
44 reports.

1 (f)(1) There is created the At-Risk Students Task Force under the State
2 Board of Education. The Task Force shall consist of the Chair of
3 the State Board of Education, the Superintendent of Public
4 Instruction, the Secretary of Human Resources, the State Health
5 Director, and the Director of the Administrative Office of the
6 Courts. Each officer may designate one representative from that
7 officer's department or office to represent that officer on the Task
8 Force. These officers also may appoint additional members who
9 represent other State and local public agencies to the Task Force.
10 The Chair of the State Board of Education, or the Chair's
11 designee, shall serve as the Chair of the Task Force. The
12 Department of Public Instruction and the Department of Human
13 Resources shall provide staff and clerical support to the Task
14 Force. The State Board of Education shall fund the Task Force
15 within funds available to it.

16 (2) The Task Force shall develop a plan to develop interagency
17 agreements between local school administrative units and other
18 local public agencies, including, among others, health departments,
19 departments of social services, mental health agencies, and courts,
20 in order to provide cooperative services to students who are at risk
21 of school failure, at risk of participation in juvenile crime, or both.

22 (3) The Task Force shall report its plan, along with any suggested
23 statutory revisions, to the Joint Legislative Education Oversight
24 Committee by October 15, 1997, at which time the Task Force
25 shall terminate.

26 (g) G.S. 115C-12(24) reads as rewritten:

27 "(24) Duty to Develop Guidelines for Alternative Learning Programs,
28 Provide Technical Assistance on Implementation of Programs, and
29 Evaluate Programs. -- The State Board of Education shall adopt
30 guidelines for assigning students to alternative learning programs.
31 These guidelines shall include (i) a description of the programs
32 and services that are recommended to be provided in alternative
33 learning programs and (ii) a process for ensuring that an
34 assignment is appropriate for the student and that the student's
35 parents are involved in the decision.

36 The State Board of Education shall provide technical
37 support to local school administrative units to assist them in
38 developing and implementing plans for alternative learning
39 programs.

40 The State Board of Education shall recommend to local
41 boards of education ways to measure the academic achievement of
42 students while they are in the alternative learning programs or in
43 remedial learning programs.

44 The State Board shall evaluate the effectiveness of
45 alternative learning programs and, in its discretion, of any other
46 programs funded from the Alternative Schools/At-Risk Student
47 allotment. Local school administrative units shall report to the
48 State Board of Education on how funds in the Alternative
49 Schools/At-Risk Student allotment are spent and shall otherwise
50 cooperate with the State Board of Education in evaluating the
51 alternative learning programs. The State Board of Education shall
52 report annually to the Joint Legislative Education Oversight

Committee, beginning in December 1996, on the results of this evaluation."

(h) G.S. 115C-391 reads as rewritten:

"§ 115C-391. Corporal punishment, suspension, or expulsion of pupils.

(a) Local boards of education shall adopt policies not inconsistent with the provisions of the Constitutions of the United States and North Carolina, governing the conduct of students and establishing procedures to be followed by school officials in suspending or expelling any student, or in disciplining any student if the offensive behavior could result in suspension, expulsion, or the administration of corporal punishment. The policies that shall be adopted for the administration of corporal punishment shall include at a minimum the following conditions:

(1) Corporal punishment shall not be administered in a classroom with other children present;

(2) The student body shall be informed beforehand what general types of misconduct could result in corporal punishment;

(3) Only a teacher, substitute teacher, principal, or assistant principal may administer corporal punishment and may do so only in the presence of a principal, assistant principal, teacher, substitute teacher, teacher assistant, or student teacher, who shall be informed beforehand and in the student's presence of the reason for the punishment; and

(4) An appropriate school official shall provide the child's parent or guardian with notification that corporal punishment has been administered, and upon request, the official who administered the corporal punishment shall provide the child's parent or guardian a written explanation of the reasons and the name of the second school official who was present.

~~The~~ Each local board shall publish all the policies mandated by this subsection and make them available to each student and his parent or guardian at the beginning of each school year.

Notwithstanding any policy adopted pursuant to this section, school personnel may use reasonable force, including corporal punishment, to control behavior or to remove a person from the scene in those situations when necessary:

(1) To quell a disturbance threatening injury to others;

(2) To obtain possession of weapons or other dangerous objects on the person, or within the control, of a student;

(3) For self-defense; ~~or~~

(4) For the protection of persons or ~~property~~; property; or

(5) To maintain order on school property, in the classroom, or at a school-related activity on or off school property.

(b) The principal of a school, or his delegate, shall have authority to suspend for a period of 10 days or less any student who willfully violates policies of conduct established by the local board of education: Provided, that a student suspended pursuant to this subsection shall be provided an opportunity to take any quarterly, semester or grading period examinations missed during the suspension period.

(c) The principal of a school, with the prior approval of the superintendent, shall have the authority to suspend for periods of times in excess of 10 school days but not exceeding the time remaining in the school year, any pupil who willfully violates the policies of conduct established by the local board of education. The pupil or his parents may appeal the decision of the principal to the local board of education.

(d) Notwithstanding G.S. 115C-378, a local board of education may, upon recommendation of the principal and superintendent, expel any student 14 years of age or older whose behavior indicates that the student's continued presence in school constitutes a clear threat to the safety of other students or employees. The local board

1 of education's decision to expel a student under this section shall be based on clear
2 and convincing evidence. Prior to ordering the expulsion of a student pursuant to this
3 subsection, the local board of education shall consider whether there is an alternative
4 program offered by the local school administrative unit that may provide education
5 services for the student who is subject to expulsion. At any time after the first July 1
6 that is at least six months after the board's decision to expel a student under this
7 subsection, a student may request the local board of education to reconsider that
8 decision. If the student demonstrates to the satisfaction of the local board of
9 education that the student's presence in school no longer constitutes a threat to the
10 safety of other students or employees, the board shall readmit the student to a school
11 in that local school administrative unit on a date the board considers appropriate.
12 ~~Notwithstanding the provisions of G.S. 115C-112, a local board of education has no~~
13 ~~duty to continue to provide a child with special needs, expelled pursuant to this~~
14 ~~subsection, with any special education or related services during the period of~~
15 ~~expulsion.~~

16 (d1) A local board of education shall suspend for 365 days any student who
17 brings a weapon, as defined in G.S. 14-269.2(b) and (g), G.S. 14-269.2(g), onto school
18 property. The local board of education upon recommendation by the superintendent
19 may modify this suspension requirement on a case-by-case basis ~~which that~~ includes,
20 but is not limited to, the procedures ~~set out in G.S. 115C-112~~ established for the
21 discipline of students with disabilities and may also provide, or contract for the
22 provision of, educational services to any student suspended pursuant to this
23 subsection in an alternative school setting or in another setting that provides
24 educational and other services.

25 (d2) A local board of education shall suspend for 365 days or shall remove to
26 an alternative educational setting, as provided in this subsection, any student who
27 physically assaults and seriously injures a teacher or other individual on school
28 property or while attending a school-sponsored or school-related activity on or off
29 school property. If the other individual is a student, then this subsection shall not
30 apply when the board finds that the student who is subject to suspension or removal
31 was acting in self-defense. If the board chooses to remove the student to an
32 alternative educational setting and the conduct leading to the suspension occurred on
33 or before the ninetieth school day, the board shall remove the student to that setting
34 for the remainder of the current school year and the first 90 school days in the
35 following school year. If the board chooses to remove the student to an alternative
36 educational setting and the conduct leading to the suspension occurred after the
37 ninetieth school day, the board shall remove the student to that setting for the
38 remainder of the current school year and for the entire subsequent school year. If a
39 teacher is assaulted and seriously injured and as a result a student is suspended or
40 removed to an alternative educational setting under this subsection, then the student
41 shall not be returned to that teacher's classroom unless the teacher consents.

42 (e) A decision of a local board under subsection (c), (d), ~~or (d1)~~ (d1), or (d2)
43 of this section is final and, except as provided in this subsection, is subject to judicial
44 review in accordance with Article 4 of Chapter 150B of the General Statutes. A
45 person seeking judicial review shall file a petition in the superior court of the county
46 where the local board made its decision.

47 (f) ~~Local boards of education shall, no later than December 1, 1993, reevaluate~~
48 ~~and update their policies related to school safety so they reflect changes authorized~~
49 ~~by the 1993 General Assembly. In particular, boards shall ensure they have clear~~
50 ~~policies governing the conduct of students, which students. At a minimum, these~~
51 policies shall state the consequences of violent or assaultive behavior, possessions of
52 weapons, and criminal acts committed on school property or at school-sponsored

1 functions. The State Board shall develop guidelines to assist local boards in this
2 process.

3 (g) Notwithstanding the provisions of this section, the policies and procedures
4 for the discipline of students with disabilities shall be consistent with federal laws and
5 regulations.

6 (h) Notwithstanding any other law, no officer or employee of the State Board of
7 Education or of a local board of education shall be civilly liable for using reasonable
8 force, including corporal punishment, in conformity with State law, State or local
9 rules, or State or local policies regarding the control, discipline, suspension, and
10 expulsion of students. Furthermore, the burden of proof is on the claimant to show
11 that the amount of force used was not reasonable."

12 (i) G.S. 115C-402 reads as rewritten:

13 "**§ 115C-402. Student records; maintenance; contents; confidentiality.**

14 The official record of each student enrolled in North Carolina public schools
15 shall be permanently maintained in the files of the appropriate school after the
16 student graduates, or should have graduated, from high school unless the local board
17 determines that such files may be filed in the central office or other location
18 designated by the local board for that purpose.

19 The official record shall contain, as a minimum, adequate identification data
20 including date of birth, attendance data, grading and promotion data, and such other
21 factual information as may be deemed appropriate by the local board of education
22 having jurisdiction over the school wherein the record is maintained. Each student's
23 official record also shall include notice of any suspension for a period of more than
24 10 days or of any expulsion under G.S. 115C-391 and the conduct for which the
25 student was suspended or expelled. The notice of suspension or expulsion shall be
26 expunged from the record if the student (i) graduates from high school or (ii) is not
27 expelled or suspended again during the two-year period commencing on the date of
28 the student's return to school after the expulsion or suspension.

29 The official record of each student is not a public record as the term 'public
30 record' is defined by G.S. 132-1. The official record shall not be subject to inspection
31 and examination as authorized by G.S. 132-6."

32 (j) G.S. 115C-288(g) reads as rewritten:

33 "(g) To Report Certain Acts to Law Enforcement. -- When the principal has a
34 ~~reasonable belief~~ actual notice that an act has occurred on school property involving
35 assault resulting in serious personal injury, sexual assault, sexual offense, rape,
36 kidnapping, indecent liberties with a minor, assault involving the use of a weapon,
37 possession of a firearm in violation of the law, possession of a weapon in violation of
38 the law, or possession of a controlled substance in violation of the law, the principal
39 shall immediately report the act to the appropriate local law enforcement agency.
40 Failure to report under this subsection is a Class 3 misdemeanor. For purposes of
41 this subsection, 'school property' shall include any public school building, bus, public
42 school campus, grounds, recreational area, or athletic field, in the charge of the
43 principal. It is the intent of the General Assembly that the principal notify the
44 superintendent and the superintendent notify the local board of any report made to
45 law enforcement under this subsection."

46 (k) (1) Chapter 115C of the General Statutes is amended by adding a new
47 Article to read:

48 "**ARTICLE 8C.**

49 "**Local Plans for Maintaining Safe and Orderly Schools.**

50 "**§ 115C-105.45. Legislative findings.**

51 The General Assembly finds that all schools should be safe, secure, and orderly.
52 If students are to aim for academic excellence, it is imperative that there is a climate
53 of respect in every school and that every school is free of disruption, drugs, violence,

1 and weapons. All schools must have plans, policies, and procedures for dealing with
2 disorderly and disruptive behavior. All schools and school units must have effective
3 measures for assisting students who are at risk of academic failure or of engaging in
4 disruptive and disorderly behavior.

5 **"§ 115C-105.46. State Board of Education responsibilities.**

6 In order to implement this Article, the State Board of Education:

7 (1) Shall adopt guidelines for developing local plans under G.S. 115C-
8 105.47;

9 (2) Shall provide, in cooperation with the Board of Governors of The
10 University of North Carolina, ongoing technical assistance to the local school
11 administrative units in the development, implementation, and evaluation of their
12 local plans under G.S. 115C-105.47;

13 (3) May require a local board of education to withhold the salary of
14 any administrator or other employee of local school administrative units who delays
15 or refuses to prepare and implement local safe school plans in accordance with G.S.
16 115C-105.47;

17 (4) May revoke the certificate of the superintendent, pursuant to G.S.
18 115C-274(c), for failure to fulfill the superintendent's duties under a local safe school
19 plan.

20 **"§ 115C-105.47. Local safe school plans.**

21 (a) Each local board of education shall develop a local school administrative
22 unit safe school plan designed to ensure that every school in the local school
23 administrative unit is safe, secure, and orderly, that there is a climate of respect in
24 every school, and that appropriate personal conduct is a priority for all students and
25 all public school personnel. The board shall include parents, the school community,
26 representatives of the community, and others in the development of this plan. The
27 plan may be developed by or in conjunction with other committees.

28 (b) Each plan shall include each of the following components:

29 (1) Clear statements of the standard of behavior expected of students
30 at different grade levels and of school personnel and clear statements of the
31 consequences that will result from one or more violations of those standards.

32 (2) A clear statement of the responsibility of the superintendent for
33 coordinating the adoption and the implementation of the plan, evaluating principals'
34 performance regarding school safety, monitoring and evaluating the implementation
35 of safety plans at the school-level, and coordinating with local law enforcement and
36 court officials appropriate aspects of implementation of the plan. The statement of
37 responsibility shall provide appropriate disciplinary consequences that may occur if
38 the superintendent fails to carry out these responsibilities, including a reprimand in
39 the superintendent's personnel file and withholding of the superintendent's salary.

40 (3) A clear statement of the responsibility of the school principal for
41 restoring, if necessary, and maintaining a safe, secure, and orderly school
42 environment and of the consequences that may occur if the principal fails to meet
43 that responsibility. The principal's duties shall include exhibiting appropriate
44 leadership for school personnel and students, providing for alternative placements for
45 students who are seriously disruptive, reporting all criminal acts pursuant to G.S.
46 115C-288(g), and providing appropriate disciplinary consequences for disruptive
47 students. The consequences to the principal that may occur shall include a
48 reprimand in the principal's personnel file, disciplinary proceedings under G.S.
49 115C-325 for principals who hold career status, and disciplinary proceedings under
50 the principal's contract for principals who are under contract.

51 (4) Clear statements of the roles of other administrators, teachers, and
52 other school personnel in restoring, if necessary, and maintaining a safe, secure, and
53 orderly school environment.

1 (5) Procedures for identifying and serving the needs of students who
2 are at risk of academic failure or of engaging in disruptive or disorderly behavior.

3 (6) Mechanisms for assessing the needs of disruptive and disorderly
4 students, providing them with services to assist them in achieving academically and in
5 modifying their behavior, and removing them from the classroom when necessary.

6 (7) Measurable objectives for improving school safety and order.

7 (8) Measures of the effectiveness of efforts to assist students at risk of
8 academic failure or of engaging in disorderly or disruptive behavior.

9 (9) Professional development clearly matched to the goals and
10 objectives of the plan.

11 (10) A plan to work effectively with local law enforcement officials and
12 court officials to ensure that schools are safe and laws are enforced.

13 (11) A plan to provide access to information to the school community,
14 parents, and representatives of the local community on the ongoing implementation
15 of the local plan, monitoring of the local plan, and the integration of educational and
16 other services for students into the total school program.

17 (12) The name and role description of the person responsible for
18 implementation of the plan.

19 (13) Direction to school improvement teams within the local school
20 administrative unit to consider the special conditions at their schools and to
21 incorporate into their local school improvement plans the appropriate components of
22 the local plan for maintaining safe and orderly schools.

23 (14) Any other information the local board considers necessary or
24 appropriate to implement this Article.

25 (c) The local board may amend the plan as often as it considers necessary or
26 appropriate."

27 (2) G.S. 115C-105.27 reads as rewritten:

28 **"§ 115C-105.27. Development and approval of school improvement plans.**

29 In order to improve student performance, each school shall develop a school
30 improvement plan that takes into consideration the annual performance goal for that
31 school that is set by the State Board under G.S. 115C-105.35. The principal of each
32 school, representatives of the assistant principals, instructional personnel, instructional
33 support personnel, and teacher assistants assigned to the school building, and parents
34 of children enrolled in the school shall constitute a school improvement team to
35 develop a school improvement plan to improve student performance. Parents serving
36 on school improvement teams shall reflect the racial and socioeconomic composition
37 of the students enrolled in that school and shall not be members of the building-level
38 staff. Parental involvement is a critical component of school success and positive
39 student achievement; therefore, it is the intent of the General Assembly that parents,
40 along with teachers, have a substantial role in developing school improvement plans.
41 To this end, school improvement team meetings shall be held at a convenient time to
42 assure substantial parent participation. The strategies for improving student
43 performance shall include a plan for the use of staff development funds that may be
44 made available to the school by the local board of education to implement the school
45 improvement ~~plan~~ plan and shall include a plan to address school safety and
46 discipline concerns in accordance with the safe school plan developed under Article
47 8C of this Chapter. The strategies may include a decision to use State funds in
48 accordance with G.S. 115C-105.25. The strategies may also include requests for
49 waivers of State laws, rules, or policies for that school. A request for a waiver shall
50 meet the requirements of G.S. 115C-105.26.

51 Support among affected staff members is essential to successful implementation
52 of a school improvement plan to address improved student performance at that
53 school. The principal of the school shall present the proposed school improvement

1 plan to all of the principals, assistant principals, instructional personnel, instructional
2 support personnel, and teacher assistants assigned to the school building for their
3 review and vote. The vote shall be by secret ballot. The principal shall submit the
4 school improvement plan to the local board of education only if the proposed school
5 improvement plan has the approval of a majority of the staff who voted on the plan.

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

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

29 (3) The State Board of Education shall develop a plan to reward
30 school principals for improving school safety and school climate. The Board shall
31 report this plan, along with any recommended statutory changes, to the Joint
32 Legislative Education Oversight Committee by April 15, 1998.

33 (4) Local boards of education shall begin implementation of local safe
34 school plans developed under this subsection by the beginning of the 1998-99 school
35 year.

36 (l) G.S. 115C-12 is amended by adding the following new subdivision to
37 read:

38 "(25) Reporting dropout rates. -- The State Board shall not include
39 students that have been expelled from school when calculating the dropout rate."

40 (m) The Board of Governors of The University of North Carolina, in
41 consultation with the State Board of Education, the Administrative Office of the
42 Courts, the Department of Crime Control and Public Safety, and other appropriate
43 State agencies, shall develop a program for the ongoing training of school officials,
44 local law enforcement officials, and local court officials. The program shall be
45 designed to promote local collaboration on school safety and discipline issues. The
46 Board of Governors shall report to the Joint Legislative Education Oversight
47 Committee on the development of this program by January 15, 1998.

Requested by: Representatives Arnold, Grady, Preston

SCHOOL CENTRAL OFFICE SALARIES

Section 8.33. (a) The following monthly salary ranges apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 1997-98 fiscal year, beginning July 1, 1997:

(1)	School Administrator I:	\$2,818 - \$4,715
(2)	School Administrator II:	\$2,991 - \$5,004
(3)	School Administrator III:	\$3,174 - \$5,311
(4)	School Administrator IV:	\$3,302 - \$5,526
(5)	School Administrator V:	\$3,435 - \$5,750
(6)	School Administrator VI:	\$3,645 - \$6,102
(7)	School Administrator VII:	\$3,792 - \$6,349

The local board of education shall determine the appropriate category and placement for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or finance officer, within the salary ranges and within funds appropriated by the General Assembly for central office administrators and superintendents. The category in which an employee is placed shall be included in the contract of any employee hired on or after July 1, 1997.

(b) The following monthly salary ranges apply to public school superintendents for the 1997-98 fiscal year, beginning July 1, 1997:

(1)	Superintendent I (Up to 2,500 ADM):	\$4,025 - \$6,738
(2)	Superintendent II (2,501 - 5,000 ADM):	\$4,272 - \$7,149
(3)	Superintendent III (5,001 - 10,000 ADM):	\$4,533 - \$7,587
(4)	Superintendent IV (10,001 - 25,000 ADM):	\$4,811 - \$8,051
(5)	Superintendent V (Over 25,000 ADM):	\$5,106 - \$8,544

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

Notwithstanding the provisions of this subsection, a local board of education may pay an amount in excess of the applicable range to a superintendent who is entitled to receive the higher amount under Section 8.32 of this act.

(c) Longevity pay for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers shall be as provided for State employees.

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

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

1 (f) The Director of the Budget shall transfer from the Reserve for Salary
2 Increases created in this act for fiscal year 1997-98, beginning July 1, 1997, funds
3 necessary to provide an average annual salary increase of four percent (4%),
4 including funds for the employer's retirement and social security contributions,
5 commencing July 1, 1997, for all permanent full-time personnel paid from the Central
6 Office Allotment. The State Board of Education shall allocate these funds to local
7 school administrative units. The local boards of education shall establish guidelines
8 for providing their salary increases to these personnel.
9

10 Requested by: Representatives Arnold, Grady, Preston

11 **NONCERTIFIED PUBLIC SCHOOL EMPLOYEES' SALARY INCREASE**

12 Section 8.34. The Director of the Budget may transfer from the Reserve
13 for Salary Increases created in this act for fiscal year 1997-98, commencing July 1,
14 1997, funds necessary to provide a salary increase of four percent (4%), including
15 funds for the employer's retirement and social security contributions, commencing
16 July 1, 1997, for all noncertified public school employees whose salaries are
17 supported from the State's General Fund. Local boards of education shall increase
18 the rates of pay for all such employees who were employed during fiscal year 1996-97
19 and who continue their employment for fiscal year 1997-98 by at least four percent
20 (4%), commencing July 1, 1997. These funds shall not be used for any purpose other
21 than for the salary increases and necessary employer contributions provided by this
22 section.

23 The Director of the Budget may transfer from the salary increase reserve
24 fund created in this act for fiscal year 1997-98, beginning July 1, 1997, funds
25 necessary to provide the salary increases for noncertified public school employees
26 whose salaries are supported from the State's General Fund in accordance with the
27 provisions of this section.

Requested by: Representatives Arnold, Grady, Preston

TEACHER SALARY SCHEDULES

Section 8.35. (a) Effective for the 1997-98 school year, the Director of the Budget may transfer from the Reserve for Salary Increases for the 1997-98 fiscal year funds necessary to implement the teacher salary schedule set out in subsection (b) of this section, including funds for the employer's retirement and social security contributions and funds for annual longevity payments at one percent (1%) of base salary for 10 to 14 years of State service, one and one-half percent (1.5%) of base salary for 15 to 19 years of State service, two percent (2%) of base salary for 20 to 24 years of State service, and four and one-half percent (4.5%) of base salary for 25 or more years of State service, commencing with July 1, 1997, for all teachers whose salaries are supported from the State's General Fund. These funds shall be allocated to individuals according to rules adopted by the State Board of Education and the Superintendent of Public Instruction. The longevity payment shall be paid in a lump sum once a year.

(b)(1) For the 1997-98 school year, the following monthly salary schedules shall apply to certified personnel of the public schools who are classified as teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

**1997-98 Monthly Salary Schedule
"A" Teachers**

Years of Experience	"A" Teachers	NBPTS Certification
0	N/A	N/A
1	N/A	N/A
2	N/A	N/A
3	N/A	2,615
4	2,529	2,781
5	2,576	2,833
6	2,624	2,886
7	2,673	2,940
8	2,722	2,994
9	2,771	3,048
10	2,821	3,103
11	2,873	3,160
12	2,926	3,218
13	2,980	3,278
14	3,035	3,338
15	3,091	3,400
16	3,148	3,462
17	3,206	3,526
18	3,266	3,592
19	3,327	3,659

1	20	3,390	3,729
2	21	3,453	3,798
3	22	3,517	3,868
4	23	3,582	3,940
5	24	3,649	4,013
6	25	3,718	4,089
7	26	3,788	4,166
8	27	3,859	4,244
9	28	3,932	4,325
10	29 +	4,006	4,406

1997-98 Monthly Salary Schedule
"G" Teachers

Years of Experience	"G" Teachers	NBPTS Certification
0	N/A	N/A
1	N/A	N/A
2	N/A	N/A
3	N/A	2,779
4	2,687	2,955
5	2,737	3,010
6	2,788	3,066
7	2,840	3,124
8	2,892	3,181
9	2,944	3,238
10	2,997	3,296
11	3,053	3,358
12	3,109	3,419
13	3,166	3,482
14	3,225	3,547
15	3,284	3,612
16	3,345	3,679
17	3,406	3,746
18	3,470	3,817
19	3,535	3,888
20	3,602	3,962
21	3,669	4,035
22	3,737	4,110
23	3,806	4,186
24	3,877	4,264
25	3,950	4,345
26	4,025	4,427
27	4,100	4,510
28	4,178	4,595
29 +	4,256	4,681

- (2) Certified public school teachers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided for certified personnel of the public schools who are classified as "G" teachers. Certified public school teachers with certification based on academic preparation at the doctoral degree level shall receive a

1 salary supplement of two hundred fifty-three dollars (\$253.00) per
2 month in addition to the compensation provided for certified
3 personnel of the public schools who are classified as "G" teachers.

4 (c) Effective for the 1997-98 school year, the first step of the salary
5 schedule for school psychologists shall be equivalent to Step 5, corresponding to five
6 years of experience, on the salary schedule established in this section for certified
7 personnel of the public schools who are classified as "G" teachers. Certified
8 psychologists shall be placed on the salary schedule at an appropriate step based on
9 their years of experience. Certified psychologists shall receive longevity payments
10 based on years of State service in the same manner as teachers.

11 Certified psychologists with certification based on academic preparation
12 at the six-year degree level shall receive a salary supplement of one hundred twenty-
13 six dollars (\$126.00) per month in addition to the compensation provided for certified
14 psychologists. Certified psychologists with certification based on academic
15 preparation at the doctoral degree level shall receive a salary supplement of two
16 hundred fifty-three dollars (\$253.00) per month in addition to the compensation
17 provided for certified psychologists.

18 (d) Effective for the 1997-98 school year, speech pathologists who are
19 certified as speech pathologists at the masters degree level and audiologists who are
20 certified as audiologists at the masters degree level and who are employed in the
21 public schools as speech and language specialists and audiologists shall be paid on the
22 school psychologist salary schedule.

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

CODE NO. 97DPI-H027B

Requested by: Representatives Arnold, Grady, Preston

SCHOOL-BASED ADMINISTRATOR SALARIES

Section 8.32. (a) Funds appropriated to the Reserve for Salary Increases shall be used for the implementation of the salary schedule for school-based administrators as provided in this section. These funds shall be used for State-paid employees only.

(b) The salary schedule for school-based administrators shall apply only to principals and assistant principals. The salary schedule for the 1997-98 fiscal year, commencing July 1, 1997, is as follows:

Step	Assistant Principal			Principal I		
	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
4	\$2,627	\$2,653	\$2,679	--	--	--
5	2,679	2,706	2,732	--	--	--
6	2,732	2,759	2,787	--	--	--
7	2,787	2,815	2,843	--	--	--
8	2,843	2,871	2,900	2,843	2,871	2,900
9	2,900	2,929	2,958	2,900	2,929	2,958
10	2,958	2,988	3,018	2,958	2,988	3,018
11	3,018	3,048	3,078	3,018	3,048	3,078
12	3,078	3,109	3,140	3,078	3,109	3,140
13	3,140	3,171	3,203	3,140	3,171	3,203
14	3,203	3,235	3,267	3,203	3,235	3,267
15	3,267	3,300	3,332	3,267	3,300	3,332
16	3,332	3,365	3,399	3,332	3,365	3,399
17	3,399	3,433	3,467	3,399	3,433	3,467
18	3,467	3,502	3,536	3,467	3,502	3,536
19	3,536	3,571	3,607	3,536	3,571	3,607
20	3,607	3,643	3,679	3,607	3,643	3,679
21	3,679	3,716	3,753	3,679	3,716	3,753
22	3,753	3,791	3,828	3,753	3,791	3,828
23	3,828	3,866	3,905	3,828	3,866	3,905
24	3,905	3,944	3,983	3,905	3,944	3,983
25	3,983	4,023	4,063	3,983	4,023	4,063
26	4,063	4,104	4,144	4,063	4,104	4,144
27	4,144	4,185	4,227	4,144	4,185	4,227
28	4,227	4,269	4,312	4,227	4,269	4,312
29	4,312	4,355	4,398	4,312	4,355	4,398
30	4,398	4,442	4,486	4,398	4,442	4,486
31	4,486	4,531	4,576	4,486	4,531	4,576
32	--	--	--	4,576	4,622	4,668

1 2 Step	Principal II			Principal III		
	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
3						
4						
5 4	--	--	--	--	--	--
6 5	--	--	--	--	--	--
7 6	--	--	--	--	--	--
8 7	--	--	--	--	--	--
9 8	--	--	--	--	--	--
10 9	--	--	--	--	--	--
11 10	\$3,018	\$3,048	\$3,078	--	--	--
12 11	3,078	3,109	3,140	--	--	--
13 12	3,140	3,171	3,203	3,203	3,325	3,267
14 13	3,203	3,235	3,267	3,267	3,300	3,332
15 14	3,267	3,300	3,332	3,332	3,365	3,399
16 15	3,332	3,365	3,399	3,399	3,433	3,467
17 16	3,399	3,433	3,467	3,467	3,502	3,536
18 17	3,467	3,502	3,536	3,536	3,571	3,607
19 18	3,536	3,571	3,607	3,607	3,643	3,679
20 19	3,607	3,643	3,697	3,679	3,716	3,753
21 20	3,679	3,716	3,753	3,753	3,791	3,828
22 21	3,753	3,791	3,828	3,828	3,866	3,905
23 22	3,828	3,866	3,905	3,905	3,944	3,983
24 23	3,905	3,944	3,983	3,983	3,023	3,063
25 24	3,983	4,023	4,064	4,063	4,104	4,144
26 25	4,063	4,104	4,144	4,144	4,185	4,227
27 26	4,144	4,185	4,227	4,227	4,269	4,312
28 27	4,227	4,269	4,312	4,312	4,355	4,398
29 28	4,312	4,355	4,398	4,398	4,442	4,486
30 29	4,398	4,442	4,486	4,486	4,531	4,576
31 30	4,486	4,531	4,576	4,576	4,622	4,668
32 31	4,576	4,622	4,668	4,668	4,715	4,761
33 32	4,668	4,715	4,761	4,761	4,809	4,856
34 33	4,761	4,809	4,856	4,856	4,905	4,953
35 34	4,856	4,905	4,953	4,953	5,003	5,052
36 35	--	--	--	5,052	5,103	5,153
37 36	--	--	--	5,153	5,205	5,256

1		Principal IV				Principal V		
2	Step	Base	Base	Base		Base	Base	Base
3			+ 1%	+ 2%			+ 1%	+ 2%
4								
5	4	--	--	--	--	--	--	--
6	5	--	--	--	--	--	--	--
7	6	--	--	--	--	--	--	--
8	7	--	--	--	--	--	--	--
9	8	--	--	--	--	--	--	--
10	9	--	--	--	--	--	--	--
11	10	--	--	--	--	--	--	--
12	11	--	--	--	--	--	--	--
13	12	--	--	--	--	--	--	--
14	13	\$3,332	\$3,365	\$3,399	--	--	--	--
15	14	3,399	3,433	3,467	\$3,467	\$3,502	\$3,536	
16	15	3,467	3,502	3,536	3,536	3,571	3,607	
17	16	3,536	3,571	3,607	3,607	3,643	3,679	
18	17	3,607	3,643	3,679	3,679	3,716	3,753	
19	18	3,679	3,716	3,753	3,753	3,791	3,828	
20	19	3,753	3,791	3,828	3,828	3,866	3,905	
21	20	3,828	3,866	3,905	3,905	3,944	3,983	
22	21	3,905	3,944	3,983	3,983	4,023	4,063	
23	22	3,983	4,023	4,063	4,063	4,104	4,144	
24	23	4,063	4,104	4,144	4,144	4,185	4,227	
25	24	4,144	4,185	4,227	4,227	4,269	4,312	
26	25	4,227	4,269	4,312	4,312	4,355	4,398	
27	26	4,312	4,355	4,398	4,398	4,442	4,486	
28	27	4,398	4,442	4,486	4,486	4,531	4,576	
29	28	4,486	4,531	4,576	4,576	4,622	4,668	
30	29	4,576	4,622	4,668	4,668	4,715	4,761	
31	30	4,668	4,715	4,761	4,761	4,809	4,856	
32	31	4,761	4,809	4,856	4,856	4,905	4,953	
33	32	4,856	4,905	4,953	4,953	5,003	5,052	
34	33	4,953	5,003	5,052	5,052	5,103	5,153	
35	34	5,052	5,103	5,153	5,153	5,205	5,256	
36	35	5,153	5,205	5,256	5,256	5,309	5,361	
37	36	5,256	5,309	5,361	5,361	5,415	5,468	
38	37	5,361	5,415	5,468	5,468	5,523	5,577	
39	38	--	--	--	5,577	5,633	5,689	
40	39	--	--	--	--	--	--	
41	40	--	--	--	--	--	--	
42	41	--	--	--	--	--	--	

1 2 Step	Principal VI			Principal VII		
	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
3						
4						
5 4	--	--	--	--	--	--
6 5	--	--	--	--	--	--
7 6	--	--	--	--	--	--
8 7	--	--	--	--	--	--
9 8	--	--	--	--	--	--
10 9	--	--	--	--	--	--
11 10	--	--	--	--	--	--
12 11	--	--	--	--	--	--
13 12	--	--	--	--	--	--
14 13	--	--	--	--	--	--
15 14	--	--	--	--	--	--
16 15	--	--	--	--	--	--
17 16	3,679	3,716	3,753	--	--	--
18 17	3,753	3,791	3,828	3,828	3,866	3,905
19 18	3,828	3,866	3,905	3,905	3,944	3,983
20 19	3,905	3,944	3,983	3,983	4,023	4,063
21 20	3,983	4,023	4,063	4,063	4,104	4,144
22 21	4,063	4,104	4,144	4,144	4,185	4,227
23 22	4,144	4,185	4,227	4,227	4,269	4,312
24 23	4,227	4,269	4,312	4,312	4,355	4,398
25 24	4,312	4,355	4,398	4,398	4,442	4,486
26 25	4,398	4,442	4,486	4,486	4,531	4,576
27 26	4,486	4,531	4,576	4,576	4,622	4,668
28 27	4,576	4,622	4,668	4,668	4,715	4,761
29 28	4,668	4,715	4,761	4,761	4,809	4,856
30 29	4,761	4,809	4,856	4,856	4,905	4,953
31 30	4,856	4,905	4,953	4,953	5,003	5,052
32 31	4,953	5,003	5,052	5,052	5,103	5,153
33 32	5,052	5,103	5,153	5,153	5,205	5,256
34 33	5,153	5,205	5,256	5,256	5,309	5,361
35 34	5,256	5,309	5,361	5,361	5,415	5,468
36 35	5,361	5,415	5,468	5,468	5,523	5,577
37 36	5,468	5,523	5,577	5,577	5,633	5,689
38 37	5,577	5,633	5,689	5,689	5,746	5,803
39 38	5,689	5,746	5,803	5,803	5,861	5,919
40 39	5,803	5,861	5,919	5,919	5,978	6,037
41 40	5,919	5,978	6,037	6,037	6,097	6,158
42 41	--	--	--	6,158	6,220	6,281
43						

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

Classification	Number of Teachers Supervised
Assistant Principal	
Principal I	Less than 11 Teachers
Principal II	11-21 Teachers
Principal III	22-32 Teachers
Principal IV	33-43 Teachers
Principal V	44-54 Teachers
Principal VI	55-65 Teachers
Principal VII	More than 65 Teachers

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

Principals in alternative schools shall be classified at the Principal III level, regardless of the number of teachers supervised.

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

(e) For the 1997-98 fiscal year, a principal or assistant principal shall be placed on the appropriate step plus one percent (1%) if:

- (1) The principal's or assistant principal's school exceeds the projected levels of improvement in student performance, in accordance with the ABC's of Public Education Program; or
- (2) The local board of education finds that the principal's or assistant principal's performance in developing the local plan for maintaining safe and orderly schools is exemplary.

The principal or assistant principal shall be placed on the appropriate step plus percent (2%) if the conditions set out in both subdivision (1) and (2) are satisfied.

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

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

(h) Longevity pay for principals and assistant principals shall be as provided for State employees.

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

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

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

13 (j) The State Board may authorize local boards of education to pay
14 persons for one year at the entry-level step of the assistant principal's salary schedule
15 if they (i) are serving as assistant principals, (ii) have completed one year of a masters
16 in school administration program, and (iii) are not certified as assistant principals.

17 (k) The State Board of Education may use up to fifty thousand dollars
18 (\$50,000) of the funds appropriated to State Aid to Local School Administrative
19 Units to study (i) the relationship of principal's salaries to the salaries of teachers and
20 other certified school personnel and (ii) the tenure rights of psychologists, speech
21 pathologists, and audiologists. The State Board shall report the results of the study to
22 the Joint Legislative Education Oversight Committee.

Requested by: Representatives Arnold, Grady, Preston

FUNDS TO IMPLEMENT THE ABC'S OF PUBLIC EDUCATION PROGRAM

1 Section 8.36. (a) Of the funds appropriated to State Aid to Local School
2 Administrative Units, the State Board of Education may use up to seventy-two
3 million four hundred thousand dollars (\$72,400,000) for the 1997-98 fiscal year to
4 provide incentive funding for schools that meet or exceed the projected levels of
5 improvement in student performance, in accordance with the ABC's of Public
6 Education Program. In accordance with State Board of Education policy, incentive
7 awards in schools that achieve higher than expected improvements may be up to: (i)
8 one thousand five hundred dollars (\$1,500) for each teacher and for certified
9 personnel; and (ii) five hundred dollars (\$500.00) for each teacher assistant. In
10 accordance with State Board of Education policy, incentive awards in schools that
11 meet the expected improvements may be up to: (i) seven hundred fifty dollars
12 (\$750.00) for each teacher and for certified personnel; and (ii) three hundred seventy-
13 five dollars (\$375.00) for each teacher assistant.

14 (b) The State Board of Education may use funds appropriated to State
15 Aid to Local School Administrative Units for assistance teams to low-performing
16 schools.

17
18 Requested by: Representatives Arnold, Grady, Preston

EXTRA PAY FOR MENTOR TEACHERS

20 Section 8.37. Of the funds appropriated to State Aid to Local School
21 Administrative Units, the sum of three million five hundred thousand dollars
22 (\$3,500,000) for the 1997-98 fiscal year shall be used to provide every newly certified
23 teacher with a qualified and well-trained mentor. These funds shall be used to
24 compensate each mentor at the rate of (i) one hundred dollars (\$100.00) per month
25 for a maximum of 10 months for serving as a mentor during the school year, and (ii)
26 one hundred dollars (\$100.00) for serving as a mentor for one day prior to the
27 beginning of the school year.

28
29 Requested by: Representatives Arnold, Grady, Preston

EXTRA PAY FOR NEW TEACHER DEVELOPMENT

31 Section 8.38. Of the funds appropriated to State Aid to Local School
32 Administrative Units, the sum of eight hundred thousand dollars (\$800,000) for the
33 1997-98 fiscal year shall be used to provide every newly certified teacher with three
34 extra days of employment for orientation and classroom preparation. These funds
35 shall be used to compensate each newly certified teacher at the daily pay rate of an
36 entry-level teacher.

37
38 Requested by: Representatives Arnold, Grady, Preston

EXTRA PAY FOR PROFESSIONAL DEVELOPMENT

1 Section 8.39. Of the funds appropriated to State Aid to Local School
2 Administrative Units, the sum of six million eight hundred thousand dollars
3 (\$6,800,000) for the 1997-98 fiscal year and the sum of six million eight hundred
4 thousand dollars (\$6,800,000) for the 1998-99 fiscal year shall be used for assistance
5 teams to low-performing schools and for professional development relating to the
6 State Board's reading plan under the ABC Plan and mathematics education.

7 Requested by: Representatives Arnold, Grady, Preston

8 **ADDITIONAL PAY FOR TEACHERS WITH ADDITIONAL RESPONSIBILITIES**

9 Section @. Of the funds appropriated to State Aid to Local School
10 Administrative Units, the sum of one million nine hundred thousand dollars
11 (\$1,900,000) for the 1997-98 fiscal year and the sum of one million nine hundred
12 thousand dollars (\$1,900,000) for the 1998-99 fiscal year shall be used to compensate
13 teachers for additional assignments and responsibilities designed to improve student
14 achievement for additional workdays outside of the school calendar. These funds
15 shall be allocated to local school administrative units on the basis of average daily
16 membership. The local board shall use one-half of the funds on the recommendation
17 of the local superintendent and one-half on the recommendation of school
18 improvement teams. These funds shall be used to compensate teachers for purposes
19 such as teaching after-school or Saturday academies for students at risk of academic
20 failure, developing curriculum, participating in teacher training and development
21 outside of the school calendar, and teaching classes on Saturday to students needing
22 additional instructional opportunities.

Requested by: Representatives Arnold, Grady, Preston

PUBLIC SCHOOL CALENDAR CHANGES/EXTRA PAY FOR EXTRA DAYS AND EXTRA DUTIES

Section 8.40. G.S. 115C-84 is repealed.

(b) G.S. 115C-84.1 is repealed.

(c) Part 2 of Article 8 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-84.2. School calendar.

(a) School Calendar. -- Each local board of education shall adopt a school calendar consisting of 220 days all of which must fall within the same State fiscal year. A school calendar shall include the following:

(1) A minimum of 180 days and 1,000 hours of instruction covering at least nine calendar months. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among schools in the administrative unit. The school calendar shall include a plan for making up days when schools close early or are not opened due to inclement weather.

(2) A minimum of 10 annual vacation leave days and the same or an equivalent number of legal holidays occurring within the school calendar as those designated by the State Personnel Commission for State employees.

(3) The remaining days shall be designated by the local board for use as teacher workdays, additional instructional days, or other lawful purposes. A local board may delegate to the individual schools some or all of the days for the principal to schedule. A local board or a principal may schedule different purposes for different personnel on any given day and is not required to schedule the same dates for all personnel.

Local boards of education shall consult with parents and the employed public school personnel in the development of the school calendar.

(b) Limitations. -- The following limitations apply when developing the school calendar:

(1) The total number of teacher workdays shall not exceed 200 days.

(2) School shall not be held on Sundays.

(3) Veterans Day shall be a holiday for all children enrolled in the public schools.

(c) Emergency Conditions. -- During any period of emergency in any section of the State where emergency conditions make it necessary, the State Board of Education may order general, and if necessary, extended recesses or adjournment of the public schools.

1 (d) Opening and Closing Dates. -- Local boards of education shall determine the
2 dates of opening and closing the public schools under subdivision (a)(1) of this
3 section. A local board may revise the scheduled closing date if necessary in order to
4 comply with the minimum requirements for instructional days or instructional time.
5 Different opening and closing dates may be fixed for schools in the same
6 administrative unit."

7 (d) G.S. 115C-302 is repealed.

8 (e) Article 20 of Chapter 115C of the General Statutes is amended by
9 adding a new section to read:

10 **"§ 115C-302.1. Salary.**

11 (a) Prompt Payment. -- Teachers shall be paid promptly when their salaries are
12 due provided the legal requirements for their employment and service have been met.
13 All teachers employed by any local school administrative unit who are to be paid
14 from local funds shall be paid promptly as provided by law and as State-allotted
15 teachers are paid.

16 (b) Salary Payments. -- State-allotted teachers shall be paid for a term of 10
17 months. State-allotted months of employment for vocational education to local boards
18 shall be used for the employment of teachers of vocational and technical education
19 for a term of employment to be determined by the local boards of education.

20 Each local board of education shall establish a set date on which monthly salary
21 payments to State-allotted teachers shall be made. This set pay date may differ from
22 the end of the month of service. The daily rate of pay for teachers shall equal one
23 twenty-second of the monthly rate of pay.

24 Teachers may be prepaid on the monthly pay date for days not yet worked. A
25 teacher who fails to attend scheduled workdays or who has not worked the number
26 of days for which the teacher has been paid and who resigns, is dismissed, or whose
27 contract is not renewed shall repay to the local board any salary payments received
28 for days not yet worked. A teacher who has been prepaid and continues to be
29 employed by a local board but fails to attend scheduled workdays may be subject to
30 dismissal under G.S. 115C-325 or other appropriate discipline.

31 Any individual teacher who is not employed in a year-round school may be paid
32 in 12 monthly installments if the teacher so requests on or before the first day of the
33 school year. The request shall be filed in the local school administrative unit which
34 employs the teacher. The payment of the annual salary in 12 installments instead of
35 10 shall not increase or decrease the teacher's annual salary nor in any other way
36 alter the contract made between the teacher and the local school administrative unit.
37 Teachers employed for a period of less than 10 months may not receive their salaries
38 in 12 installments.

39 (c) Vacation. -- Included within the 10-month term shall be annual vacation leave
40 at the same rate provided for State employees, computed at one-twelfth of the annual
41 rate for State employees for each month of employment. Local boards shall provide
42 at least 10 days of annual vacation leave at a time when students are not scheduled to
43 be in regular attendance. However, instructional personnel who do not require a
44 substitute may use annual vacation leave on days that students are in attendance.

Vocational and technical education teachers who are employed for 11 or 12 months may, with prior approval of the principal, work on annual vacation leave days designated in the school calendar and may use those annual vacation leave days during the eleventh or twelfth month of employment.

On a day that pupils are not required to attend school due to inclement weather, but employees are required to report for a workday, a teacher may elect not to report due to hazardous travel conditions and to take an annual vacation day or to make up the day at a time agreed upon by the teacher and the teacher's immediate supervisor or principal. On a day that school is closed to employees and pupils due to inclement weather, a teacher shall work on the scheduled makeup day.

Vacation leave taken by the teacher will be upon the authorization of the teacher's immediate supervisor and under policies established by the local board of education. Annual vacation leave shall not be used to extend the term of employment.

Teachers may accumulate annual vacation leave days without any applicable maximum until June 30 of each year. In order that only 30 days of annual vacation leave carry forward to July 1, on June 30 of each year any teacher or other personnel paid on the teacher salary schedule who has accumulated more than 30 days of annual vacation leave shall:

(1) convert to either sick leave or pay the excess accumulation that is the result of the teacher having to forfeit annual vacation leave in order to attend required workdays; and

(2) convert to sick leave the remaining excess accumulation.

Local boards of education shall identify which days are accumulated due to the teacher forfeiting annual vacation leave in order to attend required workdays. Actual payment for excess accumulated annual vacation leave may be made after July 1.

Upon separation from service due to retirement, resignation, dismissal, reduction in force, or death, an employee shall be paid in a lump sum for accumulated annual leave not to exceed a maximum of 30 days. Employees going onto term disability may exhaust annual leave rather than be paid in a lump sum.

Notwithstanding any provisions of this subsection to the contrary, no person shall be entitled to pay for any vacation day not earned by that person.

(d) Teachers in Year-Round Schools. -- Compensation for teachers employed in year-round schools shall be the same as teachers paid for a 10-month term, but those days may be scheduled over 12 calendar months. Annual leave, sick leave, workdays, holidays, salary, and longevity for teachers who are employed at year-round schools shall be equivalent to those of other teachers employed for the same number of months, respectively. Teachers paid for a term of 10 months in year-round schools shall receive their salary in 12 equal installments.

(e) Overpayment. -- Each local board of education shall sustain any loss by reason of an overpayment to any teacher paid from State funds.

(f) Social Security. -- All of the foregoing provisions of this section shall be subject to the requirement that at least fifty dollars (\$50.00), or other minimum amount required by federal social security laws, of the compensation of each school employee covered by the Teachers' and State Employees' Retirement System or otherwise

1 eligible for social security coverage shall be paid in each of the four quarters of the
2 calendar year.

3 (g) Service in Armed Forces. -- The State Board of Education, in fixing the State
4 standard salary schedule of teachers as authorized by law, shall provide that teachers
5 who entered the armed or auxiliary forces of the United States after September 16,
6 1940, and who left their positions for such service shall be allowed experience
7 increments for the period of such service as though the same had not been
8 interrupted thereby, in the event such persons return to the position of teachers,
9 principals, and superintendents in the public schools of the State after having been
10 honorably discharged from the armed or auxiliary forces of the United States.

11 (h) Teachers Paid From Other Funds. -- Every local board of education may
12 adopt, as to teachers not paid out of State funds, a salary schedule similar to the State
13 salary schedule, but it likewise shall recognize a difference in salaries based on
14 different duties, training, experience, professional fitness, and continued service in the
15 same school system. If a local board of education does not adopt a local salary
16 schedule, the State salary schedule shall apply. No teacher shall receive a salary
17 higher than that provided in the salary schedule, unless by action of the board of
18 education a higher salary is allowed for special fitness, special duties, or under
19 extraordinary circumstances.

20 Whenever a higher salary is allowed, the minutes of the board shall show what
21 salary is allowed and the reason. A board of education may authorize the
22 superintendent to supplement the salaries of all teachers from local funds, and the
23 minutes of the board shall show what increase is allowed each teacher.

24 (i) Longevity Pay. -- Longevity pay shall be based on the annual salary on the
25 employee's anniversary date.

26 (j) Parental Leave. -- A teacher may use annual leave, personal leave, or leave
27 without pay to care for a newborn child or for a child placed with the teacher for
28 adoption or foster care. The leave may be for consecutive workdays during the first
29 12 months after the date of birth or placement of the child, unless the teacher and
30 local board of education agree otherwise."

31 (f) G.S. 115C-316(a)(1) reads as rewritten:

32 "(1) Employees Other than Superintendents, Supervisors and Classified
33 Principals on an Annual Basis. -- Each local board of education
34 shall establish a set date on which monthly salary payments to
35 employees other than superintendents, supervisors, and classified
36 principals employed on an annual basis, shall be made. This set
37 pay date may differ from the end of the calendar month of service.
38 ~~These employees shall only be paid for the days employed as of~~
39 ~~the set pay date. Payment for a full month when days employed~~
40 ~~are less than a full month is prohibited as this constitutes~~
41 ~~prepayment. Employees may be prepaid on the monthly pay date~~
42 ~~for days not yet worked. An employee who fails to attend~~
43 ~~scheduled workdays or who has not worked the number of days for~~
44 ~~which the employee has been paid and who resigns or is~~

1 dismissed shall repay to the local board any salary payments
2 received for days not yet worked. An employee who has been
3 prepaid and who continues to be employed by a local board but
4 fails to attend scheduled workdays may be subject to dismissal or
5 other appropriate discipline. The daily rate of pay shall equal the
6 number of weekdays in the pay period. Included within their term
7 of employment shall be annual vacation leave at the same rate
8 provided for State employees, computed at one-twelfth (1/12) of
9 the annual rate for state employees for each calendar month of
10 employment. On a day that employees are required to report for a
11 workday but pupils are not required to attend school due to
12 inclement weather, an employee may elect not to report due to
13 hazardous travel conditions and to take one of ~~his~~ the employee's
14 annual vacation days or to make up the day at a time agreed upon
15 by the employee and ~~his~~ the employee's immediate supervisor or
16 principal. On a day that school is closed to employees and pupils
17 due to inclement weather, an employee shall work on the
18 scheduled makeup day. Included within their term of employment
19 each local board of education shall designate the same or an
20 equivalent number of legal holidays as those designated by the
21 State Personnel Commission for State employees."

22 (g) G.S. 115C-316(a)(2) reads as rewritten:

23 "(2) School Employees Paid on an Hourly or Other Basis. -- Salary
24 payments to employees other than those covered in G.S. 115C-
25 272(b)(1), 115C-285(a)(1) and (2), ~~115C-302(a)(1) and (2), 115C-~~
26 ~~302.1(b),~~ and 115C-316(a)(1) shall be made at a time determined
27 by each local board of education. Expenditures for the salary of
28 these employees from State funds shall be within allocations made
29 by the State Board of Education and in accordance with rules and
30 regulations approved by the State Board of Education concerning
31 allocations of State funds: Provided, that school employees
32 employed for a term of 10 calendar months in year-round schools
33 shall be paid in 12 equal installments: Provided further, that any
34 individual school employee employed for a term of 10 calendar
35 months who is not employed in a year-round school may be paid
36 in 12 monthly installments if the employee so requests on or before
37 the first day of the school year. Such request shall be filed in the
38 administrative unit which employs the employee. The payment of
39 the annual salary in 12 installments instead of 10 shall not increase
40 or decrease said annual salary nor in any other way alter the
41 contract between the employee and the said administrative unit.
42 Employees may be prepaid on the set pay date for days not yet
43 worked. An employee who fails to attend scheduled workdays or
44 who has not worked the number of days for which the employee

1 has been paid and who resigns or is dismissed shall repay to the
2 local board any salary payments received for days not yet worked.
3 An employee who has been prepaid and who continues to be
4 employed by a local board but fails to attend scheduled workdays
5 may be subject to dismissal or other appropriate discipline. The
6 daily rate of pay shall equal the number of weekdays in the pay
7 period. Included within the term of employment shall be provided
8 for full-time employees annual vacation leave at the same rate
9 provided for State employees, computed at one-twelfth (1/12) of
10 the annual rate for State employees for each calendar month of
11 employment, to be taken under policies determined by each local
12 board of education. On a day that employees are required to
13 report for a workday but pupils are not required to attend school
14 due to inclement weather, an employee may elect not to report
15 due to hazardous travel conditions and to take one of his annual
16 vacation days or to make up the day at a time agreed upon by the
17 employee and his immediate supervisor or principal. On a day
18 that school is closed to employees and pupils due to inclement
19 weather, the employee shall work on the scheduled makeup day.
20 Included within their term of employment, each local board of
21 education shall designate the same or an equivalent number of
22 legal holidays occurring within the period of employment as those
23 designated by the State Personnel Commission for State
24 employees."

25 (h) G.S. 115C-47(5) reads as rewritten:

26 "(5) To Fix Time of Opening and Closing Schools. -- The time of
27 opening and closing the public schools shall be fixed ~~pursuant to~~
28 ~~the provisions of G.S. 115C-84(e).~~ under G.S. 115C-84.2."

29 (i) G.S. 115C-47(11) reads as rewritten:

30 "(11) ~~To Determine the Length of the School Day, the School Month~~
31 ~~and the School Term. School Calendar.~~ -- Local boards of
32 education shall determine the school calendar under G.S. 115C-
33 84.2. length of the school day, the school month and the school
34 term pursuant to the provisions of G.S. 115C-84(a) through (e)."

35 (j) G.S. 115C-47(21) reads as rewritten:

36 "(21) It is the duty of every local board of education to provide for the
37 prompt monthly payment of all salaries due teachers and other
38 school officials and employees, and of all current bills and other
39 necessary operating expenses. All salaries and bills shall be paid
40 as provided by law for disbursing State and local funds.

41 The local board shall determine salary schedules of employees
42 pursuant to the provisions of G.S. 115C-273, 115C-285(b),
43 ~~115C-302(e),~~ 115C-302.1(h), and 115C-316(b).

1 The authority for boards of education to issue salary vouchers
2 to all school employees, whether paid from State or local funds,
3 shall be a monthly payroll prepared on forms approved by the
4 State Board of Education and containing all information required
5 by the State Board of Education. This monthly payroll shall be
6 signed by the principal of each school."

7 (k) By October 31, 1997, the State Board of Education shall review and
8 revise its rules, policies, and guidelines to make them consistent with this section.
9 The State Board may use its authority under G.S. 150B-21.1 regarding the adoption
10 of temporary rules consistent with this section.

11 (l) Of the funds appropriated to State Aid to Local School
12 Administrative Units, the sum of five million dollars (\$5,000,000) for the 1997-98
13 school year and the sum of five million dollars (\$5,000,000) for the 1998-99 fiscal year
14 shall be used as follows:

15 (1) For the 1997-98 fiscal year, local boards of education may opt to
16 use these funds to pay teachers for working on, and thereby
17 forfeiting, up to two annual vacation leave days, in accordance
18 with G.S. 115C-302.1(c); and

19 (2) For the 1998-99 fiscal year, local boards of education shall use
20 these funds to pay teachers for working on, and thereby forfeiting,
21 up to two annual vacation leave days, in accordance with G.S.
22 115C-302.1(c).

23 (m) This section becomes effective July 1, 1997. Local boards of
24 education are not required to implement the provisions of G.S. 115C-84.1, as enacted
25 in subsection (a) of this section prior to July 1, 1998. For the 1997-98 fiscal year, the
26 provisions of G.S. 115C-302.1(c), as enacted by subsection (e) of this section, that
27 permit teachers to opt to have excess vacation leave converted to pay apply to only
28 two annual vacation leave days per year and apply only if a local board of education
29 opts to require the teachers to work on these days. For the 1998-99 fiscal year, the
30 provisions of G.S. 115C-302.1(c), as enacted by subsection (e) of this section, that
31 permit teachers to opt to have excess vacation leave converted to pay apply to up to
32 two annual vacation leave days that the local board requires the teachers to work per
33 year. Local school administrative units may begin planning for the implementation of
34 this act for the 1998-99 school year on or after July 1, 1997.

35 (f) G.S. 115C-272(b)(1) reads as rewritten:

36 "(1) Each local board of education shall establish a set date on which
37 monthly salary payments to superintendents shall be made. This
38 set pay date may differ from the end of the calendar month of
39 service. Superintendents shall only be paid for the days employed
40 as of the set pay date. Payment for a full month when days
41 employed are less than a full month is prohibited as this
42 constitutes prepayment. The daily rate of pay shall equal the
43 number of weekdays in the pay period. Included within their
44 term of employment shall be annual vacation leave at the same

1 rate provided for State employees. Included within the 12
2 months' employment each local board of education shall
3 designate the same or an equivalent number of legal holidays as
4 those designated by the State Personnel Commission for State
5 employees."

6 (g) G.S. 115C-285(b)(1) reads as rewritten:

7 "(1) Classified principals and State-allotted supervisors shall be
8 employed for a term of 12 calendar months. Each local board of
9 education shall establish a set date on which monthly salary
10 payments to classified principals and State-allotted supervisors
11 shall be made. This set pay date may differ from the end of the
12 calendar month of service. Classified principals and State-allotted
13 supervisors shall only be paid for the days employed as of the set
14 pay date. Payment for a full month when days employed are less
15 than a full month is prohibited as this constitutes prepayment.
16 The daily rate of pay shall equal the number of weekdays in the
17 pay period. They shall earn annual vacation leave at the same
18 rate provided for State employees. On a day that employees are
19 required to report for a workday but pupils are not required to
20 attend school due to inclement weather, an employee may elect
21 not to report due to hazardous travel conditions and to take one
22 of ~~his~~ the employee's annual vacation days or to make up the day
23 at the time agreed upon by the employee and ~~his~~ the employees's
24 immediate supervisor. They shall be provided by the board the
25 same or an equivalent number of legal holidays as those
26 designated by the State Personnel Commission for State
27 employees."

CODE NO. 97DPI-H031

Requested by: Representatives Arnold, Grady, Preston

GLOBAL CURRICULUM PROGRAM

- 1 Section @. The funds appropriated in this act for the Global Curriculum
- 2 Program shall be used to improve the knowledge and understanding of middle and
- 3 high school students in the areas of international and cultural studies, by identifying
- 4 and training master teachers and providing orientations and materials. The State
- 5 Board of Education may enter into contracts to implement the Program.

Requested by: Representatives Reynolds, Arnold, Grady, Preston

PILOT PROGRAM FOR COMPUTER NETWORK ADMINISTRATION

1 Section @. (a) The State Board of Education shall use up to five
2 hundred thousand dollars (\$500,000) of the funds in the State School Technology
3 Fund to establish pilot programs in the administration, design, and maintenance of
4 computer networks in public schools business programs as part of Tech Prep and
5 School-to-Work.

6 (b) The State Board of Education shall select local school administrative
7 units to participate in the pilot program. In selecting the pilot units, the State Board
8 shall consider (i) indicators of the readiness of a unit to participate in the program,
9 (ii) the degree of community support for such a program, (iii) indicators of the need
10 for the program in the community, such as lack of comparable training or resources
11 in the community, and (iv) the availability of the necessary computer hardware.

12 The program shall be implemented in one to three high schools in each
13 participating unit. Two teachers shall participate at each high school in which the
14 program is implemented. Classes shall be limited to 15 students each.

15 (c) Each pilot program shall meet the following criteria:

16 (1) The program shall be available to high school juniors and seniors
17 and shall be four semesters in length, including a work-based
18 learning component;

19 (2) The program shall be taught by a certified North Carolina business
20 education teacher who is appropriately certified in computer
21 network administration, design, and maintenance;

22 (3) Courses shall be taught in an appropriate classroom/laboratory
23 environment;

24 (4) The program shall be designed to extend into the community
25 college system to provide engineer and instructor certification;

26 (5) Students successfully completing the program shall be provided an
27 opportunity to take the appropriate certification examination in
28 network administration, design, and maintenance; and

29 (6) The program shall be monitored and managed by the State Board
30 of Education, in consultation with private industry business
31 partners.

32 (d) The State Board of Education may contract with outside consultants
33 or with private nonprofit corporations to assist it in implementing and evaluating the
34 pilot programs.

35 (e) The State Board of Education shall evaluate the educational
36 components of the programs.

37 The State Board of Education shall report the results of these evaluations
38 to the Joint Legislative Education Oversight Committee by September 15, 1999.

Requested by: Representatives Daughtry, Arnold, Grady, Preston

PUBLIC-PRIVATE PARTNERSHIP TO EXPAND TECHNOLOGY IN PUBLIC SCHOOLS

Section 8.25. (a) The State Board of Education may use up to five hundred thousand dollars (\$500,000) for the 1997-98 fiscal year from the School Technology Fund to establish a public-private partnership to encourage, promote, and expand technology in North Carolina Public Schools.

(b) The purposes of the public-private partnership are to enlist public, private, and volunteer sectors to develop creative means of bringing technology to North Carolina Public School classrooms at minimal cost and expense to the State and its taxpayers:

- (1) Help schools wire classrooms with high-speed data wire that enables them to connect to school networks as well as the Internet.
- (2) Develop a plan to increase the number of computers, computing equipment, and networking equipment in North Carolina Public Schools.
- (3) Develop a plan that will assure every school can connect to the Internet so that this tool is made available equally to all children in North Carolina Public Schools.
- (4) Help develop programs to train teachers and other educators in the use of technology.
- (5) Develop Internet-based learning programs designed to assist teachers in the job of helping young people learn.
- (6) Test and evaluate the benefits of each of the projects; investigate and develop other means of using computer-based technology in classrooms; and assure that this information is available to educators.

(c) Pursuant to subdivision (2) of subsection (b) of this section, a vocational education computer recycling pilot program shall be established. The purposes of the pilot program are to:

- (1) Develop and implement high school vocational education programs that train students to test, repair, reconfigure, upgrade, and maintain donated computers.
- (2) Enhance a community's opportunities for economic development by providing vocational education students with educational, job, and hireability skills as well as skills in computer technology.
- (3) Provide upgraded computers to schools, consistent with State-approved local school technology plans at a cost of four hundred dollars (\$400.00) to six hundred dollars (\$600.00) per unit rather than new computers costing around three thousand dollars (\$3,000) each.

1 (4) Help communities support their schools by encouraging business
2 and industry to donate computer components to schools or sell
3 them at greatly reduced prices.
4 (5) The State Board of Education, after consultation with ExplorNet,
5 shall select seven local administrative units to participate in the
6 computer recycling program. In selecting the pilot units, the State
7 Board shall consider (i) indicators of the readiness of a unit to
8 participate in the program, (ii) the degree of community support
9 for such a program, and (iii) indicators of the need for the program
10 in the community, such as lack of comparable training or resources
11 in the community.
12 (6) The Information Resources Management Commission, in
13 consultation with the State Board of Education, shall review and
14 modify its standards for technical components of local school
15 technology purchases to facilitate the implementation of the
16 programs.
17 (d) The State Board of Education shall contract with the nonprofit
18 corporation, ExplorNet, to administer the programs.
19 (e) The provisions of Article 3 of Chapter 143 of the General Statutes do
20 not apply to contracts for supplies, materials, equipment, and contractual services to
21 implement these programs. The Department of Administration may make its services
22 available to the State Board of Education, when requested by the State Board of
23 Education.
24 (f) The State Board of Education shall evaluate the educational
25 components of the programs.
26 The State Board's contract with ExplorNet shall require ExplorNet to
27 evaluate the technical components of the program and to submit the results of its
28 evaluation to the Information Resources Management Commission for review and
29 comment by May 15, 1999. The Information Resources Management Commission
30 shall submit the evaluation done by ExplorNet and the Commission's comments on it
31 to the State Board of Education by August 15, 1999.
32 The State Board of Education shall report the results of these evaluations
33 to the Joint Legislative Education Oversight Committee by September 15, 1999.

CODE NO. 97DPI-H035

Requested by: Representatives Arnold, Grady, Preston

FUNDS TO GRADE STANDARDIZED TESTS

1 Section @. (a) The State Board of Education may use up to five
2 hundred thousand dollars (\$500,000) appropriated for the operations of the
3 Department of Public Instruction for the 1997-98 fiscal year to upgrade or replace
4 equipment used by local school administrative units to score end-of-grade and end-of-
5 course tests.

6 (b) The State Board of Education may use up to eight hundred thousand
7 dollars (\$800,000) appropriated for the operations of the Department of Public
8 Instruction for the 1997-98 fiscal year to grade the fifth and eighth grade writing tests.

CODE NO. 97DPI-H037

Requested by: Representatives Arnold, Grady, Preston

PROTOTYPE SCHOOL DESIGN CLEARINGHOUSE

1 Section @. Of the funds appropriated to State Aid to Local School
2 Administrative Units, the State Board of Education may use up to one hundred
3 seventy thousand four hundred dollars (\$170,400) for the 1997-98 fiscal year and up
4 to seventy-seven thousand nine hundred dollars (\$77,900) to establish a prototype
5 school design clearinghouse in accordance with G.S. 115C-521(e).

Requested by: Representatives Arnold, Grady, Preston

INCENTIVES AND SALARY STUDIES

Section @. (a) The State Board of Education may use up to one hundred fifty thousand dollars (\$150,000) of funds appropriated to State Aid to Local School Administrative Units for the 1997-98 fiscal year for a Study of Performance Pay and Employee Accountability Plans. The State Board shall contract with the most creditable provider possible to conduct the study.

The purposes of the study shall be to:

- (1) Identify ways in which the General Assembly could strengthen the employee accountability and incentive provisions of the Excellent Schools Act, and
- (2) Identify ways in which the State Board of Education could develop and revise uniform performance standards and criteria to be used in evaluating professional public school employees, including school administrators.

The State Board shall report the results of the study to the Joint Legislative Education Oversight Committee prior to April 15, 1998.

(b) The State Board of Education may use up to fifty thousand dollars (\$50,000) of funds appropriated to State Aid to Local School Administrative Units for the 1997-98 fiscal year for a Study of Principal Salaries. Act.

The State Board shall report the results of the study to the Joint Legislative Education Oversight Committee prior to April 15, 1998.

CODE NO. 97DPI-H039

Requested by: Representatives Arnold, Grady, Preston

STUDY OF TEACHER SUPPLY AND DEMAND

1 Section @. The State Board of Education, in consultation with the Board
2 of Governors of The University of North Carolina, shall conduct a comprehensive
3 study of teacher supply and demand. The State Board of Education shall report the
4 results of the study to the Joint Legislative Education Oversight Committee prior to
5 April 15, 1998.

Requested by: Representatives Preston, Arnold, and Grady

FUNDING FOR OFF-CAMPUS AND DISTANCE LEARNING DEGREE-CREDIT
EXTENSION INSTRUCTION

1 Section @. The General Assembly has focused attention
2 in recent sessions on increasing access and providing for
3 additional enrollment in higher education. The 1995 Session Laws
4 directed the Board of Governors of The University of North
5 Carolina to "consider different funding approaches to meeting the
6 needs of an increasing pool of high school graduates, as well as
7 adult learners unable to return to a university campus for
8 additional education." Among the methods the Board was directed
9 to consider was funding for off-campus degree programs "on a
10 basis more comparable to the current regular term funding." The
11 Board recommended that "state-appropriated support for
12 instruction be extended to all forms of regular term degree-
13 credit instruction, whether it occurs on campus or off-campus,
14 through traditional means or distance learning technologies." It
15 stated that the funding mechanisms for implementing this
16 recommendation would be addressed in the new funding model
17 currently being developed. In a second report responding to
18 legislative directives, the Board found evidence of deep and
19 widespread desire for access to higher education throughout the
20 State and reiterated the importance of funding comparable to that
21 provided for regular-term instruction in order to meet these
22 demands and provide an alternative means of delivering education
23 to the large number of North Carolinians expected to seek higher
24 education in the future.

25 The Board of Governors shall make a budget request to the 1998
26 reconvened session of the General Assembly for funding for off-
27 campus and distance learning degree-credit extension instruction
28 that is proportional to regular term funding and shall propose
29 tuition rates that are comparable to the rates charged for
30 regular-term instruction. The funding request shall be
31 sufficient to provide for projected off-campus and distance
32 learning enrollments in the 1998-99 fiscal year. This request
33 shall be made to the Chairs of the House and Senate
34 Appropriations Committee on Education and to the Chairs of the
35 House and Senate Appropriations Committee by March 1, 1998.

Requested by: Representatives Preston, Arnold, Grady,
Kinney

MILITARY RESIDENCY/UNC TUITION

1 Section @. G.S. 116-143.3(b) reads as rewritten:
2 "(b) Any member of the armed services qualifying for admission
3 to an institution of higher education as defined in G.S.
4 116-143.1(a)(3) but not qualifying as a resident for tuition
5 purposes under G.S. 116-143.1 shall be charged the out-of-State
6 tuition rate; provided, that the out-of-State tuition shall be
7 forgiven to the extent that the out-of-State tuition rate exceeds
8 any amounts payable to the institution or the service member by
9 the service member's employer by reason of enrollment pursuant to
10 such admission while the member is abiding in this State incident
11 to active military duty, plus the amount that represents the
12 percentage of the out-of-State tuition rate paid to the
13 institution: or the service member by the service member's
14 employer multiplied by the in-State tuition rate and then
15 subtracted from the in-State tuition rate. Any member of the
16 armed services who does not qualify for any payment by the
17 member's employer shall be eligible to be charged the in-State
18 tuition rate and shall pay the full amount of the in-State
19 tuition rate."

Requested by: Representatives Preston, Arnold, and Grady

WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING FORMULA

1 Section @. (a) Funds appropriated in this act to the
2 Board of Governors of The University of North Carolina for
3 continuation of financial assistance to the medical schools of
4 Duke University and Wake Forest University shall be disbursed on
5 certifications of the respective schools of medicine that show
6 the number of North Carolina residents as first-year, second-
7 year, third-year, and fourth-year students in each medical school
8 as of November 1, 1997, and November 1, 1998. Disbursement to
9 Wake Forest University shall be made in the amount of eight
10 thousand dollars (\$8,000) for each medical student who is a North
11 Carolina resident, one thousand dollars (\$1,000) of which shall
12 be placed by the school in a fund to be used to provide financial
13 aid to needy North Carolina students who are enrolled in the
14 medical school. The maximum aid given to any student from this
15 fund in a given year shall not exceed the amount of the
16 difference in tuition and academic fees charged by the school and
17 those charged at the School of Medicine at the University of
18 North Carolina at Chapel Hill.

19 Disbursement to Duke University shall be made in the
20 amount of five thousand dollars (\$5,000) for each medical student
21 who is a North Carolina resident, five hundred dollars (\$500.00)
22 of which shall be placed by the school in a fund to be used to
23 provide student financial aid to financially needy North Carolina
24 students who are enrolled in the medical school. No individual
25 student may be awarded assistance from this fund in excess of two
26 thousand dollars (\$2,000) each year. In addition to this basic
27 disbursement for each year of the biennium, a disbursement of one
28 thousand dollars (\$1,000) shall be made for each medical student
29 who is a North Carolina resident in the first-year, second-year,
30 third-year, and fourth-year classes to the extent that enrollment
31 of each of those classes exceeds 30 North Carolina students.

32 The Board of Governors shall establish the criteria for
33 determining the eligibility for financial aid of needy North
34 Carolina students who are enrolled in the medical schools and
35 shall review the grants or awards to eligible students. The
36 Board of Governors shall adopt rules for determining which
37 students are residents of North Carolina for the purposes of
38 these programs. The Board shall also make any regulations as
39 necessary to ensure that these funds are used directly for

1 instruction in the medical programs of the schools and not for
2 religious or other nonpublic purposes. The Board shall encourage
3 the two schools to orient students toward primary care,
4 consistent with the directives of G.S. 143-613(a). The two
5 schools shall supply information necessary for the Board to
6 comply with G.S. 143-613(d).

7 (b) If the funds appropriated in this act to the Board of
8 Governors of The University of North Carolina for continuation of
9 financial assistance to the medical schools of Duke University
10 and Wake Forest University are insufficient to cover the enrolled
11 students in accordance with this section, then the Board of
12 Governors may transfer unused funds from other programs in the
13 Related Educational Programs budget code to cover the extra
14 students.

Requested by: Representatives Preston, Arnold, and Grady

AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE

1 Section @. (a) Funds appropriated in this act to the
2 Board of Governors of The University of North Carolina for aid to
3 private colleges shall be disbursed in accordance with the
4 provisions of G.S. 116-19, 116-21, and 116-22. These funds shall
5 provide up to seven hundred fifty dollars (\$750.00) per full-time
6 equivalent North Carolina undergraduate student enrolled at a
7 private institution as of October 1 each year.

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

17 (b) In addition to any funds appropriated pursuant to
18 G.S. 116-19 and in addition to all other financial assistance
19 made available to private educational institutions located within
20 the State, or to students attending these institutions, there is
21 granted to each full-time North Carolina undergraduate student
22 attending an approved institution as defined in G.S. 116-22, a
23 sum, not to exceed one thousand four hundred fifty dollars
24 (\$1,450) per academic year, which shall be distributed to the
25 student as hereinafter provided.

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

37 In the event a student on whose behalf a grant has been
38 paid is not enrolled and carrying a minimum academic load as of
39 the tenth classroom day following the beginning of the school

1 term for which the grant was paid, the institution shall refund
2 the full amount of the grant to the State Education Assistance
3 Authority. Each approved institution shall be subject to
4 examination by the State Auditor for the purpose of determining
5 whether the institution has properly certified eligibility and
6 enrollment of students and credited grants paid on the behalf of
7 the students.

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

10 (1) The Board of Governors of The University of North
11 Carolina, with the approval of the Office of State
12 Budget and Management, may transfer available funds
13 to meet the needs of the programs provided by
14 subsections (a) and (b) of this section; and

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

19 Any remaining funds shall revert to the General Fund.

20 (c) Expenditures made pursuant to this section may be
21 used only for secular educational purposes at nonprofit
22 institutions of higher learning. Expenditures made pursuant to
23 this section shall not be used for any student who:

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

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

31 (d) The State Education Assistance Authority shall
32 document the number of full-time equivalent North Carolina
33 undergraduate students that are enrolled in off-campus programs
34 and the State funds collected by each institution pursuant to
35 G.S. 116-19 for those students. The State Education Assistance
36 Authority shall also document the number of scholarships and the
37 amount of the scholarships that are awarded under G.S. 116-19 to
38 students enrolled in off-campus programs. An "off-campus
39 program" is any program offered for degree credit away from the
40 institution's main permanent campus.

41 The State Education Assistance Authority shall include
42 in its annual report to the Joint Legislative Education Oversight
43 Committee the information it has compiled and its findings
44 regarding this program.

Requested by: Representatives Preston, Arnold, and Grady

AID TO STUDENTS ATTENDING PRIVATE COLLEGES/LEGISLATIVE TUITION
GRANT LIMITATIONS

1 Section @. (a) No Legislative Tuition Grant funds
2 shall be expended for a program at an off-campus site of a
3 private institution, as defined in G.S. 116-22(1), established
4 after May 15, 1987, unless (i) the private institution offering
5 the program has previously notified and secured agreement from
6 other private institutions operating degree programs in the
7 county in which the off-campus program is located or operating in
8 the counties adjacent to that county or (ii) the degree program
9 is neither available nor planned in the county with the off-
10 campus site or in the counties adjacent to that county.

11 An "off-campus program" is any program offered for
12 degree credit away from the institution's main permanent campus.

13 (b) Any member of the armed services as defined in G.S.
14 116-143.3(a), abiding in this State incident to active military
15 duty, who does not qualify as a resident for tuition purposes as
16 defined under G.S. 116-143.1, is eligible for a Legislative
17 Tuition Grant pursuant to this section if the member is enrolled
18 as a full-time student. The member's Legislative Tuition Grant
19 shall not exceed the cost of tuition less any tuition assistance
20 paid by the member's employer.

Requested by: Representatives Preston, Arnold, and Grady

DISTINGUISHED PROFESSORS ENDOWMENT TRUST FUND

1 Section @. G.S. 116-41.18(a) reads as rewritten:
2 "(a) Each constituent institution that receives, through
3 private gifts and an allocation by the Board of Governors, funds
4 for the purpose shall, under procedures established by rules of
5 the Board of Governors and the board of trustees of the
6 constituent institution, select a holder of the Distinguished
7 Professorship. Once given, that designation shall be retained by
8 the distinguished professor as long as he remains in the full-
9 time service of the ~~institution~~ institution as a faculty member,
10 or for more limited lengths of time when authorized by the Board
11 of Governors and the board of trustees at the institution when
12 the Distinguished Professorship is originally established or
13 vacated. When a distinguished professorship becomes vacant, it
14 shall remain assigned to the institution and another
15 distinguished professor shall be selected under procedures
16 established by rules of the Board of Governors and the board of
17 trustees of the constituent institution."

Requested by: Representatives Preston, Arnold, and Grady

UNC OVERHEAD RECEIPT FLEXIBILITY

1 Section @. G.S. 116-30.2 reads as rewritten:
2 "§ 116-30.2. Appropriations to special responsibility
3 constituent institutions.
4 All General Fund appropriations made by the General Assembly
5 for continuing operations of a special responsibility constituent
6 institution of The University of North Carolina shall be made in
7 the form of a single sum to each budget code of the institution
8 for each year of the fiscal period for which the appropriations
9 are being made. Notwithstanding G.S. 143-23(a1), G.S. 143-
10 23(a2), and G.S. 143-23(a3) and G.S. 120-76(8), each special
11 responsibility constituent institution may expend monies from the
12 overhead receipts special fund budget code and the General Fund
13 monies so appropriated to it in the manner deemed by the
14 Chancellor to be calculated to maintain and advance the programs
15 and services of the institutions, consistent with the directives
16 and policies of the Board of Governors. The preparation,
17 presentation, and review of General Fund budget requests of
18 special responsibility constituent institutions shall be
19 conducted in the same manner as are requests of other constituent
20 institutions. The quarterly allotment procedure established
21 pursuant to G.S. 143-17 shall apply to the General Fund
22 appropriations made for the current operations of each special
23 responsibility constituent institution. All General Fund monies
24 so appropriated to each special responsibility constituent
25 institution shall be recorded, reported, and audited in the same
26 manner as are General Fund appropriations to other constituent
27 institutions."

CODE NO. 97UNC-H010-S10.8

Requested by: Representatives Preston, Arnold, and Grady

UNC ASSISTANCE TO PUBLIC SCHOOLS

1 Section @. Funding in this act is provided to the Board
2 of Governors of The University of North Carolina for several
3 initiatives to work cooperatively with the public schools to
4 improve public education in North Carolina. The Board of
5 Governors shall redirect the funding provided for educational
6 consortia at eight constituent institutions to these initiatives
7 requested for the 1997-99 biennium. The Board of Governors
8 shall redirect at least one-third of the consortia appropriations
9 during the 1997-98 fiscal year and the balance for the 1998-99
10 fiscal year toward these efforts. The Board of Governors shall
11 also reallocate sufficient funds from other resources to fully
12 fund these initiatives for the 1997-98 fiscal year.
13 Upon request of a constituent institution with a current
14 consortium program, the Board of Governors may direct continual
15 funding to that program.

CODE NO. 97UNC-H012-S10.10

Requested by: Representatives Preston, Arnold, and Grady

UNC LIBRARIES FUNDING

1 Section @. Of the funds appropriated to the Board of
2 Governors of The University of North Carolina in this act, the
3 sum of two million dollars (\$2,000,000) shall be allocated each
4 year of the biennium for enhancement of libraries for the
5 constituent institutions. Of this amount, a sufficient sum each
6 year shall be used for the development of the NC-LIVE project, a
7 cooperative effort of The University of North Carolina, the
8 Department of Community Colleges, and the State Library of North
9 Carolina designed to improve access to information resources
10 across the State and to reduce the duplication of expenditures
11 for library resources.

CODE NO. 97UNC-H011A-S10.9

Requested by: Representatives Preston, Arnold, and Grady

AREA HEALTH EDUCATION CENTERS FUNDING

1 Section @. Of the funds appropriated in this act to the
2 Board of Governors of The University of North Carolina, the sum
3 of two million dollars (\$2,000,000) for the 1998-99 fiscal year
4 shall be allocated to the Area Health Education Centers programs
5 for continuation of the restructuring of educational programs for
6 health care professionals.

CODE NO. 97UNC-H008-S10.5

Requested by: Representatives Preston, Arnold, and Grady

MANUFACTURING EXTENSION PARTNERSHIP

1 Section @. Of the funds appropriated to the Board of
2 Governors of The University of North Carolina, the sum of nine
3 hundred thousand dollars (\$900,000) for the 1997-98 fiscal year
4 shall be allocated to North Carolina State University to match
5 additional federal funds for the Manufacturing Extension
6 Partnership Program.

Requested by: Representatives Preston, Arnold, and Grady

COOPERATIVE EXTENSION SERVICES

- 1 Section @. (a) The Joint Legislative Education
2 Oversight Committee and the Board of Governors of The University
3 of North Carolina shall undertake a joint review and study of the
4 role, funding, personnel resources, programs, and other aspects
5 of the Cooperative Extension Services of The University of North
6 Carolina given the changing nature of the agricultural base of
7 the State.
- 8 (b) The study shall consider all of the following:
- 9 (1) The role of cooperative extension services in the
10 environmental aspects of agricultural activities
11 and other activities.
- 12 (2) The reduced or increased needs for various current
13 extension services due to changes in the State's
14 agricultural base.
- 15 (3) The top priority agricultural needs of the State
16 and whether or not current cooperative extension
17 services are aligned with those needs.
- 18 (4) The duplication, if any, of cooperative extens
19 services with services offered by other entities.
- 20 (c) The Joint Legislative Education Oversight Committee
21 and the Board of Governors may appoint a subcommittee to work
22 cooperatively on this study. The Chairs of the Joint Legislative
23 Education Oversight Committee shall designate one member of the
24 Subcommittee to serve as a cochair and the Chair of the Board of
25 Governors shall designate one member of the Subcommittee to serve
26 as a cochair.
- 27 (d) The Subcommittee shall meet at such times and places
28 as the Subcommittee cochairs designate. The facilities of the
29 State Legislative Building and the Legislative Office Building
30 shall be available to the Subcommittee subject to the approval of
31 the Legislative Services Commission. The facilities of the
32 university system shall also be available to the Subcommittee.
- 33 (e) Subject to the approval of the Legislative Services
34 Commission, the staff resources of the Legislative Services
35 Commission shall be available to the Subcommittee without cost
36 except for travel, subsistence, supplies, and materials. Subject
37 to the approval of the Board of Governors, the staff resources of
38 the Board of Governors shall also be available to
39 Subcommittee without cost except for travel, subsistence,

1 supplies, and materials which shall be the expense of the Board
2 of Governors.

3 (f) The Joint Legislative Education Oversight Committee
4 and the Board of Governors shall report their findings to the
5 General Assembly by May 1, 1998.

CODE NO. 97UNC-H014-S10.13

Requested by: Representatives Preston, Arnold, and Grady

SCHOLARSHIP FUND BALANCES

1 Section @. The remaining balances in the Social Worker
2 Education Loan Fund shall be transferred to the Nurse Scholars
3 Scholarship Fund account to implement the budget reductions in
4 that program.

CODE NO. 97UNC-H015-S10.14

Requested by: Representatives Preston, Arnold, and Grady

UNIVERSITY FIRE SAFETY COSTS LIMITED

1 Section @. G.S. 116-44.7 reads as rewritten:
2 "§ 116-44.7. Exemption from certain fees and charges.
3 No water system serving a residence hall or fraternity or
4 sorority housing shall levy or collect any water-meter fee,
5 water-hydrant fee, tap fee, or similar service fee on a residence
6 hall or fraternity or sorority house with respect to supporting a
7 supplemental fire safety protection system in excess of the
8 ~~actual~~ marginal cost to the water system to support the fire
9 safety protection system."

Requested by: Representatives Preston, Arnold, and Grady

ACADEMIC ENHANCEMENT FUNDS CLARIFICATION

1 Section @. In Section 16.11 of Chapter 18 of the
2 Session Laws for the 1996 Second Extra Session, the Board of
3 Governors of The University of North Carolina were directed to
4 allocate, for the 1996-97 fiscal year the amount of seventeen
5 million eight hundred thousand dollars (\$17,800,000) between the
6 constituent institutions classified as Research University I
7 campuses in direct proportion to the funds to be raised on each
8 campus for the 1996-97 fiscal year from the tuition increases
9 authorized under Section 15.15 of Chapter 507 of the 1995 Session
10 Laws.

11 There has been no directive as to which budget codes the
12 funds should be credited. Since these funds are part of the
13 continuation budget, each campus shall have the authority to
14 allocate these funds among the General Fund budget codes on that
15 campus based on campus priorities.

CODE NO. 97UNC-H017

Requested by: Representatives Preston, Arnold, and Grady

ASU CENTENNIAL CELEBRATION

1 Section @. The Board of Governors of The University of
2 North Carolina shall allocate from balances in its overhead
3 receipts fund the sum of two hundred thousand dollars (\$200,000)
4 for the 1997-98 fiscal year to Appalachian State University for
5 costs associated with the celebration of the one hundredth
6 anniversary of the founding of Appalachian State University.

Requested by: Representatives Adams, Oldham

UNC CAPITAL FACILITIES STUDY

1 Section @. Based on findings of The Legislative Study
2 Commission on the Status of Education at The University of North
3 Carolina, the General Assembly is concerned about perceived
4 differences in the quality of capital facilities on the different
5 campuses, which may impact the ability of some campuses to
6 attract students and faculty. Since the Board of Governors has
7 recently completed studies of equity of funding for operating
8 costs among the constituent institutions and of the Board of
9 Governors' capital improvements request process, it is timely
10 that the remaining questions of equity be addressed.

11 The Board of Governors of The University of North Carolina
12 shall study the relative equity and adequacy of the physical
13 facilities of its constituent institutions. The study shall
14 consider the condition of the facilities, whether or not
15 facilities are comparable among the campuses given the different
16 missions of the institutions, comparable adequacy of the physical
17 facilities given the size of the school, and such other factors
18 deemed appropriate by the Board of Governors. The study shall
19 include all facilities contributing to the accomplishment of the
20 campuses' missions, including academic, administrative, research,
21 residential, dining, and other facilities. The study shall
22 consider economies of scale of campus operations, the potential
23 consolidation of programs or campuses if such action is seen to
24 provide a more cost effective use of physical facilities and
25 total State cost for operations of The University of North
26 Carolina.

27 The Board of Governors shall report to the General Assembly by
28 January 15, 1999, with the results of its study. The report
29 shall include recommendations to rectify any inequities or
30 inadequacies found in the study, as well as any recommendations
31 for consolidation of programs or physical plant operations. The
32 Board of Governors shall consider its policies on funding of
33 self-liquidating projects and whether those policies contribute
34 to any inequities among the campuses.

CODE NO. 97UNC-H020

Requested by: Representatives Preston, Arnold, and Grady

AGRICULTURAL ENHANCEMENT

1 Section @. Of the funds appropriated to the Board of
2 Governors of The University of North Carolina for Agricultural
3 Programs, the amount of one million one hundred thousand dollars
4 (\$1,100,000) shall be allocated to the Agricultural Budget codes
5 at North Carolina State University. These funds may be used to
6 increase non-personnel budgets which had been reduced in order to
7 provide competitive salary increases during the 1996-97 fiscal
8 year. None of these funds may be used for additional salary
9 increases.

CODE NO. 97DOCC-H001

Requested by: Representatives Arnold, Grady, Preston

COMMUNITY COLLEGE FUNDING FLEXIBILITY

1 Section 9. A local community college may use all State
2 funds allocated to it, except for Literacy Funds and Funds for
3 New and Expanding Industries, for any authorized purpose that is
4 consistent with the college's Institutional Effectiveness Plan.
5 Each local community college shall submit an Institutional
6 Effectiveness Plan that indicates to the State Board of Community
7 Colleges how the college will use this funding flexibility to
8 meet the demands of the local community and maintain a presence
9 in all previously funded categorical programs.

1 CODE NO. 97DOCC-H002

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **COMMUNITY COLLEGE TUITION AND FEE PAYMENTS**

1 Section 9.1. The General Assembly finds that the North
2 Carolina Community College System's change from a three quarter
3 academic year to a two semester academic year may make it
4 difficult for students to pay all of their tuition for a semester
5 in a single payment; therefore, the General Assembly urges the
6 community colleges to exercise the authority granted to them
7 under State Board of Community College rules to permit students
8 to make their payments at prescribed intervals instead of in a
9 lump sum.

1 CODE NO. 97DOCC-H003

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **ASSESSMENT OF OCCUPATIONAL EXTENSION FORMULA**

1 Section 9.2. As the State Board of Community Colleges
2 completes Phase Three of its consultant's study on the budget
3 formula, the State Board shall reexamine whether and the extent
4 to which the faculty-student ratio for occupational extension
5 programs should vary by college size. The State Board shall also
6 consider the appropriate funding level for occupational extension
7 programs based on analysis of cost.

8 The State Board shall report the results of its studies
9 to the Joint Legislative Education Oversight Committee prior to
10 April 30, 1998.

1 CODE NO. 97DOCC-H004

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 MODIFICATIONS IN THE FTE FUNDING FORMULA TO REFLECT FLUCTUATIONS
6 IN ENROLLMENT

1 Section 9.3. The State Board of Community Colleges
2 shall study alternative methods of protecting colleges from the
3 budgetary impact of fluctuations in enrollment. The State Board
4 shall report to the General Assembly on its recommended budget
5 stability proposals and on an appropriate transition period prior
6 to April 30, 1998.

109

1 CODE NO. 97DOCC-H005

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 STUDENT CENSUS DATE

1 Section 9.4. (a) The census date for reporting student
2 membership hours for curriculum and occupational extension
3 classes shall be at the ten percent (10%) point of the class.

4 (b) Subsection (a) of this section does not apply to
5 courses offered on a contact-hour basis.

110

1 CODE NO. 97DOCC-H006

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 NEW AND EXPANDING INDUSTRY REPORT DATE MODIFIED

1 Section 9.5. G.S. 115D-5(i) reads as rewritten:

2 "(i) The State Board of Community Colleges shall report to the
3 Joint Legislative Education Oversight Committee on March 1 and
4 ~~September 1~~ October 1 of each year on expenditures for the New
5 and Expanding Industry Program each fiscal year. The report
6 shall include, for each company or individual that receives funds
7 for New and Expanding Industry:

8 (1) The total amount of funds received by the company
9 or individual;

10 (2) The amount of funds per trainee received by the
11 company or individual;

12 (3) The amount of funds received per trainee by the
13 community college training the trainee;

14 (4) The number of trainees trained by company and by
15 community college; and

16 (5) The number of years the companies or individuals
17 have been funded.

18 ~~The September 1, 1996, report shall include this information~~
19 ~~for the prior three fiscal years."~~

///

1 CODE NO. 97DOCC-H007

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **NEW AND EXPANDING INDUSTRY GUIDELINES**

1 Section 9.6. The North Carolina Community College
2 System's New and Expanding Industry Training (NEIT) Program
3 Guidelines, which were adopted by the State Board of Community
4 Colleges on April 18, 1997, apply to all funds appropriated for
5 the Program after June 30, 1997. A project approved as an
6 exception under the Guidelines shall be approved for one year
7 only.

112

1 CODE NO. 97DOCC-H008

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **COMMUNITY COLLEGE PROGRAM EFFICIENCY**

1 Section 9.8. The State Board of Community Colleges
2 shall direct the community colleges to continue to review classes
3 with low enrollment to determine whether some classes should be
4 terminated or consolidated into other programs to increase the
5 efficiency of the Community College System. The State Board of
6 Community Colleges shall report to the Joint Legislative
7 Education Oversight Committee on the results of this review by
8 November 1, 1998, and November 1, 1999.

113

1 CODE NO. 97DOCC-H009

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 HOSPITAL-BASED NURSING PROGRAMS

1 Section 9.9. Funds appropriated to the Department of
2 Community Colleges for hospital-based diploma nursing programs
3 shall be made available to both associate degree nursing programs
4 and diploma nursing programs.

114

1 CODE NO. 97DOCC-H010

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 HRD MULTI-ENTRY/MULTI-EXIT CLASSES

1 Section 9.11. (a) The State Board of Community
2 Colleges may allow the Human Resources Development Program to
3 offer multi-entry/multi-exit classes for their students and to
4 count the class hours on a contact-hour basis.

5 (b) Nothing in this section allows these classes to
6 generate budget FTE.

115

CODE NO. 97DOCC-H011A

Requested by: Representative Arnold, Grady, Preston, Davis

OPERATIONS AND MAINTENANCE OF PLANT FUNDS

1 Section @. (a) The Department of Community Colleges may
2 use up to two hundred thousand dollars (\$200,000) for the 1997-98
3 fiscal year to provide operations and maintenance of plant funds
4 for community colleges with seven or more counties in their
5 service delivery areas.

6 (b) Of the funds allocated to Central Carolina Community
7 College for the 1997-98 fiscal year, the College may use up to
8 one hundred ninety thousand dollars (\$190,000) for the operations
9 and maintenance of plant.

CODE NO. 97DOCC-H014

Requested by: Representative Berry

HOSIERY TECHNOLOGY CENTER FUNDS

1 Section @. For the 1997-98 fiscal year only, the State
2 Board of Community Colleges may use up to two hundred thousand
3 dollars (\$200,000) of funds within the budget of the Department
4 of Community Colleges for the Hosiery Technology Center of North
5 Carolina.

CODE NO. 97DOCC-H013

Requested by: Representative Shubert

UNION COUNTY TO SELECT COMMUNITY COLLEGE

1 Section @. Notwithstanding any other provision of law,
2 the Board of Commissioners of Union County, as the duly elected
3 governing body of Union County, is authorized to select one or
4 more of the existing institutions of the North Carolina Community
5 College System to serve the citizens of Union County. If the
6 institutions selected agree, Union County may enter into
7 contracts with those institutions on terms satisfactory to the
8 Board of Commissioners and the institutions for the provision of
9 community college services to the citizens of Union County.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) Stan Fox
~~Sen.)~~

1 moves to amend the bill on page _____, line _____

2 () WHICH CHANGES THE TITLE

3 by Of the \$6.8 million funds appropriated
4 to the State Board of Education for staff
5 development related to the ABC program,
6 \$450,000 shall be appropriated to the
7 North Carolina Business Committee for
8 Education for expansion of Total
9 Quality Education to support implementation
10 of the ABC program.
11
12
13
14
15
16
17
18
19

SIGNED _____

Stan Fox

ADOPTED _____ FAILED _____ TABLED _____

ROLL CALL VOTE

PAGE 2

HB#

SB#

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
☐	☒	McMAHAN	☒	☐	WAINWRIGHT
☒	☐	MICHAUX	☒	☐	WARNER
☐	☒	MITCHELL	☒	☐	WARWICK
☐	☒	MOORE	☐	☒	WATSON
☐	☒	MORGAN	☐	☒	WEATHERLY
☒	☐	MOSLEY	☒	☐	WILKINS
☐	☐	NEELY	☐	☒	WILSON
☐	☒	NYE	☒	☐	YONGUE
☒	☐	OLDHAM			
☐	☒	OWENS			
☐	☒	PRESTON			Ex officio Members
☒	☐	REDWINE	☐	☒	Speaker Pro Tem WOOD
☐	☒	REYNOLDS	☐	☐	Majority Leader DAUGHTRY
☐	☒	ROGERS	☐	☒	Majority Whip HOWARD
☐	☒	RUSSELL			
☒	☐	SAUNDERS			
☐	☒	SEXTON			
☐	☒	SHERRILL			
☐	☒	SHUBERT			
☒	☐	SMITH			
☒	☐	SUTTON			
☐	☒	THOMPSON			
☐	☒	TOLSON			

ROLL CALL VOTE

Amendment # 3

31 46 = 77 (TOTAL)
YES NO

HB# _____
SB# _____

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

DATE _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
_____	☒	HOLMES, Co-Chair	_____	☒	DECKER
_____	☒	ESPOSITO, Co-Chair	_____	☒	DOCKHAM
_____	_____	CREECH, Co-Chair	☒	_____	EARLE
_____	☒	CRAWFORD, Co-Chair	☒	_____	EASTERLING
☒	_____	ADAMS	_____	☒	ELLIS
_____	☒	ALDRIDGE	_____	☒	FOX
☒	_____	ALEXANDER	_____	☒	GARDNER
_____	☒	ARNOLD	_____	☒	GRADY
_____	☒	BAKER	_____	☒	GULLEY
_____	☒	BARBEE	_____	_____	HALL
_____	☒	BERRY	_____	☒	HARDAWAY
☒	_____	BLACK	_____	☒	HARDY
☒	_____	BLUE	_____	☒	HIATT
☒	_____	BONNER	☒	_____	HUNTER
_____	☒	BOWIE	☒	_____	HURLEY
☒	_____	BRASWELL	☒	_____	INSKO
_____	☒	CANSLER	_____	☒	IVES
_____	☒	CARPENTER	☒	_____	JEFFUS
☒	_____	CHURCH	_____	☒	JUSTUS
_____	☒	CLARY	☒	_____	KINNEY
_____	☒	CULP	_____	☒	KISER
_____	☒	CULPEPPER	☒	_____	McALLISTER
_____	☒	DAVIS	_____	☒	McCOMBS
_____	_____		☒	_____	McCRARY



Fairlie

#3

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Committee
Report of the Subcommittee on Education

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

HEDUC-ALN-001

Date _____, 1997

Comm. Sub. ☐
Amends Title ☐

Representative Adams

- 1 moves to amend the Education Subcommittee report on page 7, item
2 #38,
3 by decreasing the amount appropriated in each fiscal year by
4 \$500,000; and
5
6 further moves to amend the report on page 7, item #39,
7 by increasing the amount appropriated in each fiscal year by
8 \$500,000; and
9
10 further moves to amend the report on page 7, item #39,
11 by deleting the word "quality" and adding the following to read:
12 "quality. Funds shall be divided equally between N.C. State
13 University and N.C. A&T University."
14
15
16
17

Stake

SIGNED *Alma Adams*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

CODE NO. 97UNC-H002B

#4
Adopted

Requested by: Representatives Adams, Oldham

UNC CAPITAL FACILITIES STUDY

1 Section @. Based on findings of The Legislative Study
2 Commission on the Status of Education at The University of North
3 Carolina, the General Assembly is concerned about perceived
4 differences in the quality of capital facilities on the different
5 campuses, which may impact the ability of some campuses to
6 attract students and faculty. Since the Board of Governors has
7 recently completed studies of equity of funding for operating
8 costs among the constituent institutions and of the Board of
9 Governors' capital improvements request process, it is timely
10 that the remaining questions of equity be addressed.

11 The Board of Governors of The University of North Carolina
12 shall study the relative equity and adequacy of the physical
13 facilities of its constituent institutions. The study shall
14 consider the condition of the facilities, whether or not
15 facilities are comparable among the campuses given the different
16 missions of the institutions, comparable adequacy of the physical
17 facilities given the size of the school, and such other factors
18 deemed appropriate by the Board of Governors. The study shall
19 include all facilities contributing to the accomplishment of the
20 campuses' missions, including academic, administrative, research,
21 residential, dining, and other facilities.

22 The Board of Governors shall report to the General Assembly by
23 January 15, 1999, with the results of its study. The report
24 shall include recommendations to rectify any inequities or
25 inadequacies found in the study. The Board of Governors shall
26 consider its policies on funding of self-liquidating projects and
27 whether those policies contribute to any inequities among the
28 campuses.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

#5 adopted

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

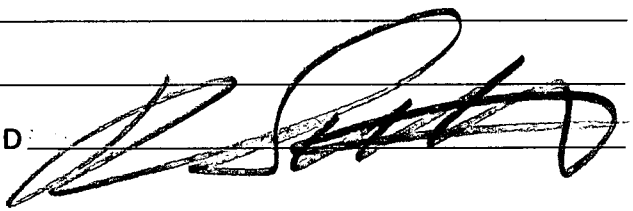
Rep.) SUTTON
Sen.)

moves to amend the bill on page 48, lines 28 - ~~28~~ 29

by revisiting the lines to read:

"(c) When a person is charged with a criminal offense that is a felony, except for a criminal offense under Chapter 20 of the General Statutes, a representative from the District Attorney's office shall";

and on page 48, lines 32-33, by deleting the phrase "law enforcement officer or the officer's immediate supervisor" and by substituting the phrase "representative from the District Attorney's office".

SIGNED: 

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

adopted

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.) _____
)
Sen.) _____

Education Subcommittee Report on
moves to amend the ~~bill on page~~ *page 116*, line *9*

by *adding after the line the following:*

*"(c) Of the funds allocated to Southwestern
Community College for the 1997-98 fiscal year, the
College may use up to one hundred twenty-one
thousand dollars (\$121,000) for the operations
and maintenance of plant."*

SIGNED *Robert Jones*

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

yes & no
defeated
12-27

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)Rep.) Jeffus
~~888~~)moves to amend the ^{committee report on page 68} bill on page _____, line 5 1-6by rewriting the lines to read:"Section 8.39. Of the funds appropriated to State Aid to Local School Administrative Units:(1) The sum of three million one hundred thousand dollars (\$3,100,000) for the 1997-98 fiscal year and the sum of three million one hundred thousand dollars (\$3,100,000) for the 1998-99 fiscal year shall be used for professional development relating to the State Board's reading plan under the ABC plan and to mathematics education; and(2) The sum of three million seven hundred thousand dollars (\$3,700,000) for the 1997-98 fiscal year and the sum of three million seven hundred thousand dollars (\$3,700,000) for the 1998-99 fiscal year shall be used for assistance teams to low-performing schools."

SIGNED

Maggie Jeffus

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

withdraw

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.) Shubert
S.B.)

committee report on page
moves to amend the bill on page 84 line _____

by adding a new section to read:

"Requested by: Representative Shubert

FUNDS FOR ADVANCED PLACEMENT TESTS

Section @. of the funds appropriated to
State Aid to Local School Administrative Units
for the 1997-98 fiscal year, the State Board of
Education may use up to three million dollars
(\$3,000,000) to pay the costs of advanced
placement tests."

SIGNED Ferr H Shubert

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)Rep.) Shubert
Sen.) _____moves to amend the committee report on page
bill on page 84 line _____by adding a new section to read:"Requested by: Representative ShubertFUNDS FOR ADVANCED PLACEMENT TESTSSection @. of the funds appropriated to
State Aid to Local School Administrative Units
for the 1997-98 fiscal year, the State Board of
Education may use up to three million dollars
(\$3,000,000) to pay the costs of advanced
placement tests."and 1998-99 educational improvement

SIGNED _____

Fern H Shubert

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

faulstich

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.) LANIER CANSLER
Sen.) _____

moves to amend the bill on page _____, line _____,

by of the \$21,000,000 Funding Equity funds
appropriated for 5 campuses, the amount of
\$700,000 shall be redirected and appropriated
for the '97-'98 year ~~to~~ to establish an NC State
Engineering Degree program on the campus of
the University of North Carolina - Asheville. ~~These~~
~~funds shall be non-recurring and shall be used for~~
~~preparation for establishment of the program.~~

SIGNED J. Cansler

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

from

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.) more

Sen.)

Education
House Appropriations Subcommittee Report

moves to amend the ~~bill~~ on page 83, line 9

by deleting the word "and";

and on p. 83, lines 9-10, by inserting
between the lines the following new
subdivision

"(2) Evaluate the issues, ~~and~~ including
compensation, relating to
noninstructional duties of teachers,
and";

and on p. 83, line 10, by deleting "(2)"
and by substituting "(3)"

SIGNED Rep. Richard More

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Education

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

HSE-ALM-1



Date _____, 1997

Comm. Sub. ☐
Amends Title ☐

Representative McAllister

1 moves to amend the Education Subcommittee report by adding a new
2 provision at the end to read:

3
4 "Requested by: Representative McAllister

5
6 **EXPAND MODEL TEACHER EDUCATION CONSORTIUM**

7 Section @. (a) Of the funds appropriated to the State Board
8 of Education, the sum of one hundred fifty thousand dollars
9 (\$150,000) for the 1997-98 fiscal year shall be used to implement
10 this section. No more than twenty-five percent (25%) of these funds
11 for the 1997-98 fiscal year shall be used for administrative
12 purposes. The remainder shall be used to provide grants and
13 instructional support for participants.

14 (b) The Model Teacher Education Consortium shall be
15 expanded to include the following: Cumberland County, Robeson
16 County, and Hoke Counties in collaboration with Fayetteville State
17 University, the University of North Carolina at Pembroke, Robeson
18 Community College, and Fayetteville Technical Community College.

19 (c) The initial thrust of the program expansion shall be to
20 provide qualified teacher assistants in Cumberland, Robeson, and
21 Hoke Counties with broader access to existing teacher education
22 programs, and to provide practicing teacher assistants with broader
23 access to existing early childhood education programs. Special
24 emphasis shall be placed on recruiting minority teacher assistant
25 participants and those interested in subject areas with critical
26 teacher shortages, such as early childhood, mathematics, science,
27 and exceptional children.

28 (d) The Model Teacher Education Consortium shall administer
29 the grant program and shall offer up to 300 teacher assistants an



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Education

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 2 of ____

HSE-ALM-1

1 educational grant of up to five hundred dollars (\$500.00) each for
2 tuition and book costs as an incentive to enroll in and complete a
3 qualified teacher education program or early childhood education
4 program. Local school administrative units shall enter into an
5 agreement with each participant in accordance with policies adopted
6 by the Model Teacher Education Consortium's Policy Board."; and
7
8 further moves to amend the report on page 1, item # 2,
9 by decreasing the amount appropriated by \$150,000.

SIGNED Mary E. McAllister
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

J. F. Davis

H. B. No. _____

DATE 5-29-97

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)Rep.) DAVIS~~Sen.)~~moves to amend the bill on page 45, line 17,

by adding after the line the following:

"(d) The State Board of Education shall adopt appropriate individualized assessment instruments in reading that shall be administered statewide at the end of Kindergarten, first grade, and second grade. The State Board shall establish student performance benchmarks for these instruments that reflect high expectations for students. Effective beginning with the 1999-2000 school year, students who do not meet the State Board's student performance benchmark in reading at the end of first grade shall not be promoted to second grade."

The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to July 15, 1998, on the implementation of this subsection."

SIGNED 

ADOPTED _____ FAILED _____ TABLED _____

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)Rep.)
) Smith
Sen.)committee report on page 27
moves to amend the bill on page _____, line _____

by rewriting the title to read:

"DATA ON NONCERTIFIED SCHOOL PERSONNEL'S YEARS OF
EXPERIENCE, CREDENTIALS, AND PLACEMENT ON LOCALLY
ADOPTED SALARY SCHEDULES / REVIEW OF NONCERTIFIED
SCHOOL PERSONNEL EDUCATION PROGRAMS AND
STANDARDS;

and on line 2, by deleting "teacher assistants" and
substituting "noncertified school personnel's";

and on lines 7, 14, and 21, by deleting
"teacher assistants" each time it appears and
substituting "noncertified school personnel";

and on line 10, by deleting "teacher assistant"
and substituting "noncertified school personnel".

SIGNED Rep. R. Smith

ADOPTED _____ FAILED _____ TABLED _____



Adopted 14

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of 1

H97-ARH-001.3

Date _____, 1997

Comm. Sub. []
Amends Title []

Representative Preston

- 1 moves to amend the bill on page 46, lines 3-4,
2 by rewriting the line to read:
3 "(a3) When a student transfers into the public schools of a local
4 school administrative unit, that local board shall require the
5 student's parent, guardian, or custodian to provide a";
6
7 and on page 46, line 8, by inserting at the end of the line the
8 following new sentence:
9 "This subsection does not apply to the enrollment of a student who
10 has never been enrolled in or attended a private or public school in
11 this or any other state.".
12
13

SIGNED *Jean Preston*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



#14

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT

H97-ARH-001.3

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of 1

Date _____, 1997

Comm. Sub. []
Amends Title []

Representative Preston

1 moves to amend the bill on page 46, lines 3-4,
2 by rewriting the line to read:

3 "(a3) When a student transfers into the public schools of a local
4 school administrative unit, that local board shall require the
5 student's parent, guardian, or custodian to provide a";

6
7 and on page 46, line 8, by inserting at the end of the line the
8 following new sentence:

9 "This subsection does not apply to the enrollment of a student who
10 has never been enrolled in or attended a private or public school in
11 this or any other state.".

12
13
SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
TRANSPORTATION**

MAY 28, 1997


REP. JOANNE BOWIE


REP. ED MCMAHAN


REP. JERRY DOCKHAM

Transportation

HIGHWAY FUND

	FY 97-98	FY 98-99
Recommended Budget	\$1,082,397,705	\$1,087,670,091

Legislative Changes

Administration

(0000) All Divisions

1 Position Reductions	(\$135,000)	R	(\$135,000)	R
Eliminate 3 vacant positions:				
	-3.00		-3.00	
Asst. Sec. for Government Affairs				
Deputy Secretary				
Personnel Tech III				
2 Reduce Operating Expenses	(\$130,000)	R	(\$130,000)	R
Travel/Other Employee Expenses (22XX) (\$10,000)				
Payments for Services (22XX) (\$100,000)				
Materials and Supplies (24XX) (\$10,000)				
Equipment (25XX) (\$10,000)				
Total (\$130,000)				

(0110) Board of Transportation

3 Reduce Operating Expenses	(\$26,000)	R	(\$26,000)	R
Per Diem (2231) (\$16,000)				
Board-Council Expenses (2235) (\$10,000)				
Net (\$26,000)				

(0210) Fiscal

4 Reduce Operating Expenses	(\$10,000)	R	(\$10,000)	R
Travel and Subsistence (2236-40) (\$18,000)				
Hwy Trust Fund Trans. (0914) \$ 8,000				
Net (\$10,000)				

(0220) MIS

5 Support for Year 2000 Conversion				
Contract personnel to provide technical support for the Year 2000 conversion.	\$4,835,000	NR	\$5,575,000	NR
6 Support for Vehicle Registration System (STARS)	\$600,457	R	\$600,457	R
Contract personnel to provide programming support for the Vehicle Registration System (STARS).	\$600,447	NR		
7 Support for Driver License System	\$421,852	R	\$421,852	R
Contract personnel to provide programming support for the Driver License System.	\$140,618	NR		

House Subcommittee on Transportation

(0250) Internal Audit

8 Reduce Operating Expenses

(\$1,350) R (\$1,350) R

Educational Expenses (2233) (\$3,000)
Hwy Trust Fund Trans. (0914) \$1,650
Net (\$1,350)

(0290) Director of Administration

9 Reduce Operating Expenses

\$0 R \$0 R

Professional Fees (2310) (\$50,000)
Hwy Trust Fund Trans. (0914) \$50,000
Net (\$ 0)

10 Increase Receipts

(\$185,000) R (\$185,000) R

Employee Commuting Fees (0994) \$185,000

(0660) Ferry Division

11 Increase Receipts

Charges to Work Orders (0910) \$10,000 (\$10,000) NR

Operations

(0000) All Divisions

12 Reduce Operating Expenses

(\$85,000) R (\$85,000) R

Travel/Other Employee Expenses (22XX) (\$30,000)
Payments for Services (22XX) (\$30,000)
Materials and Supplies (24XX) (\$10,000)
Equipment (25XX) (\$15,000)
Total (\$85,000)

(1030) Chief Engr of Operations

13 Reduce Operating Expenses

(\$8,600) R (\$8,600) R

Educational Expenses (2233) (\$20,000)
Hwy Trust Fund Trans (0914) 11,400
Net (8,600)

(2050) Division Five

14 Reduce Operating Expenses

(\$18,510) R (\$18,705) R

	97/98	98/99
Telephone (2322)	(\$7,000)	(7,210)
Data Processing Equip (2510)	(15,000)	(15,000)
Hwy Trust Fund Trans.(0914)	3,490	3,505
Net	(18,510)	(18,705)

House Subcommittee on Transportation

(2140) Division Fourteen

15 Reduce Operating Expenses

(\$2,250) R (\$2,250) R

Repairs (2342) (\$3,000)
Hwy Trust Fund Trans. (0914) 750
Net (\$2,250)

(2210) Highway Design

16 Reduce Operating Expenses

(\$51,710) R (\$51,710) R

Subsistence & Travel (2236;7) (\$20,000)
Repairs (2347) (5,000)
Photographic Supplies (2410) (12,000)
Engr & Drafting Equip (2512) (20,000)
Services by Other Hwy Div. (2640) (30,000)
Hwy Trust Fund Trans. (0914) 35,290
Net (51,710)

17 Increase Estimated Receipts

(\$75,000) R (\$75,000) R

Direct Charges to Job Orders (0910) (\$50,000)
Other Receipts (0990) (25,000)
Net (75,000)

(2230) Maintenance

18 Reduce Operating Expenses

(\$33,350) R (\$33,350) R

Subsistence & Travel (2236;7) (\$35,000)
Rent of Equip (2522) (5,000)
Hwy Trust Fund Trans. (0914) 6,650
Net (33,350)

(2240) Construction

19 Reduce Operating Expenses

(\$7,000) R (\$7,000) R

Laboratory Equipment (2514) (\$7,000)

(2260) Safety & Loss Control

20 Reduce Operating Expenses

(\$24,000) R (\$24,000) R

Educational Expenses (2233) (\$9,000)
Subsistence and Travel (2236;7;8;9;40) (15,000)
Net (24,000)

(2320) Traffic Engineering

21 Reduce Operating Expenses

(\$6,300) R (\$6,300) R

Subsistence and Travel (2236;7;8;9;40) (\$7,500)
Hwy Trust Fund Trans. (0914) 1,200
Net (6,300)

House Subcommittee on Transportation

(2330) Right of Way

22 Reduce Operating Expenses

(\$5,000) R (\$5,000) R

Subsistence and Travel (2236;7;8;9;40) (\$5,000)

(2420) Highway Engineering Assoc. Prog.

23 Increase Receipts

(\$250,000) R (\$250,000) R

Direct Charges-Work Orders (0910) \$250,000

Construction and Maintenance

(5180) Construction - Discretionary

24 Increase Small Urban Programs

\$4,000,000 R \$4,000,000 R

Provides an additional funding for rural and small urban highway improvements, industrial access and spot safety.

(5240) Contract Resurfacing

25 Additional Resurfacing Funds

\$10,772,897 R \$10,772,897 R
\$11,297,169 NR

To provide additional funds for contract resurfacing.

House Subcommittee on Transportation

26 Capital Facilities Improvements

To provide funds for capital facilities improvements.

\$12,000,000 NR

- 1.R.E.U. Office/Assembly & Storage Facility
Newton - \$434,000
- 2.Equipment Shop, Const.
Marion - \$1,103,000
- 3.Transportation Bldg. Upgrade - Chiller
Raleigh - \$469,000
- 4.Site Planning & Utilities Const.
Asheboro - \$128,000
- 5.Equipment Shop, Const.
Asheboro - \$1,024,000
- 6.Century Center Renovation - Electrical
Raleigh - \$439,000
- 7.Maint. Office/Assembly
Franklin - \$405,000
- 8.DMV - Bldg. Renovation & Addition
Morganton - \$198,000
- 9.Resident Engr's. Office, Const.
Lumberton - \$294,000
- 10.DMV - Bldg. Renovation & Addition
Charlotte - \$262,000
- 11.R.E.U./Road Oil Building
North Wilkesboro - \$1,127,000
- 12.Land Purchase, 1.5 Acres
Currituck - \$84,000
- 13.DMV - HVAC Replacements
Statewide - \$300,000
- 14.DOH - Water and Sewage Systems
Statewide - \$132,000
- 15.Transportation Bldg. Upgrade - Plumbing
Raleigh - \$303,000
- 16.DOH - Misc. (Small) Office Additions
Statewide - \$120,000
- 17.DMV - Life Safety Upgrades
Raleigh - \$142,000
- 18.DMV - Water and Sewage Systems
Statewide - \$100,000
- 19.Weigh Stations - Electrical Renovations
Statewide - \$100,000
- 20.Weigh Stations - HVAC Renovations
Statewide - \$84,000
- 21.DMV - Pkg. Lot Renovations
Statewide - \$185,000
- 22.Div. Traffic Serv. Office/Shop/Whse., Const.
Carthage - \$1,355,000
- 23.Pesticide Storage Bldg., Const.
Carthage - \$75,000
- 24.Salt Storage Facilities
Statewide - \$532,000
- 25.Repair/Supply Facility, Const.
Hatteras North Dock - \$721,000
- 26.DMV - Bldg. Renovation & Addition
North Wilkesboro - \$198,000
- 27.DMV - Roof Replacements
Statewide - \$263,000
- 28.DMV- Exterior Renovations

Transportation

House Subcommittee on Transportation

Statewide - \$238,000
29.DMV - Interior Renovations
Statewide - \$182,000
30.DMV - Bldg. Renovations & Addition
Sanford - \$378,000
31.DMV - Renovation & Addition
Graham - \$60,000
32.DMV - Computer Room Renovation
Raleigh - \$99,000
33.Land Purchase, 0.75 Acre
Hayesville - \$100,000
34.New Division Office, Land Purchase & Des.
North Wilkesboro - \$366,000

(5600) Federal Construction

27 Reduce Federal Aid Match

Reduce Highway Fund appropriations used to match Federal Aid. (\$8,783,547) NR

(5940 & 5970) State Aid - Rail and Public T

28 Public Transportation Improvements

\$12,600,000	R	\$12,600,000	R
\$13,400,000	NR		

To provide additional funds for the improvement of passenger rail service and support of local public transportation systems.

Division of Motor Vehicles

(0000) All Divisions

29 Federal Driver License Privacy Act Implementation

\$124,600	R	\$124,600	R
\$13,000	NR		
2.00		2.00	

Federal law requires restricted access to motor vehicle records after September 1997. Additional positions are needed to implement new information request procedures.

(0520) Vehicle Registration

30 Adjust Operating Expenses

\$300,000	R	\$300,000	R

Professional Fees (2310)	(\$ 40,000)
Insurance and Bond Premium (2351)	(\$ 30,000)
Uniforms, Arms, Etc (2412)	(\$ 1,409)
Branch Agent Commissions (2314)	\$268,909
Data Processing Equipment (2510)	\$ 40,000
Hwy Trust Fund Trans. (0914)	\$ 62,500
Net	\$300,000

31 Increase Receipts

(\$260,000)	R	(\$260,000)	R

Registration Info. Receipts (0985)	\$225,000
Acknowledgment Fees (0986)	\$ 35,000
Net	\$260,000

32 Service and Maintenance of Equipment

\$150,000	R	\$165,000	R

Increased service and maintenance costs for data processing equipment.

House Subcommittee on Transportation

33 Branch Agent Transaction Volume	\$2,027,695	R	\$3,052,783	R
Increased costs related to larger number of transactions performed by Branch Agents. Branch Agent transaction rate remains unchanged.				
34 Increase Highway Trust Fund Receipts	(\$889,760)	R	(\$1,073,146)	R
Highway Trust Fund receipts increase due to growth in Highway Use Tax transactions.				
35 Branch Agent Rate Increase	\$1,028,619	R	\$1,110,909	R
Branch Agent rate increases from \$1.20 per transaction to \$1.35 for non-Highway Use Tax transactions.				
36 License Plates and Stickers	\$226,291	R	\$392,763	R
Increased costs related to larger number of license plates.				
(0530) Driver Licensing				
37 Adjust Operating Expenses	\$0	R	\$0	R
Repairs and Services to Equip. (2342) (\$ 8,000)				
Repairs and Services to DP Equip.(2347) (\$ 9,000)				
Office supplies (2410) (\$70,000)				
Photographic Supplies (2473) (\$ 5,000)				
Printing and Binding (2411) \$75,000				
Driver License Photo Equipment (2524) \$17,000				
Net \$ 0				
38 Automated Testing System			\$30,000	R
Install automated testing equipment in 10 offices.				
	\$270,000	NR	\$230,000	NR
39 Renovate 11 Driver License Offices				
The following offices are scheduled for renovation:				
East Greensboro, Asheboro, Clyde, Concord, Greenville, Monroe, Morehead City, Morganton, Rocky Mount, Taylorsville and Whiteville				
	\$494,722	NR		
40 Automated Customer Queuing System	\$9,500	R	\$39,500	R
Install Queuing Systems in 20 Driver License offices.				
	\$360,000	NR		
41 Photo Equipment	\$191,444	R	\$399,598	R
Increased costs of leasing digitized photo equipment due to increases in number of transactions performed.				
42 Graduated Driver License Implementation	\$101,789	R	\$255,607	R
Expenditures to implement graduated driver license legislation. Additional funding and positions will be required in FY 99-00.				
	\$20,865	NR	\$28,595	NR
	3.00		7.00	
43 Driver License Office Staffing	\$904,940	R	\$1,138,735	R
Additional staffing necessary to meet customer demands.				
	\$95,060	NR	\$23,765	NR
	28.00		35.00	

House Subcommittee on Transportation

(0540) School Bus and Traffic Safety

44 Adjust Operating Expenses

Dues, Subscriptions, Promo.(2352)	(\$5,000)
Repairs and Services to Equip.(2342)	(\$2,000)
In-State Transportation (2237)	\$7,000
Net	\$ 0

\$0 R

\$0 R

45 Driver Improvement Clinics

To enable drivers to complete clinic in one day.

\$18,500 R

\$18,500 R

\$35,100 NR

(0550) Traffic Records

46 Increase Receipts

Reimbursement NHSTA (0959) \$7,400

(\$7,400) R

(\$7,400) R

(0560) International Registration Plan

47 Adjust Operating Expenses

Travel and Subsistence (2238-9)	(\$5,000)
Telephone and Telegraph (2322)	(\$2,000)
In-State Transportation (2237)	\$2,000
Hwy Trust Fund Trans. (0914)	\$ 300
Net	(\$4,700)

(\$4,700) R

(\$4,700) R

(0570) Enforcement

48 Adjust Operating Expenses

Educational Expenses (2233)	(\$ 2,186)
Repairs and Service DP Equip. (2347)	(\$ 36,000)
Motor Vehicle Operations (2469)	(\$ 2,331)
In-State Subsistence (2236)	(\$213,184)
Rent of Other Equipment (2523)	(\$ 10,000)
In-State Transportation (2237)	\$189,184
Out of State Subsistence (2238)	\$ 12,000
Out of State Transportation (2239)	\$ 6,000
Other Travel Expenses (2240)	\$ 6,000
Training Data Processing (2250)	\$ 2,186
Professional Fees (2310)	\$ 10,000
Shop Supplies and Small Tools (2474)	\$ 2,331
Data Processing Equipment (2510)	\$ 57,500
Safety Inspection Invest. (2637)	(\$ 21,500)
Net	\$ 0

\$0 R

\$0 R

49 Equipment

To provide funds to purchase portable scales, scale racks, and 800 MHZ radios.

\$814,630 NR

House Subcommittee on Transportation

(0590) Motor Vehicle Exhaust Emission In

50 Adjust Expenditures and Receipts

\$0 R \$0 R

To budget additional receipts and expenditures for this fee supported program, based on program requirements

	97/98	98/99
Expenditures	\$3,959,086	\$1,478,941
Receipts	(\$3,959,086)	(\$1,478,941)
Net	0	0

Reserves

(0000) Reserves

51 State Fire Protection Grant Fund

\$150,000 R \$150,000 R

Highway Fund portion of grants to local fire units for protection of State facilities.

(6270) Crime Control and Public Safety

52 Criminal Justice Information Network (CJIN)

\$4,106,600 NR \$156,600 NR

Provide funds for installation of 18 data transmitters and purchase of 200 mobile data units.

(6310) Dept. of Public Instruction

53 Increased Driver Education Cost

\$922,607 R \$939,955 R

Increased Driver Education Cost due to revised 9th grade Average Daily Membership (ADM) estimates.

(6810) Compensation Increases

54 Reduction of Reserve for Compensation Increases

(\$250,000) R (\$250,000) R

The reserve amount provided in 1996 for the 4.5% FY 96/97 compensation increase was more than was needed to pay for the annualized cost of the increase. As a result, compensation funds can be reduced by \$250,000.

55 Legislative Salary Increase

\$12,569,514 R \$12,569,514 R

Provides funds for a 3% salary increase for all employees paid from Highway Fund appropriations.

(6820) New DMV Building

56 New DMV Building

\$1,000,000 NR

Provides design funds for new DMV Building.

(6825) Computer Replacement

57 Computer Replacement Reserve

\$1,000,000 NR \$1,000,000 NR

Provides funds to allow for ongoing replacement of obsolete personal computers.

House Subcommittee on Transportation

(6826) New DMV Systems

58 Collisions Reports Re-engineering

Provide funds for the re-engineering of the way data is collected relating to automobile accidents.

\$1,774,500 NR \$1,742,527 NR

59 International Registration Plan (IRP)

Provide funds for enhancements to outdated IRP software.

\$1,270,600 NR \$1,766,000 NR

Total Legislative Changes

\$44,654,775 R \$46,433,159 R

\$44,734,764 NR \$10,522,487 NR

Total Position Changes

30.00 41.00

Revised Budget

\$1,171,787,244 \$1,144,625,737

1 Requested by: Representatives Bowie, Dockham, and McMahan
2 GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND FROM FEDERAL
3 SOURCES
4 Section @. When funds are provided from the Highway
5 Fund to the Global TransPark Authority for environmental impact
6 statements or assessments and the Global TransPark Authority
7 applies for and receives reimbursement for those expenses from
8 federal sources up to one million eight hundred thousand dollars
9 (\$1,800,000), the federal reimbursements shall be paid over by
10 the Global TransPark Authority into the Highway Fund within 30
11 days of receipt. These funds shall be allocated to State-funded
12 maintenance appropriations in the manner approved by the Board of
13 Transportation.
14

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 AIRCRAFT AND FERRY ACQUISITIONS

3 Section @. G.S. 143B-350 is amended by adding a new
4 subsection to read:

5 "(i) Before approving the purchase of an aircraft from the
6 Equipment Fund or a ferry in a Transportation Improvement
7 Program, the Board of Transportation shall prepare an estimate of
8 the operational costs and capital costs associated with the
9 addition of the aircraft or ferry and shall report those
10 additional costs to the General Assembly pursuant to G.S.
11 136-12(b), and to the Joint Legislative Commission on
12 Governmental Operations."

13

1 Requested by: Representatives Bowie, Dockham, and McMahan
2 DEPARTMENT OF TRANSPORTATION TO PAY DEPARTMENT OF CORRECTION ONLY
3 FOR ACTUAL MEDIUM CUSTODY INMATE LABOR

4 Section @. The Department of Transportation shall pay
5 the Department of Correction only for the actual labor performed
6 by medium custody inmates.

7

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **HIGHWAY FUND ALLOCATIONS BY CONTROLLER**

3 Section @. Article 1 of Chapter 136 of the General
4 Statutes is amended by adding a new section to read:

5 "§ 136-16.10. Allocations by Department Controller to eliminate
6 overdrafts.

7 The Controller of the Department of Transportation shall
8 allocate at the beginning of each fiscal year from the various
9 appropriations made to the Department of Transportation for State
10 Construction, State Funds to Match Federal Highway Aid, State
11 Maintenance, and Ferry Operations, sufficient funds to eliminate
12 all overdrafts on State maintenance and construction projects,
13 and these allocations shall not be diverted to other purposes."

14

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **SMALL URBAN CONSTRUCTION PROGRAM DISCRETIONARY FUNDS**

3 Section @. Of the funds appropriated in this act to the
4 Department of Transportation:

5 (1) \$14,000,000 shall be allocated in each fiscal year
6 for small urban construction projects. These funds
7 shall be allocated equally in each fiscal year of
8 the biennium among the 14 Highway Divisions for the
9 small urban construction program for small urban
10 construction projects that are located within the
11 area covered by a one-mile radius of the municipal
12 corporate limits.

13 (2) \$10,000,000 shall be used statewide for rural or
14 small urban highway improvements, industrial access
15 roads, and spot safety projects as approved by the
16 Secretary of the Department of Transportation.

17 None of these funds used for rural secondary road
18 construction are subject to the county allocation formula as
19 provided in G.S. 136-44.5.

20 The Department of Transportation shall report to the
21 members of the General Assembly on projects funded pursuant to
22 this section in each member's district prior to the Board of
23 Transportation's action. The Department shall make a quarterly
24 comprehensive report on the use of these funds to the Joint
25 Legislative Transportation Oversight Committee and the Fiscal
26 Research Division.

27

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **USE OF ANNUAL UNRESERVED HIGHWAY FUND CREDIT BALANCE**

3 Section @. G.S. 136-44.2 reads as rewritten:

4 **"§ 136-44.2. Budget and appropriations.**

5 The Director of the Budget shall include in the 'Current
6 Operations Appropriations Bill' an enumeration of the purposes or
7 objects of the proposed expenditures for each of the construction
8 and maintenance programs for that budget period for the State
9 primary, secondary, urban, and State parks road systems. The
10 State primary system shall include all portions of the State
11 highway system located outside municipal corporate limits which
12 are designated by N.C., U.S. or Interstate numbers. The State
13 secondary system shall include all of the State highway system
14 located outside municipal corporate limits that is not a part of
15 the State primary system. The State urban system shall include
16 all portions of the State highway system located within municipal
17 corporate limits. The State parks system shall include all State
18 parks roads and parking lots which are not also part of the State
19 highway system.

20 All construction and maintenance programs for which
21 appropriations are requested shall be enumerated separately in
22 the budget. Programs that are entirely State funded shall be
23 listed separately from those programs involving the use of
24 federal-aid funds. Proposed appropriations of State matching
25 funds for each of the federal-aid construction programs shall be
26 enumerated separately as well as the federal-aid funds
27 anticipated for each program in order that the total construction
28 requirements for each program may be provided for in the budget.
29 Also, proposed State matching funds for the highway planning and
30 research program shall be included separately along with the
31 anticipated federal-aid funds for that purpose.

32 Other program categories for which appropriations are
33 requested, such as, but not limited to, maintenance,
34 channelization and traffic control, bridge maintenance, public
35 service and access road construction, and ferry operations shall
36 be enumerated in the budget.

37 The Department of Transportation shall have all powers
38 necessary to comply fully with provisions of present and future
39 federal-aid acts. No federally eligible construction project may
40 be funded entirely with State funds unless the Department of
41 Transportation has first consulted with the Joint Legislative
42 Commission on Governmental Operations. For purposes of this
43 section, 'federally eligible construction project' means any
44 construction project except secondary road projects developed

1 pursuant to G.S. 136-44.7 and 136-44.8 eligible for federal funds
2 under any federal-aid act, whether or not federal funds are
3 actually available.

4 The 'Current Operations Appropriations Bill' shall also contain
5 the proposed appropriations of State funds for use in each county
6 for maintenance and construction of secondary roads, to be
7 allocated in accordance with G.S. 136-44.5 and 136-44.6. State
8 funds appropriated for secondary roads shall not be transferred
9 nor used except for the construction and maintenance of secondary
10 roads in the county for which they are allocated pursuant to G.S.
11 136-44.5 and 136-44.6.

12 ~~In the event receipts and increments to the State Highway Fund~~
13 ~~shall be more than the appropriations made for the preceding~~
14 ~~fiscal year, such excesses shall be allocated by the Director of~~
15 ~~the Budget to the Department of Transportation for school and~~
16 ~~industrial access roads and unforeseen happenings or state of~~
17 ~~affairs requiring prompt action, with fifty percent (50%) of the~~
18 ~~balance to be allocated to the State secondary roads program on~~
19 ~~the basis of need as determined by the Department of~~
20 ~~Transportation and the remaining fifty percent (50%) to be~~
21 ~~allocated in accordance with G.S. 136-44.5. If the unreserved~~
22 credit balance in the Highway Fund on the last day of a fiscal
23 year is greater than the amount estimated for that date in the
24 Current Operations Appropriations Act for the following fiscal
25 year, the excess shall be used in accordance with this paragraph.
26 The Director of the Budget may allocate part or all of the excess
27 among reserves for access and public roads, for unforeseen events
28 requiring prompt action, or for other urgent needs. The amount
29 not allocated to any of these reserves by the Director of the
30 Budget shall be credited to a reserve for maintenance. The Board
31 of Transportation shall report monthly to the Joint Legislative
32 Transportation Oversight Committee and the Fiscal Research
33 Division on the use of funds in the maintenance reserve.

34 The Department of Transportation may provide for costs incurred
35 or accrued for traffic control measures to be taken by the
36 Department at major events which involve a high degree of traffic
37 concentration on State highways, and which cannot be funded from
38 regular budgeted items. This authorization applies only to
39 events which are expected to generate 30,000 vehicles or more per
40 day. The Department of Transportation shall provide for this
41 funding by allocating and reserving up to one hundred thousand
42 dollars (\$100,000) before any other allocations from the
43 appropriations for State maintenance for primary, secondary, and

1 urban road systems are made, based upon the same proportion as i
2 appropriated to each system."
3

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **DRIVERS EDUCATION FUNDING**

3 Section @. From funds appropriated by this act to the
4 Department of Transportation, the Department shall pay for the
5 increased costs for drivers education due to the projected
6 increase in average daily membership in the ninth grade drivers
7 education program.

8 In allocating funds for driver training, the State Board
9 of Education shall consider the needs of small and low-wealth
10 local school administrative units.

11

1 Requested by: Representatives Bowie, Dockham, and McMahan
2 **BRANCH AGENT REIMBURSEMENT RATE**

3 Section @. (a) G.S. 20-63(h) reads as rewritten:

4 "(h) Commission Contracts for Issuance of Plates and
5 Certificates. -- All registration plates, registration
6 certificates and certificates of title issued by the Division,
7 outside of those issued from the Raleigh offices of the said
8 Division and those issued and handled through the United States
9 mail, shall be issued insofar as practicable and possible through
10 commission contracts entered into by the Division for the
11 issuance of such plates and certificates in localities throughout
12 North Carolina with persons, firms, corporations or governmental
13 subdivisions of the State of North Carolina and the Division
14 shall make a reasonable effort in every locality, except as
15 hereinbefore noted, to enter into a commission contract for the
16 issuance of such plates and certificates and a record of these
17 efforts shall be maintained in the Division. In the event the
18 Division is unsuccessful in making commission contracts as
19 hereinbefore set out it shall then issue said plates and
20 certificates through the regular employees of the Division.
21 Whenever registration plates, registration certificates and
22 certificates of title are issued by the Division through
23 commission contract arrangements, the Division shall provide
24 proper supervision of such distribution. Commission contracts
25 entered under this subsection shall provide for the payment of
26 compensation ~~at a rate of sixty cents (60¢) per transaction~~ for
27 all transactions as set forth below. Nothing contained in this
28 subsection will allow or permit the operation of fewer outlets in
29 any county in this State than are now being operated.

30 A transaction is any of the following activities:

- 31 (1) Issuance of a registration plate, a registration
32 card, a registration renewal sticker, or a
33 certificate of title.
- 34 (2) Issuance of a handicapped placard or handicapped
35 identification card.
- 36 (3) Acceptance of an application for a personalized
37 registration plate.
- 38 (4) Acceptance of a surrendered registration plate,
39 registration card, or registration renewal sticker,
40 or acceptance of an affidavit stating why a person
41 cannot surrender a registration plate, registration
42 card, or registration renewal sticker.
- 43 (5) Cancellation of a title because the vehicle has
44 been junked.

1 (6) Acceptance of an application for, or issuance of, a
2 refund for a fee or a tax, other than the highway
3 use tax.
4 (7) Receipt of the civil penalty imposed by G.S. 20-309
5 for a lapse in financial responsibility or receipt
6 of the restoration fee imposed by that statute.
7 (8) Acceptance of a notice of failure to maintain
8 financial responsibility for a motor vehicle.
9 (9) Collection of the highway use tax.
10 Performance at the same time of any combination of the items
11 that are listed within each subdivision or are listed within
12 subdivisions (1) through (8) of this section is a single
13 transaction for which a dollar and thirty-five cent (\$1.35)
14 compensation shall be paid. Performance of the item listed in
15 subdivision (9) of this subsection in combination with any other
16 items listed in this subsection is a separate transaction for
17 which a one dollar and twenty cent (\$1.20) compensation shall be
18 paid."
19 (b) The Department of Transportation shall develop
20 performance measures for commission agent contracts, entered into
21 pursuant to G.S. 20-63(h), as a basis for judging compliance with
22 those contracts. The Department shall report on the performance
23 measures to the Joint Legislative Transportation Oversight
24 Committee and the Fiscal Research Division by December 1, 1997.
25 No performance measures shall be implemented prior that review.
26 (c) Subsection (a) of this section becomes effective
27 July 1, 1997.
28

1 Requested by: Representatives Bowie, Dockham, and McMahan
2 INTERNATIONAL REGISTRATION PLAN BUDGET CODE MERGED INTO VEHICLE
3 REGISTRATION BUDGET CODE
4 Section @. Within Budget Code 84260 (Division of Motor
5 Vehicles), fund 0560 (International Registration Plan Section)
6 shall be merged into fund 0520 (Vehicle Registration).
7

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **PRIVATIZATION OF THE SCHOOL BUS DRIVER TRAINING PROGRAM**

3 Section @. The Department of Transportation shall
4 prepare a plan for the privatization of school bus driver
5 training. This plan shall include, but not be limited to the
6 following:

- 7 (1) A full description of the school bus driver
8 training activities carried out by the Department.
- 9 (2) An accounting of all costs, both personnel and
10 nonpersonnel costs, to the Department related to
11 school bus driver training.
- 12 (3) A list of all Department positions performing
13 functions related to school bus driver training and
14 the portion of time that each position devotes to
15 these functions.
- 16 (4) A draft request for proposals for private contracts
17 to provide all school bus driver training services.
- 18 (5) An estimate of the cost of private contracts to
19 provide all school bus driver training services and
20 an explanation of how that estimate was developed.
- 21 (6) A detailed estimate of the projected cost to the
22 Department to administer contracts for school bus
23 driver training.
- 24 (7) A schedule for issuing a contract for school bus
25 driver training and a schedule for the elimination
26 of Department positions and expenditures related to
27 that training.

28 Copies of the plan shall be provided to the Chairs of
29 the Joint Legislative Transportation Oversight Committee and the
30 Fiscal Research Division by March 1, 1998.

31

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES**

3 Section @. (a) Overexpenditures from Section 3 of this
4 act may be made by authorization of the Director of the Budget,
5 Titles:

6 State Construction Primary Construction

7 State Construction Urban Construction

8 Spot Safety Construction

9 State Construction Access and Public Service Roads

10 State Funds to Match Federal Highway Aid

11 State Maintenance

12 Ferry Operations,

13 provided that there are corresponding underexpenditures from
14 these same Titles. Overexpenditures or underexpenditures in any
15 Titles shall not vary by more than ten percent (10%) without
16 prior consultation with the Advisory Budget Commission. Written
17 reports covering overexpenditures or underexpenditures of more
18 than ten percent (10%) shall be made to the Joint Legislative
19 Transportation Oversight Committee. The reports shall be
20 delivered to the Director of the Fiscal Research Division not
21 less than 96 hours prior to the beginning of the Commission's
22 full meeting.

23 (b) Overexpenditures from Section 3 of this act,
24 Titles:

25 State Construction Primary Construction

26 State Construction Urban Construction

27 Spot Safety Construction

28 State Construction Access and Public Service Roads

29 State Funds to Match Federal Highway Aid

30 State Maintenance

31 Ferry Operations,

32 for the purpose of providing additional positions shall be
33 approved by the Director of the Budget and shall be reported on a
34 quarterly basis to the Joint Legislative Transportation Oversight
35 Committee and to the Fiscal Research Division.

36

1 Requested by: Representatives Bowie, Dockham, and McMahan
2 DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL STATUTES FOR
3 EXPERIMENTAL PROJECT--CONGESTION MANAGEMENT

4 Section @. The Department of Transportation may enter
5 into a design-build-warrant contract to develop, with Federal
6 Highway Administration participation under The 1991 Intermodal
7 Surface Transportation Efficiency Act, Title VI, Part B, Sections
8 6051-6059, a "Congestion Avoidance and Reduction for Autos and
9 Trucks (CARAT)" system of traffic management for the greater
10 Charlotte-Mecklenburg urban areas. Notwithstanding any other
11 provision of law, contractors, contractors' employees, and
12 Department of Transportation employees involved in this project
13 only do not have to be licensed by occupational licensing boards
14 as "license" and "occupational licensing board" are defined in
15 G.S. 93B-1; and for the purpose of entering into contracts, the
16 Department of Transportation is exempted from the provisions of
17 the following General Statutes: G.S. 136-28.1, 143-52, 143-53,
18 143-58, 143-128, and 143-129. These statutory exemptions are
19 limited and available only to the extent necessary to comply with
20 federal rules, regulations, and policies for completion of this
21 project.

22 The Department of Transportation shall report quarterly
23 to the Joint Legislative Transportation Oversight Committee on
24 its efforts to enter into a design-build-warrant contract and to
25 award and construct the project. The report shall include, but
26 not be limited to, the number of types of firms bidding on the
27 project, special qualifications of the firms bidding, and the
28 effect statutory exemptions might have had on the award and
29 construction of the project and the receipt of federal
30 discretionary funding for the project.

31

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **RESURFACED ROADS MAY BE WIDENED**

3 Section @. Chapter 136 of the General Statutes is
4 amended by adding a new section to read:

5 "§ 136-44.16. Resurfaced roads may be widened.

6 Of the contract maintenance resurfacing program funds
7 appropriated by the General Assembly to the Department of
8 Transportation, an amount not to exceed fifteen percent (15%) of
9 the Board of Transportation's allocation of these funds may be
10 used for widening existing narrow pavements that are scheduled
11 for resurfacing."

12

1 Requested by: Representatives Bowie, Dockham, and McMahan
2 CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS
3 Section @. The General Assembly authorizes and
4 certifies anticipated revenues of the Highway Fund as follows:
5 FY 1999-2000 \$1,182.2 million
6 FY 2000-2001 \$1,211.2 million
7 FY 2001-2002 \$1,241.2 million
8 FY 2002-2003 \$1,271.9 million
9 The General Assembly authorizes and certifies
10 anticipated revenues of the Highway Trust Fund as follows:
11 FY 1999-2000 \$861.7 million
12 FY 2000-2001 \$891.0 million
13 FY 2001-2002 \$921.6 million
14 FY 2002-2003 \$953.3 million
15

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **F.E.M.A. RECEIVABLES**

3 Section @. The Department of Transportation shall
4 report to the Joint Legislative Transportation Oversight
5 Committee and the Fiscal Research Division by March 1, 1998, on
6 the status of Federal Emergency Management Agency receivables for
7 past natural disasters and the efforts by the State to collect
8 those funds from the federal government.

9

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **FEASIBILITY STUDY OF DRIVERS EDUCATION TESTING**

3 Section @. The Department of Transportation and the
4 Department of Public Instruction shall conduct a study of the
5 feasibility of having drivers education instructors, rather than
6 Division of Motor Vehicles examiners, administer the required
7 written and road tests before a student is issued his or her
8 first drivers permit or license.

9 The Department of Transportation shall report to the
10 Joint Legislative Transportation Oversight Committee and the
11 Fiscal Research Division by March 1, 1998, on the results of this
12 feasibility study along with any enabling legislation necessary
13 to implement any recommended changes.

14

1 Requested by: Representatives Bowie, Dockham, and McMahan
2 GLOBAL TRANSPARK AUTHORITY BUSINESS PLAN FOR DISADVANTAGE
3 BUSINESS PARTICIPATION

4 Section @. The Global TransPark Authority shall develop
5 a business plan for meeting its ten percent (10%) goal for
6 disadvantaged business participation in contracting. The Global
7 TransPark Authority shall submit a copy of that business plan to
8 the Joint Legislative Transportation Oversight Committee and the
9 Fiscal Research Division by March 1, 1998.

10

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **USE OF PUBLIC TRANSPORTATION AND PASSENGER RAIL FUNDING**

3 Section @. The Department of Transportation shall
4 prepare a plan for the use of the expansion funds provided in
5 this act for the improvement of public transportation and
6 passenger rail service. This plan shall set out the specific
7 purposes for which the funds will be used and shall set specific,
8 quantitative goals to be met through the use of the additional
9 funds.

10 The goals shall address the following:

- 11 (1) Travel time, cost recovery, and business ridership
12 of passenger rail service between Raleigh and
13 Charlotte;
- 14 (2) Extension of passenger rail service to Asheville;
- 15 (3) Assessment of the feasibility and costs of
16 extending passenger rail service in Eastern North
17 Carolina;
- 18 (4) Increases in the number of routes served by rural,
19 urban, and regional public transportation systems;
- 20 (5) Increases in ridership for rural, urban, and
21 regional public transportation systems;
- 22 (6) Public transportation service to Work First
23 clients; and
- 24 (7) Cost savings achieved by rural, urban, and regional
25 public transportation systems through the use of
26 new technologies.

27 The Department of Transportation shall present this plan
28 to the Joint Legislative Transportation Oversight Committee by
29 October 1, 1997, and shall make a report to the 1999 session of
30 the General Assembly indicating the Department's performance in
31 meeting the goals set forth in the plan.

32

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **FEDERAL FUNDS FOR PUBLIC TRANSPORTATION IMPROVEMENTS**

3 Section @. To the extent allowable by federal law, the
4 Department of Transportation shall use ten million dollars
5 (\$10,000,000) of federal highway funds for improvements to public
6 transportation.

7

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 BIENNIAL REPORT ON MAINTENANCE REQUIREMENTS

3 Section @. G.S. 136-44.3 reads as rewritten:

4 "§ 136-44.3. Annual maintenance program; State primary and urban
5 systems. Maintenance program.

6 ~~The Department of Transportation shall make a study of the~~
7 ~~maintenance needs and costs of the State primary and urban~~
8 ~~systems. On the basis of the costs and proposed appropriations,~~
9 ~~the Department of Transportation shall develop a statewide annual~~
10 ~~maintenance program for the State primary and urban systems which~~
11 ~~shall be subject to the approval of the Board of Transportation~~
12 ~~and shall take into consideration the general maintenance needs,~~
13 ~~the special maintenance needs and vehicular traffic and other~~
14 ~~factors deemed pertinent. The Department of Transportation, from~~
15 ~~time to time, shall restudy the costs and criteria used as a~~
16 ~~basis for its annual maintenance program. Copies of the annual~~
17 ~~maintenance program shall be made available to any member of the~~
18 ~~General Assembly upon request. Each division engineer, at the end~~
19 ~~of the fiscal year, shall certify the maintenance of highways in~~
20 ~~his division in accordance with the annual work program, along~~
21 ~~with the explanations of any deviations.~~

22 In each even-numbered year, the Department of Transportation
23 shall survey the condition of the State highway system and shall
24 prepare a report of the findings of the survey. The report shall
25 provide both quantitative and qualitative descriptions of the
26 condition of the system and shall provide estimates of the
27 following:

- 28 (1) The annual cost of routine maintenance of the State
29 highway system;
30 (2) The cost of eliminating any maintenance backlog by
31 categories of maintenance requirements;
32 (3) The annual cost to resurface the State highway
33 system based upon a 12-year repaving cycle for the
34 primary system and a 15-year cycle for other
35 highways; and
36 (4) The cost of eliminating any resurfacing backlog, by
37 type of system.

38 On the basis of the report, the Department of Transportation
39 shall develop a statewide annual maintenance program for the
40 State highway system, which shall be subject to the approval of
41 the Board of Transportation and shall take into consideration the
42 general maintenance needs, special maintenance needs, vehicular
43 traffic, and other factors deemed pertinent.

1 Each division engineer, at the end of the fiscal year, shall
2 certify the maintenance of highways in his division in accordance
3 with the annual work program, along with an explanation for any
4 deviations.
5 The report on the condition of the State highway system and the
6 annual maintenance program shall be presented to the Joint
7 Legislative Transportation Oversight Committee by November 30 of
8 each even-numbered year, and copies shall be made available to
9 any member of the General Assembly upon request."
10

1 Requested by: Representatives Bowie, Dockham, and McMahan

2 **GRADUATED DRIVERS LICENSE PROGRAM**

3 Section @. Section 11 of S.L. 1997-16 reads as
4 rewritten:

5 "Section 11. This act becomes effective December 1, 1997, if
6 ~~the General Assembly appropriates the necessary funds from the~~
7 ~~Highway Fund to the Department of Transportation, Division of~~
8 ~~Motor Vehicles, to administer the provisional license program.~~
9 1997. Sections 1 through 7 of this act do not apply to any
10 person who holds a valid North Carolina limited learner's permit
11 issued before the effective date of this act, who holds a valid
12 North Carolina learner's permit issued before the effective date
13 of this act, or who is a provisional licensee and holds a valid
14 North Carolina drivers license issued before the effective date
15 of this act."

1 Requested by: Representative Bowie

2 **PHASE OUT OPERATIONAL SUPPORT FOR VISITORS CENTERS**

3 Section @. (a) G.S. 20-79.7(c) reads as rewritten:

4 "(c) Use of Funds in Special Registration Plate Account. --

5 (1) The Division shall deduct the costs of special
6 registration plates, including the costs of
7 issuing, handling, and advertising the availability
8 of the special plates, from the Special
9 Registration Plate Account.

10 (2) From the funds remaining in the Special
11 Registration Plate Account after the deductions in
12 accordance with subdivision (1) of this subsection,
13 there is ~~annually~~ appropriated from the Special
14 Registration Plate Account the ~~sum of five hundred~~
15 ~~twenty-five thousand dollars (\$525,000)~~ following
16 sums to provide operating assistance for the
17 Visitor Centers:

- 18 a. on U.S. Highway 17 in Camden County,
19 ~~(\$75,000);~~ County;
20 b. on U.S. Highway 17 in Brunswick County,
21 ~~(\$75,000);~~ County;
22 c. on U.S. Highway 441 in Macon County,
23 ~~(\$75,000);~~ County;
24 d. in the Town of Boone, Watauga County,
25 ~~(\$75,000);~~ County;
26 e. on U.S. Highway 29 in Caswell County,
27 ~~(\$75,000);~~ County;
28 f. on U.S. Highway 70 in Carteret County,
29 ~~(\$75,000);~~ County; and
30 g. on U.S. Highway 64 in Tyrrell County,
31 ~~(\$75,000);~~ County.

32 For each visitor center listed above:

- 33 1. Seventy-five thousand dollars (\$75,000)
34 is appropriated for the 1997-98 fiscal
35 year.
36 2. Thirty-seven thousand five hundred
37 dollars (\$37,500) is appropriated for the
38 1998-99 fiscal year.
39 3. Eighteen thousand seven hundred fifty
40 dollars (\$18,750) is appropriated for the
41 1999-2000 fiscal year.

42 Thereafter, it is the intention of the General
43 Assembly that no additional state funds shall

1 be appropriated for the operations of any of
2 these visitor centers.

3 For visitor centers established in accordance with
4 G.S. 136-18.7 there is appropriated the sum of
5 seventy-five thousand dollars (\$75,000) for the
6 first year of operation; thirty-seven thousand five
7 hundred dollars (\$37,500) for the second year of
8 operation; and eighteen thousand seven hundred
9 fifty dollars (\$18,750) for the third year of
10 operation. It is the intention of the General
11 Assembly that no additional state funds be
12 appropriated for the operations of a new visitor
13 center after the third year of its operation.

14 (3) The Division shall transfer the remaining revenue
15 in the Account quarterly as follows:

16 a. Thirty-three percent (33%) to the account of
17 the Department of Commerce to aid in financing
18 out-of-state print and other media advertising
19 under the program for the promotion of travel
20 and industrial development in this State.

21 b. Fifty percent (50%) to the Department of
22 Transportation to be used solely for the
23 purpose of beautification of highways other
24 than those designated as interstate. These
25 funds shall be administered by the Department
26 of Transportation for beautification purposes
27 not inconsistent with good landscaping and
28 engineering principles.

29 c. Seventeen percent (17%) to the account of the
30 Department of Human Resources to promote
31 travel accessibility for disabled persons in
32 this State. These funds shall be used to
33 collect and update site information on travel
34 attractions designated by the Department of
35 Commerce in its publications, to provide
36 technical assistance to travel attractions
37 concerning accommodation of disabled tourists,
38 and to develop, print, and promote the
39 publication ACCESS NORTH CAROLINA as provided
40 in G.S. 168-2. Any funds allocated for these
41 purposes that are neither spent nor obligated
42 at the end of the fiscal year shall be
43 transferred to the Department of
44 Administration for removal of man-made

1 barriers to disabled travelers at State-funded
2 travel attractions. Guidelines for the removal
3 of man-made barriers shall be developed in
4 consultation with the Department of Human
5 Resources."

6 (b) Chapter 136 of the General Statutes is amended by adding a
7 new section to read:

8 "§136-18.7. Visitor Centers.

9 Recommendations to the General Assembly on visitor centers to
10 be wholly or partially state funded shall be made by the Joint
11 Legislative Transportation Oversight Committee based on criteria
12 which shall be developed in accordance with the following
13 procedures:

14 (1) The legal entity desiring the construction and
15 operation of a wholly or partially state funded
16 visitor center shall petition the Joint Legislative
17 Transportation Oversight Committee for a
18 recommendation concerning that visitor center.

19 (2) The petition shall contain a plan for the financing
20 of the operations of the visitor center for at
21 least the first four years of its existence. The
22 first three years may include the state
23 appropriations authorized by G.S. 20-79.7(c)(2) and
24 funding for the fourth and subsequent years shall
25 provide for operations without state funding.

26 (3) Petitions shall be made to the Joint Legislative
27 Transportation Oversight Committee at least 90 days
28 prior to the last meeting of the Committee before
29 the convening of the next session of the General
30 Assembly.

31 (4) The Joint Legislative Transportation Oversight
32 Committee shall submit its recommendation to the
33 General Assembly prior to the first day of the next
34 legislative session after the petition has been
35 filed. If there is insufficient information to
36 make a determination, the Committee shall render a
37 negative recommendation for that legislative
38 session.

39 (5) No new visitor center shall be approved by the
40 General Assembly without a positive recommendation
41 from the Joint Legislative Transportation Oversight
42 Committee."

1 CODE NO. 97TRANS-H007A

2 Requested by: Representative Bowie

3 **CONTRACT AGENT TRANSACTION ANALYSIS**

4 Section @. The Office of Productivity Management in the
5 Administrative Division of the Department of Transportation shall
6 study the transactions performed by tag agents pursuant to the
7 Commission Contracts authorized by G.S. 20-63(h). The study
8 shall:

- 9 (1) Analyze and weight the relative complexity and time
10 required to complete the various transactions so
11 that a scale can be established to provide
12 reimbursement based on those factors.
13 (2) To the extent possible, determine the costs of
14 performing the transactions based on a review of
15 the actual costs of operating a sample of tag
16 agencies across the state.

17 The Department shall not recommend a particular reimbursement
18 rate for each transaction.

19 The Department shall report the results of this study to the
20 Joint Legislative Transportation Oversight Committee by March 1,
21 1998.

1 CODE NO. 97TRANS-H008C

2 Requested by: Representative Bowie

3 DEPARTMENT OF TRANSPORTATION MINORITY AND WOMEN OWNED BUSINESS

4 PARTICIPATION PLAN

5 Section @.The Department of Transportation shall develop
6 a plan for meeting its goals for minority and women owned
7 business participation in construction and supply contracts. The
8 Department of Transportation shall submit a copy of that plan to
9 the Joint Legislative Transportation Oversight Committee and the
10 Fiscal Research Division by December 1, 1997.

1 CODE NO. 97TRANS-H006A

2 Requested by: Representative Bowie

3 **CONTAMINATED PROPERTY REMEDIATION**

4 Section @. Of the funds appropriated to the Department
5 of Transportation for the State's participation in the cleanup of
6 the 601 Bypass Superfund site, any amounts not required for this
7 purpose may be used by the Department for participation in the
8 cleanup of other contaminated sites currently or previously owned
9 or contaminated by the Department. These funds may be used for:
10 (i) site assessments; (ii) site remediation; (iii) settlements of
11 lawsuits, administrative actions, or claims; or (iv)
12 administrative costs.

1 CODE NO. 97TRANS-H009

2 Requested by: Representative Bowie

3 **FEDERAL DRIVERS PRIVACY PROTECTION ACT COMPLIANCE**

4 Section @. (a) Chapter 20 of the General Statutes is
5 amended by adding a new section to read:

6 "§ 20-43.1 Disclosure of Personal Information in Motor Vehicle
7 Records.

8 The Division shall disclose personal information contained in
9 motor vehicle records in accordance with the federal Driver's
10 Privacy Protection Act of 1994, as amended, 18 U.S.C. §§2721 et
11 sec.

12 As authorized in 18 U.S.C. §2721, the Division shall not
13 disclose personal information for the purposes specified in 18
14 U.S.C. §2721(b)(11) and (b)(12), or establish a waiver procedure
15 described in 18 U.S.C. §2721(d)."

16 (b) G.S. 20-26(c) reads as rewritten:

17 "(c) The Division shall furnish copies of license records
18 required to be kept by subsection (a) of this section in
19 accordance with G.S. 20-43.1 to other persons for uses other than
20 official upon prepayment of the following fees:

21 (1) Limited extract copy of license record,	
22 for period up to three years	\$5.00
23 (2) Complete extract copy of license record	5.00
24 (3) Certified true copy of complete license	
25 record	7.00.

26 All fees received by the Division under this subsection shall be
27 credited to the Highway Fund."

28 (c) G.S. 20-27(a) reads as rewritten:

29 "(a) All records of the Division pertaining to application and
30 to drivers' licenses, except the confidential medical report
31 referred to in G.S. 20-7, of the current or previous five years
32 shall be open to public inspection in accordance with G.S. 20-
33 43.1, at any reasonable time during office hours and copies shall
34 be provided pursuant to the provisions of G.S. 20-26."

35 (d) G.S. 20-43(a) reads as rewritten:

36 "(a) All records of the Division, other than those declared by
37 law to be confidential for the use of the Division, shall be open
38 to public inspection during office ~~hours~~ hours in accordance
39 with G.S. 20-43.1. A photographic image or signature recorded in
40 any format by the Division for a drivers license or a special
41 identification card is confidential and shall not be released
42 except for law enforcement purposes."

43 (e) This section becomes effective September 13,

1 1997.CODE NO. 97TRANS-H014

2 Requested by: Representative Bowie

3 SALVAGE VEHICLE INSPECTIONS

4 Section @. G.S. 20-71.3 reads as rewritten:

5 "§ 20-71.3. Titles and registration cards to be branded.

6 Motor Vehicle certificates of title and registration cards
7 issued pursuant to G.S. 20-57 shall be branded. As used herein
8 "branded" means that the title and registration card shall
9 contain a designation that discloses if the vehicle is classified
10 as (a) Flood Vehicle, (b) Non-U.S.A. Vehicle, (c) Reconstructed
11 Vehicle, (d) Salvage Motor Vehicle, or (e) Salvage Rebuilt
12 Vehicle or other classification authorized by law. Any motor
13 vehicle up to six model years old damaged by collision or other
14 occurrence which is to be retitled in this State shall be subject
15 to preliminary and final inspections by the Enforcement Section
16 of the Division, and the Division shall refuse to issue a title
17 to a vehicle up to six model years old which has not undergone a
18 preliminary inspection. These inspections serve as an anti-theft
19 measure and do not certify the safety or roadworthiness of a
20 vehicle. Any motor vehicle which has been branded in another
21 state shall be branded with the nearest applicable brand
22 specified in this section, except that no junk vehicle or vehicle
23 that has been branded junk in another state shall be titled or
24 registered. A motor vehicle titled in another state and damaged
25 by collision or other occurrence may be repaired and an unbranded
26 title issued in North Carolina only if the cost of repairs,
27 including parts and labor, does not exceed seventy-five percent
28 (75%) of its fair market retail value. The Commissioner shall
29 prepare necessary forms and may adopt regulations required to
30 carry out the provisions of this Part 3A. The title shall
31 reflect the branding until surrendered to or cancelled by the
32 Commissioner."

33

1 Requested by: Representatives Bowie, Dockham, and McMahan
2 HIGHWAY PATROL--UNDERGROUND FUEL TANK REMOVAL AND REMEDIATION
3 FUNDS

4 Section @. Notwithstanding any other provision of law,
5 of the unreserved credit balance in the Highway Fund available on
6 July 1, 1997, six hundred fifty thousand dollars (\$650,000) shall
7 be used for the removal and replacement of underground fuel
8 storage tanks located at various State Highway Patrol
9 installations across the state.

1 CODE NO. 97TRANS-H001E

2 Requested by: Representative Gray

3 WESTERN PASSENGER RAIL SERVICE ROUTE MAJOR INVESTMENT STUDY

4 Section @. From funds appropriated to the Department of
5 Transportation for the 1997-98 fiscal year, seven hundred fifty
6 thousand dollars (\$750,000) shall be used to fund a Major
7 Investment Study (MIS) which shall include:

- 8 (1) A passenger rail proposal providing service between
9 Asheville and Raleigh through Winston-Salem
10 generally following the I-40 corridor; and
- 11 (2) A passenger rail proposal providing for commuter
12 rail services between Winston-Salem, Greensboro,
13 High Point and outlying communities.

14 The MIS shall be administered by the Department of
15 Transportation in consultation with the Forsyth County
16 Metropolitan Planning Organization (MPO), the Greensboro MPO, and
17 the High Point MPO. A report, including plans and cost analyses
18 for the proposals, shall be presented to the General Assembly by
19 March 1, 1999.

1 CODE NO. 97TRANS-H015J

2 Requested by: Representatives Bowie, Dockham, McMahan

3 NORTH CAROLINA RAILROAD ACQUISITION

4 Section @. (a) The sum of sixty-one million dollars
5 (\$61,000,000) of the unreserved General Fund balance as of June
6 30, 1997 is placed in a reserve account.

7 (b) Notwithstanding G.S. 147-69.1, the State Treasurer
8 shall invest on a one-time basis up to sixty-one million dollars
9 (\$61,000,000) from the reserve account created in subsection (a)
10 of this section in obligations of the Beaufort and Morehead
11 Railroad Company or any successor company. Such obligation shall
12 provide for total repayment within seven years, with no principal
13 or interest payments required for two years, with capitalization
14 of the interest accrued but not paid during that two-year period.

15 (c) Section 54 of Chapter 82 of the Laws of 1848-49, as
16 added by Chapter 1046 of the 1951 Session Laws, reads as
17 rewritten:

18 "No stock owned by the State of North Carolina in the North
19 Carolina Railroad Company shall be sold or transferred except
20 with the prior consent of the General ~~Assembly~~. Assembly, except
21 as part of a transaction or series of transactions relating to a
22 plan of merger or consolidation of that company with another
23 company, and where the State will be the owner of all of the
24 stock in the merged or consolidated corporation."

25 (d) G.S. 136-16.6(c) reads as rewritten:

26 "(c) There is annually appropriated to the Department of
27 Transportation for railroad purposes including capital
28 contributions to the Beaufort and Morehead Railroad Company one
29 hundred percent (100%) of the funds credited to the Highway Fund
30 pursuant to subsection (a) of this section.

31 (e) G.S. 147-12(7) is repealed.

32 (f) G.S. 124-6 reads as rewritten:

33 "§ 124-6. Appointment of proxies, director of railroad
34 companies, etc.

35 (a) The Governor shall appoint on behalf of the State all such
36 officers or agents as, by any act, incorporating a company for
37 the purpose of internal improvement, are allowed to represent the
38 stock or other interests which the State may have in such
39 company; and such person or persons shall cast the vote to which
40 the State may be entitled in all the meetings of the stockholders
41 of such company under the direction of said Governor; and the
42 said Governor may, if in his opinion the public interest so
43 requires, remove or suspend such persons, officers, agents,
44 proxies, or directors in his discretion.

1 (b) Notwithstanding subsection (a) of this section, for any
2 railroad company organized as a corporation in which the State is
3 the owner of all the stock and which has trackage in more than
4 two counties, four of the members of the Board of Directors shall
5 be appointed by the Governor, four of the members of the Board of
6 Directors shall be appointed by the General Assembly upon the
7 recommendation of the Speaker of the House of Representatives in
8 accordance with G.S. 120-121, and four of the members of the
9 Board of Directors shall be appointed by the President Pro
10 Tempore of the Senate in accordance with G.S. 120-121. The Board
11 of Directors shall consist of fifteen members. The four members
12 appointed by the Governor shall include an investment banker, a
13 person with experience in railroad management, a certified public
14 accountant, and an at-large member. The four members recommended
15 to the General Assembly by the Speaker of the House of
16 Representatives shall include a lawyer with experience in
17 corporate law, a member of a regional economic development
18 commission whose region contains track of the company, a person
19 with experience in railroad management, and an at-large member.
20 The four members recommended to the General Assembly by the
21 President Pro Tempore of the Senate shall include an investment
22 banker, a lawyer with experience in corporate law, a member of a
23 regional economic development commission whose region contains
24 track of the company, and an at-large member. These twelve
25 appointed members of the Board of Directors shall elect the
26 remaining three members of the Board. The Board of Directors
27 shall elect its chairman from among its membership.

28 (c) Any railroad company covered by subsection (b) of this
29 section shall present to the Joint Legislative Transportation
30 Oversight Committee, by November 20, 1998, a business plan for
31 the railroad including, but not limited to:

- 32 (1) A mission statement with goals and objectives;
- 33 (2) Areas and types of services to be provided;
- 34 (3) Pro forma financial statements that cover a five
35 year period beginning January 1, 1999; and
- 36 (4) Alternative forms of organization."

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

Failed

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep. *Redwine*

Sen.)

moves to amend the ^{report} bill on pages *26-28*, line _____

by *deleting those pages.*

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

Forwards

CODE NO. 97TRANS-H016

Requested by: Representative Morgan

GOVERNOR'S HIGHWAY SAFETY PROGRAM NOT HIRE PAID LOBBYSIS

1 Section @. The Governor's Highway Safety Program may
2 not retain any person who would be required to register as a
3 lobbyist under Article 9A of Chapter 120 the General Statutes in
4 order to carry out the task for which that person is retained.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

Jauline

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.) _____

Sen.) _____

moves to amend the bill on page

37

, line

s 28 through 38:

by

rewriting the lines to read:

"(c) The State shall, within six months
of acquiring all the stock in the North Carolina
Railroad Company, proceed to sell that
stock in the open market or such other
method as will maximize the sale price. The
proceeds from sale of the stock shall
be placed in the Public School Technology
Fund, ~~and the proceeds shall~~

SIGNED

Fero H. Shubert

ADOPTED _____

FAILED _____

TABLED _____

Travel, Trade, and Triple Crowns

Setting an Impossible Goal

The Collins Line, 1847-1858

When Britain's Cunard Line helped pioneer steam navigation on the Atlantic Ocean in the 1840s, it quickly demonstrated that it was possible to run a modern fleet with dependable service, generating a neat profit without the loss of so much as a single ship. Cunard was a perfect success, but there was apparently no reason to believe that an American company couldn't do even better.

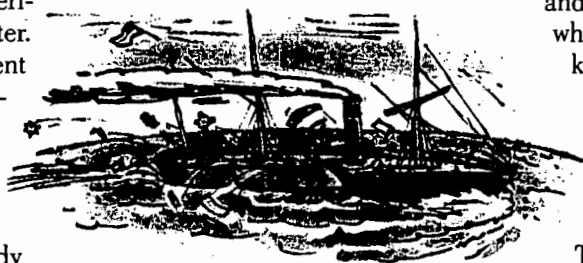
On that basis the U.S. government granted a subsidy in 1847 to a naval architect and merchant named E. K. Collins, for the construction and operation of a new line of four transatlantic steamships. The surprisingly generous subsidy—almost a million dollars—was contingent upon two points: that the ships would make at least twenty trips across the Atlantic each year and that the average passage time would be faster than that of the Cunard ships. "Faster than Cunard" was the very phrase that launched the Collins Line, that inspired it to glory and, finally, to disaster.

The names of the first four Collins liners were *Pacific*, *Atlantic*, *Baltic*, and *Arctic*. They were like luxury limousines, compared with the poky ocean-going trucks operated by Cunard. Furnishings were lush, accommodations spacious, and appointments thoroughly considered, even down to the inclusion of an onboard barbershop. More important, Collins liners were built to be fast, just as promised, and in their first year of operation, 1850, they beat the Cunard vessels by an average of a day and a half on each crossing.

A day and a half represented a big difference to people faced with the prospect of a nauseating journey across the North Atlantic. Collins immediately became the preferred line on the route and carried more passengers and more freight than its rival. The Americans had wrested the Atlantic from the

British! But as it turned out, there was little cause for celebration. In fact, E. K. Collins was forced to petition the government for an increase in the subsidy. The line was losing \$17,000 on every trip.

The Collins Line had chosen to compete with Cunard in luxury and speed. The luxury was found mainly in ships' appointments, at a cost that could be factored into the initial outlay. Speed,



as it turned out, was a less predictable expense, except that it consistently required ever-larger amounts of money. Fuel bills mounted, of course, but by far the larger expense was that of rushed repairs on engines mangled by unrelenting velocity. No matter what was wrong with a ship's machinery, repairs had to be made before the next sailing: Specialists had to be called in, parts sent via express trains, suppliers forced to work overtime. It wasn't a case of handling an occasional emergency; it became a regular way of conducting business and maintaining the average. Out at sea, captains were under similar pressure not to lose time. One captain on the Collins Line recalled his nights on the North Atlantic: He would stand hour after hour with his hand on the bell and his eyes on the sea, looking for ice, trembling with fear and tension all the while, but keeping up the steam.

Cunard met the Collins challenge and in 1852 narrowed the gap to a matter of about six hours. Year in and year out, though, Collins was distinguished as the line that sailed the fastest ships and lost the most money. In 1854 the *Arctic* was forging ahead on a foggy night off Newfoundland when it

hit another boat and sank, with a loss of 322 people. Among the drowned were E. K. Collins's wife and two of his children. It was a terrifying disaster, caused in part by the carelessness of the *Arctic* in going too fast without sounding horns. Nonetheless, while a single accident might be a matter of bad luck, two in a short span were utterly damning. On January 22, 1856, the *Pacific* left England for New York and never arrived. No one could say what had happened; all that was ever known was that icebergs had been spotted, that all the ships that did arrive in New York that month had slowed to a crawl along the route, and that 288 people had lost their lives.

The following year the government cut the Collins subsidy in half, rendering it practically meaningless to a company already \$1.5 million in debt. The line managed to survive long enough to launch a brand-new ship, the *Adriatic*. All of thirty-eight passengers booked passage on its maiden voyage, which turned out to be its only one under the Collins flag. The line suspended its schedule in February 1858, and in a matter of weeks its remaining ships were auctioned off at a laughable fraction of their initial cost. The tragedy of the Collins Line, aside from two sad wrecks, was that as a business it was caught in a web of its own making. After a certain point it couldn't have gone any faster even if it had to—and it did have to.



REPRESENTATIVE FERN H. SHUBERT
NORTH CAROLINA HOUSE OF REPRESENTATIVES
34TH DISTRICT

2119 LEGISLATIVE BUILDING
RALEIGH, NC 27601-1096
(919) 733-5771
(919) 733-2599 FAX
INTERNET E-MAIL: FernS@MS.NCGA.STATE.NC

HO:
106 EA:
MARSHVILLE,
(70-

CODE NO. 97TRANS-H020

Requested by: Representative Reynolds

DIVISION OF MOTOR VEHICLES TO CONDUCT AN ON-LINE REGISTRATION STUDY

1 Section @. The Division of Motor Vehicles shall study
2 the feasibility of a system that would allow motor vehicle
3 dealers to enter information onto the STARS system for the
4 issuance of certificates of title, registration plates, or both
5 for new vehicles sold by them.

6 The Division shall report the results of this study, including
7 the advisability of a pilot program and necessary legislation to
8 implement the program, as appropriate, to the Joint Legislative
9 Transportation Oversight Committee by March 1, 1998.

**HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
NATURAL AND ECONOMIC RESOURCES**

MAY 28, 1997


REP. FRANK MITCHELL


REP. REX BAKER


REP. JIM CARPENTER

Housing Finance Agency

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$2,300,000	\$2,300,000
Legislative Changes		
Housing Finance Agency		
1 Housing Trust Fund		
Support for the Housing Trust Fund.	\$5,000,000	NR
Total Legislative Changes	\$5,000,000	NR
Total Position Changes		
Revised Budget	\$7,300,000	\$2,300,000

Agriculture

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$49,480,730	\$49,688,983

Legislative Changes

Agricultural Finance Authority

2 Reduce General Fund Appropriation

(\$25,000)	R	(\$50,000)	R

Reduce the General Fund appropriation to the Authority by utilizing the interest income earned by the Farm Reserve Loan Fund for the Authority's operating expenses.

Agronomic Services

3 Agronomic Advisory Services

\$314,767	R	\$445,117	R

Funds to increase waste disposal and water management services provided by the Agronomics Division to meet the demand for increased technical assistance from regional agronomists and section chiefs.

\$217,151	NR		
7.00		8.00	

Commissioner's Office

4 Small Farms Assistance

Funds to provide assistance to small, family farms.

\$50,000	NR

Food and Drug Protection

5 Environmental Protection in Pesticide Applications

\$179,039	R	\$179,039	R

Funds to increase compliance assistance to pesticide applicators and farmers.

\$23,100	NR		
3.00		3.00	

6 Food Related Facilities Funds

\$113,994	R	\$113,994	R

Funds to continue support for inspection of food processing facilities, food storage warehouses, retail stores, and medicated livestock-feed manufacturing facilities.

4.00		4.00	

Maritime Museum

7 Transfer Maritime Museum to Cultural Resources

(\$792,227)	R	(\$786,713)	R

Transfer positions, operating support, equipment, property, and other assets of the North Carolina Maritime Museum to the Department of Cultural Resources.

-17.25		-17.25	

	FY 1997-98	FY 1998-99
Requirements	\$ 792,527	\$ 787,013
Receipts	(\$ 300)	(\$ 300)
Appropriation	\$ 792,227	\$ 786,713

House Subcommittee on Natural and Economic Resources

Plant Industry - Plant Protection

8 Bee Regulatory Support

\$170,212 R \$170,212 R

Funds for expanded regulatory support to protect the North Carolina bee and honey industry from parasitic mites, bee disorders and the Africanized bee.

\$45,894 NR

2.00

2.00

Reserves

9 Southern Dairy Compact

\$25,000 R \$25,000 R

Funds to support the Southern Dairy Compact Commission.
Funds are contingent upon the passage of HB 998, SB 977, or similar legislation.

Total Legislative Changes

(\$14,215) R \$96,649 R

\$336,145 NR

Total Position Changes

-1.25

-0.25

Revised Budget

\$49,802,660

\$49,785,632

Labor

GENERAL FUND

Recommended Continuation Budget

FY 97-98

\$16,068,855

FY 98-99

\$15,986,184

Legislative Changes

Boiler and Pressure Vessel Bureau

10 Expand Inspection Staff with Receipt Support

Adds four boiler and pressure vessel inspection staff to conduct safety inspections in accordance with inspection intervals set by the Commissioner. Funding support will be provided with increased receipts generated by inspections conducted with these additional positions.

	FY 1997-98	FY 1998-99
Requirements	\$ 211,316	\$ 196,316
Receipts	(211,316)	(196,316)
Appropriation	0	0

Elevator and Amusement Device Bureau

11 Expand Inspection Staff with Receipt Support

Adds four elevator inspection staff and one administrative support position to conduct safety inspections -- at six month intervals -- of all elevators in the state. Funding support will be provided with increased receipts generated by these positions assisting in the increased frequency of elevator inspections from an average of every 10 months to every 6 months.

	FY 1997-98	FY 1998-99
Requirements	\$ 248,061	\$ 228,361
Receipts	(248,061)	(228,361)
Appropriation	0	0

Information Office

12 1-800-LABOR-NC Operating Support

Provides an additional position and operating support to answer incoming calls on the Department's toll-free telephone number.

\$34,825	R	\$34,825	R
\$6,000	NR		
1.00		1.00	

OSHNC Division

13 Transfer Enforcement Positions to Federal Support

Shifts six OSH Enforcement positions (3 full-time equivalents) and operating support from 100% state funding to 50% federal and 50% state funded support.

(\$192,546)	R	(\$192,546)	R
-3.00		-3.00	

House Subcommittee on Natural and Economic Resources

Total Legislative Changes	(\$157,721)	R	(\$157,721)	R
	\$6,000	NR		
Total Position Changes	-2.00		-2.00	
Revised Budget	\$15,917,134		\$15,828,463	

Environment, Health, and Natural Resources

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$253,269,888	\$252,502,338

Legislative Changes**(2.00) Environmental Education****14 Environmental Education Grant Fund**

Funds to provide grants to schools, community organizations and environmental education centers to develop environmental education libraries and to promote environmental education activities.

\$200,000 NR

(2.00) Forest Resources**15 Increase Receipts**

(\$120,000) R (\$120,000) R

Increase receipts collected from counties. Counties share in the cost of forestry operations with a match based on the tax base of the county.

16 Assistant County Ranger

Funds for an Assistant County Ranger in District 10.

\$19,028 R \$19,028
\$21,900 NR 1.00

17 Operation of Amphibious Water Scooping Tanker

\$706,950 R \$706,950 R
\$81,750 NR 4.00

Operating funds for personnel, equipment, maintenance, and parts associated with the purchase of an amphibious water scooping tanker aircraft for fire control statewide.

18 District 12 Helicopter Funds

Funds to cover the costs associated with preparing a federal surplus helicopter for fire control in District 12.

\$282,560 NR

19 Equipment Funds

(\$500,000) R (\$500,000) R
\$500,000 NR

Reduce recurring appropriation for forestry field operations equipment and provide nonrecurring funds for FY 1997-98.

20 Communications Equipment

(\$200,000) R (\$200,000) R
\$200,000 NR

Reduce recurring appropriation for communications equipment and provide nonrecurring funds for FY 1997-98.

21 Rural Community Fire Protection Program

\$100,000 R \$100,000 R

Funds to provide both fire training and assistance with the purchase/loan of fire equipment and supplies for rural fire departments.

1.00 1.00

House Subcommittee on Natural and Economic Resources

(2.00) Marine Fisheries

22 Moratorium Steering Committee

(25,000) R (25,000) R

Eliminate funding for the Fisheries Moratorium Steering Committee, which submitted its final report to the Joint Legislative Commission on Seafood and Aquaculture in October 1996.

23 Reduce Marine Fisheries Patrol Equipment

(187,321) R (187,321) R

Reduce equipment budget to reflect reduced equipment needs associated with the Marine Fisheries law enforcement expansion request funded in 1995, in accordance with the five year fiscal estimate submitted by the division.

24 Operating Reserve for Patrol Vessel

\$97,436 R

Fund vessel operating reserve for the 1998-99 fiscal year. The reserve is for a patrol vessel funded with a 1996-97 capital improvement appropriation and was omitted from the continuation budget by error.

25 Marine Fisheries Commission

\$230,475 R \$230,475 R

Funds to establish standing advisory committees and permanent staff for the Marine Fisheries Commission. Funds contingent upon passage of HB 1097.

\$17,000 NR
2.00 2.00

26 Information Technology and Data Management Funds

\$155,000 R \$155,000 R

Funds to establish advanced computer based technologies to modernize and consolidate existing computerized information management, and expand computer based data management and analysis capabilities.

\$500,000 NR
2.00 2.00

(2.00) Museum of Natural Science

27 Grassroots Science Museums

\$100,000 R \$100,000 R

Funds to add two new museums to the Grassroots Science Program:

Museum of Coastal Carolina
Iredell County Children's Museum

(2.00) Parks and Recreation

28 Environmental Education Learning Experience

Funds to provide supplies and materials for Environmental Education Learning Experience (EELE) programs at state parks.

\$30,000 NR

(2.00) Soil and Water Conservation

29 Area 3 Coordinator

\$43,600 R \$43,600 R

Funds to support a new position and equipment needs of a regional coordinator for Area 3 of the State Soil and Water Conservation districts.

\$3,000 NR
1.00 1.00

House Subcommittee on Natural and Economic Resources

30 Agriculture Cost Share for Animal Waste Management

Additional funds for the Agriculture Cost Share Program for Nonpoint Source Pollution Control to assist existing farming operations in obtaining approved animal waste management plans.

\$2,000,000 NR

31 Agriculture Cost Share County Technical Assistance

Additional funds to reimburse counties up to 50% of the costs of providing technical assistance in the planning, design and installation of agricultural BMPs to improve water quality.

\$300,000 NR

32 Soil and Water District Travel Funds

Funds for local Soil and Water Conservation Districts for travel and per diem expenses of district supervisors.

\$150,000 NR

(3.00) Air Quality

33 Increase Receipts

Increase the budgeted amount of program receipts and reduce the General Fund appropriation by an equal amount.

(\$200,000) R (\$200,000) R

(3.00) Land Resources

34 Dam Safety Inspection and Assistance

Funds to establish additional positions to increase the number of dam inspections and to provide technical assistance to owners in the areas of design and construction planning, maintenance, repairs, and emergency action plans.

\$255,336 R \$255,336 R
\$19,000 NR
5.00 5.00

(3.00) Water Quality

35 Wastewater Treatment System Operator Training

Funds to provide training, certification and continuing education courses for wastewater treatment system operators for one year.

\$474,795 NR
5.00

36 Basinwide Data Management System Development

Funds for a program delivery initiative to focus on consolidating all existing databases and facilitating access to environmental programs and data. Support staff and equipment needed to maintain the system will be phased in.

\$260,846 R \$375,153 R
1.00 3.00

(3.00) Water Resources

37 Regional Groundwater Management

Funds for monitoring in the Black Creek and Upper Cape Fear aquifers and for maintenance of monitoring wells in the area.

\$150,000 NR

(4.00) Environmental Health

38 Childhood Lead Exposure Control

Funds to expand the state's Childhood Lead Poisoning Prevention Program to emphasize compliance with maintenance standards to minimize lead hazards. Funds contingent upon the passage of HB 1007, SB 806, or identical legislation.

\$210,879 R \$210,879 R
\$26,200 NR
3.00 3.00

House Subcommittee on Natural and Economic Resources

39 Assistance to Local On-Site Wastewater Programs

\$226,212	R	\$226,212	R
\$23,800	NR		
4.00		4.00	

Funds to provide additional training, technical assistance and regulatory oversight to local programs in the areas of plan review, septic tank design, manufacture, installation and performance.

40 Support for Local Environmental Health Programs

\$236,935	R	\$236,935	R
\$13,075	NR		
4.00		4.00	

Funds to provide training, continuing education and technical assistance to local environmental health specialists performing food, lodging and institution inspections, and other regulatory activities to ensure the sanitation and safety of swimming pools, spas and tatoo artists.

41 Food Sanitation Training Funds

\$100,000	NR

Funds to provide training and continuing education to persons who conduct food and lodging inspections for county health departments.

(4.00) Epidemiology

42 Alcohol Chemical Testing Certification Program

(\$200,000)	R	(\$200,000)	R

Reduce General Fund support for the alcohol chemical testing training and certification program to more accurately reflect actual expenditures.

43 Rabies Detection and Prevention Program

\$50,000	R	\$50,000	R
1.00		1.00	

Funds to provide additional professional consultation and education services to help prevent the spread of rabies.

(4.00) Health Promotion

44 Heart Disease & Stroke Prevention Awareness

\$170,500	R	\$170,500	R
\$29,500	NR		

Funds to develop and maintain a database of existing cardiovascular disease related services and to conduct a statewide media campaign to raise awareness about cardiovascular disease, as recommended by the Heart Disease and Stroke Prevention Task Force established in 1995.

45 Cancer Control Plan Implementation Funds

\$250,000	R	\$250,000	R
\$100,000	NR		

Funds to begin implementation of the North Carolina Cancer Control Plan prepared by the Advisory Committee on Cancer Coordination and Control.

46 State Games of North Carolina

\$150,000	NR

Funds for the Governor's Council on Physical Fitness to support the State Games.

(4.00) Laboratory Services

47 Rabies Laboratory Analysis Funds

\$79,630	R	\$79,630	R
\$29,150	NR		
2.00		2.00	

Funds for additional personnel, supplies and equipment to enhance rabies testing performed by the State public health lab.

House Subcommittee on Natural and Economic Resources

(4.00) Maternal and Child Health

48 Maternal Outreach Worker Program

\$600,000 R \$600,000 R

Funds to expand the maternal outreach worker program by providing funding for 22 additional home visitors employed by local service providers.

1.00

1.00

49 Children's Vision Screening Program

\$419,000 NR

Funds to support a statewide training and certification program for school-based vision screeners. The department will contract with Prevent Blindness, Inc. to implement the program.

50 Cochlear Implants

\$230,000 NR

Funds for grant to UNC Board of Governors for the Carolina Communicative Disorders Program at the School of Medicine at UNC-Chapel Hill to provide cochlear implants and other communication devices for hearing impaired children.

51 UNC Craniofacial Center

\$343,000 NR

Funds for grant to UNC Board of Governors for the UNC Craniofacial Center at the School of Dentistry at UNC-Chapel Hill to provide diagnostic and treatment services for children with craniofacial anomalies.

52 Non-Medicaid Maternity Care Coordination

\$170,900 R \$170,900 R

Funds to provide case management services to women who do not meet Medicaid eligibility requirements. This item restores a reduction taken in 1996.

(5.00) Reserves and Special Funds

53 Water Conservation and Infrastructure District

(\$500,000) R (\$500,000) R

Nonrecurring funds appropriated for the District by the 1995 General Assembly were not eliminated from the 1997-99 continuation budget in error.

54 Maintenance of Existing Water Quality Programs

\$1,000,000 NR

Reserve to maintain the existing level of staff in the Water Quality Section to continue water quality programs and activities at the current level of service for one year.

55 Healthy Start Foundation

\$650,000 NR

Funds to provide statewide planning, promotion, and coordination for the First Step Campaign and to support other programs and activities aimed at reducing infant mortality.

56 Core Sound Use Mapping

\$100,000 NR

Funds to develop a human use map and user coordination plan for Core Sound.

(6.00) Department Wide

57 Salary/Span of Control/ Operating Reductions

(\$2,300,453) R (\$2,300,453)

Represents the Department's allocated share of this overall reduction:

-33.94

-33.94

House Subcommittee on Natural and Economic Resources

Office of Controller	
Salary and fringes for 1.00 FTE	(\$27,541)
General Services Office	
Salary and fringes for 1.00 FTE	(\$25,561)
Information Technology Services	
Salary and fringes for 1.00 FTE	(\$39,669)
Applications Analyst Prog. Specialist	(\$10,782)
(.19 FTE Vacant)	
Personnel/Human Resources	
Salary and fringes for 1.00 FTE	(\$47,026)
Public Health Communication	
Salary and fringes for 1.00 FTE	(\$45,380)
Local Health Services	
Salary and fringes for 1.00 FTE	(\$31,602)
Environmental Health	
Salary and fringes for 1.00 FTE	(\$24,286)
Dental Health	
Salary and fringes for 1.00 FTE	(\$97,175)
State Center for Health Statistics	
Salary and fringes for 1.00 FTE	(\$26,682)
Maternal and Child Health	
Salary and fringes for 7.00 FTEs	(\$364,633)
Cystic Fibrosis Purchase of Care funds	(\$148,699)
Nutrition Program Supervisor	(\$ 11,329)
(.30 FTE Vacant)	
Health Promotion	
Salary and fringes for 3.00 FTEs	(\$138,092)
Marine Fisheries	
Salary Reserve	(\$13,861)
Oyster Rehabilitation operating funds	(\$133,655)
Soil and Water Conservation	
Equipment, supplies & travel funds	(\$56,875)
Forest Resources	
Communications Equipment	(\$140,000)
Office of Environmental Education	
Project Tomorrow grants and contracts	(\$25,000)
Aquariums	
Supplies and materials	(\$41,777)

House Subcommittee on Natural and Economic Resources

Museum of Natural Science	
Temporary Wages	(\$50,000)
Natural Science Education Curator	(\$56,524)
(1.00 FTE Vacant)	
Parks and Recreation	
Increase receipts	(\$140,000)
North Carolina Zoo	
Salary and fringes for 3.55 FTEs	(\$85,000)
Air Quality	
Salary and fringes for 1.00 FTE	(\$19,105)
Water Quality	
Salary and fringes for 3.00 FTEs	(\$105,995)
Salary Reserve	(\$69,625)
Wetlands Restoration operating funds	(\$14,449)
Coastal Management	
Salary and fringes for 1.00 FTE	(\$25,068)
Land Resources	
Salary and fringes for 1.00 FTE	(\$43,279)
Operating support	(\$12,124)
Water Resources	
Salary and fringes for 1.00 FTE	(\$29,971)
Pollution Prevention & Environmental Assistance	
Salary and fringes for 1.00 FTE	(\$19,800)
Operating support	(\$ 2,332)
Radiation Protection	
Eliminate receipt supported Deputy Division Director position, and shift portion of funding for Division Director position from General Funds to receipts.	
(.90 FTE)	(\$80,900)
Contracts	(\$25,094)
Waste Management	
Salary and fringes for 1.00 FTE	(\$58,566)
Operating support	(\$12,996)
TOTAL REDUCTIONS	(\$2,300,453)

Total Legislative Changes	(\$366,483)	R	(\$154,740)	R
	\$8,143,730	NR		
Total Position Changes	3.06		0.06	
Revised Budget	\$261,047,135		\$252,347,598	

Commerce

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$37,221,648	\$37,240,885

Legislative Changes

Administrative Services

58 Budget Indirect Cost Receipts

(\$52,000)	R	(\$52,000)	R

Increase the budgeted amount of indirect costs receipts and reduce General Fund appropriation by an equal amount.

Business and Industry Division

59 Regional Office Staff Support

\$22,100	R	\$26,000	R

Provides an administrative support position for the Piedmont Triad Regional Office. The effective date of the position is September 1, 1997.

\$5,900	NR		
1.00		1.00	

60 Marketing Missions and Trade Shows

\$80,000	R	\$80,000	R

Increases funding support for the Division's participation at industry trade shows and for conducting national marketing missions.

61 Fund Industrial Recruitment Competitive Fund

Provides nonrecurring funding support for the Industrial Recruitment Competitive Fund.

\$1,000,000	NR		

Commission on Workforce Preparedness

62 Eliminate General Fund Support

(\$103,984)	R	(\$104,144)	R

Eliminates General Fund support to the Commission on Workforce Preparedness. This reduction abolishes the position of Executive Director and transfers to full receipt support an Administrative Assistant position that is partially supported with General Funds.

-1.15		-1.15	

Department Wide

63 Salary Reductions/Span of Control

(\$672,485)	R	(\$672,485)	R

Represents the Department's allocated share of this overall reduction:

-17.00		-17.00	

Administrative Services

Salary and fringes for 1.00 FTE	(\$99,038)

Economic Development Program

Salary and fringes for 2.00 FTEs	(\$71,904)

Business and Industry Division

Salary and fringes for 1.00 FTE	(\$76,023)

House Subcommittee on Natural and Economic Resources

International Trade Division	
Salary and fringes for 2.00 FTEs	(\$77,862)
Division of Energy	
Salary and fringes for 1.00 FTE	(\$42,029)
Division of Community Assistance	
Salary and fringes for 1.00 FTE	(\$54,264)
Division of Travel and Tourism	
Salary and fringes for 1.00 FTE	(\$24,065)
Industrial Commission	
Salary and fringes for 8.00 FTEs	(\$227,300)
TOTAL REDUCTIONS	(\$672,485)

Economic Development Program

64 Reduce Support for Data Processing & Subscriptions	(\$29,000)	R	(\$29,000)	R
Reduce funding support for data processing services, subscriptions, and membership dues.				
65 Enhance EDIN System				
Funds to enhance the Economic Development Information Network System.	\$50,000	NR		

Executive Aircraft

66 Reduce Repair Funds	(\$188,000)	R	(\$188,000)	R
Reduce funding support for aircraft repair.				
67 Additional Funds for Lease	\$350,000	R	\$350,000	R
Additional funds for aircraft lease.				

Film Office

68 Reduce Travel	(\$25,000)	R	(\$25,000)	R
Reduce budget for board and nonemployee transportation.				

Global TransPark Marketing

69 Reduce Support for Global TransPark Marketing	(\$150,000)	R	(\$150,000)	R
Reduce General Fund transfer from the Department of Commerce to the Global TransPark Authority in the Department of Transportation for marketing the Global TransPark.				

Industrial Commission

70 Budget Hearing Cost Receipts	(\$202,000)	R	(\$202,000)	R
Increase the budgeted amount of the Commission's Hearing Cost receipts and reduce General Fund appropriations by an equal amount.				

House Subcommittee on Natural and Economic Resources

71 Case Management System

Provides funds for operating and maintenance costs, staff support to maintain hardware and software, and to develop system applications.

\$638,571	R	\$638,571	R
\$17,700	NR		
3.00		3.00	

72 Temporary Positions

Provides nonrecurring funds to support temporary positions to assist with the Commission's backlog of claims, hearings, and appeals.

\$100,000	NR		

Industrial Finance Center

73 Fund Utility Account (Industrial Development Fund)

Provides nonrecurring funding support for economic development related water and sewer infrastructure projects in tier one enterprise counties.

\$500,000	NR		

74 Increase Operating Support

Provides additional operating support for the Industrial Finance Center.

\$50,000	R	\$50,000	R
\$20,000	NR		

International Trade

75 International Trade Specialists

Increase the number of international trade specialists to enhance the state's marketability to potential customers in "Big Emerging Markets" (BEM). The effective date of these positions is September 1, 1997.

\$180,736	R	\$196,044	R
\$12,000	NR		
2.00		2.00	

76 Foreign Trade Shows

Increase recurring funding for trade shows and missions to expose small and medium sized companies to the international marketplace.

\$200,000	R	\$200,000	R

77 Global Offices

Funds to contract with representatives to expand the division's foreign offices into 4 new and emerging markets in and around South Africa, the United Kingdom, South America, and the Middle East.

\$300,000	R	\$300,000	R

NC Alliance for Competitive Technologies

78 Recurring Funding Support to Continue Operations

Provides recurring state funding support to replace three-year federal grant and matching nonrecurring state funding support that will expire at the end of fiscal year 1996-97. Funding will allow the North Carolina Alliance for Competitive Technologies to continue operation as a state agency.

\$375,000	R	\$375,000	R
3.00		3.00	

Reserves and Transfers

79 Reduce Support for the Regional Commissions

Reduces grant-in-aid support for the seven Regional Economic Development Commissions from \$4.68 million to \$4.275 million.

(\$405,000)	R	(\$405,000)	R

House Subcommittee on Natural and Economic Resources

80 Special Olympics 1999 World Summer Games

\$500,000 NR

Nonrecurring funds to support the Special Olympics 1999 World Summer Games.

81 State Government Competition Commission

\$5,600 R

\$5,600 R

Funds to be transferred to the Office of State Budget and Management to support the North Carolina Government Competition Commission.

Travel and Tourism

82 Budget Additional Receipts

(\$12,000) R

(\$12,000) R

Increase the amount of budgeted receipts and reduce General Fund appropriation by an equal amount.

83 Advertising Funds

\$1,000,000 NR

Expand current promotional advertising funds and associated expenses to promote North Carolina as a travel destination.

84 International Marketing

\$1,000,000 NR

Funds to continue and expand the promotion of North Carolina as a travel destination in the international arena.

85 1-800-VISIT-NC

\$250,000 NR

Additional funds for the tourism hotline operated at Women's Prison.

86 Rural Tourism Development Funds

\$100,000 NR

Funds to support the Rural Tourism Development Grants program.

Total Legislative Changes

\$362,538 R

\$381,586 R

\$4,555,600 NR

Total Position Changes

-9.15

-9.15

Revised Budget

\$42,139,786

\$37,622,471

State Aid to Non-State Entities

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$1,475,000	\$1,475,000

Legislative Changes

Grants-in-Aid

87 North Carolina Minority Support Center	(\$275,000) R	(\$275,000) R
Eliminate Governor's recommended recurring appropriation and provide nonrecurring funds for FY 1997-98.	\$375,000 NR	
88 Land Loss Prevention Project	(\$275,000) R	(\$275,000) R
Eliminate Governor's recommended recurring appropriation and provide nonrecurring funds for FY 1997-98.	\$350,000 NR	
89 Coalition of Farm and Rural Families	(\$145,000) R	(\$145,000) R
Eliminate Governor's recommended recurring appropriation and provide nonrecurring funds for FY 1997-98.	\$250,000 NR	
90 Institute of Minority Economic Development	\$20,000 R	\$20,000 R
Additional recurring funds to foster economic development within the state through policy analysis, information and technical assistance, resource expansion, and support of community-based initiatives. Total state funding for the Institute will be \$800,000 for each fiscal year of the 1997-99 biennium.		
91 Technological Development Authority	\$3,000,000 NR	
Grant-in-aid to the N.C. Technological Development Authority, Inc. for entrepreneurial support and infrastructure including creating new incubators, enhancing existing incubators, developing capital formation initiatives, supporting research commercialization programs and matching federal grant and loan funds.		
92 World Trade Center North Carolina	\$300,000 NR	
Grant-in-Aid to the World Trade Center North Carolina to support international trade education programs to small and medium sized businesses.		
93 Center for Community Self-Help	\$3,000,000 NR	
Provide funds to further a statewide program of lending for home ownership.		
94 Yadkin/Pee Dee Lakes Project	\$100,000 NR	
Funds to the Yadkin/Pee Dee Lakes Project, Inc. to promote tourism and economic development in the area.		

House Subcommittee on Natural and Economic Resources

95 Transfer N.C. Community Development Initiative	\$1,800,000	R	\$1,800,000	
Transfer funding for the North Carolina Community Development Initiative, Inc. from the Rural Economic Development Center to the Department of Commerce.				
96 N.C. Community Development Initiative	\$200,000	R	\$200,000	R
Additional funds for the North Carolina Community Development Initiative to support operating and program activity grants to mature community development corporations.				
Total Legislative Changes	\$1,325,000	R	\$1,325,000	R
	\$7,375,000	NR		
Total Position Changes				
Revised Budget	\$10,175,000		\$2,800,000	

NC Biotechnology Center**GENERAL FUND**

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$7,664,396	\$7,664,396

Legislative Changes**NC Biotechnology Center****97 Historically Minority Universities**

Additional nonrecurring funding to support biotechnology programs at the State's six Historically Minority Universities (Elizabeth City State University, Fayetteville State University, NC A&T State University, NC Central University, University of North Carolina-Pembroke, and Winston-Salem State University).

\$1,000,000 NR

98 Economic Development Investment Fund

Nonrecurring funding increase for the N.C. Biotechnology Center's Economic Development Investment Fund. Funds provided are to be used for loans or equity investment to biotechnology companies and to biomedical and other bioscience related companies.

\$1,000,000 NR

Total Legislative Changes

\$2,000,000 NR

Total Position Changes

Revised Budget	\$9,664,396	\$7,664,396

Rural Economic Development Center

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$5,870,000		\$5,870,000	
Legislative Changes				
N.C. Association of CDCs				
99 N.C. Association of CDCs				
Additional funding for the North Carolina Association of Community Development Corporations, Inc. to provide training and technical assistance to community development corporations statewide.	\$50,000	NR		
N.C. Community Development Initiative				
100 Transfer N.C. Community Development Initiative	(\$1,800,000)	R	(\$1,800,000)	R
Transfer funding for the North Carolina Community Development Initiative, Inc. from the Rural Economic Development Center to the Department of Commerce.				
Rural Economic Development Center				
101 Supplemental Funding Program				
Additional funds to support the Supplemental Funding Program for economic development in rural communities.	\$2,650,000	NR		
Total Legislative Changes	(\$1,800,000)	R	(\$1,800,000)	R
	\$2,700,000	NR		
Total Position Changes				
Revised Budget	\$6,770,000		\$4,070,000	

**HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
NATURAL AND ECONOMIC RESOURCES**

SPECIAL PROVISIONS

MAY 29, 1997

CODE NO. 97HLTH-H012

*Allocation approved by NER pending
decision on Social Services Block grant allocation by DHR*

Requested by: Representatives Mitchell, Baker, Carpenter
NER BLOCK GRANT FUNDS

1 Section 5.1. (a) Appropriations from federal block
2 grant funds are made for the fiscal year ending June 30, 1998,
3 according to the following schedule:

4

5 COMMUNITY DEVELOPMENT BLOCK GRANT

6

7 01. State Administration \$ 1,000,000

8

9 02. Urgent Needs and Contingency 2,177,500

10

11 03. Community Empowerment 2,000,000

12

13 04. Economic Development 8,710,000

14

15 05. Community Revitalization 29,000,000

16

17 06. State Technical Assistance 450,000

18

19 07. Housing Development 1,662,500

20

21 TOTAL COMMUNITY DEVELOPMENT

22 BLOCK GRANT - 1998 Program Year \$ 45,000,000

23

24 MATERNAL AND CHILD HEALTH BLOCK GRANT

25

26 01. Healthy Mother/Healthy Children
27 Block Grants to Local Health
28 Departments \$ 9,838,074

29

30 02. High Risk Maternity Clinic Services,
31 Perinatal Education and Training,
32 Childhood Injury Prevention,
33 Public Information and Education, and
34 Technical Assistance to Local Health
35 Departments 1,722,869

36

37 03. Services to Children With Special Health
38 Care Needs 4,954,691

39

40 TOTAL MATERNAL AND CHILD

41 HEALTH BLOCK GRANT \$ 16,515,634

42

43 PREVENTIVE HEALTH SERVICES BLOCK GRANT

44

45 01. Emergency Medical Services \$ 213,128

1
2 02. Hypertension Programs 711,813
3
4 03. Statewide Health Promotion Programs 2,777,924
5
6 04. Dental Health for Fluoridation
7 of Water Supplies 224,170
8
9 05. Rape Prevention and Rape
10 Crisis Programs 187,110
11
12 06. Rape Prevention and Rape Education 935,552
13
14 07. AIDS/HIV Education, Counseling,
15 and Testing 66,939
16
17 08. Office of Minority Health and
18 Minority Health Council 186,478
19
20 09. Administrative and Indirect Cost 217,762
21
22 TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT \$ 5,520,876
23
24 (b) Decreases in Federal Fund Availability
25 Decreases in federal fund availability shall be
26 allocated as follows:
27 (1) For the Community Development Block Grants -- If
28 federal funds are reduced below the amounts
29 specified above after the effective date of this
30 act, then every program in each of these federal
31 block grants shall be reduced by the same
32 percentage as the reduction in federal funds.
33 (2) For the Maternal and Child Health and Preventive
34 Health Services federal block grant -- If federal
35 funds are reduced less than ten percent (10%) below
36 the amounts specified above after the effective
37 date of this act, then every program in the
38 Maternal and Child Health and in the Preventive
39 Health Services block grants shall be reduced by
40 the same percentage as the reduction in federal
41 funds. If federal funds are reduced by ten percent
42 (10%) or more below the amounts specified above
43 after the effective date of this act, then for the
44 Maternal and Child Health and the Preventive Health
45 Services block grants the Department of
46 Environment, Health, and Natural Resources shall
47 allocate the decrease in funds after considering
48 the effectiveness of the current level of services.
49 (c) Increases in Federal Fund Availability
50 Any block grant funds appropriated by the Congress of
51 the United States in addition to the funds specified in this act
52 shall be expended as follows:

1 (1) For the Community Development Block Grant -- Each
 2 program category under the Community Development
 3 Block Grant shall be increased by the same
 4 percentage as the increase in federal funds.
 5 (2) For the Maternal and Child Health Block Grant --
 6 Thirty percent (30%) of these additional funds
 7 shall be allocated to services for children with
 8 special health care needs and seventy percent (70%)
 9 shall be allocated to local health departments to
 10 assist in the reduction of infant mortality.
 11 (3) For the Preventive Health Block Grants -- These
 12 additional funds may be budgeted by the appropriate
 13 department, with the approval of the Office of
 14 State Budget and Management, after considering the
 15 effectiveness of the current level of services and
 16 the effectiveness of services to be funded by the
 17 increase, provided the resultant increases are in
 18 accordance with federal block grant requirements
 19 and are within the scope of the block grant plan
 20 approved by the General Assembly.
 21 (d) Changes to budgeted allocations to the Maternal and
 22 Child Health and the Preventive Health Services block grants due
 23 to increases or decreases in federal funds shall be reported to
 24 the Joint Legislative Commission on Governmental Operations and
 25 the Fiscal Research Division within 30 days of the allocation.
 26 All other increases shall be reported to the Joint Legislative
 27 Commission on Governmental Operations and to the Director of the
 28 Fiscal Research Division.
 29 (e) Limitations on Community Development Block Grant
 30 Funds
 31 Of the funds appropriated in this section for the
 32 Community Development Block Grant, the following shall be
 33 allocated in each category for each program year: up to one
 34 million dollars (\$1,000,000) may be used for State
 35 administration; up to two million one hundred seventy-seven
 36 thousand five hundred dollars (\$2,177,500) may be used for Urgent
 37 Needs and Contingency; up to two million dollars (\$2,000,000) may
 38 be used for Community Empowerment; up to eight million seven
 39 hundred ten thousand dollars (\$8,710,000) may be used for
 40 Economic Development; not less than twenty-nine million dollars
 41 (\$29,000,000) shall be used for Community Revitalization; up to
 42 four hundred fifty thousand dollars (\$450,000) may be used for
 43 State Technical Assistance; up to one million six hundred sixty-
 44 two thousand five hundred (\$1,662,500) may be used for Housing
 45 Development. If federal block grant funds are reduced or
 46 increased by the Congress of the United States after the
 47 effective date of this act, then these reductions or increases
 48 shall be allocated in accordance with subsection (b) or (c) of
 49 this section, as applicable. If funds are available from program
 50 income, deobligated funds, or urgent needs and contingency, then
 51 the Department of Commerce shall use up to five hundred thousand
 52 dollars (\$500,000) for an Infrastructure Demonstration Project

1 that will focus on innovative approaches to straight piping and
2 pit privy problems.

3 (f) Limitations on Preventive Health Service Block Grant
4 Funds

5 Twenty-five percent (25%) of funds allocated for Rape
6 Prevention and Rape Education shall be allocated as grants to
7 nonprofit organizations to provide rape prevention and education
8 programs targeted for middle, junior high, and high school
9 students. Any rape crisis center or other nonprofit organization
10 that receives funds under this section to provide rape education
11 and rape prevention programs to schools shall give priority to
12 schools with an abstinence-based sex education curriculum.

CODE NO. 97GOV-H001A

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

HOME PROGRAM MATCHING FUNDS

1 Section *. (a) Funds appropriated in this act to the
2 Housing Finance Agency for the federal HOME Program shall be used
3 to match federal funds appropriated for the HOME Program. In
4 allocating State funds appropriated to match federal HOME Program
5 funds, the Agency shall give priority to HOME Program projects,
6 as follows:

- 7 (1) First priority to projects that are located in
8 counties designated as Tier One, Tier Two, or Tier
9 Three Enterprise Counties under G.S. 105-129.3; and
10 (2) Second priority to projects that benefit persons
11 and families whose incomes are fifty percent (50%)
12 or less of the median family income for the local
13 area, with adjustments for family size, according
14 to the latest figures available from the U.S.
15 Department of Housing and Urban Development.

16 The Housing Finance Agency shall report to the Joint
17 Legislative Commission on Governmental Operations by April 1 of
18 each year concerning the status of the HOME Program and shall
19 include in the report information on priorities met, types of
20 activities funded, and types of activities not funded.

21 (b) If the United States Congress changes the HOME
22 Program such that matching funds are not required for a given
23 program year, then the Agency shall not spend the matching funds
24 appropriated under this act for that program year.

25 (c) Funds appropriated in this act to match federal
26 HOME Program funds shall not revert to the General Fund on June
27 30, 1998, or on June 30, 1999.

6
CODE NO. 97GOV-H003A

Requested by: Representatives Mitchell, Baker, Carpenter, H.
Hunter

AFFORDABLE HOUSING ASSISTANCE FUNDS

1 Sec. @. (a) Of the funds appropriated in this act to
2 the North Carolina Housing Finance Agency for the Housing Trust
3 Fund, not more than five hundred thousand dollars (\$500,000) for
4 the 1997-98 fiscal year may be allocated by the Housing Finance
5 Agency to community-based nonprofit low-income housing
6 development and technical assistance organizations. Funds
7 allocated shall be used to support the development of housing
8 affordable to persons of low income, for direct grants to new and
9 existing housing development and technical assistance
10 organizations to support operations and project activities, and
11 for administrative and other operational purposes that expand the
12 capacity of these organizations to provide affordable housing and
13 associated comprehensive services and programs.

14 (b) The North Carolina Housing Finance Agency shall
15 adopt rules governing the eligibility of applicants, application
16 procedures, eligibility requirements, criteria and standards for
17 awarding grants and performance standards for continued funding,
18 and shall make available to the general public and interested
19 parties adequate opportunity for input into the rule-making
20 process.

21 (c) The North Carolina Housing Finance Agency shall
22 report every six months to the Joint Legislative Commission on
23 Governmental Operations on the use of these funds allocated
24 pursuant to this section. The Agency shall not use these funds
25 for its own administrative purposes.

26 (d) For purposes of this section, the term "community-
27 based nonprofit low-income housing development and technical
28 assistance organization" means a nonprofit corporation chartered
29 pursuant to section 501(c)(3) of the Internal Revenue Code, which
30 has as a major purpose the development and improvement of housing
31 that is affordable to persons of low income; serves the community
32 in which it is located; is neither controlled by, nor under the
33 direction of, individuals or entities seeking to derive profit or
34 gain from the organization; and maintains accountability to low-
35 income community residents through board membership or other
36 formal processes for input into the organization's housing
37 decision-making process. For purposes of this section, the term
38 "low-income" refers to persons and families whose incomes do not

1 exceed eighty percent (80%) of the area median family income,
2 with adjustments for family size, according to the latest figures
3 available for the United States Department of Housing and Urban
4 Development.

5

6

7

8

CODE NO. 97ENV-H021C

Requested by: Representative Owens

NATURAL AND ECONOMIC RESOURCES/RECEIPT SUPPORTED POSITIONS

1 Section @. (a) The Department of Agriculture, the
2 Department of Commerce, the Department of Environment, Health,
3 and Natural Resources, and the Department of Labor shall by
4 October 15, 1997, and semi-annually thereafter, report to the
5 Joint Legislative Commission on Governmental Operations, the
6 Appropriations Subcommittees on Natural and Economic Resources in
7 both the House of Representatives and the Senate, and the Fiscal
8 Research Division regarding the creation of new receipt-supported
9 positions created within each Department. The report shall
10 include the following information for each new position created
11 with receipts:

- 12 (1) The Commission, Division, program or office in
13 which the position is created.
- 14 (2) The position title or classification.
- 15 (3) The salary.
- 16 (4) The funding source.
- 17 (5) An explanation of the position responsibilities and
18 the justification for the position.
- 19 (6) The designation of the position as full-time, part-
20 time, and if time-limited, the length of time that
21 the position is anticipated to be required.

22 (b) The Department of Agriculture, the Department of Commerce,
23 the Department of Environment, Health, and Natural Resources, and
24 the Department of Labor shall abolish any receipt supported
25 position upon approval of the Office of State Budget and
26 Management if: (i) the position is vacant for more than one
27 calendar year, and (ii) receipts are insufficient to adequately
28 fund the positions.

29 The Department of Agriculture, the Department of Commerce, the
30 Department of Environment, Health, and Natural Resources, and the
31 Department of Labor shall by October 15, 1997, and semi-annually
32 thereafter, report to the Joint Legislative Commission on
33 Governmental Operations, the Appropriations Subcommittees on
34 Natural and Economic Resources in both the House of
35 Representatives and the Senate, and the Fiscal Research Division
36 regarding any receipt-supported positions that are abolished and
37 shall justify any position that is vacant for a calendar year or
38 longer and is not abolished.

CODE NO. 97AGRIC-H003

Requested by: Representatives Mitchell, Baker, and Carpenter

MOUNTAIN STATE FAIR TO BECOME ENTERPRISE FUND

1 Section @. The activities of the Western North Carolina
2 Agricultural Center and the Mountain State Fair shall be combined
3 and operated in an enterprise fund. Current appropriated support
4 to the Western North Carolina Agricultural Center shall be
5 transferred on a quarterly basis with the anticipation that
6 appropriated support will only be necessary until the combined
7 operation develops sufficient revenue and operating reserves to
8 become totally self-supporting.

10
CODE NO. 97AGRIC-H004

Requested by: Representatives Mitchell, Baker, and Carpenter

TIMBER SALES FOR MAINTENANCE OF STATE FARMS FORESTLAND

1 Section @. The Department of Agriculture is authorized
2 to expend up to one hundred thousand dollars (\$100,000) each year
3 for forestry management from funds received from the sale of
4 timber that are deposited with the State Treasurer in a capital
5 improvement account pursuant to G.S. 146-30. The Director of the
6 Budget is authorized to transfer up to one hundred thousand
7 dollars (\$100,000) from the capital improvement account to the
8 Reserve for Forestry Management in the Department of
9 Agriculture's operating budget and to prepare succeeding
10 continuation budget documents to include one hundred thousand
11 dollars (\$100,000) in the Reserve for Forestry Management.

11
CODE NO. 97AGRIC-H005A

Requested by: Representatives Mitchell, Baker, and Carpenter

TRANSFER MARITIME MUSEUM TO CULTURAL RESOURCES

1 Section @. The North Carolina Maritime Museum, all
2 funds appropriated by the General Assembly for the museum, and
3 all resources and personnel provided for the museum by the
4 Department of Agriculture are transferred from the Department of
5 Agriculture to the Department of Cultural Resources. This
6 transfer shall have all of the elements of a Type I transfer, as
7 that term is defined in G.S. 143A-6(a). Where a conflict arises
8 in connection with the transfer, the transfer shall be resolved
9 by the Governor, and the decision of the Governor shall be final.

Requested by: Representatives Mitchell, Baker, and Carpenter

WESTERN NORTH CAROLINA DEVELOPMENT ASSOCIATION

1 Section @. The Western North Carolina Development
2 Association shall:

- 3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1996-97 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1996-97 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1997-98 planned activities,
12 objectives, and accomplishments, including
13 actual results through December 31, 1997; and
14 d. State fiscal year 1997-98 estimated itemized
15 expenditures and fund sources, including
16 actual expenditures and fund sources through
17 December 31, 1997.
18 (2) By January 15, 1999, and more frequently as
19 requested, report to the Joint Legislative
20 Commission on Governmental Operations and the
21 Fiscal Research Division the following information:
22 a. State fiscal year 1997-98 program activities,
23 objectives, and accomplishments;
24 b. State fiscal year 1997-98 itemized
25 expenditures and fund sources;
26 c. State fiscal year 1998-99 planned activities,
27 objectives, and accomplishments, including
28 actual results through December 31, 1998; and
29 d. State fiscal year 1998-99 estimated itemized
30 expenditures and fund sources, including
31 actual expenditures and fund sources through
32 December 31, 1998.
33 (3) Provide a copy of the Association's annual audited
34 financial statement to the Fiscal Research Division
35 within 30 days of issuance of the statement.

CODE NO. 97AGRIC-H007

Requested by: Representatives Mitchell, Baker, and Carpenter

INCREASE GRAPE GROWERS FUNDS

1 Section @. G.S. 105-113.81A reads as rewritten:
2 "\$ 105-113.81A. Distribution of part of wine taxes attributable
3 to North Carolina wine.
4 The Secretary shall on a quarterly basis credit to the
5 Department of Agriculture ninety-four percent (94%) of the net
6 proceeds of the excise tax collected on unfortified wine bottled
7 in North Carolina during the previous quarter and ninety-five
8 percent (95%) of the net proceeds of the excise tax collected on
9 fortified wine bottled in North Carolina during the previous
10 quarter, provided except that the amount credited to the
11 Department of Agriculture under this section shall not exceed
12 ninety one hundred fifty thousand dollars ~~(\$90,000)~~ (\$150,000)
13 per fiscal year. The Department of Agriculture shall allocate
14 the funds received under this section to the North Carolina Grape
15 Growers Council to be used to promote the North Carolina grape
16 and wine industry and to contract for research and development
17 services to improve viticultural and enological practices in
18 North Carolina. Any funds credited to the Department of
19 Agriculture under this section that are not expended by June 30
20 of any fiscal year may not revert to the General Fund, but shall
21 remain available to the Department for the uses set forth in this
22 section."

CODE NO. 97AGRIC-H008B-S12.5

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

AUTHORIZE THE AGRICULTURAL FINANCE AUTHORITY TO USE THE INTEREST FROM THE RESERVE FOR FARM LOANS FOR ADMINISTRATIVE EXPENSES

- 1 Section @. G.S. 122D-16 reads as rewritten:
- 2 "**§ 122D-16. Trust funds.** (a) Notwithstanding any other
- 3 provisions of law to the contrary, all moneys received pursuant
- 4 to the authority of this Chapter shall be deemed to be trust
- 5 funds to be held and applied solely as provided in this Chapter.
- 6 Interest earned from these moneys and interest received from
- 7 loans made from these moneys may be used for any purpose set out
- 8 in this Chapter and for the costs of administering this Chapter.
- 9 The resolution authorizing any obligations or the trust agreement
- 10 securing ~~the same~~ any obligations may provide that any of such
- 11 these moneys may be temporarily invested pending the disbursement
- 12 ~~thereof~~ of the moneys and shall provide that any officer with
- 13 whom, or any bank or trust company with which, such moneys shall
- 14 be deposited, shall act as trustee of such the moneys and shall
- 15 hold and apply the ~~same moneys~~ for the purposes hereof, under
- 16 this Chapter, subject to such regulations as this Chapter and
- 17 ~~such resolution or trust agreement may provide.~~ any rules adopted
- 18 pursuant to this Chapter and any provisions in the provision or
- 19 trust agreement. Any such moneys or any other
- 20 (b) All moneys of the Authority may be invested in the
- 21 following:
- 22 (1) Bonds, notes or treasury bills of the United
- 23 States;
- 24 (2) Non-convertible debt securities of the following
- 25 issuers:
- 26 a. The Federal Home Loan Bank Board;
- 27 b. The Federal National Mortgage Association;
- 28 c. The Federal Farm Credit Bank; and
- 29 d. The Student Loan Marketing Association;
- 30 (3) Any other obligations not listed above which are
- 31 guaranteed as to principal and interest by the
- 32 United States or any of its agencies;
- 33 (4) Certificates of deposit and other evidences of
- 34 deposit at state and federal chartered banks and
- 35 savings and loan associations; provided that any
- 36 principal amount of such certificate in excess of

- 1 the amount insured by the federal government or any
- 2 agency thereof be fully collateralized;
- 3 (5) Obligations of the United States or its agencies
- 4 under a repurchase agreement for a shorter time
- 5 than the maturity date of the security itself if
- 6 the market value of the security itself is more
- 7 than the amount of funds invested;
- 8 (6) Money market funds whose portfolios consist of any
- 9 of the foregoing investments;
- 10 (7) A guaranteed investment or similar contract, which
- 11 provides for the investment of funds at a
- 12 guaranteed rate of return, with an insurance
- 13 company or depository financial institution with a
- 14 claim paying rating of no less than either of the
- 15 two highest grades given by a nationally recognized
- 16 rating agency; and
- 17 (8) Any other investment authorized by law for the
- 18 investment of funds by a unit of local government."

16
CODE NO. 97AGRIC-H001B

Requested by: Representatives Tolson, Arnold

EASTERN NORTH CAROLINA LIVESTOCK ARENA FUNDS

1 Section @. Section 94 of Chapter 561 of the 1993
2 Session Laws reads as rewritten:
3 "Sec. 94. ~~(a)~~ The seven hundred thousand dollars (\$700,000)
4 appropriated in Section 4 of Chapter 1014 of the 1985 Session
5 Laws and allocated in Section 158(b) of Chapter 1014 of the 1985
6 Session Laws, as amended by Section 137(a) of Chapter 738 of the
7 1987 Session Laws, Section 154 of Chapter 1086 of the 1987
8 Session Laws, and Section 34 of Chapter 1100 of the 1987 Session
9 Laws, to the Rocky Mount Business Development Authority for the
10 agricultural complex located at Fountain Park in Section 137(a)
11 of Chapter 738 of the 1987 Session Laws, as amended by Section
12 154 of Chapter 1086 of the 1987 Session Laws and Section 34 of
13 Chapter 1100 of the 1987 Session Laws, the sum of seven hundred
14 thousand dollars (\$700,000) may be loaned to a city which is
15 located in two counties so as to allow that city to establish a
16 Farmer's Market in the vicinity of the old Fenner's Warehouse No.
17 1 on the North Church Street corridor.
18 ~~(b)~~ This no-interest loan shall be repaid by the city to the
19 Rocky Mount Business Development Authority (RMBDA) over the next
20 seven years at the rate of one hundred thousand dollars
21 (\$100,000) per year or at a rate necessary to support the cash
22 flow requirement for planning and constructing a processing
23 facility at Fountain Park.
24 ~~(c)~~ The Rocky Mount Business Development Authority (RMBDA)
25 shall provide a grant of all interest accrued to date, less
26 expenses, on the seven hundred thousand dollar (\$700,000)
27 appropriation to the Rocky Mount/Edgecombe Community Development
28 Corporation (RMECDC) for the South Washington Street
29 Revitalization Project.
30 ~~(d)~~ The City of Rocky Mount shall organize the Rocky Mount
31 Business Development Authority (RMBDA) such that the Authority
32 assists in planning and construction of a vegetable and fruit
33 processing facility in Fountain Park before January 1, 2001.
34 This processing facility shall have the capability to, at least:
35 cool, wash, wax, grade, sort, package, and store for transit the
36 commercial produce of local farm families. The facility shall
37 provide facilities for unloading harvested farm fruits and
38 vegetables, loading surface transport with packaged fruits and
39 vegetables, and supporting brokerage operations. RMBDA may use

1 ~~the funds repaid to it under subsection (b) of this section for~~
2 ~~the purposes of this subsection.~~ Park, plus all interest accrued,
3 shall be used for the construction of a facility to replace the
4 Eastern North Carolina Livestock Arena. This facility shall be
5 used for horse- and swine-breeding stock auctions, for cattle
6 sales, and for functions of the Future Farmers of America and 4-H
7 Clubs."

CODE NO. 97AGRIC-H011B

Requested by: Representatives Mitchell, Baker, Carpenter,
Brown, H. Hunter

ASSISTANCE FOR SMALL, FAMILY FARMS

1 Section @. Of the funds appropriated in this act to
2 the Department of Agriculture for the 1997-98 fiscal year, the
3 sum of fifty thousand dollars (\$50,000) shall be used to provide
4 assistance to farmers who operate small, family farms. By March
5 1, 1998, the Department shall report to the Joint Legislative
6 Commission on Governmental Operations, the Appropriations
7 Subcommittees on Natural and Economic Resources in both the House
8 of Representatives and the Senate, and the Fiscal Research
9 Division on the use of these funds, including the number and
10 geographic location of the small, family farms assisted through
11 this allocation of funds, the type of assistance provided, and
12 any other information or indicators that demonstrate the overall
13 impact of this allocation of funds.

CODE NO. 97AGRIC-H009A

Requested by: Representatives Mitchell, Baker, Carpenter

SOUTHERN DAIRY COMPACT COMMISSION FUNDS

1 Section @. (a) Of the funds appropriated in this act
2 to the Department of Agriculture, the sum of twenty-five thousand
3 dollars (\$25,000) for the 1997-98 fiscal year and the sum of
4 twenty-five thousand dollars (\$25,000) for the 1998-99 fiscal
5 year shall be used to support the Southern Dairy Compact
6 Commission.

7 (b) The allocation of funds under subsection (a) of
8 this section is contingent upon the enactment of House Bill 998
9 of the 1997 Session of the General Assembly, Senate Bill 977 of
10 the 1997 Session of the General Assembly, or substantially
11 similar legislation that creates the Southern Dairy Compact
12 Commission.

CODE NO. 97LAB-H001B

Requested by: Representatives Mitchell, Baker, Carpenter, and Owens

OSHA TECHNICAL ASSISTANCE

1 Section @. (a) Article 22 of Chapter 95 of the General
2 Statutes is amended by adding a new section to read:

3 "§ 95-255.1. Technical assistance.

4 Employers notified pursuant to G.S. 95-255(a) shall be offered
5 technical assistance from the Division of Occupational Safety and
6 Health to reduce injuries and illnesses in their workplaces."

7 (b) G.S. 95-136.1(b) reads as rewritten:

8 "(b) The Department shall develop and implement a special
9 emphasis inspection program that targets for special emphasis
10 inspection employers who:

11 (1) Have a high rate of serious or willful violations
12 of any standard, rule, order, or other requirement
13 under this Article, or of regulations prescribed
14 pursuant to the Federal Occupational Safety and
15 Health Act of 1970, in a one-year period;

16 (2) Have a high rate of work-related deaths, or a high
17 rate of work-related serious injuries or illnesses,
18 in a one-year period; or

19 (3) Are engaged in a type of industry determined by the
20 Department to be at high risk for serious or fatal
21 work-related injuries or ~~illnesses; or illnesses.~~

22 ~~(4) Have an experience modification rating established~~
23 ~~for workers' compensation premium rates that is~~
24 ~~significantly higher than the State average. For~~
25 ~~purposes of targeting employers under this~~
26 ~~subdivision, the Department, in consultation with~~
27 ~~the North Carolina Rate Bureau and the Commissioner~~
28 ~~of Insurance, shall set the experience modification~~
29 ~~rating threshold for determining a rating that is~~
30 ~~significantly higher than the State average.~~

31 To identify an employer for a special emphasis inspection, the
32 Department shall use the most current data available from its own
33 database and from other sources, including State departments,
34 divisions, boards, commissions, and other State entities. The
35 Department shall ensure that every employer targeted for a
36 special emphasis inspection is inspected at least one time within
37 the two-year period following targeting of the employer by the

1 Department. The Department shall update its special emphasis
2 inspection records at least annually."

3 (c) The Department of Labor shall use up to the sum of
4 four hundred fifty thousand dollars (\$450,000) in additional
5 federal funds received from the United States Department of Labor
6 under the federal OSHA 23(g) grant to provide technical
7 assistance to employers notified pursuant to G.S. 95-255(a).

CODE NO. 97LAB-H002A

Requested by: Representatives Mitchell, Baker, Carpenter

ESTABLISH DEPARTMENTAL SAFETY OFFICER

1 Section @. The Department of Labor shall use up to the
2 sum of fifty thousand dollars (\$50,000) in additional federal
3 funds received from the United States Department of Labor under
4 the federal OSHA 23(g) grant to establish a departmental Safety
5 Officer position.

CODE NO. 97COMM-H030B

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

WORKER TRAINING TRUST FUND APPROPRIATIONS

- 1 Section @. (a) There is appropriated from the Worker
- 2 Training Trust Fund to the Employment Security Commission of
- 3 North Carolina the sum of six million six hundred eighty-nine
- 4 thousand nine hundred sixty-four dollars (\$6,689,964) for the
- 5 1997-98 fiscal year and the sum of six million six hundred
- 6 eighty-nine thousand nine hundred sixty-four dollars (\$6,689,964)
- 7 for the 1998-99 fiscal year for the operation of local offices.
- 8 (b) Notwithstanding the provisions of G.S. 96-5(f),
- 9 there is appropriated from the Worker Training Trust Fund to the
- 10 following agencies the following sums for the 1997-98 and the
- 11 1998-99 fiscal years for the following purposes:
- 12 (1) \$2,400,000 for the 1997-98 fiscal year and
- 13 \$2,400,000 for the 1998-99 fiscal year to the
- 14 Department of Commerce, Division of Employment and
- 15 Training, for the Employment and Training Grant
- 16 Program;
- 17 (2) \$1,000,000 for the 1997-98 fiscal year and
- 18 \$1,000,000 for the 1998-99 fiscal year to the
- 19 Department of Labor for customized training of the
- 20 unemployed and the working poor for specific jobs
- 21 needed by employers through the Department's Bureau
- 22 for Training Initiatives;
- 23 (3) \$1,746,000 for the 1997-98 fiscal year and
- 24 \$1,746,000 for the 1998-99 fiscal year to the
- 25 Department of Community Colleges to continue the
- 26 Focused Industrial Training Program;
- 27 (4) \$225,000 for the 1997-98 fiscal year and \$225,000
- 28 for the 1998-99 fiscal year to the Employment
- 29 Security Commission for the State Occupational
- 30 Information Coordinating Committee to develop and
- 31 operate an interagency system to track former
- 32 participants in State education and training
- 33 programs;
- 34 (5) \$400,000 for the 1997-98 fiscal year and \$400,000
- 35 for the 1998-99 fiscal year to the Department of
- 36 Community Colleges for a training program in
- 37 entrepreneurial skills to be operated by North
- 38 Carolina REAL Enterprises; and

- 1 (6) \$50,000 for the 1997-98 fiscal year and \$50,000 for
2 the 1998-99 fiscal year to the Office of State
3 Budget and Management to maintain compliance with
4 Chapter 96 of the General Statutes, which directs
5 the Office Of State Budget and Management to employ
6 the Common Follow-Up Management Information System
7 to evaluate the effectiveness of the State's job
8 training, education, and placement programs.
- 9 (7) \$100,000 for the 1997-98 fiscal year and \$100,000
10 for the 1998-99 fiscal year to the State Board of
11 Education for the Teacher Apprenticeship Program.
- 12 (8) \$500,000 for the 1997-98 fiscal year and \$1,000,000
13 for the 1998-99 fiscal year to the Department of
14 Labor to expand the Apprenticeship Program. It is
15 intended that the appropriation of funds in this
16 subdivision will result in the Department of Labor
17 serving a benchmark performance level of 10,000
18 adult and youth apprentices by the year 2000.

CODE NO. 97COMM-H026

Requested by: Representatives Mitchell, Baker, Carpenter

JOB TRAINING STUDY COMMISSION

1 Section @. (a) The General Assembly intends to
2 reorganize the State's workforce development system to improve
3 the delivery of job training programs and services in North
4 Carolina.

5 (b) There is created a Legislative Study Commission on
6 Job Training Programs. The purpose of the Commission is to
7 review State and federally funded job training programs and
8 services currently in existence to determine the feasibility of
9 eliminating or consolidating those which are duplicative,
10 inefficient, or ineffective in carrying out their purposes and
11 activities.

12 (c) The Commission shall consist of six members
13 appointed by the Speaker of the House of Representatives, at
14 least three of whom shall be members of the House of
15 Representatives, and six members appointed by the President Pro
16 Tempore of the Senate, at least three of whom shall be members of
17 the Senate. The Speaker shall designate one Representative as
18 cochair and the President Pro Tempore shall designate one Senator
19 as cochair. Vacancies on the Commission shall be filled by the
20 same appointing officer who made the initial appointment. The
21 Commission shall expire upon delivering its final report to the
22 1997 General Assembly (1998 Regular Session).

23 The Commission, while in the discharge of official
24 duties, may exercise all powers provided for under the provisions
25 of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The
26 Commission may meet at any time upon the joint call of the
27 cochairs. The Commission may meet in the Legislative Building or
28 the Legislative Office Building. The Commission may contract for
29 professional, clerical, or consultant services as provided by
30 G.S. 120-32.02.

31 The Legislative Services Commission, through the
32 Legislative Administrative Officer, shall assign professional
33 staff to assist the Commission in its work. The House of
34 Representatives' and the Senate's Supervisors of Clerks shall
35 assign clerical staff to the Commission, and the expenses
36 relating to the clerical employees shall be borne by the
37 Commission. Members of the Commission shall receive subsistence
38 and travel expenses at the rates set forth in G.S. 120-3.1, 138-
39 5, or 138-6, as appropriate.

- 1 (d) The Commission shall have the following powers and
2 duties:
3 (1) To review State and federal laws, rules, and
4 regulations pertaining to job training programs to
5 determine the purpose of each program, the
6 population served, and each program's annual
7 outcomes in terms of type of training received,
8 work search efforts, and job placement;
9 (2) To ascertain as far as possible the intention of
10 the United States Congress with respect to
11 continued funding of federally mandated job
12 training programs and any changes in funding
13 formulae;
14 (3) To review the amount of State and federal dollars
15 appropriated for each job training program
16 conducted in this State and to review federal
17 requirements for continuous federal funding of the
18 programs;
19 (4) To review the number of different State agencies
20 that administer State and federal job training
21 programs, the number of persons employed to
22 implement each job training program, and the amount
23 of State dollars needed annually to implement the
24 program;
25 (5) To determine whether federally funded job training
26 programs in this State may lawfully be abolished or
27 reduced in size by the General Assembly, and the
28 impact of such reduction or elimination;
29 (6) To conduct public hearings to receive citizen,
30 State agency, and local government comment and
31 experience with the job training programs;
32 (7) To conduct other studies or activities to aid the
33 Commission in carrying out its purpose and duties,
34 including reviewing reorganization and
35 consolidation efforts in other states; and
36 (8) To ensure program evaluation and accountability for
37 all workforce development programs and to create a
38 comprehensive statewide focus on workforce
39 development.
40 (e) The Commission shall report to the 1997 General
41 Assembly (1998 Regular Session), the Joint Legislative Commission
42 on Governmental Operations, and the Joint Legislative Education
43 Oversight Committee not later than May 1, 1998. The report shall
44 identify each job training program operating in the State and

1 recommend whether each program should be expanded, continued
2 without change, abolished, consolidated with another program, or
3 otherwise modified, including implementation components.

4 (f) All State departments and agencies and local
5 governments and their subdivisions shall furnish the Commission
6 with any information in their possession or available to them.

7 (g) Notwithstanding G.S. 96-5(f), there is appropriated
8 from the Worker Training Trust Fund to the General Assembly the
9 sum of fifty thousand dollars (\$50,000) for the 1997-98 fiscal
10 year to implement this section.

CODE NO. 97COMM-H027

Requested by: Representatives Mitchell, Baker, Carpenter

NC REAL ENTERPRISES REPORTING

- 1 Section @. NC REAL Enterprises shall do the following:
- 2 (1) By January 15, 1998, and more frequently as
- 3 requested, report to the Joint Legislative
- 4 Commission on Governmental Operations and the
- 5 Fiscal Research Division the following information:
- 6 a. State fiscal year 1996-97 program activities,
- 7 objectives, and accomplishments;
- 8 b. State fiscal year 1996-97 itemized
- 9 expenditures and fund sources;
- 10 c. State fiscal year 1997-98 planned activities,
- 11 objectives, and accomplishments including
- 12 actual results through December 31, 1997; and
- 13 d. State fiscal year 1997-98 estimated itemized
- 14 expenditures and fund sources including actual
- 15 expenditures and fund sources through December
- 16 31, 1997;
- 17 (2) By January 15, 1999, and more frequently as
- 18 requested, report to the Joint Legislative
- 19 Commission on Governmental Operations and the
- 20 Fiscal Research Division the following information:
- 21 a. State fiscal year 1997-98 program activities,
- 22 objectives, and accomplishments;
- 23 b. State fiscal year 1997-98 itemized
- 24 expenditures and fund sources;
- 25 c. State fiscal year 1998-99 planned activities,
- 26 objectives, and accomplishments including
- 27 actual results through December 31, 1998; and
- 28 d. State fiscal year 1998-99 estimated itemized
- 29 expenditures and fund sources including actual
- 30 expenditures and fund sources through December
- 31 31, 1998; and
- 32 (3) Provide to the Fiscal Research Division a copy of
- 33 the organization's annual audited financial
- 34 statement within 30 days of issuance of the
- 35 statement.

CODE NO. 97COMM-H025

Requested by: Representatives Mitchell, Baker, Carpenter

SPECIAL EMPLOYMENT SECURITY ADMINISTRATION FUND

1 Section @. (a) Notwithstanding G.S. 96-5(c), there is
2 appropriated from the Special Employment Security Administration
3 Fund to the Employment Security Commission of North Carolina, the
4 sum of two million dollars (\$2,000,000) for the 1997-98 fiscal
5 year and the sum of two million dollars (\$2,000,000) for the
6 1998-99 fiscal year for administration of the Employment Services
7 and Unemployment Insurance Programs.
8 (b) Supplemental federal funds or other additional
9 funds received by the Employment Security Commission for similar
10 purposes shall be expended prior to the expenditure of funds
11 appropriated by this section.

CODE NO. 97COMM-H028

Requested by: Representatives Mitchell, Baker, Carpenter
INDUSTRIAL RECRUITMENT COMPETITIVE FUND

1 Section @. (a) Funds appropriated in this act to the
2 Department of Commerce for the Industrial Recruitment Competitive
3 Fund shall be used to continue the Fund. The purpose of the Fund
4 is to provide financial assistance to those businesses or
5 industries deemed by the Governor to be vital to a healthy and
6 growing State economy and that are making significant efforts to
7 establish or expand in North Carolina. Monies allocated from the
8 Fund shall be used for the following purposes:

- 9 (1) Installation or purchase of equipment;
10 (2) Structural repairs, improvements, or renovations of
11 existing buildings to be used for expansion; and
12 (3) Construction of or improvements to new or existing
13 water, sewer, gas or electric utility distribution
14 lines, or equipment for existing buildings.

15 Monies may also be used for construction of or
16 improvements to new or existing water, sewer, gas or electric
17 utility distribution lines, or equipment to serve new or proposed
18 industrial buildings used for manufacturing and industrial
19 operations. The Governor shall adopt guidelines and procedures
20 for the commitment of monies from the Fund.

21 (b) The Department of Commerce shall report on or
22 before October 1, 1997, and quarterly thereafter to the Joint
23 Legislative Commission on Governmental Operations on the
24 commitment, allocation, and use of funds allocated from the
25 Industrial Recruitment Competitive Fund.

97COMM-H015

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

COUNCIL OF GOVERNMENT FUNDS

1 Section @. (a) Of the funds appropriated in this act
2 to the Department of Commerce, eight hundred sixty-four thousand
3 two hundred seventy dollars (\$864,270) for the 1997-98 fiscal
4 year and eight hundred sixty-four thousand two hundred seventy
5 dollars (\$864,270) for the 1998-99 fiscal year shall only be used
6 as provided by this section. Each regional council of government
7 or lead regional organization is allocated up to forty-eight
8 thousand fifteen dollars (\$48,015) for each fiscal year, with the
9 actual amount calculated as provided in subsection (b) of this
10 section.

11 (b) The funds shall be allocated as follows: A share
12 of the maximum forty-eight thousand fifteen dollars (\$48,015)
13 each fiscal year shall be allocated to each county and smaller
14 city based on the most recent annual estimate of the Office of
15 State Planning of the population of that county (less the
16 population of any larger city within that county) or smaller
17 city, divided by the sum of the total population of the region
18 (less the population of larger cities within that region) and the
19 total population of the region living in smaller cities. Those
20 funds shall be paid to the regional council of government for the
21 region in which that city or county is located upon receipt by
22 the Department of Commerce of a resolution of the governing board
23 of the county or city requesting release of the funds. If any
24 city or county does not so request payment of funds by June 30 of
25 a State fiscal year, that share of the allocation for that fiscal
26 year shall revert to the General Fund.

27 (c) A regional council of government may use funds
28 appropriated by this section only to assist local governments in
29 grant applications, economic development, community development,
30 support of local industrial development activities, and other
31 activities as deemed appropriate by the member governments.

32 (d) Funds appropriated by this section shall not be
33 used for payment of dues or assessments by the member governments
34 and shall not supplant funds appropriated by the member
35 governments.

36 (e) As used in this section, "Larger City" means an
37 incorporated city with a population of 50,000 or over. "Smaller
38 City" means any other incorporated city.

CODE NO. 97COMM-H003

Requested by: Representatives Mitchell, Baker, and Carpenter
PETROLEUM OVERCHARGE ATTORNEYS' FEES

1 Section *. (a) Unless prohibited by federal law, rule,
2 or regulation or preexisting settlement agreement, no later than
3 October 1, 1989, the North Carolina Attorney General shall direct
4 the withdrawal of all funds received in the cases of United
5 States v. Exxon and Stripper Well that are held in accounts or
6 reserves located out-of-state for payment of attorneys' fees and
7 reasonable expenses incurred in connection with oil overcharge
8 litigation authorized by the Attorney General. The Attorney
9 General shall deposit these funds, and all funds to be received
10 from Petroleum Overcharge Funds in the future for attorneys' fees
11 and reasonable expenses, into the Special Reserve for Oil
12 Overcharge Funds.

13 (b) All attorneys' fees and reasonable expenses
14 incurred in connection with oil overcharge litigation shall be
15 paid by the State Treasurer from Petroleum Overcharge Funds that
16 have been received by this State and deposited into the Special
17 Reserve for Oil Overcharge Funds.

18 (c) Notwithstanding any other provision of law, the
19 Attorney General may authorize the payment of attorneys' fees and
20 reasonable expenses from the Special Reserve for Oil Overcharge
21 Funds without further action of the General Assembly, and funds
22 are hereby appropriated from the Special Reserve for Oil
23 Overcharge Funds for the 1997-98 fiscal year and for the 1998-99
24 fiscal year for that purpose.

CODE NO. 97COMM-H004

Requested by: Representatives Mitchell, Baker, and Carpenter
PETROLEUM OVERCHARGE FUNDS ALLOCATION

1 Section *. (a) The funds and interest thereon received
2 from the case of the United States v. Exxon are deposited in the
3 Special Reserve for Oil Overcharge Funds. There is appropriated
4 from the Special Reserve to the Department of Commerce the sum of
5 one million two hundred thousand dollars (\$1,200,000) for the
6 1997-98 fiscal year and the sum of one million two hundred
7 thousand dollars (\$1,200,000) for the 1998-99 fiscal year to be
8 used for projects under the State Energy Efficiency Programs.
9 (b) There is appropriated from funds and interest
10 thereon received from the United States Department of Energy's
11 Stripper Well Litigation (MDL378) that remain in the Special
12 Reserve for Oil Overcharge Funds to the Department of Commerce
13 the sum of one million dollars (\$1,000,000) for the 1997-98
14 fiscal year and the sum of one million eight hundred thousand
15 dollars (\$1,800,000) for the 1998-99 fiscal year to be allocated
16 for the Residential Energy Conservation Assistance Programs
17 (RECAP).
18 (c) Any funds remaining in the Special Reserve for Oil
19 Overcharge Funds after the allocations made pursuant to
20 subsections (a) and (b) of this section may be expended only as
21 authorized by the General Assembly. All interest or income
22 accruing from all deposits or investments of cash balances shall
23 be credited to the Special Reserve Oil Overcharge Funds.
24 (d) The funds and interest thereon received from the
25 Diamond Shamrock Settlement that remain in a reserve in the
26 Office of State Budget and Management for the Department of
27 Commerce to administer the petroleum overcharge funds pursuant to
28 Section 112 of Chapter 830 of the 1987 Session Laws shall
29 continue to be available to the Department of Commerce on an as-
30 needed basis.
31 (e) The Department of Commerce shall submit
32 comprehensive annual reports to the General Assembly by May 15,
33 1998, and January 31, 1999, which detail the use of all Petroleum
34 Overcharge Funds. Any State department or agency that has
35 received Petroleum Overcharge Funds shall provide all information
36 requested by the Department of Commerce for the purpose of
37 preparing these reports.

CODE NO. 97COMM-H007A

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH

1 Section @. Local governments requesting financial
2 assistance from the Industrial Development Fund that wish to
3 request to be exempted from the local matching requirements
4 placed on the receipt of this assistance shall demonstrate to the
5 satisfaction of the Department of Commerce that it would be an
6 economic hardship for the local government to match State
7 assistance from the Fund with local funds. The Department shall
8 develop guidelines for determining hardship.

CODE NO. 97COMM-H029A

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

INDUSTRIAL DEVELOPMENT FUND UTILITY ACCOUNT

1 Sec. @. (a) Of the funds appropriated in this act to
2 the Department of Commerce for the 1997-98 fiscal year, the sum
3 of five hundred thousand dollars (\$500,000) shall be deposited to
4 and used for the Utility Account established under G.S. 143B-
5 437A(b1).
6 (b) In addition to the reporting requirements of G.S.
7 143B-437A, the Department of Commerce shall report annually to
8 the General Assembly concerning the payments made from the
9 Utility Account and the impact of the payments on job creation in
10 the State. The Department of Commerce shall also report quarterly
11 to the Joint Legislative Commission on Governmental Operations
12 and the Fiscal Research Division on the use of the moneys in the
13 Utility Account including information regarding to whom payments
14 were made, in what amounts, and for what purposes.
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CODE NO. 97COMM-H008A

Requested by: Representatives Mitchell, Baker, Carpenter
REGIONAL COMMISSION REPORTS

- 1 Section @. (a) Each regional economic development
2 commission receiving a grant-in-aid from the Department of
3 Commerce shall:
- 4 (1) By January 15, 1998, and more frequently as
5 requested, report to the Joint Legislative
6 Commission on Governmental Operations, the Fiscal
7 Research Division, and the Department of Commerce
8 the following information:
- 9 a. State fiscal year 1996-97 program activities,
10 objectives, and accomplishments;
11 b. State fiscal year 1996-97 itemized
12 expenditures and fund sources;
13 c. State fiscal year 1997-98 planned activities,
14 objectives, and accomplishments as specified
15 in subsection (b)(1) through (b)(6) of this
16 section including actual results through
17 December 31, 1997;
18 d. State fiscal year 1997-98 estimated itemized
19 expenditures and fund sources including actual
20 expenditures and fund sources through December
21 31, 1997.
- 22 (2) By January 15, 1999, and more frequently as
23 requested, report to the Joint Legislative
24 Commission on Governmental Operations, the Fiscal
25 Research Division, and the Department of Commerce
26 the following information:
- 27 a. State fiscal year 1997-98 program activities,
28 objectives, and accomplishments;
29 b. State fiscal year 1997-98 itemized
30 expenditures and fund sources;
31 c. State fiscal year 1998-99 planned activities,
32 objectives, and accomplishments as specified
33 in subsection (b)(1) through (b)(6) of this
34 section including actual results through
35 December 31, 1998;
36 d. State fiscal year 1998-99 estimated itemized
37 expenditures and fund sources including actual
38 expenditures and fund sources through December
39 31, 1998.

- 1 (3) Provide to the Fiscal Research Division and the
2 Department of Commerce a copy of its annual audited
3 financial statement within 30 days of issuance of
4 the statement.
- 5 (b) Each regional economic development commission
6 receiving a grant-in-aid from the Department of Commerce in each
7 fiscal year of the 1997-99 biennium shall by the 25th day of the
8 month following the end of a fiscal quarter, report to the
9 Department of Commerce the following information for the most
10 recent completed fiscal quarter:
- 11 (1) The number of and description of marketing outreach
12 events including trade shows, recruitment missions,
13 and related activities;
- 14 (2) The number of inquiries, leads, and prospects
15 generated;
- 16 (3) The amount of investment and number of jobs created
17 by the direct efforts of a commission;
- 18 (4) The amount of investment and number of jobs created
19 by the indirect efforts of a commission;
- 20 (5) The number and listing of available sites and
21 buildings within the region served by a commission;
- 22 (6) A listing of major accomplishments.
- 23

CODE NO. 97COMM-H009

Requested by: Representatives Mitchell, Baker, Carpenter
REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS

1 Section ④. (a) Funds appropriated in this act to the
2 Department of Commerce for regional economic development
3 commissions shall be allocated to the following commissions in
4 accordance with subsection (b) of this section: Western North
5 Carolina Regional Economic Development Commission, Research
6 Triangle Regional Commission, Southeastern North Carolina
7 Regional Economic Development Commission, Piedmont Triad
8 Partnership, Northeastern North Carolina Regional Economic
9 Development Commission, Global TransPark Development Commission,
10 and Carolinas Partnership, Inc.

11 (b) Funds appropriated pursuant to subsection (a) of
12 this section shall be allocated to each regional economic
13 development commission as follows:

14 (1) First, the Department shall establish each
15 commission's allocation by determining the sum of
16 allocations to each county that is a member of that
17 commission. Each county's allocation shall be
18 determined by dividing the county's enterprise
19 factor by the sum of the enterprise factors for
20 eligible counties and multiplying the resulting
21 percentage by the amount of the appropriation. As
22 used in this subdivision, the term "enterprise
23 factor" means a county's enterprise factor as
24 calculated under G.S. 105-129.3;

25 (2) Next, the Department shall subtract from funds
26 allocated to the Global TransPark Development Zone
27 the sum of two hundred seventy-six thousand nine
28 hundred twenty-three dollars (\$276,923) in each
29 fiscal year, which sum represents the interest
30 earnings in each fiscal year on the estimated
31 balance of seven million five hundred thousand
32 dollars (\$7,500,000) appropriated to the Global
33 TransPark Development Zone in Section 6 of Chapter
34 561 of the 1993 Session Laws; and

35 (3) Next, the Department shall redistribute the sum of
36 two hundred seventy-six thousand nine hundred
37 twenty-three dollars (\$276,923) in each fiscal year
38 to the seven regional economic development
39 commissions named in subsection (a) of this

1 section. Each commission's share of this
2 redistribution shall be determined according to the
3 enterprise factor formula set out in subdivision
4 (1) of this subsection. This redistribution shall
5 be in addition to each commission's allocation
6 determined under subdivision (1) of this
7 subsection.

CODE NO. 97COMM-H005

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

TOURISM PROMOTION FUNDS

1 Section *. Funds appropriated in this act to the
2 Department of Commerce for tourism promotion grants shall be
3 allocated according to per capita income, unemployment, and
4 population growth in an effort to direct funds to counties most
5 in need in terms of lowest per capita income, highest
6 unemployment, and slowest population growth, in the following
7 manner:

- 8 (1) Counties 1 through 20 are each eligible to receive
9 a maximum grant of \$7,500 for each fiscal year,
10 provided these funds are matched on the basis of
11 one non-State dollar for every four State dollars.
12 (2) Counties 21 through 50 are each eligible to receive
13 a maximum grant of \$3,500 for two of the next three
14 fiscal years, provided these funds are matched on
15 the basis of one non-State dollar for every three
16 State dollars.
17 (3) Counties 51 through 100 are each eligible to
18 receive a maximum grant of \$3,500 for alternating
19 fiscal years, beginning with the 1991-92 fiscal
20 year, provided these funds are matched on the basis
21 of four non-State dollars for every State dollar.

CODE NO. 97COMM-H016

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

RURAL TOURISM DEVELOPMENT FUNDS

1 Section @. Of the funds appropriated in this act to the
2 Department of Commerce for the 1997-98 fiscal year, the sum of
3 one hundred thousand dollars (\$100,000) shall be used for the
4 Rural Tourism Development Grant Program. The Department shall
5 establish and implement this Program to provide grants to local
6 governments and nonprofit organizations to encourage the
7 development of new tourism projects and activities in rural areas
8 of the State. The Department shall develop procedures for the
9 administration and distribution of funds allocated to the Rural
10 Tourism Development Program under the following guidelines:

- 11 (1) Eligible organizations shall make application under
12 procedures established by the Department;
- 13 (2) Eligible organizations shall be nonprofit tourism-
14 related organizations located in the State's rural
15 regions;
- 16 (3) Priority shall be given to eligible organizations
17 that have significant involvement of travel and
18 tourism-related businesses;
- 19 (4) Priority shall be given to eligible organizations
20 serving economically distressed rural counties;
- 21 (5) Priority shall be given to eligible organizations
22 that match funds; and
- 23 (6) Funds shall not be used for renting or purchasing
24 land or buildings, or for financing debt.

25 No recipient or new tourism project shall receive a
26 total of more than fifty thousand dollars (\$50,000) of these
27 grant funds for the 1997-98 fiscal year.

CODE NO. 97COMM-H024

Requested by: Representatives Mitchell, Baker, Carpenter
NORTH CAROLINA ALLIANCE FOR COMPETITIVE TECHNOLOGIES REPORT

1 Section @. The North Carolina Alliance for Competitive
2 Technologies, a Division of the Department of Commerce, shall do
3 the following:

- 4 (1) By January 15, 1998, and more frequently as
5 requested, report to the Joint Legislative
6 Commission on Governmental Operations and the
7 Fiscal Research Division the following information:
8 a. State fiscal year 1996-97 program activities,
9 objectives, and accomplishments;
10 b. State fiscal year 1996-97 itemized
11 expenditures and fund sources;
12 c. State fiscal year 1997-98 planned activities,
13 objectives, and accomplishments including
14 actual results through December 31, 1997; and
15 d. State fiscal year 1997-98 estimated itemized
16 expenditures and fund sources including actual
17 expenditures and fund sources through December
18 31, 1997; and
19 (2) By January 15, 1999, and more frequently as
20 requested, report to the Joint Legislative
21 Commission on Governmental Operations and the
22 Fiscal Research Division the following information:
23 a. State fiscal year 1997-98 program activities,
24 objectives, and accomplishments;
25 b. State fiscal year 1997-98 itemized
26 expenditures and fund sources;
27 c. State fiscal year 1998-99 planned activities,
28 objectives, and accomplishments including
29 actual results through December 31, 1998; and
30 d. State fiscal year 1998-99 estimated itemized
31 expenditures and fund sources including actual
32 expenditures and fund sources through December
33 31, 1998.

CODE NO. 97COMM-H006A

Requested by: Representatives Mitchell, Baker, Carpenter

**DIVISION OF EMPLOYMENT AND TRAINING AND COMMISSION ON WORKFORCE
PREPAREDNESS CONSOLIDATED**

1 Sec. @. The Department of Commerce shall consolidate
2 the functions, staff, and budget of the Commission on Workforce
3 Preparedness into the Division of Employment and Training. In
4 consolidating these departmental entities, the Department shall
5 eliminate budget expenditures and personnel positions, including
6 management, that are duplicative. To the maximum extent
7 possible, the Department shall use the efficiencies realized from
8 the consolidation of the entities and the elimination of
9 duplicative positions and budget expenditures to increase funds
10 available for job training for individuals eligible for services
11 under State and federal programs administered by the Division of
12 Employment and Training. The Department shall complete the
13 consolidation required under this section not later than October
14 1, 1997, and shall report on the consolidation to the Joint
15 Legislative Commission on Governmental Operations and the Fiscal
16 Research Division not later than November 1, 1997.
17

CODE NO. 97COMM-H017B

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

FUNDS FOR ECONOMIC DEVELOPMENT

Section @. (a) Of the funds appropriated in this act to the Department of Commerce, the sum of nine hundred seventy-five thousand dollars (\$975,000) for the 1997-98 fiscal year shall be allocated as follows:

- (1) \$350,000 to the Land Loss Prevention Project, Inc., to provide free legal representation to low-income, financially-distressed, small farmers. The Land Loss Prevention Project, Inc., shall not use these funds to represent farmers who have income and assets that would make them financially ineligible for legal services pursuant to Title 45, Part 1611 of the Code of Federal Regulations;
- (2) \$250,000 to the North Carolina Coalition of Farm and Rural Families, Inc., for its Small Farm Economic Development Project. These funds shall be used to foster economic development within the State's rural farm communities by offering marketing and technical assistance to small and limited resource farmers; and
- (3) \$375,000 to the North Carolina Minority Support Center (formerly known as the Minority Credit Union Support Center) for technical assistance to community-based minority credit unions.

(b) Each of the nonprofit organizations receiving funds under this section shall:

- (1) By January 15, 1998, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:
 - a. State fiscal year 1996-97 program activities, objectives, and accomplishments;
 - b. State fiscal year 1996-97 itemized expenditures and fund sources;
 - c. State fiscal year 1997-98 planned activities, objectives, and accomplishments including actual results through December 31, 1997; and
 - d. State fiscal year 1997-98 estimated itemized expenditures and fund sources including actual

expenditures and fund sources through December 31, 1997.

- (2) Provide to the Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

CODE NO. 97COMM-H018

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

NORTH CAROLINA INSTITUTE FOR MINORITY ECONOMIC DEVELOPMENT REPORT

1 Sec. @. The North Carolina Institute for Minority
2 Economic Development, Inc. shall do the following:

3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:

- 7 a. State fiscal year 1996-97 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1996-97 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1997-98 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1997; and
14 d. State fiscal year 1997-98 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1997;

18 (2) By January 15, 1999, and more frequently as
19 requested, report to the Joint Legislative
20 Commission on Governmental Operations and the
21 Fiscal Research Division the following information:

- 22 a. State fiscal year 1997-98 program activities,
23 objectives, and accomplishments;
24 b. State fiscal year 1997-98 itemized
25 expenditures and fund sources;
26 c. State fiscal year 1998-99 planned activities,
27 objectives, and accomplishments including
28 actual results through December 31, 1998; and
29 d. State fiscal year 1998-99 estimated itemized
30 expenditures and fund sources including actual
31 expenditures and fund sources through December
32 31, 1998; and

33 (3) Provide to the Fiscal Research Division a copy of
34 the organization's annual audited financial
35 statement within 30 days of issuance of the
36 statement.

37
38

CODE NO. 97COMM-H010A

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

TECHNOLOGICAL DEVELOPMENT AUTHORITY REPORT

1 Section @. The Technological Development Authority,
2 Inc., shall do the following:

- 3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1996-97 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1996-97 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1997-98 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1997; and
14 d. State fiscal year 1997-98 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1997;
- 18 (2) By January 15, 1999, and more frequently as
19 requested, report to the Joint Legislative
20 Commission on Governmental Operations and the
21 Fiscal Research Division the following information:
22 a. State fiscal year 1997-98 program activities,
23 objectives, and accomplishments;
24 b. State fiscal year 1997-98 itemized
25 expenditures and fund sources;
26 c. State fiscal year 1998-99 planned activities,
27 objectives, and accomplishments including
28 actual results through December 31, 1998; and
29 d. State fiscal year 1998-99 estimated itemized
30 expenditures and fund sources including actual
31 expenditures and fund sources through December
32 31, 1998; and
- 33 (3) Provide to the Fiscal Research Division a copy of
34 the organization's annual audited financial
35 statement within 30 days of issuance of the
36 statement.

CODE NO. 97COMM-H019

Requested by: Representatives Mitchell, Baker, Carpenter
WORLD TRADE CENTER FUNDS

- 1 Section @. Of the funds appropriated in this act to the
2 Department of Commerce, the sum of three hundred thousand dollars
3 (\$300,000) for the 1997-98 fiscal year shall be allocated to the
4 World Trade Center North Carolina (WTCNC) to support
5 international trade education programs for small- and medium-
6 sized businesses. The World Trade Center North Carolina shall:
- 7 (1) By January 15, 1998, and more frequently as
8 requested, report to the Joint Legislative
9 Commission on Governmental Operations and the
10 Fiscal Research Division the following information:
11 a. State fiscal year 1996-97 program activities,
12 objectives, and accomplishments;
13 b. State fiscal year 1996-97 itemized
14 expenditures and fund sources;
15 c. State fiscal year 1997-98 planned activities,
16 objectives, and accomplishments including
17 actual results through December 31, 1997;
18 d. State fiscal year 1997-98 estimated itemized
19 expenditures and fund sources including actual
20 expenditures and fund sources through December
21 31, 1997.
- 22 (2) Provide to the Fiscal Research Division a copy of
23 the Center's annual audited financial statement
24 within 30 days of issuance of the statement.

CODE NO. 97COMM-H020

Requested by: Representatives Mitchell, Baker, Carpenter
CENTER FOR COMMUNITY SELF-HELP FUNDS

1 Section @. (a) Of the funds appropriated in this act
2 to the Department of Commerce, the sum of three million dollars
3 (\$3,000,000) for the 1997-98 fiscal year shall be allocated to
4 the Center for Community Self-Help to further a statewide program
5 of lending for home ownership throughout North Carolina. These
6 funds will be leveraged on a ten-to-one basis, generating at
7 least ten dollars (\$10.00) of nontraditional home loans for every
8 one dollar (\$1.00) of State funds. Payments of principal shall
9 be available for further loans or loan guarantees.

10 (b) The Center for Community Self-Help shall submit,
11 within 180 days after the close of its fiscal year, audited
12 financial statements to the State Auditor. All records
13 pertaining to the use of State funds shall be made available to
14 the State Auditor upon request. The Center for Community Self-
15 Help shall make quarterly reports on the use of State funds to
16 the State Auditor, in form and format prescribed by the State
17 Auditor or his designee. The Center for Community Self-Help
18 shall make a written report by May 1 of each year for the next
19 three years to the General Assembly on the use of the funds
20 allocated under this section.

21 (c) The Center for Community Self-Help shall report to
22 the Joint Legislative Commission on Governmental Operations, the
23 House Appropriations Subcommittee on Natural and Economic
24 Resources, the Senate Appropriations Committee on Natural and
25 Economic Resources, and the Department of Commerce on a quarterly
26 basis for the next three years.

27 (d) The Office of the State Auditor may conduct an
28 annual end-of-year audit of the revolving fund for economic
29 development lending created by this appropriation for each year
30 of the life of the revolving fund.

31 (e) If the Center for Community Self-Help dissolves,
32 the corporation shall transfer the remaining assets of the
33 revolving fund to the State and shall refrain from disposing of
34 the revolving fund assets without approval of the State
35 Treasurer.

36 (f) The Department of Commerce shall disburse this
37 appropriation within 15 working days of the receipt of a request
38 for the funds from the Center for Community Self-Help. The

1 request shall include a commitment of the leveraged funds by the
2 Center for Community Self-Help or its affiliates.

CODE NO. 97COMM-H032

Requested by: Representatives Mitchell, Baker, Carpenter

STATE GOVERNMENT COMPETITION INITIATIVE

1 Sec. @. The General Statutes are amended by adding a
2 new Chapter to read:

3 "Chapter 143C.

4 "North Carolina Government Competition Act of 1997.

5 "§ 143C-1. Short title.

6 This Chapter shall be known and may be cited as the 'North
7 Carolina Government Competition Act'.

8 "§ 143C-2. Definitions.

9 As used in this Chapter, unless the context otherwise requires:

10 (1) 'Commission' means the North Carolina Government
11 Competition Commission.

12 (2) 'State agency' means any State department, agency,
13 or institution.

14 "§ 143C-3. North Carolina Government Competition Commission
15 created; duties.

16 (a) There is hereby created the North Carolina Government
17 Competition Commission. The purpose of the Commission is to be
18 the catalyst to cause the use of competition to improve the
19 delivery of State government services, to make State government
20 more effective and more efficient, and to reduce the costs of
21 government to taxpayers.

22 (b) The Commission shall:

23 (1) Develop an institutional framework for a statewide
24 competition initiative to encourage innovation and
25 competition within State government.

26 (2) Establish a system to encourage the use of
27 feasibility studies and innovation to determine
28 where competition could reduce government costs
29 without adversely affecting essential services.

30 (3) Monitor the activities, products, and services of
31 State agencies to bring an element of competition
32 and to ensure a spirit of innovation and
33 entrepreneurship to compete with the private sector
34 to increase the quality of services or reduce costs
35 to taxpayers.

36 (4) Identify any barriers to competition in State
37 government and recommend actions to overcome those
38 barriers.

- 1 (5) Promote acceptance of competition by State
2 government officials and State employees as a
3 viable alternative to in-house operations for
4 delivering State government services where savings
5 to the State may be realized through competition,
6 including the development and implementation of
7 State employee adjustment and incentive programs.
8 (6) Advocate, develop, and accelerate implementation of
9 a competitive program for State agencies to ensure
10 competition for the provision or production of
11 government services from both public sector and
12 private sector entities.
13 (7) Establish approval, planning, and reporting
14 processes required to carry out the functions of
15 the Commission.
16 (8) Determine the competition potential of a State
17 program or activity, perform cost and benefit
18 analyses, and conduct public and private
19 competition analyses.
20 (9) Devise evaluation criteria to be used in conducting
21 performance reviews of any State program or
22 activity which is subject to a competition
23 recommendation.
24 (10) Assess the short-term and long-term results of
25 State government competition efforts.
26 (11) Appoint, as needed, ad hoc committees relating to
27 specific matters within the Commission's purview.
28 "§ 143C-4. Membership; appointment; terms; vacancies; chair;
29 quorum; compensation.
30 (a) The Commission shall be composed of nine members to be
31 appointed as follows:
32 (1) Three members appointed by the Governor, one of
33 whom shall be a State employee and two of whom
34 shall be members of the private sector, and one of
35 these private sector members shall have large scale
36 purchasing experience.
37 (2) Three members appointed by the Speaker of the House
38 of Representatives, two of whom shall be members of
39 the private sector.
40 (3) Three members appointed by the President Pro
41 Tempore of the Senate, two of whom shall be members
42 of the private sector.
43 Members of the Commission shall serve two-year terms. In
44 making the initial appointments to the Commission, the respective

1 appointing authorities shall appoint at least one member for a
2 one-year term so that subsequent terms stagger.

3 (b) All initial appointments shall be effective July 1, 1997.
4 The initial members' terms shall end on June 30 of the applicable
5 year in which a term expires, with the subsequent term beginning
6 on July 1 of that year. No member may serve more than two
7 consecutive terms. Vacancies shall be filled by the appointing
8 authority for any unexpired portion of a term. Members shall
9 receive subsistence, per diem, and travel allowances as provided
10 by G.S. 138-5.

11 (c) A majority of the members shall constitute a quorum. The
12 Commission shall annually elect its chair and vice-chair from
13 among its members.

14 "§ 143C-5. Cooperation of other State agencies.

15 All State agencies shall cooperate with the Commission and,
16 upon request, assist the Commission in the performance of its
17 duties and responsibilities. The Commission shall not impose
18 unreasonable burdens or costs in connection with requests of
19 State agencies.

20 "§ 143C-6. Staff support; application for and acceptance of
21 gifts and grants; authority to enter into contract.

22 (a) The Office of State Budget and Management shall provide
23 staff support to the Commission to enable it to perform its
24 duties as provided by this Chapter.

25 (b) The Commission may apply for, accept, and expend gifts,
26 grants, or donations from public or private sources to enable it
27 to better carry out its objectives. No entity which provides a
28 gift, donation, or grant shall be eligible for a contract award
29 which results from action of a Commission recommendation.

30 (c) The Commission may enter into contracts for professional
31 or consultant service. Any consultant awarded a contract under
32 this subsection shall be ineligible for a contract award
33 resulting from the consultant's recommendations.

34 "§ 143C-7. Public-private competition analysis; proposals for
35 competition.

36 (a) The Governor or the General Assembly may direct any State
37 agency to perform a public-private competition analysis covering
38 any service for which the Commission has received a qualifying
39 unsolicited proposal for competition from a private entity which
40 is consistent with the Commission's purposes and duties as
41 provided by this Chapter.

42 (b) The Commission may solicit competition proposals from
43 private entities in order to make cost comparison decisions. Any

1 State agency may submit proposals to the Commission for cost
2 comparison decisions.

3 "§ 143C-8. Duties of the Office of State Budget and Management.

4 The Office of State Budget and Management shall determine the
5 amount of an existing appropriation that would no longer be
6 needed by a State agency as the result of savings realized
7 through competition and shall report annually, by February 1, the
8 nature and amount of the savings to the Governor and to the
9 General Assembly.

10 "§ 143C-9. Reports to the Governor and General Assembly.

11 The Commission shall report annually, by February 1, its
12 findings and recommendations to the Governor and to the General
13 Assembly and may make other interim reports it deems advisable.
14 By February 1, 1999, the Commission shall make a special report
15 of its progress to the Governor and to the General Assembly."

16 (b) Of the funds appropriated in this act to the
17 Department of Commerce, the sum of five thousand six hundred
18 dollars (\$5,600) for the 1997-98 fiscal year and the sum of five
19 thousand six hundred dollars (\$5,600) for the 1998-99 fiscal year
20 is transferred to the Office of State Budget and Management to
21 carry out the purposes of this section.

22 (c) This section becomes effective July 1, 1997 and
23 expires June 30, 2001.

CODE NO. 97COMM-H011

Requested by: Representatives Mitchell, Baker, Carpenter
MCNC

1 Section @. (a) MCNC shall report on all of its
2 programs including contractual services for the Supercomputer and
3 the Research and Education Network. The reports shall:

- 4 (1) By January 15, 1998, and more frequently as
5 requested, report to the Joint Legislative
6 Commission on Governmental Operations and the
7 Fiscal Research Division the following information:
8 a. State fiscal year 1996-97 program activities,
9 objectives, and accomplishments;
10 b. State fiscal year 1996-97 itemized
11 expenditures and fund sources;
12 c. State fiscal year 1997-98 planned activities,
13 objectives, and accomplishments including
14 actual results through December 31, 1997;
15 d. State fiscal year 1997-98 estimated itemized
16 expenditures and fund sources including actual
17 expenditures and fund sources through December
18 31, 1997.
19 e. The users, major projects and benefits
20 resulting from the activities of the
21 Supercomputer and the Research and Education
22 Network.
23 f. The organization's progress toward achieving
24 self-sufficiency by July 1, 1999.
25 (2) By January 15, 1999, and more frequently as
26 requested, report to the Joint Legislative
27 Commission on Governmental Operations and the
28 Fiscal Research Division the following information:
29 a. State fiscal year 1997-98 program activities,
30 objectives, and accomplishments;
31 b. State fiscal year 1997-98 itemized
32 expenditures and fund sources;
33 c. State fiscal year 1998-99 planned activities,
34 objectives, and accomplishments including
35 actual results through December 31, 1998;
36 d. State fiscal year 1998-99 estimated itemized
37 expenditures and fund sources including actual

5

- 1 expenditures and fund sources through December
2 31, 1998.
- 3 e. The users, major projects and benefits
4 resulting from the activities of the
5 Supercomputer and the Research and Education
6 Network.
- 7 f. The organization's progress toward achieving
8 self-sufficiency by July 1, 1999.
- 9 (3) Provide to the Fiscal Research Division a copy of
10 MCNC's annual audited financial statement within 30
11 days of issuance of the statement.
- 12 (b) The funds appropriated in this act to MCNC shall be
13 used as follows:

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
14 Electronic and Information		
15 Technologies Programs	\$4,500,000	\$2,500,000
16 (c) Of the funds appropriated for the Electronic and		
17 Information Technologies Programs, four million five hundred		
18 thousand dollars (\$4,500,000) for the 1997-98 fiscal year and two		
19 million five hundred thousand dollars (\$2,500,000) for the 1998-		
20 99 fiscal year is contingent upon a dollar-for-dollar match in		
21 non-State funds.		
22		

CODE NO. 97COMM-H012

Requested by: Representatives Mitchell, Baker, Carpenter
BIOTECHNOLOGY CENTER

1 Section @. (a) The North Carolina Biotechnology Center
2 shall recapture funds spent in support of successful research and
3 development efforts in the for-profit private sector.

4 (b) The North Carolina Biotechnology Center shall
5 provide funding for biotechnology, biomedical, and related
6 bioscience applications under its Business and Science Technology
7 Programs.

8 (c) The North Carolina Biotechnology Center shall:

9 (1) By January 15, 1998, and more frequently as
10 requested, report to the Joint Legislative
11 Commission on Governmental Operations and the
12 Fiscal Research Division the following information:

13 a. State fiscal year 1996-97 program activities,
14 objectives, and accomplishments;

15 b. State fiscal year 1996-97 itemized
16 expenditures and fund sources;

17 c. state fiscal year 1997-98 planned activities,
18 objectives, and accomplishments including
19 actual results through December 31, 1997; and

20 d. State fiscal year 1997-98 estimated itemized
21 expenditures and fund sources including actual
22 expenditures and fund sources through December
23 31, 1997.

24 (2) By January 15, 1999, and more frequently as
25 requested, report to the Joint Legislative
26 Commission on Governmental Operations and the
27 Fiscal Research Division the following information:

28 a. State fiscal year 1997-98 program activities,
29 objectives, and accomplishments;

30 b. State fiscal year 1997-98 itemized
31 expenditures and fund sources;

32 c. State fiscal year 1998-99 planned activities,
33 objectives, and accomplishments including
34 actual results through December 31, 1998; and

35 d. State fiscal year 1998-99 estimated itemized
36 expenditures and fund sources including actual
37 expenditures and fund sources through December
38 31, 1998.

1 (3) Provide to the Fiscal Research Division a copy of
2 the Center's annual audited financial statement
3 within 30 days of issuance of the statement.

4 (d) The North Carolina Biotechnology Center shall
5 provide a report containing detailed budget, personnel, and
6 salary information to the Office of State Budget and Management
7 and to the Fiscal Research Division in the same manner as State
8 departments and agencies in preparation for biennium budget
9 requests.

CODE NO. 97COMM-H013B

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

BIOTECHNOLOGY FUNDS FOR MINORITY UNIVERSITIES

1 Section @. Of the funds appropriated in this act from
2 the General Fund to the North Carolina Biotechnology Center the
3 sum of two million dollars (\$2,000,000) for the 1997-98 fiscal
4 year and the sum of one million dollars (\$1,000,000) for the
5 1998-99 fiscal years shall be used to continue the special
6 biotechnology program initiative for North Carolina's Public
7 Historically Black Universities and the University of North
8 Carolina at Pembroke. This program initiative is a means to get
9 more funds to these institutions of higher education in the short
10 run to help them develop their biotechnology programs and a means
11 to develop a mechanism to improve these institutions' capacity
12 over the long term. The Center's special initiative shall, at a
13 minimum, provide for:

- 14 (1) A range of program activities, including grants,
15 designed to enhance the existing strengths and
16 capabilities of the University of North Carolina at
17 Pembroke, and the Public Historically Black
18 Universities;
- 19 (2) A Facilities and Infrastructure Review Committee to
20 advise the Center on major program elements and
21 priority projects that would be most helpful to
22 these institutions; and
- 23 (3) A Program Advisory Panel with representation from
24 these institutions to advise and make
25 recommendations to the Center's President and Board
26 of Directors on funding proposals under this
27 initiative.

28 The Center shall report on its biotechnology program
29 grants to universities to the Joint Legislative Commission on
30 Governmental Operations and the Fiscal Research Division on or
31 before March 1 of each fiscal year, and more frequently as
32 requested by the Commission. These reports shall include the
33 current number of enrollments and the capacity of enrollments in
34 the biotechnology program in each of the universities, the number
35 of faculty in the biotechnology program in each of the
36 universities, whether and to what extent the enrollments,
37 capacity, and number of faculty have changed in the last three
38 academic years in the biotechnology program in each of the

1 universities, how the funds allocated by this section are being
2 used in each of the universities, and any other information that
3 indicates whether these grants are accomplishing their purpose.

CODE NO. 97COMM-H023D

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

RURAL ECONOMIC DEVELOPMENT CENTER

1 Section @. (a) Of the funds appropriated in this act to
2 the Rural Economic Development Center, Inc., the sum of one
3 million two hundred seventy thousand dollars (\$1,270,000) for the
4 1997-98 fiscal year and the sum of one million two hundred
5 seventy thousand dollars (\$1,270,000) for the 1998-99 fiscal year
6 shall be allocated as follows:

	<u>1997-98 FY</u>	<u>1998-99 FY</u>
7 Research and Demonstration Grants	\$475,864	\$475,864
8 Technical Assistance and Center		
9 Administration of Research		
10 and Demonstration Grants	444,136	444,136
11 Center Administration, Oversight,		
12 and Other Programs	350,000	350,000

14 (b) The Rural Economic Development Center, Inc., shall
15 provide a report containing detailed budget, personnel, and
16 salary information to the Office of State Budget and Management
17 in the same manner as State departments and agencies in
18 preparation for biennium budget requests.

19 (c) Not more than fifty percent (50%) of the interest
20 earned on State funds appropriated to the Rural Economic
21 Development Center, Inc., may be used by the Center for
22 administrative purposes, including salaries and fringe benefits.

23 (d) For purposes of this section, the term "community
24 development corporation" means a nonprofit corporation:

- 25 (1) Chartered pursuant to Chapter 55A of the General
- 26 Statutes;
- 27 (2) Tax-exempt pursuant to section 501(c)(3) of the
- 28 Internal Revenue Code of 1986;
- 29 (3) Whose primary mission is to develop and improve
- 30 low-income communities and neighborhoods through
- 31 economic and related development;
- 32 (4) Whose activities and decisions are initiated,
- 33 managed, and controlled by the constituents of
- 34 those local communities; and
- 35 (5) Whose primary function is to act as deal-maker and
- 36 packager of projects and activities that will
- 37 increase their constituencies' opportunities to
- 38 become owners, managers, and producers of small
- 39 businesses, affordable housing, and jobs designed
- 40 to produce positive cash flow and curb blight in
- 41 the targeted community.

42 (e) Of the funds appropriated in this act to the Rural
43 Economic Development Center, Inc., the sum of five million two
44 hundred fifty thousand dollars (\$5,250,000) for the 1997-98

1 fiscal year and the sum of two million five hundred fifty
 2 thousand dollars (\$2,550,000) for the 1998-99 fiscal year shall
 3 be allocated as follows:

4 (1) \$1,400,000 in fiscal year 1997-98 and \$1,350,000 in
 5 fiscal year 1998-99 for community development
 6 grants to support development projects and
 7 activities within the State's minority communities.
 8 Any community development corporation as defined in
 9 this section is eligible to apply for funds. The
 10 Rural Economic Development Center, Inc., shall
 11 establish performance-based criteria for
 12 determining which community development corporation
 13 will receive a grant and the grant amount. Funding
 14 shall also be allocated to the North Carolina
 15 Association of Community Development Corporations,
 16 Inc. The Rural Economic Development Center, Inc.,
 17 shall allocate these funds as follows:

- 18 a. \$900,000 in each fiscal year for direct grants
 19 to the local community development
 20 corporations that have previously received
 21 State funds for this purpose to support
 22 operations and project activities;
- 23 b. \$250,000 in each fiscal year for direct grants
 24 to local community development corporations
 25 that have not previously received State funds;
- 26 c. \$200,000 in fiscal year 1997-98 and \$150,000
 27 in fiscal year 1998-99 to the North Carolina
 28 Association of Community Development
 29 Corporations, Inc., to provide training,
 30 technical assistance, resource development,
 31 and support for local community development
 32 corporations statewide; and
- 33 d. \$50,000 in each fiscal year to the Rural
 34 Economic Development Center, Inc., to be used
 35 to cover expenses in administering this
 36 section.

37 (2) \$250,000 in each fiscal year to the Microenterprise
 38 Loan Program to support the loan fund and
 39 operations of the Program; and

40 (3) \$3,600,000 for the 1997-98 fiscal year and \$950,000
 41 for the 1998-99 fiscal year shall be used for a
 42 program to provide supplemental funding for
 43 matching requirements for economic development in
 44 economically depressed areas. The Center shall use
 45 these funds to make grants to local governments and
 46 nonprofit corporations to provide funds necessary
 47 to match federal grants or other grants for
 48 necessary economic development projects and
 49 activities in economically depressed areas. The
 50 grant recipients shall be selected on the basis of
 51 need. No grant recipient shall receive a total of
 52 more than \$250,000 in grant awards in each fiscal
 53 year.

- 1 (f) The Rural Economic Development Center, Inc., shall:
2 (1) By January 15, 1998, and more frequently as
3 requested, report to the Joint Legislative
4 Commission on Governmental Operations and the
5 Fiscal Research Division the following information:
6 a. State fiscal year 1996-97 program activities,
7 objectives, and accomplishments;
8 b. State fiscal year 1996-97 itemized
9 expenditures and fund sources;
10 c. State fiscal year 1997-98 planned activities,
11 objectives, and accomplishments including
12 actual results through December 31, 1997; and
13 d. State fiscal year 1997-98 estimated itemized
14 expenditures and fund sources including actual
15 expenditures and fund sources through December
16 31, 1997.
17 (2) By January 15, 1999, and more frequently as
18 requested, report to the Joint Legislative
19 Commission on Governmental Operations and the
20 Fiscal Research Division the following information:
21 a. State fiscal year 1997-98 program activities,
22 objectives, and accomplishments;
23 b. State fiscal year 1997-98 itemized
24 expenditures and fund sources;
25 c. State fiscal year 1998-99 planned activities,
26 objectives, and accomplishments including
27 actual results through December 31, 1998; and
28 d. State fiscal year 1998-99 estimated itemized
29 expenditures and fund sources including actual
30 expenditures and fund sources through December
31 31, 1998.
32 (3) Provide to the Fiscal Research Division a copy of
33 each grant recipient's annual audited financial
34 statement within 30 days of issuance of the
35 statement.

CODE NO. 97COMM-H021

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

COMMUNITY DEVELOPMENT INITIATIVE

1 Section @. Of the funds appropriated in this act to the
2 Department of Commerce, the sum of two million dollars
3 (\$2,000,000) for fiscal year 1997-98 and the sum of two million
4 dollars (\$2,000,000) for fiscal year 1998-99 shall be used to
5 support the grant and loan fund and operations of the North
6 Carolina Community Development Initiative, Inc. The Initiative
7 shall provide operating and project activity grants to mature
8 community development corporations that have demonstrated project
9 and organizational capacity.

10 The North Carolina Community Development Initiative,
11 Inc., shall:

- 12 (1) By January 15, 1998, and more frequently as
13 requested, report to the Joint Legislative
14 Commission on Governmental Operations and the
15 Fiscal Research Division the following information:
16 a. State fiscal year 1996-97 program activities,
17 objectives, and accomplishments;
18 b. State fiscal year 1996-97 itemized
19 expenditures and fund sources;
20 c. State fiscal year 1997-98 planned activities,
21 objectives, and accomplishments including
22 actual results through December 31, 1997;
23 d. State fiscal year 1997-98 estimated itemized
24 expenditures and fund sources including actual
25 expenditures and fund sources through December
26 31, 1997.
- 27 (2) By January 15, 1999, and more frequently as
28 requested, report to the Joint Legislative
29 Commission on Governmental Operations and the
30 Fiscal Research Division the following information:
31 a. State fiscal year 1997-98 program activities,
32 objectives, and accomplishments;
33 b. State fiscal year 1997-98 itemized
34 expenditures and fund sources;
35 c. State fiscal year 1998-99 planned activities,
36 objectives, and accomplishments including
37 actual results through December 31, 1998;

- 1 d. State fiscal year 1998-99 estimated itemized
- 2 expenditures and fund sources including actual
- 3 expenditures and fund sources through December
- 4 31, 1998.
- 5 (3) Provide to the Fiscal Research Division a copy of
- 6 the Initiative's annual audited financial statement
- 7 within 30 days of issuance of the statement.
- 8

Requested by: Representatives Mitchell, Baker, Carpenter
OPPORTUNITIES INDUSTRIALIZATION CENTER FUNDS

1 Section @. (a) Of the funds appropriated in this act to
2 the Rural Economic Development Center, Inc., the sum of two
3 hundred fifty thousand dollars (\$250,000) for the 1997-98 fiscal
4 year and the sum of two hundred fifty thousand dollars (\$250,000)
5 for the 1998-99 fiscal year shall be allocated as follows:

6 (1) \$50,000 in each fiscal year to the Opportunities
7 Industrialization Center of Wilson, Inc., for its
8 ongoing job training programs;

9 (2) \$50,000 in each fiscal year to Opportunities
10 Industrialization Center, Inc., in Rocky Mount, for
11 its ongoing job training programs;

12 (3) \$50,000 in each fiscal year to Pitt-Greenville
13 Opportunities Industrialization Center, Inc., for
14 its ongoing job training programs;

15 (4) \$50,000 in each fiscal year to the Opportunities
16 Industrialization Center of Lenoir, Green, and
17 Jones Counties; and

18 (5) \$50,000 in each fiscal year to the Opportunities
19 Industrialization Center of Elizabeth City, Inc.

20 (b) The Rural Economic Development Center, Inc., shall:

21 (1) By January 15, 1998, and more frequently as
22 requested, report to the Joint Legislative
23 Commission on Governmental Operations and the
24 Fiscal Research Division the following
25 information:

26 a. State fiscal year 1996-97 program activities,
27 objectives, and accomplishments;

28 b. State fiscal year 1996-97 itemized
29 expenditures and fund sources;

30 c. State fiscal year 1997-98 planned activities,
31 objectives, and accomplishments including
32 actual results through December 31, 1997;

33 d. State fiscal year 1997-98 estimated itemized
34 expenditures and fund sources including actual
35 expenditures and fund sources through December
36 31, 1997.

37 (2) By January 15, 1999, and more frequently as
38 requested, report to the Joint Legislative

- 1 Commission on Governmental Operations and the
2 Fiscal Research Division the following information:
3 a. State fiscal year 1997-98 program activities,
4 objectives, and accomplishments;
5 b. State fiscal year 1997-98 itemized
6 expenditures and fund sources;
7 c. State fiscal year 1998-99 planned activities,
8 objectives, and accomplishments including
9 actual results through December 31, 1998;
10 d. State fiscal year 1998-99 estimated itemized
11 expenditures and fund sources including actual
12 expenditures and fund sources through December
13 31, 1998.
14 (3) Provide to the Fiscal Research Division a copy of
15 the annual audited financial statements of the
16 Opportunities Industrialization Centers funded by
17 this act within 30 days of issuance of the
18 statement.

CODE NO. 97NATRES-H014B

Requested by: Representative Carpenter

**STUDY DESIRABILTY OF REORGANIZING DEPARTMENT OF ENVIRONMENT,
HEALTH, AND NATURAL RESOURCES**

1 Section @. (a) The Office of State Budget and
2 Management shall review the programs, divisions, boards,
3 commissions, councils, and committees currently within the
4 Department of Environment, Health, and Natural Resources and
5 shall conduct a study to determine the desirability of
6 reorganizing the Department of Environment, Health, and Natural
7 Resources so as to create two separate departments with one
8 department that would manage and protect the State's natural
9 resources and with a separate department that would protect the
10 environment and the public health and contain regulatory
11 programs. The study shall determine:

- 12 (1) A proposal for allocating existing administrative
13 operating support and personnel between these two
14 separate departments;
- 15 (2) Any additional personnel that would be needed in
16 association with creating these two separate
17 departments and the projected cost of these
18 personnel;
- 19 (3) Any additional equipment that would be needed in
20 association with creating these two separate
21 departments and the projected cost of this
22 equipment;
- 23 (4) Any additional office space that would be required
24 and its projected cost;
- 25 (5) Which programs, divisions, boards, commissions,
26 councils, and committees should be in a department
27 of natural resources, which programs, divisions,
28 boards, commissions, councils, and committees
29 should be in a department of environment and
30 health, and which programs, divisions, boards,
31 commissions, councils, and committees, if any,
32 should be in other departments;
- 33 (6) Any additional factors and costs that should be
34 considered were the Department of Environment,
35 Health, and Natural Resources reorganized so as to
36 create these two separate departments; and

1 (7) The total costs of reorganizing the Department of
2 Environment, Health, and Natural Resources so as to
3 create these two separate departments.

4 (b) The Office of State Budget and Management shall recommend
5 whether the Department of Environment, Health, and Natural
6 Resources should be reorganized so as to create two separate
7 departments, with one department that would manage and protect
8 the State's natural resources and with a separate department that
9 would protect the environment and public health and contain
10 regulatory programs. By March 15, 1998, the Office of State
11 Budget and Management shall report on all matters contained in
12 subdivisions (1) through (7) of subsection (a) of this section to
13 the Joint Legislative Commission on Governmental Operations, the
14 Environmental Review Commission, and the Fiscal Research
15 Division.

16 (c) If House Bill 478 of the 1997 Session of the
17 General Assembly, Senate Bill 383 of the 1997 Session of the
18 General Assembly, or substantially similar legislation that
19 transfers health services to the Department of Human Resources is
20 enacted by the General Assembly, the Office of State Budget and
21 Management shall exclude from its study under this section the
22 programs, divisions, boards, commissions, councils, and
23 committees related to health services.

CODE NO. 97ENV-H012A-S13

Requested by: Representatives Mitchell, Baker, Carpenter, and
H. Hunter

ENVIRONMENTAL EDUCATION GRANTS

1 Section @. (a) Of the funds appropriated in this act
2 to the Department of Environment, Health, and Natural Resources,
3 the sum of two hundred thousand dollars (\$200,000) for the 1997-
4 98 fiscal year shall be used to provide grants to promote
5 environmental education throughout the State. Grants under this
6 section may be awarded to:

7 (1) Schools, community organizations, and environmental
8 education centers for the development of
9 environmental education library collections; or

10 (2) School groups for field trips to environmental
11 education centers across the State, provided the
12 activities of the field trip are correlated with
13 the Department of Public Instruction's curriculum
14 objectives.

15 (b) The Department shall report to the Joint
16 Legislative Commission on Governmental Operations, the
17 Environmental Review Commission, and the Fiscal Research Division
18 by January 1, 1998, and again by July 1, 1998, on the grant
19 program. The report shall include a list of amounts awarded and
20 project descriptions for each grant recipient.

CODE NO. 97NATRES-H004A-S13.1

Requested by: Representative Mitchell

GRASSROOTS SCIENCE PROGRAM

1	Section @. Of the funds appropriated in this act to the		
2	Department of Environment, Health, and Natural Resources for the		
3	Grassroots Science Program, the sum of six hundred thousand		
4	dollars (\$600,000) for fiscal year 1997-98 and the sum of six		
5	hundred thousand dollars (\$600,000) for fiscal year 1998-99 are		
6	allocated as grants-in-aid for each fiscal year as follows:		
7		1997-98	1998-99
8			
9	Iredell County Children's Museum	\$50,000	\$50,000
10	Museum of Coastal Carolina	\$50,000	\$50,000
11	Rocky Mount Children's Museum	\$50,000	\$50,000
12	Imagination Station	\$50,000	\$50,000
13	Western North Carolina Nature Center	\$25,000	\$25,000
14	The Health Adventure Museum		
15	of Pack Place Education,		
16	Arts and Science Center, Inc.	\$25,000	\$25,000
17	Cape Fear Museum	\$50,000	\$50,000
18	Catawba Science Center	\$50,000	\$50,000
19	Sci Works Science Center and		
20	Environmental Park of		
21	Forsyth County	\$50,000	\$50,000
22	Natural Science		
23	Center of Greensboro	\$50,000	\$50,000
24	Schiele Museum of Natural History	\$50,000	\$50,000
25	North Carolina Museum of		
26	Life and Science	\$50,000	\$50,000
27	Discovery Place	\$50,000	\$50,000
28			
29	TOTAL	\$600,000	\$600,000

CODE NO. 97NATRES-H005A

Requested by: Representatives Mitchell, Baker, Carpenter

FORESTRY AIRCRAFT LEASE RECEIPTS

1 Section @. The Division of Forest Resources, Department
 2 of Environment, Health, and Natural Resources shall use receipts
 3 received from the leasing of an amphibious water-scooping tanker
 4 aircraft to offset the operating costs associated with the
 5 aircraft. At the end of each fiscal year of the 1997-99 biennium
 6 after all receipts received for that fiscal year from the leasing
 7 of this aircraft have been applied to the operating costs
 8 associated with the aircraft for that fiscal year, any excess
 9 funds appropriated by the General Assembly for that fiscal year
 10 for the operating costs associated with this aircraft shall
 11 revert.

CODE NO. 97NATRES-H009C

Requested by: Representative Owens

STATE PARKS FORESTS MANAGEMENT PLANS

1 Section @. (a) G.S. 113-44.13 reads as rewritten:

2 "\$ 113-44.13. General management ~~plans~~, plans; forest management
3 plans.

4 (a) Every park classified pursuant to G.S. 113-44.12 shall have
5 a general management plan. The plan shall include a statement of
6 purpose for the park based upon its relationship to the System
7 Plan and its classification. An analysis of the major resources
8 and facilities on hand to achieve those purposes shall be
9 completed along with a statement of management direction. The
10 general management plan shall be revised as necessary to comply
11 with the System Plan and to achieve the purposes of this Article.

12 (b) The Division of Forest Resources and the Division of State
13 Parks and Recreation shall cooperatively develop forest
14 management plans for every park classified pursuant to G.S. 113-
15 44.12. The park's forest management plan shall be included as a
16 component of its general management plan under subsection (a) of
17 this section. A forest management plan shall contain, at a
18 minimum, provisions regarding fire control, insect and pest
19 control, and timber management."

20 (b) G.S. 113-35(a) reads as rewritten:

21 "(a) Timber and other products of such State forestlands and
22 timber of State parks may be sold, cut cut, and removed under
23 rules of the Department. The Department shall have authority to
24 may establish and operate forest tree nurseries and forest tree
25 seed ~~orchards~~, orchards in State forests. Forest tree seedlings
26 and seed from these nurseries and seed orchards may be sold to
27 landowners of the State for purposes of forestation under rules
28 of the Department. When the Secretary determines that a surplus
29 of seedlings or seed exists, this surplus may be sold, and such
30 sale shall be in conformity with the following priority of sale:
31 first, to agencies of the federal government for planting in the
32 State of North Carolina; second, to commercial nurseries and
33 nurserymen within this State; and third, without distinction, to
34 federal agencies, to other states, and to recognized research
35 organizations for planting either within or outside of this
36 State. The Department shall ~~make~~ adopt reasonable rules for the
37 regulation of the use by the public of such and all State
38 forests, State parks, State lakes, game refuges and public
39 shooting grounds under its charge, which rules, after having been

1 posted in conspicuous places on and adjacent to such properties
2 of the State and at the courthouse of the county or counties in
3 which such properties are situated shall have the force and
4 effect of law and any violation of such rules shall constitute a
5 Class 3 misdemeanor."

6 (c) G.S. 113-36 reads as rewritten:

7 "(a) Application of Proceeds Generally. -- Except as provided
8 in subsection (b) of this section, all money received from the
9 sale of wood, timber, minerals, or other products from the State
10 forests shall be paid into the State treasury and to the credit
11 of the Department; and such money shall be expended in carrying
12 out the purposes of this Article and of forestry in general,
13 under the direction of the Secretary. All moneys received from
14 the sale of timber from the State parks shall be paid into the
15 State treasury and to the credit of the Department; and this
16 money shall be expended for capital improvements within the State
17 Parks System."

CODE NO. 97NATRES-H015B

Requested by: Representative Owens

DEHNR LAW ENFORCEMENT PAY STUDY BY THE OFFICE OF STATE PERSONNEL

1 Section e. (a) The Office of State Personnel shall
2 study employee classifications, salary schedules, pay equities,
3 and pay inequities for sworn law enforcement personnel certified
4 by the North Carolina Criminal Justice Training and Standards
5 Commission who are employed in the Department of Environment,
6 Health, and Natural Resources Division of Parks and Recreation,
7 in comparison to law enforcement officers employed in the
8 Division of Marine Fisheries and the Wildlife Resources
9 Commission. The study by the Office of State Personnel shall
10 consider appropriate factors related to the compensation of law
11 enforcement officers in the Division of Parks and Recreation as
12 compared to law enforcement officers in the Division of Marine
13 Fisheries and the Wildlife Resources Commission, including job
14 specifications and qualifications, the compensation of personnel
15 in accordance with educational levels and years of experience,
16 and the equity of compensation among law enforcement personnel in
17 the Division of Parks and Recreation as compared to the Division
18 of Marine Fisheries and the Wildlife Resources Commission.

19 (b) The Office of State Personnel shall report its
20 findings and recommendations to the Joint Legislative Commission
21 on Governmental Operations and the Fiscal Research Division by
22 January 15, 1998.

CODE NO. 97NATRES-H007B

Requested by: Representatives Mitchell, Baker, and Carpenter

MARINE FISHERIES COMMISSION REFORM FUNDS

1 Section @. (a) Of the funds appropriated in this act to
2 the Department of Environment, Health, and Natural Resources, the
3 sum of two hundred forty-seven thousand four hundred seventy-five
4 dollars (\$247,475) for the 1997-98 fiscal year and the sum of two
5 hundred thirty thousand four hundred seventy-five dollars
6 (\$230,475) for the 1998-99 fiscal year shall be used to provide
7 funding for standing advisory committees and permanent staff for
8 the Marine Fisheries Commission.

9 (b) The allocation of funds under subsection (a) of this
10 section is contingent upon the enactment into law of Section 2.1
11 of House Bill 1097 (Second Edition) or identical legislation that
12 reduces the membership of the Marine Fisheries Commission and
13 requires the establishment of advisory committees for the
14 Commission.

CODE NO. 97NATRES-H008A

Requested by: Representatives Mitchell, Baker, and Carpenter

MARINE FISHERIES INFORMATION TECHNOLOGY REPORT

- 1 Section @. The Division of Marine Fisheries of the
2 Department of Environment, Health, and Natural Resources shall by
3 March 15, 1998, and more frequently as requested, report to the
4 Joint Legislative Commission on Seafood and Aquaculture, the
5 Joint Legislative Commission on Governmental Operations, and the
6 Fiscal Research Division the following information:
- 7 (1) An update on the consolidation and modernization of
8 the Division's computer based management
9 information systems.
- 10 (2) A list of objectives and performance measures for
11 the information technologies improvement project,
12 for each of the following phases of the project:
13 development, implementation, and ongoing operation
14 and maintenance of the new system.
- 15 (3) An explanation, justification, and itemized list of
16 expenditures to date for consolidation and
17 modernization of the Division's computer based
18 management information systems.
- 19 (4) An explanation, justification, and estimate of any
20 additional anticipated expenditures required beyond
21 fiscal year 1997-98 to complete the project. If
22 additional expenditures are required, then the
23 Division shall provide a calendar based project
24 schedule delineating the additional phases required
25 including the associated expenditures for each
26 additional project phase.
- 27 (5) A calendar based project schedule delineating the
28 various phases of the project including
29 development, implementation, and completion. This
30 schedule shall identify the associated expenditures
31 for each project phase.

CODE NO. 97NATRES-H010A

Requested by: Representatives Mitchell, Baker, and Carpenter

MARINE PATROL VESSEL

1 Section @. The Department of Environment, Health, and
2 Natural Resources shall make a reasonable effort to obtain a
3 marine patrol vessel from excess federal property. If the
4 Department fails to obtain such a vessel from excess federal
5 property, then the Department may use available funds for the
6 1997-99 biennium, not to exceed two hundred thousand dollars
7 (\$200,000) to complete the purchase of a marine patrol vessel.

CODE NO. 97ENV-H017A

Requested by: Representative Mitchell, Baker, and Carpenter

SHELLFISH REHABILITATION PROGRAM

1 Section @. The Oyster Rehabilitation Program in the
2 Division of Marine Fisheries in the Department of Environment,
3 Health, and Natural Resources shall be renamed the Shellfish
4 Rehabilitation Program. Funds appropriated for the Oyster
5 Rehabilitation Program or the Shellfish Rehabilitation Program
6 shall be used for the Shellfish Rehabilitation Program. The
7 Oyster, Clam, and Scallop Subcommittee of the Marine Fisheries
8 Commission shall advise the Division of Marine Fisheries on the
9 expenditure of Shellfish Rehabilitation Program funds. The
10 Division of Marine Fisheries shall report to the Joint
11 Legislative Commission on Seafood and Aquaculture on the
12 expenditure of Shellfish Rehabilitation Program funds annually,
13 beginning January 1, 1998.

CODE NO. 97ENV-H013

Requested by: Representatives Mitchell, Baker, and Carpenter

SOIL SURVEY SUPERVISOR ASSIGNMENT

1 Section @. The Department of Environment, Health, and
2 Natural Resources shall assign a soil survey supervisor to
3 complete soil surveys in Buncombe and Madison Counties. This
4 position shall remain assigned to these counties until the soil
5 surveys are complete.

CODE NO. 97NATRES-H003D

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

BEAVER DAMAGE CONTROL FUNDS

1 Section @. (a) Subsection (b) of Section 69 of Chapter
2 1044 of the 1991 Session Laws, as amended by Section 111 of
3 Chapter 561 of the 1993 Session Laws, Section 27.3 of Chapter 769
4 of the 1993 Session Laws, Section 26.6 of Chapter 507 of the 1995
5 Session Laws, and Section 27.15 of Chapter 18 of the Session Laws
6 of the 1996 Second Extra Session reads as rewritten:

7 "(b) The Beaver Damage Control Advisory Board shall develop a
8 program to control beaver damage on private and public lands.
9 Anson, Bertie, Bladen, Brunswick, Carteret, Chatham, Chowan,
10 Craven, Columbus, Cumberland, Duplin, Edgecombe, Franklin, Gates,
11 Granville, Greene, Halifax, Harnett, Hertford, Hoke, Johnston,
12 Jones, Lee, Lenoir, Lincoln, Martin, Nash, Northampton, Onslow,
13 Pamlico, Pender, Pitt, Robeson, Sampson, Scotland, Vance, Warren,
14 Washington, Wayne, and Wilson Counties shall participate in the
15 program. The Beaver Damage Control Advisory Board shall act in
16 an advisory capacity to the Wildlife Resources Commission in the
17 implementation of the program. In developing the program, the
18 Board shall:

- 19 (1) Orient the program primarily toward public health
20 and safety and toward landowner assistance,
21 providing some relief to landowners through beaver
22 control and management rather than eradication;
- 23 (2) Develop a priority system for responding to
24 complaints about beaver damage;
- 25 (3) Develop a system for documenting all activities
26 associated with beaver damage control, so as to
27 facilitate evaluation of the program;
- 28 (4) Provide educational activities as a part of the
29 program, such as printed materials, on-site
30 instructions, and local workshops;
- 31 (5) Provide for the hiring of personnel necessary to
32 implement beaver damage control activities,
33 administer the program, and set salaries of
34 personnel;
- 35 (6) Evaluate the costs and benefits of the program that
36 might be applicable elsewhere in North Carolina.

37 No later than January 15, 1997, of each year, the Board shall
38 issue a report to the Wildlife Resources Commission on the

1 program to date, including recommendations on the feasibility of
2 continuing the program in participating counties and the
3 desirability of expanding the program into other counties. The
4 Wildlife Resources Commission shall prepare a plan to implement a
5 statewide program to control beaver damage on private and public
6 lands. No later than March 15, ~~1997~~, of each year, the Wildlife
7 Resources Commission shall present its plan in a report to the
8 House Appropriations Subcommittee on Natural and Economic
9 Resources, the Senate Appropriations Committee on Natural and
10 Economic Resources, and the Fiscal Research Division."

11 (b) Subsection (h) of Section 69 of Chapter 1044 of the
12 1991 Session Laws, as amended by Section 111 of Chapter 561 of
13 the 1993 Session Laws, Section 27.3 of Chapter 769 of the 1993
14 Session Laws, Section 26.6 of Chapter 507 of the 1995 Session
15 Laws, and Section 27.15 of Chapter 18 of the Session Laws of the
16 1996 Second Extra Session reads as rewritten:

17 "(h) Subsections (a) through (d) of this section expire June
18 30, ~~1997~~, 1998."

19 (c) Of the funds available to the Wildlife Resources
20 Commission for the 1997-98 fiscal year, up to the sum of four
21 hundred fifty thousand dollars (\$450,000) shall be used to
22 provide the State share necessary to continue the beaver damage
23 control program, provided the sum of twenty-five thousand dollars
24 (\$25,000) in federal funds is available for the 1997-98 fiscal
25 year to provide the federal share. These funds shall be matched
26 by four thousand dollars (\$4,000) of local funds for the 1997-98
27 fiscal year from each of the participating counties. Counties
28 participating in this program shall make a commitment of their
29 local matching funds to the Wildlife Resources Commission no
30 later than September 30, 1997.

CODE NO. 97NATRES-H011

Requested by: Representative Hall

AREA THREE SOIL AND WATER REGIONAL COORDINATOR

1 Section @. Of the funds appropriated by this act to the
2 Department of Environment, Health, and Natural Resources the sum
3 of forty-six thousand six hundred dollars (\$46,600) for the 1997-
4 98 fiscal year and the sum of forty-three thousand six hundred
5 dollars (\$43,600) for the 1998-99 fiscal year shall be allocated
6 to support a new position and equipment needs of a regional
7 coordinator for Area 3 of the State Soil and Water Conservation
8 districts. Area 3 of the State Soil and Water Conservation
9 districts includes the Neuse River Basin and the following 11
10 counties: Alamance, Caswell, Chatham, Guilford, Lee, Montgomery,
11 Moore, Orange, Person, Randolph, and Rockingham.

CODE NO. 97ENV-H002A-S13.2

Requested by: Representatives Mitchell, Baker, Carpenter, and
H. Hunter

ANIMAL WASTE COMPLIANCE PROGRAM REPORT

1 Section @. (a) No later than October 15, 1997, and
2 quarterly thereafter, the Department of Environment, Health, and
3 Natural Resources shall submit status reports to the
4 Environmental Review Commission and the Fiscal Research Division.
5 Each report shall include, but not be limited to:

6 (1) The number of permits for animal waste management
7 systems, itemized by type of animal subject to such
8 permits, issued since the last report and a total
9 for that calendar year.

10 (2) The number of operations reviews of animal waste
11 management systems that the Division of Soil and
12 Water Conservation has conducted since the last
13 report and a total for that calendar year.

14 (3) The number of operations reviews of animal waste
15 management systems conducted by agencies other than
16 the Division of Soil and Water Conservation that
17 have been conducted since the last report and a
18 total for that calendar year.

19 (4) The number of reinspections associated with
20 operations reviews conducted by the Division of
21 Soil and Water Conservation since the last report
22 and a total for that calendar year.

23 (5) The number of reinspections associated with
24 operations reviews conducted by agencies other than
25 the Division of Soil and Water Conservation since
26 the last report and a total for that calendar year.

27 (6) The number of compliance inspections of animal
28 waste management systems that the Division of Water
29 Quality has conducted since the last report and a
30 total for that calendar year.

31 (7) The number of follow-up inspections associated with
32 compliance inspections conducted by the Division of
33 Water Quality since the last report and a total for
34 that calendar year.

35 (8) The average length of time for each category of
36 reviews and inspections under subdivisions (2)
37 through (7) of this subsection.

1 (9) The number of violations found during each category
2 of review and inspection under subdivisions (2)
3 through (7) of this subsection, the status of
4 enforcement actions taken and pending, and the
5 penalties imposed, collected, and in the process of
6 being negotiated for each such violation.
7 (b) The information to be included in the reports
8 pursuant to subsection (a) of this section shall be itemized by
9 each regional office of the Department, with totals for the State
10 indicated.

CODE NO. 97ENV-H026C

Requested by: Representative Mitchell

ANIMAL WASTE MANAGEMENT SYSTEM GENERAL PERMIT REVISIONS

1 Section @. (a) The interagency group created in
2 Section 18 of Chapter 626 of the 1995 Session Laws and the
3 Department of Environment, Health, and Natural Resources shall,
4 by October 1, 1997, cooperatively revise the general permits for
5 animal waste management systems that were previously developed by
6 the Department and accordingly revise the proposed time schedule
7 for issuing these general permits. The provisions of the revised
8 general permits shall be more flexible for the farmer and more
9 practical for the farmer to implement and shall not conflict with
10 the site-specific certified animal waste management plans. The
11 interagency group and the Department may refer to House Bill 357
12 of the 1997 Regular Session of the General Assembly for guidance
13 in determining the issues that need to be addressed in the
14 revision process. By October 1, 1997, the interagency group and
15 the Department shall submit a joint report of the revised general
16 permits and the revised time schedule for issuing these permits
17 to the Environmental Review Commission.

18 (b) Subsection (c) of Section 19 of Chapter 626 of the
19 1995 Session Laws reads as rewritten:

20 "(c)(1) G.S. 143-215.10C, as enacted by Section 1 of
21 this act, becomes effective January 1, 1997.
22 In order to ensure an orderly and
23 cost-effective phase-in of the permit program,
24 the Department of Environment, Health, and
25 Natural Resources shall issue permits for
26 animal operations over a five-year period.
27 The Subject to subdivision (5) of this
28 subsection, the Department shall issue permits
29 for approximately twenty percent (20%) of the
30 animal waste management facilities that are in
31 operation on January 1, 1997, during each of
32 the five calendar years beginning January 1,
33 1997, and shall give priority to those animal
34 waste management systems serving the largest
35 animal operations. An animal waste management
36 system that is deemed permitted by rule on
37 January 1, 1997, under 15A N.C.A.C. 2H.0217
38 may continue to operate on a deemed permitted

basis as provided in ~~subsection (b) of this section~~ subdivision (2) of this subsection.

(2) In accordance with its phase-in schedule, the Department shall notify each owner or operator of an animal waste management system that is deemed permitted of the date by which an application for a permit for that animal waste management system shall be submitted by certified mail. An owner or operator of an animal waste management system who fails to submit an application for a permit by the date specified by the Department shall not operate the animal waste management system after that date. An animal waste management system that is authorized to continue operation under this section and for which a timely application for a permit is submitted may continue to operate on a deemed permitted basis until the Department either issues a permit or notifies the owner or operator that the application for a permit is denied. An animal waste management system that is deemed permitted shall be subject to the annual operational review and annual inspection requirements as though it were permitted.

(3) The Department shall act on an application for a permit for a new facility or for the expansion of an existing facility within 90 days after the Department receives the application.

(4) Notwithstanding G.S. 143-215.10C (a) through (d), a dry litter animal waste management system involving 30,000 or more birds shall continue to operate on a deemed permitted basis by rule under 15A N.C.A.C. 2H.0217 and shall comply with the animal waste management plan testing and record-keeping requirements by January 1, ~~1998~~ 2000.

(5) Animal waste management systems for dairy facilities that are constructed or expanded on or after January 1, 1998, shall be required to obtain a permit in accordance with G.S. 143-215.10C prior to the construction or expansion. An animal waste management system for any dairy facility in operation before January 1, 1998 shall continue to be deemed permitted under 15A N.C.A.C. 2H.0217 so long as both of the following are satisfied:

- 1 a. That facility obtains a certified animal waste
2 management plan by December 31, 1997, or the
3 operator of that facility and the
4 Environmental Management Commission enter into
5 a special agreement pursuant to Section 14(b)
6 of Chapter 626 of the 1995 Session Laws.
7 b. That facility remains in compliance with the
8 certified animal waste management plan or the
9 special agreement, whichever applies.

10 The Department shall issue permits for
11 approximately twenty percent (20%) of the animal
12 waste management systems for dairy facilities in
13 operation before January 1, 1998, during each of
14 the five calendar years beginning January 1, 1999,
15 and shall give priority to those animal waste
16 management systems serving the largest dairies. An
17 animal waste management system for a dairy facility
18 in operation before January 1, 1998, that is deemed
19 permitted by rule under 15A N.C.A.C. 2H.0217 may
20 continue to operate on a deemed permitted basis as
21 provided in this subdivision and subdivision (2) of
22 this subsection."

23 (c) After the revised general permits are adopted, the
24 Department shall issue the revised general permit to all animal
25 waste management operations currently holding general permits.

CODE NO. 97ENV-H004-S13.4

Requested by: Representatives Mitchell, Baker, and Carpenter

ODOR CONTROL STUDY FUNDS

1 Section @. Of the funds appropriated to the Department
2 of Environment, Health, and Natural Resources for the 1996-97
3 fiscal year and transferred to the Board of Governors of The
4 University of North Carolina for the North Carolina Agricultural
5 Research Service at North Carolina State University for research
6 into economically feasible odor control technologies and for a
7 detailed economic analysis of odor management alternatives, the
8 sum of six hundred thousand dollars (\$600,000) shall not revert
9 to the General Fund on June 30, 1997. These funds shall remain
10 in the budget of North Carolina State University for expenditure
11 by the North Carolina Agricultural Research Service during the
12 1997-98 fiscal year. These funds may be used for capital
13 expenditures to construct current technology swine production
14 facilities for the purpose of research in adapting or developing
15 new odor control technologies. The use of these funds for
16 capital expenditures shall be authorized without any requirement
17 of matching funds from private sources.

CODE NO. 97ENV-H005C-S13.6

Requested by: Representatives Mitchell, Baker, and Carpenter

SUPERFUND PROGRAM/INACTIVE HAZARDOUS SITES FUNDS

1 Section @. (a) The Department of Environment, Health,
2 and Natural Resources may use available funds, with the approval
3 of the Office of State Budget and Management, to provide the ten
4 percent (10%) cost share required for Superfund cleanups on the
5 National Priority List sites, to pay the operating and
6 maintenance costs associated with these Superfund cleanups, and
7 for the cleanup of priority inactive hazardous substance or waste
8 disposal sites under Part 3 of Article 9 of Chapter 130A of the
9 General Statutes. These funds may be in addition to those
10 appropriated for this purpose.

11 (b) The Department of Environment, Health, and Natural
12 Resources and the Office of State Budget and Management shall
13 report to the Environmental Review Commission and the Joint
14 Legislative Commission on Governmental Operations the amount and
15 the source of the funds used pursuant to subsection (a) of this
16 section within 30 days of the expenditure of these funds.

CODE NO. 97ENV-H006-S13.7

Requested by: Representatives Mitchell, Baker, and Carpenter

FUNDS FOR VOLUNTARY REMEDIAL ACTIONS

1 Section @. (a) During the 1997-99 fiscal biennium, the
2 Secretary of Environment, Health, and Natural Resources may
3 contribute from the Inactive Hazardous Sites Cleanup Fund up to
4 ten percent (10%) of the cost each fiscal year, not to exceed
5 fifty thousand dollars (\$50,000) per site, of implementing a
6 voluntary remedial action program at up to three high-priority
7 sites that substantially endanger public health or the
8 environment.

9 (b) No later than April 1 of each year of the 1997-99
10 fiscal biennium, the Department of Environment, Health, and
11 Natural Resources shall report to the General Assembly. Each
12 report shall contain the location of the sites for which a
13 voluntary remedial action program was implemented under
14 subsection (a) of this section, the rationale for the State
15 contributing to the cost of that remedial action, and the amount
16 of the contribution made from the Inactive Hazardous Sites
17 Cleanup Fund.

CODE NO. 97ENV-H007A-S13.8

Requested by: Representatives Mitchell, Baker, Carpenter, and
H. Hunter

**POLLUTION PREVENTION AND ENVIRONMENTAL ASSISTANCE TO SMALL
BUSINESSES WITH NEED**

1 Section @. The Division of Pollution Prevention and
2 Environmental Assistance shall, to the extent feasible, give
3 greatest priority to small businesses that can demonstrate
4 financial need when the Division of Pollution Prevention and
5 Environmental Assistance awards grants or otherwise provides
6 technical or financial assistance.

CODE NO. 97ENV-H008-S13.9

Requested by: Representatives Mitchell, Baker, and Carpenter

PERMIT INFORMATION CENTER

1 Section @. The Department of Environment, Health, and
2 Natural Resources may use any available funds to operate a permit
3 information center within the Department to improve permit
4 applications, guidance materials, applicant and citizen training,
5 and for other related purposes.

CODE NO. 97ENV-H009-S13.10

Requested by: Representatives Mitchell, Baker, and Carpenter

AGRICULTURE WASTE RESEARCH REPORTS

- 1 Section @. The Primary Investigator or Researcher
- 2 receiving funding from the State pursuant to Section 2 of Chapter
- 3 18 of the Session Laws of the 1996 Second Extra Session for each
- 4 of the following research projects and studies shall provide a
- 5 progress report to the Environmental Review Commission, the Joint
- 6 Legislative Commission on Governmental Operations, the Scientific
- 7 Advisory Council on Water Resources and Coastal Fisheries
- 8 Management, and the Fiscal Research Division on January 1 and
- 9 July 1 of each year until the project or study is complete:
- 10 (1) Odor control technology.
- 11 (2) Sources of nitrogen through isotope markers.
- 12 (3) Groundwater impacts of lagoons.
- 13 (4) Atmospheric deposition of nitrogen in the Neuse
- 14 Estuary.
- 15 (5) Alternative animal waste technologies.
- 16 Upon completion of the project or study, the Primary Investigator
- 17 or Researcher shall provide a final report.

CODE NO. 97ENV-H023-S13.11

Requested by: Representatives Mitchell, Baker, and Carpenter

TOWN FORK CREEK SOIL CONSERVATION PROJECT

1 Section @. (a) The funds placed in a reserve account
2 in the Department of Environment, Health, and Natural Resources
3 pursuant to Section 26.3(c) of Chapter 507 of the 1995 Session
4 Laws shall not revert until June 30, 1999. Those funds are
5 reallocated as follows:

- 6 (1) Five hundred four thousand five hundred sixty
7 dollars (\$504,560) to the Stokes County Water and
8 Sewer Authority, Inc., for the Germanton Water
9 Project.
- 10 (2) Nine hundred thirty thousand six hundred eighty
11 dollars (\$930,680) to the Stokes County Water and
12 Sewer Authority, Inc., for the Madison Connection
13 Project.
- 14 (3) Eighty thousand dollars (\$80,000) to the Stokes
15 County Water and Sewer Authority, Inc., for the Dan
16 River Project.
- 17 (4) Thirty thousand dollars (\$30,000) to the Department
18 of Environment, Health, and Natural Resources for
19 the Limestone Creek small watershed project in
20 Duplin County.
- 21 (5) Three hundred forty thousand six hundred forty
22 dollars (\$340,640) to the Department of
23 Environment, Health, and Natural Resources for the
24 Deep Creek small watershed project in Yadkin
25 County.

26 (b) The Department of Environment, Health, and Natural
27 Resources and the Stokes County Water and Sewer Authority, Inc.,
28 shall report by October 1 and March 1 of each fiscal year to the
29 Joint Legislative Commission on Governmental Operations, the
30 Fiscal Research Division of the General Assembly, and the Office
31 of State Budget and Management regarding the use of the funds
32 reallocated by this section. Each report shall include all of
33 the following:

- 34 (1) The estimated cost of each project.
- 35 (2) The date that work on each project began or is
36 expected to begin.
- 37 (3) The date that work on each project was completed or
38 is expected to be completed.
- 39 (4) The actual cost of each project.

CODE NO. 97ENV-H001

Requested by: Representatives Mitchell, Baker, Carpenter, and Yongue

MEADOW BRANCH WATER PROJECT AND DEEP CREEK PROJECT FUNDS DO NOT REVERT

1 Section @ Section 107(b) of Chapter 561 of the 1993
2 Session Laws as rewritten by Section 26.1 of Chapter 507 of the
3 1995 Session Laws reads as rewritten:

4 "(b) Where the actual costs are different from the estimated
5 costs under subsection (a) of this section, the Department may
6 adjust the allocations among projects as needed. If any projects
7 listed in subsection (a) of this section are delayed and the
8 budgeted State funds cannot be used during the 1993-94 fiscal
9 year, or if the projects listed in subsection (a) of this section
10 are accomplished at a lower cost, the Department may use the
11 resulting fund availability to fund:

12 (1) Corps of Engineers project feasibility studies, or

13 (2) Corps of Engineers projects whose schedules have
14 advanced and require State matching funds in fiscal
15 year 1993-94, or

16 (3) State-local Water Resources Development Projects.
17 Funds, except those allocated in subdivisions (a)(14), (15),
18 (16), and (17) of this section, not expended or encumbered for
19 these purposes shall revert to the General Fund at the end of the
20 1994-95 fiscal year. The funds allocated in subdivisions
21 (a)(14), ~~(15), (16), and (17)~~ and (16) of this section shall not
22 revert until June 30, 1997. The funds allocated in subdivisions
23 (15) and (17) of this section shall not revert until June 30,
24 1999."

CODE NO. 97ENV-H022

Requested by: Representative Culp

RANDLEMAN DAM FUNDS DO NOT REVERT

1 Section @. Subsection (c) of Section 8 of Chapter 777
2 of the 1993 Session laws as rewritten by Section 26.2 of Chapter
3 507 of the 1995 Session Laws reds as rewritten:

4 "(c) All funds appropriated in Chapter 769 of the 1993 Session
5 Laws for the construction of Randleman Dam shall revert to the
6 General Fund on ~~October 1, 1997~~, October 1, 1999, if construction
7 has not begun before that date."

8

CODE NO. 97ENV-H014-S13.15

Requested by: Representatives Mitchell, Baker, and Carpenter

WATER QUALITY PERMIT PROGRAMS/RESERVE FUNDS

1 Section @. (a) Of the funds appropriated to the
2 Department of Environment, Health, and Natural Resources by this
3 act for the 1997-98 fiscal year, the sum of one million dollars
4 (\$1,000,000) shall be held in reserve within the Department.

5 (b) Of those funds held in reserve, the sum of one
6 hundred fifty thousand dollars (\$150,000) shall be used to
7 replace federal construction grant funds when the federal funds
8 cease for the support of three positions in the Division of Water
9 Quality, Department of Environment, Health, and Natural
10 Resources.

11 (c) The remaining eight hundred fifty thousand dollars
12 (\$850,000) held in reserve is to offset a possible permit receipt
13 shortfall for the water quality programs for unrealized revenue
14 up to two million nine hundred fifty thousand dollars
15 (\$2,950,000).

16 Subject to approval by the Office of State Budget and
17 Management, the Department may use the reserve funds during the
18 1997-98 fiscal year in accordance with this subsection. The
19 eight hundred fifty thousand dollars (\$850,000) in reserve may be
20 used to provide the necessary cash flow for the water quality
21 programs during the fiscal year if receipts during the fiscal
22 year are insufficient to cover water quality program
23 expenditures. The reserve funds shall be used only for the
24 water quality programs administered by the Water Quality Section
25 of the Water Quality Division.

26 At the end of the 1997-98 fiscal year:

27 (1) If the receipts generated by the water quality
28 permit programs for the 1997-98 fiscal year are
29 less than two million nine hundred fifty thousand
30 dollars (\$2,950,000), then the Water Quality
31 Section may retain from the reserve an amount equal
32 to the difference between two million nine hundred
33 fifty thousand dollars (\$2,950,000) and actual
34 water quality permit receipts for the 1997-98
35 fiscal year, not to exceed eight hundred fifty
36 thousand dollars (\$850,000).

37 (2) If the receipts generated by the water quality
38 permit programs for the 1997-98 fiscal year are two
39 million nine hundred fifty thousand dollars

1 (\$2,950,000) or more, then the Water Quality
2 Section shall not retain any funds from the
3 reserve.

4 (d) All receipts, State funds, and federal funds that
5 are budgeted for the Water Quality Section of the Water Quality
6 Division, Department of Environment, Health, and Natural
7 Resources, shall be used only for the Water Quality Section and
8 the water quality programs administered by that section and shall
9 not be transferred or used for any other purpose.

10 (e) For purposes of this section, "water quality
11 permits" means all permits issued under Part 1 of Article 21 of
12 Chapter 143 of the General Statutes that are administered by the
13 Water Quality Section of the Water Quality Division, Department
14 of Environment, Health, and Natural Resources.

CODE NO. 97ENV-H015A-S13.16

Requested by: Representatives Mitchell, Baker, and Carpenter

FEDERAL FUNDS FOR WATER QUALITY INDIRECT COSTS USED FOR WATER QUALITY

1 Section @. Federal funds received by the Department of
2 Environment, Health, and Natural Resources received as federal
3 indirect cost receipts associated with the federal Environmental
4 Protection Agency "106" water quality grant may be credited to
5 and used by the Water Quality Section of the Water Quality
6 Division for the permit programs and activities administered by
7 that section.

CODE NO. 97ENV-H018B

Requested by: Representatives Mitchell, Baker, and Carpenter

STATE MATCH FOR FEDERAL SUPPLY AND WASTEWATER ASSISTANCE FUNDS

- 1 Section @. For the 1997-98 fiscal year, of the funds
2 reserved under G.S. 143-15.3B to the Clean Water Management Trust
3 Fund, the State Controller shall transfer the sum of thirteen
4 million two hundred twenty-four thousand five hundred ninety-five
5 dollars (\$13,224,595) to the Department of Environment, Health,
6 and Natural Resources to be allocated as follows:
- 7 (1) The sum of four million one thousand seven hundred
8 seventy-five dollars (\$4,001,775) shall be used for
9 the twenty percent (20%) State match required to
10 receive federal wastewater assistance funds for
11 revolving construction loans and other assistance
12 as set forth in Chapter 159G of the General
13 Statutes. The funds allocated under this section
14 shall be deposited in the State Revolving Water
15 Fund account of the Clean Water Pollution Control
16 Revolving Fund.
- 17 (2) The sum of nine million two hundred twenty-two
18 thousand eight hundred twenty dollars (\$9,222,820)
19 shall be used for the twenty percent (20%) State
20 match required to receive federal water supply
21 assistance funds for revolving construction loans
22 and other assistance as set forth in Title I,
23 section 130 of the federal Safe Drinking Water Act
24 Amendments of 1996. The funds allocated under this
25 section are to be deposited in a State fund that is
26 available from year to year for the purpose of
27 providing revolving loans and grants to local
28 government units for water supply assistance.

CODE NO. 97ENV-H025B

Requested by: Representative Baker

SOLID WASTE OPERATOR COURSE EXEMPT

1 Section @. G.S. 130A-309.25 is amended by adding a new
2 subsection to read:

3 "(f) This section does not apply to any operator of a solid
4 waste management facility who has five years continuous
5 experience as an operator of a solid waste management facility
6 immediately preceding January 1, 1998, provided that the operator
7 attends a course and completes the continuing education
8 requirements approved by the Department."

CODE NO. 97ENV-H010A-S13.19

Requested by: Representatives Mitchell, Baker, Carpenter, and H. Hunter

PARTNERSHIP FOR THE SOUNDS

1 Section @. (a) Subject to subsection (c) of this
2 section, the Partnership for the Sounds shall, no later than
3 January 15, 1998, submit a report to the Joint Legislative
4 Commission on Governmental Operations and the Fiscal Research
5 Division that provides the following information:

- 6 (1) Program activities, objectives, and accomplishments
7 for the 1996-97 fiscal year;
- 8 (2) Itemized expenditures and fund sources for the
9 1996-97 fiscal year;
- 10 (3) Planned activities, objectives, and accomplishments
11 for the 1997-98 fiscal year, including actual
12 results through December 31, 1997; and
- 13 (4) Estimated itemized expenditures and fund sources
14 for the 1997-98 fiscal year, including actual
15 expenditures and fund sources through December 31,
16 1997.

17 (b) Subject to subsection (c) of this section, the
18 Partnership for the Sounds shall, no later than January 15, 1999,
19 submit a report to the Joint Legislative Commission on
20 Governmental Operations and the Fiscal Research Division that
21 provides the following information:

- 22 (1) Program activities, objectives, and accomplishments
23 for the 1997-98 fiscal year;
- 24 (2) Itemized expenditures and fund sources for the
25 1997-98 fiscal year;
- 26 (3) Planned activities, objectives, and accomplishments
27 for the 1998-99 fiscal year, including actual
28 results through December 31, 1998; and
- 29 (4) Estimated itemized expenditures and fund sources
30 for the 1998-99 fiscal year, including actual
31 expenditures and fund sources through December 31,
32 1998.

33 (c) The Partnership for the Sounds shall provide
34 additional reports to the Joint Legislative Commission on
35 Governmental Operations or the Fiscal Research Division upon
36 request.

37 (d) The Partnership for the Sounds shall provide a
38 copy of its annual audited financial statement to the Fiscal

104

1 Research Division within 30 days of issuing the financial
2 statement.

CODE NO. 97HLTH-H013

Requested by: Representatives Mitchell, Baker, Carpenter
COMMUNICABLE DISEASE CONTROL AID TO COUNTIES FLEXIBILITY

1 Section @. (a) For the 1997-98 and 1998-99 fiscal
2 years, the Department of Environment, Health, and Natural
3 Resources may combine and allocate funds appropriated for Aid to
4 Counties in the Acute Communicable Disease Control Fund, the
5 Tuberculosis Control Fund, and the Sexually Transmitted Disease
6 Control Fund into one Acute Communicable Disease Control Aid to
7 Counties Grant. Communicable Disease Aid to Counties funding to
8 local health departments and other authorized recipients will be
9 based on a general communicable disease formula to be developed
10 by the Department of Environment, Health, and Natural Resources.
11 (b) The Department of Environment, Health, and Natural
12 Resources, in conjunction with local health departments, will
13 maintain a system to monitor and identify Aid to Counties
14 communicable disease expenditures by each communicable disease
15 group. The Department shall report to the Joint Legislative
16 Commission on Governmental Operations not later than October 1,
17 1997, and annually thereafter, on Aid to Counties expenditures by
18 county for each communicable disease group and the purpose of the
19 expenditures for the fiscal year. The report shall also include
20 an evaluation of the effectiveness of combining Aid to Counties
21 funding into one grant fund and the effectiveness of the formula
22 used to allocate funds.

106

CODE NO. 97HLTH-H002

Requested by: Representatives Mitchell, Baker, Carpenter

DWI TEST CHANGES

1 Section @. (a) For the 1997-98 and 1998-99 fiscal
2 years, any funds collected under G.S. 20-16.5(j) that are
3 designated for the chemical alcohol testing program of the Injury
4 Control Section of the Department of Environment, Health, and
5 Natural Resources and are not needed for that program shall be
6 transferred annually to the Governor's Highway Safety Program for
7 grants to local law enforcement agencies for training and
8 enforcement of the laws on driving while impaired. The
9 Governor's Highway Safety Program shall expend funds transferred
10 to it under this section within 13 months of receipt of the
11 funds. Amounts received by the Governor's Highway Safety Program
12 shall not revert until the June 30 following the 13-month period.
13 (b) Notwithstanding G.S. 143-23(a1)(3), if the total
14 requirements for the 1997-98 and 1998-99 fiscal years for the
15 statewide chemical alcohol testing program exceed funds
16 appropriated in this act for the program, then the Injury Control
17 Section may use funds in accordance with G.S. 20-16.5(j) to fund
18 the chemical alcohol testing program requirements in excess of
19 the General Fund appropriation, provided that total expenditures
20 for the 1997-98 and 1998-99 fiscal years for the chemical alcohol
21 testing program shall not exceed amounts collected under G.S. 20-
22 16.5(j) and designated for the chemical alcohol and testing
23 program.

107

CODE NO. 97HLTH-H015

Requested by: Representatives Mitchell, Baker, and Carpenter

STATE TRAINING/ENVIRONMENTAL HEALTH SPECIALISTS

1 Section @. The Department of Environment, Health, and
2 Natural Resources shall improve the initial training provided to
3 environmental health specialists serving as agents of the State.
4 The Department shall utilize modern technology and training
5 techniques for improving the training program. The Department
6 shall make a progress report on the training program to the Joint
7 Legislative Commission on Governmental Operations and the Fiscal
8 Research Division not later than July 1, 1998.

9
10
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108

CODE NO. 97HLTH-H003A

Requested by: Representatives Mitchell, Baker, Carpenter
CHILDHOOD LEAD EXPOSURE CONTROL

1 Section @. (a) Of the funds appropriated in this act to
2 the Department of Environment, Health, and Natural Resources, the
3 sum of two hundred thirty-seven thousand seventy-nine dollars
4 (\$237,079) for the 1997-98 fiscal year and the sum of two hundred
5 ten thousand eight hundred seventy-nine dollars (\$210,879) for
6 the 1998-99 fiscal year shall be used to expand the State's
7 Childhood Lead Poisoning Prevention Program.

8 (b) The allocation of funds under subsection (a) of this
9 section is contingent upon the enactment into law of House Bill
10 1007, Senate Bill 806, or identical legislation, 1997 General
11 Assembly.

CODE NO. 97HLTH-H004

Requested by: Representatives Mitchell, Baker, Carpenter
EXTEND HEART DISEASE AND STROKE PREVENTION TASK FORCE

1 Section @. Subsections (l) and (m) of Section 26.9 of
2 Chapter 507 of the 1995 Session Laws read as rewritten:

3 "(l) The Task Force shall submit to the Governor and to the
4 General Assembly a preliminary report by January 1, 1996; an
5 interim report within the first week of the convening of the 1997
6 General Assembly; a second interim report within the first week
7 of the convening of the 1997 General Assembly, Regular Session
8 1998; a third interim report within the first week of the
9 convening of the 1999 General Assembly, and a final report by
10 October 1, 1997. June 30, 1999. The reports shall address the
11 Plan, actions and resources needed to fully implement the Plan,
12 and progress in achieving implementation of the Plan to reduce
13 the occurrence of and burden from heart disease and stroke in
14 North Carolina. The reports shall include an accounting of funds
15 expended and anticipated funding needs for full implementation of
16 recommended plans and programs.

17 (m) Upon submission of its final report to the Governor and
18 the ~~1997~~ 1999 General Assembly, the Task Force shall expire."

CODE NO. 97HLTH-H005A

Requested by: Representatives Mitchell, Baker, Carpenter
CANCER CONTROL FUNDS

1 Section @. Of the funds appropriated in this act to the
2 Department of Environment, Health, and Natural Resources, the sum
3 of three hundred fifty thousand dollars (\$350,000) for the 1997-
4 98 fiscal year and the sum of two hundred fifty thousand dollars
5 (\$250,000) for the 1998-99 fiscal year shall be allocated for
6 promoting the prevention, early detection, data collection,
7 coordination, and optimal care in the control of cancer.
8 Purposes for which funds appropriated under this section may be
9 used include a total of five full-time positions for the Central
10 Cancer Registry, the Division of Health Promotion, and the
11 Advisory Committee on Cancer Coordination and Control. Funds
12 shall be allocated upon the advice of the Advisory Committee on
13 Cancer Coordination and Control. The Department shall report to
14 the Joint Legislative Commission on Governmental Operations and
15 the Fiscal Research Division by February 1, 1998 on the
16 allocation and use of the funds.

17 These funds are appropriated to honor the memory of Dr.
18 John Kernodle.

111
CODE NO. 97HLTH-H006A

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

IMMUNIZATION PROGRAM FUNDING

1 Section @. (a) . Of the funds appropriated to the
2 Department of Environment, Health, and Natural Resources for the
3 1997-99 fiscal biennium for childhood immunization programs for
4 positions, operating support, equipment, and pharmaceuticals, the
5 sum of up to one million dollars (\$1,000,000) each fiscal year
6 may be used for projects and activities that are also designed to
7 increase childhood immunization rates in North Carolina. These
8 projects and activities shall include the following:
9 (1) Outreach efforts at the State and local levels to
10 improve service delivery of vaccines. Outreach
11 efforts may include educational seminars, media
12 advertising, support services to parents to enable
13 children to be transported to clinics, longer
14 operating hours for clinics, and mobile vaccine
15 units; and
16 (2) Continued development of an automated immunization
17 registry.
18 (b) Funds authorized to be used for immunization
19 efforts under subsection (a) of this section shall not be used to
20 fund additional State positions in the Department of Environment,
21 Health, and Natural Resources.

CODE NO. 97HLTH-H007A

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

WIC PROGRAM FUNDS

1 Section @. Of the funds appropriated to the Department
2 of Environment, Health, and Natural Resources for the Women,
3 Infants, and Children (WIC) Program, the sum of one million two
4 hundred eighty thousand dollars (\$1,280,000) for the 1997-98
5 fiscal year and the sum of one million two hundred eighty
6 thousand dollars (\$1,280,000) for the 1998-99 fiscal year shall,
7 if sufficient federal food funds are available, be used for the
8 WIC Program as follows:

9 (1) Not more than \$500,000 in each fiscal year shall be
10 used to establish new WIC Programs in Head Start or
11 other private or public nonprofit agencies to serve
12 additional mothers, infants, and children. The
13 Department shall utilize these funds for local
14 program operations including staff to provide
15 eligibility determination, nutrition education, and
16 health care referrals. In selecting the new WIC
17 Programs, the Department shall consider
18 accessibility to the target population including
19 location and hours of operation.

20 (2) Not more than \$250,000 in each fiscal year shall be
21 used to renovate facilities of existing programs
22 where space constraints limit program expansion,
23 and to fund rental costs in areas where accessible
24 donated space is not available. In selecting the
25 facilities the Department shall consider
26 accessibility to the target population including
27 location and extended hours of operation. In
28 determining whether to fund rental of space, the
29 Department shall ensure that options for using
30 donated accessible space have been considered. Not
31 more than \$75,000 of funds allocated under this
32 subdivision for each fiscal year shall be used for
33 rental of space.

34 (3) Not more than \$300,000 in each fiscal year shall be
35 used to purchase physician-prescribed special
36 formulas and nutritional supplements for infants,
37 children, and women.

1 (4) Not more than \$60,000 in each fiscal year shall be
2 used to provide the required State match to the WIC
3 farmers' market project.
4 (5) Not more than \$170,000 in each fiscal year shall be
5 used for the purpose of establishing and
6 maintaining a Public Health Nutritionist Internship
7 Program.
8 If sufficient federal food funds are not available then funds
9 appropriated for the WIC Program under this section shall be used
10 to supplement federal food funds and any balance in funds
11 remaining after the supplemental use shall be used in accordance
12 with subdivisions (1) through (5) of this section.

CODE NO. 97HLTH-H008A

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

ADOLESCENT PREGNANCY PREVENTION COALITION OF NC/REPORTING

1 Section @. The Adolescent Pregnancy Prevention
2 Coalition of N.C. shall:

3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:

- 7 a. State fiscal year 1996-97 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1996-97 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1997-98 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1997; and
14 d. State fiscal year 1997-98 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1997.

18 (2) By January 15, 1999, and more frequently as
19 requested, report to the Joint Legislative
20 Commission on Governmental Operations and the
21 Fiscal Research Division the following information:

- 22 a. State fiscal year 1997-98 program activities,
23 objectives, and accomplishments;
24 b. State fiscal year 1997-98 itemized
25 expenditures and fund sources;
26 c. State fiscal year 1998-99 planned activities,
27 objectives, and accomplishments including
28 actual results through December 31, 1998; and
29 d. State fiscal year 1998-99 estimated itemized
30 expenditures and fund sources including actual
31 expenditures and fund sources through December
32 31, 1998.

33 (3) Provide to the Fiscal Research Division a copy of
34 the Coalition's annual audited financial statement
35 within 30 days of issuance of the statement.

CODE NO. 97HLTH-H009

Requested by: Representatives Mitchell, Baker, Carpenter
NORTH CAROLINA HEALTHY START FOUNDATION/REPORTING

1 Section @. The North Carolina Healthy Start Foundation
2 shall:

- 3 (1) By January 15, 1998, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1996-97 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1996-97 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1997-98 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1997; and
14 d. State fiscal year 1997-98 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1997.
18 (2) Provide to the Fiscal Research Division a copy of
19 the Foundation's annual audited financial statement
20 within 30 days of issuance of the statement.

116
CODE NO. 97HLTH-H010A

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

PREVENT BLINDNESS, INC./REPORTING

- 1 Section @. Prevent Blindness, Inc., shall:
- 2 (1) By January 15, 1998, and more frequently as
- 3 requested, report to the Joint Legislative
- 4 Commission on Governmental Operations and the
- 5 Fiscal Research Division the following information:
- 6 a. State fiscal year 1996-97 program activities,
- 7 objectives, and accomplishments;
- 8 b. State fiscal year 1996-97 itemized
- 9 expenditures and fund sources;
- 10 c. State fiscal year 1997-98 planned activities,
- 11 objectives, and accomplishments including
- 12 actual results through December 31, 1997; and
- 13 d. State fiscal year 1997-98 estimated itemized
- 14 expenditures and fund sources including actual
- 15 expenditures and fund sources through December
- 16 31, 1997.
- 17 (2) Provide to the Fiscal Research Division a copy of
- 18 the Prevent Blindness, Inc., annual audited
- 19 financial statement within 30 days of issuance of
- 20 the statement.

117

CODE NO. 97HLTH-H011A

Requested by: Representatives Mitchell, Baker, Carpenter
FEDERAL ABSTINENCE EDUCATION FUNDS

1 Section @. If federal funds are received under the
2 Maternal and Child Health Block Grant for abstinence education,
3 pursuant to Sec. 912 of Public Law 104-193 (42 U.S.C. 710), for
4 the 1997-98 or the 1998-99 fiscal year, or both, then those funds
5 shall be transferred to and administered by the State Board of
6 Education.

#1

passed

CODE NO. 97HLTH-H016

Requested by: Representative Culp

ESTABLISH DRINKING WATER REVOLVING LOAN FUND

1 Section @. G.S. 159G-5 is amended by adding a new
2 subsection to read:

3 "(d) The Drinking Water Treatment Revolving Loan Fund is
4 established as a special account within the Clean Water Revolving
5 Loan and Grant Fund. This account shall be established and
6 managed in accordance with the requirements of section 130 of
7 Title I of the federal Safe Drinking Water Act Amendments of 1996
8 (Pub. L. 104-182; 110 Stat. 1662; 42 U.S.C. § 300j-12), to
9 achieve the purposes and goals of the federal Safe Drinking Water
10 Act Amendments of 1996. The funds in the Drinking Water
11 Treatment Revolving Loan Fund may be used only for the purposes
12 of providing revolving construction loans and other assistance as
13 set forth in section 130 of Title I of the federal Safe Drinking
14 Water Act Amendments of 1996 and the regulations promulgated
15 thereunder, including making grants to the extent permitted by
16 these amendments or these regulations."

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.) CANSLER

Sen.) _____

moves to amend the bill on page NATURAL & ECONOMIC RESOURCES - SPECIAL PROVISIONS, line _____

by ON PAGE 6 AFFORDABLE HOUSING ASSISTANCE FUNDS

changing lines 3 and 4 to read as follows:

3 Fund, ~~not more than~~ five hundred thousand dollars (\$500,000) for
the 1997-98 fiscal year ~~may~~ shall be allocated by the . . .

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative(s) **Holmes, Esposito, Creech and Crawford** for the Committee on
APPROPRIATIONS.

- ☒ Committee Substitute for
S.B. 352 A BILL TO BE ENTITLED AN ACT TO MAKE APPROPRIATIONS FOR
CURRENT OPERATIONS AND FOR CAPITAL IMPROVEMENTS FOR STATE
DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.
- ☐ 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)

VISITOR REGISTRATION SHEET

APPROPRIATIONS

May 29, 1997

Name of Committee

Date

amv

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
<i>Latie L. Dorsett</i>	<i>DOA</i>
<i>Karen Galt</i>	<i>Governor's Office</i>
<i>Adam Seuring</i>	<i>NCHC</i>
<i>Denise A. Sessions</i>	<i>DOJ</i>
<i>Ligian B. Lutes</i>	<i>ARC</i>
<i>Linda McDaniel</i>	<i>DHR/DFS</i>
<i>Bob Fitzgerald</i>	<i>DHR/DFS</i>
<i>Jerry Chown</i>	<i>NCCGS</i>
<i>Jimmy Buttl</i>	
<i>Arla Shaw</i>	<i>NC Low Income Housing Coalition</i>
<i>Paul Miller</i>	<i>NC SFA</i>
<i>Carl Dechwin</i>	<i>OSP</i>
<i>Stacy Hanner</i>	<i>SEANC</i>
<i>Danell Gussard</i>	<i>SEANC</i>
<i>Don McKillian</i>	<i>more - Van Allen</i>
<i>Jeff Mann</i>	<i>NCCR</i>
<i>Jeff Banclini</i>	~~<i>NCCOT</i>~~ <i>NCCOT</i>
<i>Ben Nefia</i>	<i>MCFA - VAB</i>
<i>Don Nefia</i>	<i>NCCS</i>
<i>Todd Felts</i>	<i>DCC/DHR</i>
<i>Joe Adams</i>	<i>OSBM</i>
<i>Janet Ritten</i>	<i>OSBM</i>
<i>Minnie My</i>	<i>"</i>
<i>Ken Buxi</i>	<i>"</i>
<i>Daniel Brown</i>	<i>"</i>
<i>R. S. Scholtz</i>	<i>NCJ CDC</i>
<i>Sam Slamen</i>	<i>United Way of NC & Covenant w/ NC's Children</i>

VISITOR REGISTRATION SHEET

APPROPRIATIONS

May 29, 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

VISITOR REGISTRATION SHEET

APPROPRIATIONS

May 29, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Oliver Adams	Public School System of NC
R.D. Locklear	TLC Home Nest Co., Pembroke, NC
Gene Causby	E- EBC
Brenda Dougherty	Sprint
A.B. Swindell	BFI
Nancy Bradley	NCCBT
Ram Carpenter	PCS
Lana Hatfield	MCIC
Tommy Worth	Carol Shuman Syntex
Becky Brown	Labor
George Howe	MCNC
Jon Munn	Sprint
Mary Bradley	NCCBT
Craig Sonzogni	Homes - MRICK
James Peters	SPASSOC - EEBC
Charles Jones	NCATL
Pat Bradford	SEANC
Jimmy Brooks	N.C. State Ports -
Hal Miller	NCACT
Patricia Yancey	LLPP/APPCNC / SCSL
Adrienne Hill	SBE
Ann Berian	SBE
Roslyn Sawitt	hobbyist
Mercatha Miller	GA - UNC
M.L. Dutton	DDP-YFO
Betty Zupak	DCR
Ernie Rosefield	DCR

VISITOR REGISTRATION SHEET

APPROPRIATIONS

May 29, 1997

Name of Committee

Date *p.m.*

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
<i>Lou Ann Harris</i>	<i>Sanford Holskouser</i>
<i>Lynn Harris</i>	<i>Bruce Smith</i>
<i>Willie Riddick</i>	<i>DOA</i>
<i>George Howe</i>	<i>McAfee</i>
<i>Tommy work</i>	<i>Carolyn Heston's Cnt System</i>
<i>Laura Hartsell</i>	<i>MCIC</i>
<i>Arny Joe Baum</i>	<i>Smith Anderson</i>
<i>Brenda Dougherty</i>	<i>Sprunt</i>
<i>Michelle Cook</i>	<i>Weyerhaeuser</i>
<i>Natalie Haskins</i>	<i>Charlotte Chamber</i>
<i>Mary Bradley</i>	<i>NCEB</i>
<i>David Simmons</i>	<i>20A PA</i>
<i>Leslie Bewager</i>	<i>NCCBI</i>
<i>Joe Mann</i>	<i>Spirit</i>
<i>Henry Kissinger</i>	
<i>Patsa Jones</i>	
<i>Chadley</i>	
<i>Gene Causby</i>	<i>E - EBC</i>
<i>Vince Foster</i>	<i>Baker's Memorial Gardens</i>
<i>John Smith</i>	<i>UNC - NCSU</i>
<i>Douglas Baum</i>	<i>United Way of NC / Covenant with NC's Children</i>
<i>Green Schmidt</i>	<i>NCJCDIC</i>
<i>Patricia Wolf</i>	<i>Covenant w/ NC's Children</i>
<i>Martha Glass</i>	<i>IOA</i>
<i>Hal Miller</i>	<i>MCACCT</i>
<i>Chuck Stone</i>	<i>SEARC</i>
<i>Darrell Arnold</i>	<i>SEANC</i>

VISITOR REGISTRATION SHEET

APPROPRIATIONS

May 29, 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Stacy Flannery	SEAN
Jim Brown	N.C. State Ports. —
Ebonie Alexander	NCCDI
Linda Gunn	REDC
For C. Harris	STGRB
Andrea Davis	NCIMED
Elvis	
Patsy Cline	
Al Green	Grits, TN
Preston Houser	DWR
P. ROGERS	ENR
Kathy Peterson	American Heart Association
Elizabeth M. Puckett	DHP / DEHNR
Leo Tilley	Commerce
Troy Green	SEAN
Nonna Rosefield	DCR
Willie Riddick	DOR
Terry Hartsy	NC Port Council
Velvetta Profor	ZETA
Dugan Williams	Bone & Assoc

VISITOR REGISTRATION SHEET

APPROPRIATIONS

May 29, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
<i>Oliver Adams</i>	<i>Public School System of NC</i>
<i>R.D. Locklear</i>	<i>TLC Home Health Care, Pembroke, NC</i>
<i>Gene Causby</i>	<i>E- EBC</i>
<i>Brenda Dougherty</i>	<i>Sprint</i>
<i>A.B. Swindell</i>	<i>BFI</i>
<i>Nancy Bradley</i>	<i>NCCBT</i>
<i>Rain Carpenter</i>	<i>PCS</i>
<i>Lana Hatfield</i>	<i>MCIC</i>
<i>Tommy Worth</i>	<i>Carlin Steel House System</i>
<i>Becky Brown</i>	<i>Labor</i>
<i>George Howe</i>	<i>MCNC</i>
<i>Jon Munn</i>	<i>Sprint</i>
<i>Nancy Bradley</i>	<i>NCCBD</i>
<i>Craig Sonzogni</i>	<i>Homes - MRICK</i>
<i>James Peters</i>	<i>SP Assoc - EIBC</i>
<i>Charles Brown</i>	<i>NCATL</i>
<i>Pat Bradford</i>	<i>SEANC</i>
<i>Jim Brogan</i>	<i>N.C. State Ports -</i>
<i>Hal Miller</i>	<i>NCACCT</i>
<i>Patricia Yancey</i>	<i>LLPP/APPCNC / SCSL</i>
<i>Adriene Hill</i>	<i>SBE</i>
<i>Ann Berian</i>	<i>SBE</i>
<i>Roslyn Sawitt</i>	<i>lobbyist</i>
<i>Mercatha Miller</i>	<i>GA - UNC</i>
<i>A.L. Dutton</i>	<i>DDP - YFO</i>
<i>Betsy Zupch</i>	<i>DCR</i>
<i>Ernie Rosfield</i>	<i>DCR</i>

VISITOR REGISTRATION SHEET

APPROPRIATIONS

May 29, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Latice L. Dorsett	DOA
Karen Galt	General's Office
Adam Seuring	NCHAC
Denise A. Sessom	DOJ
Lipman B. Kutey	ARC
Lynnda McDaniel	DHR/DFS
Bob Fitzgerald	DHR/DFS
Jimmy C. Owens	NCCCS
Jimmy Buttl	
Arda Shaw	NC Low Income Housing Coalition
Paul Miller	NC SFA
Carl D. Brown	OSP
Stacy Flannery	SEANC
Danell G. G. G.	SEANC
Don McMillan	more - Vandalia
Jeff Maw	NCR
Jeff Banclini	~~NCOOT~~ NCOOT
Ben N. N.	MCPA - VAB
Wong N.	NCCCS
Todd Felts	DCC/DHR
Shirley Adams	OSBM
Janet R. R.	OSBM
Mary M.	"
Ken B.	"
Daniel Brown	"
Lib Scholze	NCJ CDC
Pam Slaman	United Way of NC & Covenant w/ NC's Children

VISITOR REGISTRATION SHEET

APPROPRIATIONS

Name of Committee

May 29, 1997

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

[illegible]

MINUTES
APPROPRIATIONS COMMITTEE ON APPROPRIATIONS
May 30, 1997

The full House Appropriations Committee met on May 30, 1997 in Room 643 of the Legislative Office Building. Representative George Holmes called the meeting to order at 9:00 A.M. There were 65 members present and two excused absences.

Representative Holmes announced that the committee would continue receiving the reports of the subcommittees.

Representative Gardner gave an introduction to the Human Resources Subcommittee report. Rep. Cansler reported on the cuts and Rep. Gardner gave the expansion items. Rep. Clary reported on some of the special provisions; Representatives Cansler and Gardner reported on the remainder.

Amendment No. 1 (attached) by Rep. Arnold to the special provision on page 78, line 5 to delete the word "bids" and substitute the word "information." Carried by voice vote.

Amendment No. 2 (attached) by Rep. Nye to delete pages 123 and 124 which refer to state medical facilities plan/rules. Carried by voice vote.

Amendment No. 3 (attached) by Rep. Michaux regarding state funds for lobbying. Carried by voice vote.

Amendment No. 4 (attached) by Rep. Redwine to delete item 15 on page 2 and by adding a special provision at the end of the report regarding a senior advisor for children and families/staff. Defeated by voice vote.

Representative Holmes recessed the meeting at 11:30 A. M. until 1:00 P.M.

Representative Holmes called the meeting to order at 1:00 P.M. There were 60 members present and two excused absences. He called upon Rep. Gardner who gave the report on the Block Grants. There were no amendments to the block grants.

Before Rep. Berry gave the report on Welfare Reform she sent forth a technical amendment that clarified the money part of the bill. It was explained by staff.

Motion by Rep. Berry to adopt the amendment (attached) about the Work First Reserve Fund. Carried by voice vote.

Rep. Berry explained the first part of the proposal; Rep. Howard explained the second part. The following motions were proposed:

Motion by Rep. Redwine to accept an amendment (attached) to delete the substantive provisions of the special provision on welfare reform. After much discussion, Rep. Morgan called the question and asked for the ayes and noes on the amendment. The question was sustained by voice vote. The amendment failed by a roll call vote of 41-22.

Motion by Rep. Blue to accept an amendment (attached) regarding county participation in the Work First Program. The amendment failed by division of 21 ayes and 34 noes.

Motion by Rep. Alexander to accept an amendment (attached) about the abolishment of the Social Services Commission. Passed by voice vote.

Motion by Rep. Redwine to accept an amendment (attached) regarding county/state Work First Program. Failed by division 22-36.

Motion by Rep. Easterling to adopt an amendment (attached) deleting Smart Start from the Welfare Reform Program. The motion failed by voice vote.

Motion by Rep. Easterling to adopt an amendment (attached) regarding eligibility criteria and the method of calculating benefits. Failed by voice vote.

Cochairs of the Subcommittee on General Government, Representatives Ives, Sherrill and McCombs gave the report for their committee.

A motion to adopt an amendment (attached) regarding lobbyists under Article 9A of Chapter 120 was presented and then withdrawn.

The following motions for amendments were presented and acted upon:

Amendment #1 (attached) about Arts Council grants by Rep. Ellis; carried by voice vote.

Amendment #2 (attached) about the ATM-SONET network by Rep. Reynolds; carried by voice vote.

Amendment #3 (attached) regarding communication between legislators and state employees by Rep. Shubert; carried by voice vote.

Amendment #4 (attached) regarding funds for the Museum of the Albermarle by Representative Russell; defeated 30-31 by division.

Amendment #5 (attached) about fire protection and rescue grant funds by Rep. Jeffus; carried by voice vote.

Representatives Larry Justus and Joe Kiser, Cochairs, gave the report for the Subcommittee on Justice and Public Safety.

Representative Carolyn Russell presented the report for the Subcommittee on Capital and Budget.

Motion to accept a special provision (attached) regarding uniform financial accountability by Rep. McMahan; carried by voice vote.

Motion to accept a special provision (attached) regarding the funding for renovation of and expansion to the Highsmith Center at UNC-Asheville; carried by voice vote.

Representative Redwine moved that the General Statutes be amended regarding approval by the Attorney General of settlement agreements. The motion passed by a voice vote.

Representative Baker read an amendment by Rep. Thompson about allocation of investment earnings on school bonds to small county school systems. The motion passed by voice vote.

Representative Jim Crawford presented the report on Salary/Benefits and Statewide Reserves and the General Provisions. The report is attached.

Rep. Morgan extended on behalf of the committee their heartfelt thanks for the way the chairman allowed free and open debate and gave attention to the members and said that the members salute the chairman for the job he has done.

Rep. Morgan moved to include all of the subcommittee reports and special provisions approved as amended in a proposed committee substitute for SB 352 and to authorize staff to make any corrections necessary to that proposed committee substitute and to give that proposed committee substitute a favorable report; he respectfully requested the ayes and the noes in the form of a roll call vote. The motion was passed 44 to 1 by roll call vote.

Appropriations Committee Minutes

May 30, 1997

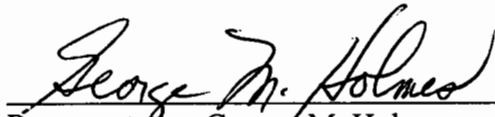
Page 4

Rep. Holmes thanked the members for their attention, participation, and the way that business was conducted. He said it was the most conciliatory Appropriations Committee meeting he had seen in a long time, and that he felt it had been his responsibility to let members participate as much as they wished. He thanked the staff and cochair.

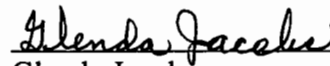
Rep. Holmes announced that copies of the bill will be available for members at 5:30 P.M. Monday in the Appropriations Committee Room. The bill should be the floor on Wednesday for second reading.

The meeting adjourned at 11:00 P.M.

Respectfully submitted,



Representative George M. Holmes
Presiding Cochair



Glenda Jacobs
Committee Clerk

Representative Theresa H. Esposito, Cochair
Representative Billy Creech, Cochair
Representative James W. Crawford, Jr., Cochair

**HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
HUMAN RESOURCES**

MAY 29, 1997

Charlotte Gardner
REP. CHARLOTTE GARDNER

Debbie Clary
REP. DEBBIE CLARY

Pam M. Cansler
REP. LANIER CANSLER

Human Resources

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$2,386,863,411	\$2,542,119,295

Legislative Changes

(1.00) Division of Medical Assistance

1 State Match for Alzheimer's Unit

Eliminates the state Medicaid match for the FY97/98 operating reserve due to construction delays.

(\$324,790) NR \$0 NR

2 Nursing Home Bed Adjustments

Adjusts the forecast for nursing home beds to reflect lag time for the construction of new nursing home beds.

(\$1,058,611) R (\$3,726,846) R

3 Drug Rebate Increase

Increases Drug Rebates because more revenue is anticipated due to increased drug prices and increased effort by Division of Medical Assistance to claim rebates.

(\$5,040,690) R (\$5,811,868) R

4 DME Rent and Supply Rate Adjustment

Adjusts methodology used to establish durable medical equipment rental rates by basing rates on useful life of equipment and return on investment.

(\$620,387) R (\$629,024) R

5 Third Party Liability Cost Avoidance

Adjusts methodology for ensuring that payment by all other responsible parties for services consumed by Medicaid eligibles occurs before any payments are made by Medicaid.

(\$1,892,180) R (\$1,918,522) R

6 Personal Care Services Criteria

Establishes more specific criteria for Personal Care Services to ensure the appropriateness of care for Medicaid eligibles who receive Personal Care Services.

(\$1,364,851) R (\$1,383,852) R

7 Home Health Care Cost Avoidance

Ensures that Home Health Care services covered by Medicare are paid by Medicare instead of Medicaid.

(\$651,406) R (\$660,475) R

8 Reduce Inflationary Increases

Reduces Inflationary increases for providers by .30%.

(\$3,472,560) R (\$3,875,407) R

9 Adjust 1996-97 Base Year for Actual Performance

Adjusts the 1996-97 base year to reflect actual expenditures through 12/96 which indicates that the budget is higher than projected expenditures. This adjustment allows the projected budget for the 1997-99 biennium to be reduced.

(\$37,546,969) R (\$14,424,443) R

10 Medicaid Reduction Initiative	\$0	R	(\$20,342,823)	R
Reduces the growth in the Medicaid budget from 10.5% to 9% by making additional reductions to program costs.				
11 Eliminate Positions	(\$46,747)	R	(\$46,747)	R
Eliminates three positions: DMA Nurse I, DMA Service Consultant, and Administrative Secretary III.				
	-3.00		-3.00	
12 Salary Reserve Reduction	(\$4,775)	R	(\$4,775)	R
(2.00) Office of the Secretary				
13 Reduce SIPS Payments	(\$500,000)	R	(\$500,000)	R
Reduces SIPS payments due to the centralization of data processing.				
14 Salary Reserve Reduction	(\$13,144)	R	(\$13,144)	R
Division of Personnel.				
15 Eliminate Positions	(\$170,000)	R	(\$170,000)	R
Eliminates funding which is being transferred to the Governor's Office for the Senior Advisor for Children and Families and one additional staff person.				
	-2.00		-2.00	
(3.00) Division of Mental Health				
16 State Psychiatric Hospitals	\$0	R	(\$4,558,916)	R
Reduces state appropriations by 3% in anticipation of operating efficiencies.				
17 Reduce Utilities at State Facilities	(\$1,099,373)	R	(\$1,119,662)	R
Reduces the cost of utilities at state facilities to reflect actual 1995-96 expenditures.				
18 Reduce Willie M. Community Services	(\$500,000)	R	(\$500,000)	R
Reduces continuation budget increases for Willie M. Community Services.				
19 Reduce Overtime Expenditures at State Facilities	(\$3,547,533)	R	(\$3,547,533)	R
Reduces overtime and related fringes at the following state facilities: Butner Adolescent Treatment Center, Cherry Hospital, Dix Hospital, Umstead Hospital, Caswell Center, Murdoch Center, O'Berry Center, and Western Carolina Center.				
20 Salary Reserve Reduction	(\$49,692)	R	(\$49,692)	R
21 Reduce Thomas S Funds	(\$1,690,926)	R	(\$932,116)	R
Reduces excess Thomas S funding based on current spending patterns.				

22 Thomas S Reduction

Reduces funding for Thomas S by allowing the Department to use existing departmental funds to meet court-mandated caseload needs for FY97/98.

(\$15,200,000) NR (\$7,600,000) R

Reduces funding in FY98/99 in anticipation of decreases in direct services due to implementation of cost containment strategies.

23 Reduce Operating Reserve

Reduces the operating reserve for the Alzheimer's Unit in Wilson due to construction delays; leaves \$388,272 needed to fund non-recurring start-up cost for FY97/98.

(\$175,974) NR \$0 NR

Deletes Medicaid receipts of \$1,040,878.

(4.00) Division of Social Services**24 Adolescent Parenting Program**

Reduces state appropriations in anticipation of additional Medicaid receipts for program administration.

(\$23,886) R (\$23,886) R

25 Reduce Excess Appropriation in Reserve

Reduces excess state appropriations in reserve for data processing.

(\$295,717) R (\$295,717) R

26 Increase State Return on Child Support Collections

Reduces appropriations by budgeting increased State return on Child Support Collections.

(\$3,000,000) R (\$3,000,000) R

27 Interest Earned on Child Support Collections

Reduces appropriations by budgeting interest on child support collections.

(\$300,000) R (\$300,000) R

28 Eliminate Positions

Eliminates three positions: Social Services Program Administrator II, Social Services Program Consultant II, and Income Maintenance Quality Assurance Analyst.

(\$58,952) R (\$58,952) R

-3.00 -3.00

29 Salary Reserve Reduction

(\$20,957) R (\$20,957) R

30 Reduce Case Management Funding

Reduces funding for Enhanced Adult Care Home case management services due to under-utilization of services.

(\$500,000) R (\$500,000) R

31 Eliminate Inflation for Adult Care Facilities

Eliminates inflation increase in State/County Special Assistance for adult care facilities included in the Governor's continuation budget.

(\$1,124,399) R (\$2,443,903) R

32 Reduce State/County Special Assistance

Reduces funding for State/County Special Assistance to reflect more accurate estimate of expenditures.

(\$1,000,000) R (\$1,000,000) R

(5.00) Division of Youth Services

33 No Rate Increase in Eckerd Camp Rates	(\$501,215)	R	(\$501,215)	R
Maintains Eckerd Wilderness Camp payment rate of \$74.89 per day.				
34 Increased Receipts in Detention Centers	(\$178,063)	R	(\$178,063)	R
Reduces state appropriations to reflect increased receipts.				
35 Reduce Operating Reserves				
Reduces operating reserves for two detention centers due to construction delays.	(\$673,938)	NR		

(6.00) Division of Blind Services

36 Reduce Medical Eye Care Program	(\$47,538)	R	(\$47,538)	R
Reduces appropriations for the Medical Eye Care Program.				
37 Utility Adjustments for Governor Morehead School	(\$72,483)	R	(\$72,483)	R
Reduces state appropriations for utilities to reflect projected expenditures.				
38 Adjustment to Budgeted Salaries	(\$7,568)	R	(\$7,568)	R
Adjusts budgeted salaries to reflect actual expenditures.				
39 Salary Reserve Reduction	(\$6,208)	R	(\$6,208)	R
40 Eliminate State Funds for Position	(\$11,023)	R	(\$11,023)	R
Replaces state appropriations with Business Enterprise funds to support one position.				

(7.00) Division of Facility Services

41 Eliminate Positions	(\$48,692)	R	(\$48,692)	R
Eliminates two positions and related support: Applications Programmer II and Processing Assistant V.	-2.00		-2.00	
42 Reduce Health Care Personnel Registry	(\$80,000)	R	(\$80,000)	R
Reduces funding for the Health Care Personnel Registry due to increased Medicaid receipts.				
43 Eliminate Position	(\$41,418)	R	(\$41,418)	R
Eliminates one Long Term Care Complaint Investigator position in the Health Care Personnel Registry.	-1.00		-1.00	

(8.00) Division of Aging

44 Salary Reserve Reduction	(\$2,927)	R	(\$2,927)	R

(9.00) Div. Services for Deaf/Hard of Hearing**45 Reduce Overtime Expenditures**

(\$73,984)	R	(\$73,984)	R

Reduces overtime expenditures at the residential schools for the deaf.

46 Salary Reserve and Longevity Reduction

(\$82,366)	R	(\$82,366)	R

(10.00) Division of Vocational Rehabilitation**47 Salary Reserve Reduction**

(\$61,439)	R	(\$61,439)	R

(11.00) Division of Child Development**48 Reduce Excess Postage and Printing Costs**

(\$25,442)	R	(\$25,442)	R

Eliminates excess funds for postage and printing resulting from increased use of automation in the criminal records check program.

(12.00) Division of Mental Health**49 Mental Health Services for County Jail Inmates**

\$250,000	R	\$250,000	R

Provides funds to transfer to the Department of Correction for the cost of mental health services for local jail inmates previously cared for in state psychiatric hospitals.

50 Secure Forensic Treatment Program

\$1,072,283	R	\$2,487,975	R

Provides funds to create a secure, 72-bed forensic program at Dorothea Dix Hospital to provide treatment to individuals found mentally incompetent to stand trial or found guilty by reason of insanity and considered at-risk of escape and/or violent behavior.

45.00	83.00

51 Autism Foundation Capital Funds

Provides funds for the Autism Society's of N.C., Inc. Camp Royall capital project.

\$2,165,000	NR	\$0	NR

52 Tri-County Area Mental Health Realignment

\$1,200,000	R	\$1,200,000	R

Provides incentive funds for existing area mental health programs/authorities to facilitate the realignment of the three counties which currently comprise the Tri-County Area Authority with existing area authorities.

53 Community Mental Health Expansion Funds

\$5,000,000 R \$5,000,000 R

Provides additional funds as follows:

- (1) Mental Health Services
 - Residential Services \$610,000
 - Deaf Mentally Ill 125,000
 - Supportive Housing/Ind. Living 631,667
 - Vocational Services 300,000
 - \$1,666,667
- (2) Developmental Disabilities
 - Vocational Services 500,000
 - Residential Subsidies 62,000
 - Traumatic Brain Injury 283,000
 - Supported Living Projects 273,000
 - Children's Services 245,000
 - Family Support Regional Prog. 170,000
 - Respite Services 64,000
 - Assistive Technology 36,666
 - Guardianship Services 33,000
 - \$1,666,666
- (3) Substance Abuse Services
 - Maternal SA Services 583,334
 - Services for Deaf/HH 250,000
 - Child & Adolescent Services 683,333
 - Family Program Services at Black Mtn ADATC 150,000
 - \$1,666,667

54 Autism Operating Funds

\$504,000 R \$504,000 R

Provides funds for the following:

- (1) Autism Society of N.C., Inc; \$ 89,000
- (2) Vocational Training Program - Job Placement for Adults Model in Wake County; 325,000
- (3) Vocational Training Program, an international teacher's exchange program; and 50,000
- (4) One training position to serve the Raleigh, Research Triangle Park and Chapel Hill areas 40,000

55 Crisis Services Expansion

\$1,000,000 R \$1,000,000 R

Provides additional funding to continue development of local crisis services.

56 DHR Early Intervention Funds

\$5,000,000 R \$5,000,000 R

Provides additional funds for the Early Intervention Program for hearing-impaired, visually-impaired, and developmentally delayed children.

57 Atypical & Antipsychotic Medications

\$500,000 NR \$500,000 R

Provides additional funds for the purchase of atypical and antipsychotic medications for schizophrenic clients served by area mental health programs.

(13.00) Division of Social Services**58 Adult Day Care Funds**

\$0	R	\$516,000	R

Provides funding for the expansion of the State Adult Day Care Program. These funds are combined with a \$1,655,750 allocation in Social Services Block Grant funds to provide start-up grants for new adult day care programs; conversion of adult day care to adult day health programs; and to provide slots for new programs and in counties with adult day care programs not currently receiving funding.

59 State Child Fatality Review Team

\$159,000	R	\$163,000	R

Provides for the creation of a new State Child Fatality Review Team to conduct in-depth reviews of child deaths involving children and families which have previously been involved with local departments of social services child protective services.

2.00		2.00	

60 Child Welfare System Improvements

\$2,269,752	R	\$2,269,752	R

Provides funds for new foster care and adoptions workers in local departments of social services.

61 Child Caring Institutions

\$2,000,000	R	\$2,000,000	R

Provides additional funds to increase reimbursement rates for certain foster care facilities.

62 Adolescent Parenting Program

\$50,000	R	\$50,000	R

Provides funds for an evaluation of the program.

(16.00) Division of Aging**63 Home and Community Based Services Expansion**

\$5,000,000	R	\$5,000,000	R

Provides additional funding to reduce waiting lists for in-home aid and caregiver support services to individuals over 60 years old.

64 Additional Positions

\$70,000	R	\$125,000	R

Provides funds for one additional position which will be responsible for quality improvement, training, and technical assistance for local in-home aid and caregiver support service providers and replaces lost federal funds.

1.00		1.00	

65 Senior Centers

Provides funding to support existing senior centers and to assist in the development of new senior centers.

\$1,000,000	NR		

(17.00) Division of Child Development**66 TEACH Program Expansion**

\$422,000	R	\$422,000	R

Provides funding for the expansion of the Teacher Education and Compensation Helps (TEACH) Program which provides education and compensation incentives for child care teachers.

67 Child Care Regulatory Services

\$248,253	R	\$268,190	R

Provides additional regulatory staff positions to reduce caseloads and accommodate growth in number of regulated child care programs.

6.50

6.50

68 Smart Start Expansion

\$20,329,747	R	\$20,329,747	R

Provides direct services funds for local partnerships, including the 12 "Year 4" partnerships, and planning funds for the remaining unfunded counties.

\$850,000	NR

(18.00) Division of Vocational Rehabilitation**69 Independent Living Rehab. Program Expansion**

\$1,200,000	R	\$1,200,000	R

Provides additional funding and staff to alleviate the backlog of client needs at program offices statewide. Any funds for the purpose of new positions, not expended in 1997-98 for these positions, may be used for one-time service purchases for clients waiting for services.

\$500,000	NR

10.00

10.00

(19.00) Division of Youth Services**70 Training School Positions**

\$200,000	R	\$200,000	R

Funds two teacher positions, two staff psychologist positions, and one recreational worker position to meet priority needs at the training schools.

5.00

5.00

Total Legislative Changes

(\$20,859,086)	R	(\$32,213,960)	R

(\$11,359,702)	NR	\$0	NR

Total Position Changes

58.50

96.50

Revised Budget

\$2,354,644,623

\$2,509,905,335

Requested by: Representatives Gardner, Cansler, Clary

REORGANIZATION OF THE DEPARTMENT OF HUMAN RESOURCES

1 Sec. ②. (a) The Department of Human Resources shall,
2 using the report of KPMG Peat Marwick, L.L.P. to the General
3 Assembly dated March 20, 1997, develop and begin implementing a
4 plan to reorganize the Department of Human Resources. The
5 reorganization plan shall be designed:

- 6 (1) To structure planning, management, and service
7 delivery around a strategic shared mission and
8 long-range vision for the Department;
- 9 (2) To better achieve a consolidated family-center
10 services orientation that facilitates
11 identification of gaps in services, improvement of
12 efficient and effective access to services, and
13 reduces fragmentation of leadership, management,
14 and service delivery;
- 15 (3) To facilitate a system of incentives within the
16 Department and within local agencies that will
17 reinforce personnel efforts at integrated services
18 delivery; and
- 19 (4) To enable assessment of program performance in
20 terms of actual client outcomes, effective and
21 efficient service delivery, and the impact services
22 and departmental functions are having in the lives
23 of clients, rather than in terms of process
24 measures.

25 (b) With funds from within the Department, and in
26 consultation with the Legislative Oversight Committee on the
27 Reorganization of the Department of Human Resources, the
28 Department of Human Resources shall engage an entity with proven
29 expertise to provide the Department leadership and management
30 with the knowledge and tools needed to ensure a change in
31 departmental culture that creates an environment:

- 32 (1) Where there is an understanding and appreciation
33 for a departmental mission and primary goals that
34 portray a coordinated system of services, rather
35 than a group of independently operating group of
36 services;
- 37 (2) Where, although the Department delivers few direct
38 services, a client needing multiple services can
39 have them delivered in a coordinated manner through

1 local governing entities and by local service
2 providers;
3 (3) Where counties have the opportunity, where
4 practicable, to develop approaches to service
5 delivery that work best for them;
6 (4) Where the Department can restructure around
7 functions rather than programs; and
8 (5) Where the Department can develop an internal
9 management capacity for strategic planning, program
10 planning and evaluation, and formal senior
11 management reviews, on a regular basis, of client
12 needs, program performance, and issues related to
13 resource allocation and risk assessment.
14 (c) The Department of Human Resources shall begin
15 establishment of the following service delivery functions:
16 services, regulation, institutional management, education, and
17 health care financing.
18 (d) The Department of Human Resources shall give very
19 strong consideration to establishing the following coordination
20 and infrastructure functions: information services and
21 performance services.
22
23
24

Requested by: Representatives Gardner, Cansler, Clary

LEGISLATIVE OVERSIGHT COMMITTEE ON DHR REORGANIZATION

1 Sec. ②. (a) The General Assembly intends to reorganize
2 the Department of Human Resources, using the report of KPMG Peat
3 Marwick, L.L.P. to the General Assembly dated March 20, 1997, to
4 provide an alternative and improved approach to the organization
5 and delivery of human services in North Carolina.

6 (b) There is established the Legislative Oversight
7 Committee on the Reorganization of the Department of Human
8 Resources to oversee the reorganization of the Department.

9 (c) The Committee shall be composed of 10 members, as
10 follows:

11 (1) Five members of the House of Representatives at the
12 time of their appointment, two appointed by the
13 Speaker of the House of Representatives, one other
14 a chair of the House Appropriations Subcommittee on
15 Human Resources, one other a member of the House
16 Appropriations Subcommittee on Human Resources, and
17 one other the House of Representatives chair or
18 other member of the Subcommittee on Human Resources
19 of the Joint Legislative Commission on Governmental
20 Operations; and

21 (2) Five members of the Senate at the time of their
22 appointment, two appointed by the President Pro
23 Tempore of the Senate, one other the chair of the
24 Senate Appropriations Subcommittee on Human
25 Resources, one other a member of the Senate
26 Appropriations Subcommittee on Human Resources, and
27 one other the Senate chair or other member of the
28 Subcommittee on Human Resources of the Joint
29 Legislative Commission on Governmental Operations.

30 (d) The Speaker of the House of Representatives and the
31 President Pro Tempore of the Senate shall each select a member
32 from their respective chambers to serve as cochair of the
33 Committee.

34 (e) The Committee, while in the discharge of official
35 duties, may exercise all the powers provided for under the
36 provisions of G.S. 120-19 and G.S. 120-19.1 through G.S.
37 120-19.4. The Committee may meet at any time upon the joint call
38 of the cochairs. The Committee may meet in the Legislative
39 Building or the Legislative Office Building.

1 (f) Members of the Committee shall receive subsistence
2 and travel expenses at the rates set forth in G.S. 120-3.1.

3 (g) The Committee may contract for professional,
4 clerical, or consultant services as provided by G.S. 120-32.02.
5 The Legislative Services Commission, through the Legislative
6 Services Officer, shall assign professional and clerical staff to
7 staff the Committee. The House of Representatives' and the
8 Senate's Supervisors of Clerks shall assign clerical staff to the
9 Committee, upon the direction of the Legislative Services
10 Commission. The expenses relating to professional and clerical
11 employees supplied through the Legislative Services Commission
12 shall be borne by the Legislative Services Commission.

13 Notwithstanding any Legislative Services Office policy
14 to the contrary, the Committee may meet during any session of the
15 General Assembly, and legislative staff may serve the Committee
16 during session.

17 (h) Members serve at the pleasure of their appointing
18 officer. When a vacancy occurs in the membership of the
19 Committee, the vacancy shall be filled by the same appointing
20 officer who made the initial appointment.

21 (i) All State departments and agencies and local
22 governments and their subdivisions shall furnish the Committee
23 with any information in their possession or available to them.

24 (j) The Committee shall report on the progress of the
25 reorganization and any recommendations, including any legislative
26 proposals, to the General Assembly by December 1, 1998, and then
27 by April 1 and November 1 every year until April 1, 2003, or
28 until the Committee completes its work, at which time the
29 Committee shall terminate.

30 (k) If a provision in this act or in another act of the
31 1997 General Assembly authorizes the Standing Appropriations
32 Committees and Standing Appropriations Subcommittees of the House
33 and Senate to meet separately or jointly during the interim
34 between the Regular 1997 and 1998 Sessions of the General
35 Assembly, then this section is repealed on the date the act
36 authorizing the interim meetings becomes law.

37

38

39

Requested by: Representatives Gardner, Cansler, Clary

IMPLEMENT ABC'S PLAN FOR RESIDENTIAL SCHOOLS

1 Section @. (a) The Department of Human Resources shall
2 plan to implement the State Board of Education's ABC's Plan for
3 all of its residential schools where children are in attendance
4 for more than 120 days a year. The ABC's Plan shall be
5 implemented for the 1998-99 school year, if possible.

6 (b) The State Board of Education shall assist the
7 Department of Human Resources with the implementation. The
8 Department of Human Resources and the State Board of Education
9 shall:

- 10 (1) Identify any policy or technical reason this
11 accountability model cannot be adopted in the
12 residential schools.
- 13 (2) Develop accountability standards for each
14 residential school, including baseline data for
15 these standards. Accountability standards shall
16 also be developed to measure improvements in
17 performance among the nondiploma bound students
18 attending the residential schools.
- 19 (3) Determine the feasibility of implementing these
20 accountability standards in the 1998-99 school year
21 and propose a phase-in approach, if necessary.
- 22 (4) Define the strategies and consequences for State
23 intervention in low-performing residential schools.
- 24 (5) Review the site-based management practices within
25 the State Board of Education which, if implemented
26 in the Department of Human Resources, should result
27 in improved student performance.

28 The State Board of Education and the Department of Human
29 Resources shall report jointly on their progress toward
30 implementation in an interim report to the Joint Legislative
31 Education Oversight Committee by October 1, 1997, and with a
32 final report to that Committee by April 1, 1998.

33 (c) In addition to the implementation of the ABC's Plan
34 in the Department of Human Resources' residential schools, the
35 State Board of Education and the Department of Human Resources
36 shall study and report on the following issues:

- 37 (1) Mandatory accreditation and dual certification of
38 teachers in the residential schools.

- 1 (2) Comparison of the staffing and financial resource
2 available to serve special needs children in local
3 education authorities versus residential schools
4 (excluding the residential cost component).
- 5 (3) Alignment of the Department of Human Resources'
6 curricula with the State Board of Education's high
7 school vocational educational curriculum, including
8 opportunities for the residential schools to
9 participate in the Tech Prep program with the
10 community colleges.
- 11 (4) Strategies for developing select residential
12 schools as resource centers to local educational
13 authorities in serving their special needs
14 children.
15

Requested by: Representatives Gardner, Cansler, Clary

DHR STUDY OF PROVIDER REIMBURSEMENT RATES/REPORT

1 Section @. The Department of Human Resources shall
2 study the process of setting provider reimbursement rates for
3 programs within the Department. This study shall include an
4 analysis of the following:

- 5 (1) The extent to which rates are set in accordance
6 with clear policies that are consistent across
7 program lines;
8 (2) Whether there are general principles and
9 assumptions that are or should be included in all
10 rate-setting processes;
11 (3) The policies and economic and accounting principles
12 that are utilized for setting rates in each program
13 and a comparison of those policies and principles
14 between the programs; and
15 (4) How any differences between programs in setting
16 rates are justified.

17 The Department shall provide a status report before
18 February 1, 1998, and a final report to the members of the House
19 and Senate Appropriations Subcommittees on Human Resources and
20 the Fiscal Research Division before February 1, 1999.

21

CODE NO. 97DHR-H079

Requested by: Representatives Gardner, Cansler, Clary

NO STATE FUNDS FOR LOBBYING

1 Section @. Funds appropriated by this act to the
2 Department of Human Resources shall not be used to conduct
3 activites aimed at influencing public officials or securing the
4 passage of legislation or to pay persons or groups to perform
5 these activities.

CODE NO. 97DHR-H012

Requested by: Representatives Gardner, Cansler, Clary

DHR EMPLOYEES/IN-KIND MATCH

1 Section @. Notwithstanding the limitations of G.S.
2 143B-139.4, the Secretary of the Department of Human Resources
3 may assign employees of the Office of Rural Health and Resource
4 Development to serve as in-kind match to nonprofit corporations
5 working to establish health care programs that will improve
6 health care access while controlling costs.

CODE NO. 97DHR-H009

Requested by: Representatives Gardner, Cansler, Clary

TRANSFER OF CERTAIN FUNDS AUTHORIZED

1 Section @. In order to assure maximum utilization of
2 funds in county departments of social services, county or
3 district health agencies, and area mental health, developmental
4 disabilities, and substance abuse services authorities, the
5 Director of the Budget may transfer excess funds appropriated to
6 a specific service, program, or fund, whether specified service
7 in a block grant plan or General Fund appropriation, into another
8 service, program, or fund for local services within the budget of
9 the respective State agency.

Requested by: Representatives Gardner, Cansler, Clary
MEDICAL RECORDS COPY FEES/SOCIAL SECURITY DISABILITY CLAIMS

1

2 Section @. G.S. 90-411 reads as rewritten:

3 "§ 90-411. Record copy fee.

4 (a) A health care provider operated by a governmental unit may
5 charge a reasonable fee to cover the costs incurred in searching,
6 handling, copying, and mailing medical records to the patient or
7 the patient's designated representative. The maximum fee shall be
8 fifty cents (50¢) per page, provided that the health care
9 provider may impose a minimum fee of up to ten dollars (\$10.00),
10 inclusive of copying costs. If requested by the patient or the
11 patient's designated representative, nothing herein shall limit a
12 reasonable professional fee charged by a physician for the review
13 and preparation of a narrative summary of the patient's medical
14 record. This section shall only apply with respect to liability
15 claims for personal injury, except that charges for medical
16 records and reports related to claims under Article 1 of Chapter
17 97 of the General Statutes shall be governed by the fees
18 established by the North Carolina Industrial Commission pursuant
19 to G.S. 97-26.1.

20 (b) A health care provider not operated by a governmental unit
21 may charge a reasonable fee to cover the costs incurred in
22 searching, handling, copying, and mailing medical records to the
23 patient or the patient's designated representative. The maximum
24 fee shall be seventy-five cents (75¢) per page, provided that the
25 health care provider may impose a minimum fee of up to twelve
26 dollars (\$12.00), inclusive of copying costs. If requested by the
27 patient or the patient's designated representative, nothing
28 herein shall limit a reasonable professional fee charged by a
29 physician for the review and preparation of a narrative summary
30 of the patient's medical record. This section shall only apply
31 with respect to liability claims for personal injury, and claims
32 for social security disability, except that charges for medical
33 records and reports related to claims under Article 1 of Chapter
34 97 of the General Statutes shall be governed by the fees
35 established by the North Carolina Industrial Commission pursuant
36 to G.S. 97-26.1."

Requested by: Representatives Gardner, Cansler, Clary

NONMEDICAID REIMBURSEMENT CHANGES

1 Section @. Providers of medical services under the
2 various State programs, other than Medicaid, offering medical
3 care to citizens of the State shall be reimbursed at rates no
4 more than those under the North Carolina Medical Assistance
5 Program. Hospitals that provide psychiatric inpatient care for
6 Thomas S. class members or adults with mental retardation and
7 mental illness may be paid an additional incentive payment not to
8 exceed fifteen percent (15%) of their regular daily per diem
9 reimbursement.

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

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

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

31

32	33	Medical Eye	All	
	<u>Family Size</u>	<u>Care Adults</u>	<u>Rehabilitation</u>	<u>Other</u>
34	1	\$ 4,860	\$ 8,364	\$ 4,200
35	2	5,940	10,944	5,300
36	3	6,204	13,500	6,400
37	4	7,284	16,092	7,500
38	5	7,824	18,648	7,900
39	6	8,220	21,228	8,300
40	7	8,772	21,708	8,800

1 8 9,312 22,220 9,300

2
3 The eligibility level for children in the Medical Eye
4 Care Program in the Division of Services for the Blind and for
5 adults in the Atypical Antipsychotic Medication Program in the
6 Division of Mental Health, Developmental Disabilities, and
7 Substance Abuse Services shall be one hundred percent (100%) of
8 the federal poverty guidelines, as revised annually by the United
9 States Department of Health and Human Services and in effect on
10 July 1 of each fiscal year. Additionally, those adults enrolled
11 in the Atypical Antipsychotic Medication Program who become
12 gainfully employed may continue to be eligible to receive State
13 support, in decreasing amounts, for the purchase of atypical
14 antipsychotic medication and related services up to three hundred
15 percent (300%) of the poverty level.

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

19
20

<u>Income</u>	<u>State Participation</u>	<u>Client Participation</u>
21 (% of poverty)		
22 0-100%	100%	0%
23 101-120%	95%	5%
24 121-140%	85%	15%
25 141-160%	75%	25%
26 161-180%	65%	35%
27 181-200%	55%	45%
28 201-220%	45%	55%
29 221-240%	35%	65%
30 241-260%	25%	75%
31 261-280%	15%	85%
32 281-300%	5%	95%
33 301%-over	0%	100%.

34
35 The Department of Human Resources shall contract at, or
36 as close as possible to, Medicaid rates for medical services
37 provided to residents of State facilities of the Department.

38

CODE NO. 97DHR-H013

Requested by: Representatives Gardner, Cansler, Clary

MEDICAL DATA PROCESSING FUNDS

1 Section @. The sum of one hundred fifty thousand
2 dollars (\$150,000) for each of the 1997-98 and 1998-99 fiscal
3 years is transferred from the Insurance Regulatory Fund
4 established pursuant to G.S. 58-6-25 to the Division of Facility
5 Services, Department of Human Resources, to certify statewide
6 data processors pursuant to Article 11A of Chapter 131E of the
7 General Statutes, to purchase data from statewide data
8 processors, and to process and analyze the data.
9

CODE NO. 97DHR-H054

Requested by: Representatives Gardner, Cansler, Clary

FIRE PROTECTION REVOLVING LOAN FUND

1 Section @. Proceeds from the Fire Protection Revolving
2 Loan Fund, established pursuant to G.S. 122A-5.13, may be used to
3 provide staff support to the North Carolina Housing Finance
4 Agency for loan processing and to the Department of Human
5 Resources for review and approval of fire protection plans and
6 inspection of fire protection systems.

CODE NO. 97DHR-H006

Requested by: Representatives Gardner, Cansler, Clary

DISPOSITION OF DISPROPORTIONATE SHARE RECEIPT CLARIFICATION

1 Section @. For the 1997-99 fiscal biennium, as it
2 receives funds associated with Disproportionate Share Payments
3 from the State hospitals, the Division of Medical Assistance
4 shall deposit funds appropriated for the Medicaid program in a
5 sum equal to the federal share of the Disproportionate Share
6 Payments as nontax revenue. Any of these funds that are not
7 appropriated by the General Assembly shall be reserved by the
8 State Controller for future appropriation.

Requested by: Representatives Gardner, Cansler, Clary

MEDICAID

1 Section @. (a) Funds appropriated in this act for
2 services provided in accordance with Title XIX of the Social
3 Security Act (Medicaid) are for both the categorically needy and
4 the medically needy. Funds appropriated for these services shall
5 be expended in accordance with the following schedule of services
6 and payment bases. All services and payments are subject to the
7 language at the end of this subsection.

8 Services and payment bases:

- 9 (1) Hospital-Inpatient - Payment for hospital inpatient
10 services will be prescribed in the State Plan as
11 established by the Department of Human Resources.
12 Administrative days for any period of
13 hospitalization shall be limited to a maximum of
14 three days.
- 15 (2) Hospital-Outpatient - Eighty percent (80%) of
16 allowable costs or a prospective reimbursement plan
17 as established by the Department of Human
18 Resources.
- 19 (3) Nursing Facilities - Payment for nursing facility
20 services will be prescribed in the State Plan as
21 established by the Department of Human Resources.
22 Nursing facilities providing services to Medicaid
23 recipients who also qualify for Medicare, must be
24 enrolled in the Medicare program as a condition of
25 participation in the Medicaid program. State
26 facilities are not subject to the requirement to
27 enroll in the Medicare program.
- 28 (4) Intermediate Care Facilities for the Mentally
29 Retarded - As prescribed in the State Plan as
30 established by the Department of Human Resources.
- 31 (5) Drugs - Drug costs as allowed by federal
32 regulations plus a professional services fee per
33 month excluding refills for the same drug or
34 generic equivalent during the same month.
35 Reimbursement shall be available for up to six
36 prescriptions per recipient, per month, including
37 refills. Payments for drugs are subject to the
38 provisions of subsection (h) of this section and to
39 the provisions at the end of subsection (a) of this

1 section, or in accordance with the State Plan
2 adopted by the Department of Human Resources
3 consistent with federal reimbursement regulations.
4 Payment of the professional services fee shall be
5 made in accordance with the State Plan adopted by
6 the Department of Human Resources, consistent with
7 federal reimbursement regulations. The
8 professional services fee shall be five dollars and
9 sixty cents (\$5.60) per prescription. Adjustments
10 to the professional services fee shall be
11 established by the General Assembly.

- 12 (6) Physicians, Chiropractors, Podiatrists,
13 Optometrists, Dentists, Certified Nurse Midwife
14 Services - Fee schedules as developed by the
15 Department of Human Resources. Payments for dental
16 services are subject to the provisions of
17 subsection (g) of this section.
- 18 (7) Community Alternative Program, EPSDT Screens -
19 Payment to be made in accordance with rate schedule
20 developed by the Department of Human Resources.
- 21 (8) Home Health and Related Services, Private Duty
22 Nursing, Clinic Services, Prepaid Health Plans
23 Durable Medical Equipment - Payment to be made
24 according to reimbursement plans developed by the
25 Department of Human Resources.
- 26 (9) Medicare Buy-In - Social Security Administration
27 premium.
- 28 (10) Ambulance Services - Uniform fee schedules as
29 developed by the Department of Human Resources.
- 30 (11) Hearing Aids - Actual cost plus a dispensing fee.
- 31 (12) Rural Health Clinic Services - Provider-based,
32 reasonable cost; nonprovider-based, single-cost
33 reimbursement rate per clinic visit.
- 34 (13) Family Planning - Negotiated rate for local health
35 departments. For other providers - see specific
36 services, for instance, hospitals, physicians.
- 37 (14) Independent Laboratory and X-Ray Services - Uniform
38 fee schedules as developed by the Department of
39 Human Resources.
- 40 (15) Optical Supplies - One hundred percent (100%) of
41 reasonable wholesale cost of materials.
- 42 (16) Ambulatory Surgical Centers - Payment as prescribed
43 in the reimbursement plan established by the
44 Department of Human Resources.

- 1 (17) Medicare Crossover Claims - An amount up to the
2 actual coinsurance or deductible or both, in
3 accordance with the State Plan, as approved by the
4 Department of Human Resources.
- 5 (18) Physical Therapy and Speech Therapy - Services
6 limited to EPSDT eligible children. Payments are
7 to be made only to qualified providers at rates
8 negotiated by the Department of Human Resources.
- 9 (19) Personal Care Services - Payment in accordance with
10 the State Plan approved by the Department of Human
11 Resources.
- 12 (20) Case Management Services - Reimbursement in
13 accordance with the availability of funds to be
14 transferred within the Department of Human
15 Resources.
- 16 (21) Hospice - Services may be provided in accordance
17 with the State Plan developed by the Department of
18 Human Resources.
- 19 (22) Other Mental Health Services - Unless otherwise
20 covered by this section, coverage is limited to
21 agencies meeting the requirements of the rules
22 established by the Commission for Mental Health,
23 Developmental Disabilities, and Substance Abuse
24 Services, and reimbursement is made in accordance
25 with a State Plan developed by the Department of
26 Human Resources not to exceed the upper limits
27 established in federal regulations.
- 28 (23) Medically Necessary Prosthetics or Orthotics for
29 EPSDT Eligible Children - Reimbursement in
30 accordance with the State Plan approved by the
31 Department of Human Resources.
- 32 (24) Health Insurance Premiums - Payments to be made in
33 accordance with the State Plan adopted by the
34 Department of Human Resources consistent with
35 federal regulations.
- 36 (25) Medical Care/Other Remedial Care - Services not
37 covered elsewhere in this section include related
38 services in schools; health professional services
39 provided outside the clinic setting to meet
40 maternal and infant health goals; and services to
41 meet federal EPSDT mandates. Services addressed by
42 this paragraph are limited to those prescribed in
43 the State Plan as established by the Department of
44 Human Resources. Providers of these services shall

1 be certified as meeting program standards of the
2 Department of Environment, Health, and Natural
3 Resources.

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

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

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

22 (b) Allocation of Nonfederal Cost of Medicaid. The
23 State shall pay eighty-five percent (85%); the county shall pay
24 fifteen percent (15%) of the nonfederal costs of all applicable
25 services listed in this section.

26 (c) Copayment for Medicaid Services. The Department of
27 Human Resources may establish copayment up to the maximum
28 permitted by federal law and regulation.

29 (d) Medicaid and Aid to Families With Dependent
30 Children Income Eligibility Standards. The maximum net family
31 annual income eligibility standards for Medicaid and Aid to
32 Families with Dependent Children, and the Standard of Need for
33 Aid to Families with Dependent Children shall be as follows:

	<u>Categorically Needy</u>		<u>Medically Needy</u>	
	<u>Family</u>	<u>Standard</u>	<u>AFDC Payment</u>	
	<u>Size</u>	<u>of Need</u>	<u>Level*</u>	<u>AA, AB, AD*</u>
35				
36				
37				
38				
39	1	\$ 4,344	\$ 2,172	\$ 2,900
40	2	5,664	2,832	3,800
41	3	6,528	3,264	4,400
42	4	7,128	3,564	4,800
43	5	7,776	3,888	5,200
44	6	8,376	4,188	5,600
45	7	8,952	4,476	6,000
46	8	9,256	4,680	6,300

1
2 *Aid to Families With Dependent Children (AFDC); Aid to the Aged
3 (AA); Aid to the Blind (AB); and Aid to the Disabled (AD).
4

5 The payment level for Aid to Families With Dependent Children
6 shall be fifty percent (50%) of the standard of need.

7 These standards may be changed with the approval of the
8 Director of the Budget with the advice of the Advisory Budget
9 Commission.

10 (e) All Elderly, Blind, and Disabled Persons who
11 receive Supplemental Security Income are eligible for Medicaid
12 coverage.

13 (f) ICF and ICF/MR Work Incentive Allowances. The
14 Department of Human Resources may provide an incentive allowance
15 to Medicaid-eligible recipients of ICF and ICF/MR facilities who
16 are regularly engaged in work activities as part of their
17 developmental plan and for whom retention of additional income
18 contributes to their achievement of independence. The State
19 funds required to match the federal funds that are required by
20 these allowances shall be provided from savings within the
21 Medicaid budget or from other unbudgeted funds available to the
22 Department. The incentive allowances may be as follows:
23

24	<u>Monthly Net Wages</u>	<u>Monthly Incentive Allowance</u>
25		
26	\$1.00 to \$100.99	Up to \$50.00
27	\$101.00 - \$200.99	\$80.00
28	\$201.00 to \$300.99	\$130.00
29	\$301.00 and greater	\$212.00.
30		

31 (g) Dental Coverage Limits. Dental services shall be
32 provided on a restricted basis in accordance with rules adopted
33 by the Department to implement this subsection.

34 (h) Dispensing of Generic Drugs. Notwithstanding G.S.
35 90-85.27 through G.S. 90-85.31, under the Medical Assistance
36 Program (Title XIX of the Social Security Act) a prescription
37 order for a drug designated by a trade or brand name shall be
38 considered to be an order for the drug by its established or
39 generic name, except when the prescriber personally indicates,
40 either orally or in the prescriber's own handwriting on the
41 prescription order, "dispense as written" or words of similar
42 meaning. Generic drugs, when available in the pharmacy, shall be
43 dispensed at a lower cost to the Medical Assistance Program
44 rather than trade or brand name drugs, subject to the
45 prescriber's "dispense as written" order as noted above.

46 As used in this subsection "brand name" means the
47 proprietary name the manufacturer places upon a drug product or
48 on its container, label, or wrapping at the time of packaging;
49 and "established name" has the same meaning as in section
50 502(e)(3) of the Federal Food, Drug, and Cosmetic Act as amended,
51 21 U.S.C. § 352(e)(3).

52 (i) Exceptions to Service Limitations, Eligibility
53 Requirements, and Payments. Service limitations, eligibility

1 requirements, and payments bases in this section may be waived by
2 the Department of Human Resources, with the approval of the
3 Director of the Budget, to allow the Department to carry out
4 pilot programs for prepaid health plans, managed care plans, or
5 community-based services programs in accordance with plans
6 approved by the United States Department of Health and Human
7 Services, or when the Department determines that such a waiver
8 will result in a reduction in the total Medicaid costs for the
9 recipient.

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

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

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

27 (m) The Department of Human Resources shall provide
28 Medicaid to 19-, 20-, and 21-year olds in accordance with federal
29 rules and regulations.

30 (n) The Department of Human Resources shall provide
31 coverage to pregnant women and to children according to the
32 following schedule:

33 (1) Pregnant women with incomes equal to or less than
34 one hundred eighty-five percent (185%) of the
35 federal poverty guidelines as revised each April 1
36 shall be covered for Medicaid benefits.

37 (2) Infants under the age of 1 with family incomes
38 equal to or less than one hundred eighty-five
39 percent (185%) of the federal poverty guidelines as
40 revised each April 1 shall be covered for Medicaid
41 benefits.

42 (3) Children aged 1 through 5 with family incomes equal
43 to or less than one hundred thirty-three percent
44 (133%) of the federal poverty guidelines as revised
45 each April 1 shall be covered for Medicaid
46 benefits.

47 (4) Children aged 6 through 18 with family incomes
48 equal to or less than the federal poverty
49 guidelines as revised each April 1 shall be covered
50 for Medicaid benefits.

51 (5) The Department of Human Resources shall provide
52 Medicaid coverage for adoptive children with

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

11 (o) The Department of Human Resources may use Medicaid
12 funds budgeted from program services to support the cost of
13 administrative activities to the extent that these administrative
14 activities produce a net savings in services requirements.
15 Administrative initiatives funded by this section shall be first
16 approved by the Office of State Budget and Management.

17 (p) The Department of Human Resources shall submit a
18 monthly status report on expenditures for acute care and long-
19 term care services to the Fiscal Research Division and to the
20 Office of State Budget and Management. This report shall include
21 an analysis of budgeted versus actual expenditures for eligibles
22 by category and for long-term care beds. In addition, the
23 Department shall revise the program's projected spending for the
24 current fiscal year and the estimated spending for the subsequent
25 fiscal year on a quarterly basis. Reports for the preceding
26 month shall be forwarded to the Fiscal Research Division and to
27 the Office of State Budget and Management no later than the third
28 Thursday of the month.

29 (q) The Division of Medical Assistance, Department of
30 Human Resources, may provide incentives to counties that
31 successfully recover fraudulently spent Medicaid funds by sharing
32 State savings with counties responsible for the recovery of the
33 fraudulently spent funds.

34 (r) If first approved by the Office of State Budget and
35 Management, the Division of Medical Assistance, Department of
36 Human Resources, may use funds that are identified to support the
37 cost of development and acquisition of equipment and software
38 through contractual means to improve and enhance information
39 systems that provide management information and claims
40 processing.

41 (s) The Division of Medical Assistance, Department of
42 Human Resources, may administer Medicaid estate recovery mandated
43 by the Omnibus Budget Reconciliation Act of 1993, (OBRA 1993), 42
44 U.S.C. § 1396p(b), and G.S. 108-70.5 using temporary rules
45 pending approval of final rules promulgated pursuant to Chapter
46 150B of the General Statutes.

47 (t) The Department of Human Resources may adopt
48 temporary rules according to the procedures established in G.S.
49 150B-21.1 when it finds that such rules are necessary to maximize
50 receipt of federal funds, to reduce Medicaid expenditures, and to
51 reduce fraud and abuse. Prior to the filing of these temporary
52 rules with the Office of Administrative Hearings, the Department
53 shall consult with the Office of State Budget and Management on

1 the possible fiscal impact of the temporary rule and its effect
2 on State appropriations and local governments.

CODE NO. 97DHR-H067A

Requested by: Representatives Gardner, Cansler, Clary

MEDICAID TRUST FUND TRANSFER/SHORTFALL

1 Section @. Upon certification to the Director of the
2 Budget that all alternative sources of funding are exhausted and
3 receipt of approval by the Director of the Budget,
4 notwithstanding any prohibition which may exist in G.S. 143-23.2,
5 the Department may use up to twenty-five million dollars
6 (\$25,000,000) during fiscal year 1997-98 from the fund
7 established pursuant to G.S. 143-23.2 to support Medicaid program
8 expenditures.

Requested by: Representatives Gardner, Cansler, Clary

MEDICAID GROWTH REDUCTION

- 1 Section @. (a) The Department of Human Resources shall
2 develop and implement a plan that is designed to reduce the
3 growth of Medicaid to eight percent (8%) by the year 2001.
4 However, the Department shall not eliminate categories of
5 eligibles or categories of services to achieve this reduction
6 unless the General Assembly identifies specific categories of
7 eligibles or categories of services that it wants eliminated.
- 8 (b) The Division of Medical Assistance, Department of
9 Human Resources shall consider the following actions in
10 developing the plan to reduce Medicaid growth:
- 11 (1) Changes in the methods of reimbursement;
 - 12 (2) Changes in the method of determining or limiting
13 inflation factors or both;
 - 14 (3) Recalibration of existing methods of reimbursement;
 - 15 (4) Develop more specific criteria for determining
16 medical necessity of services;
 - 17 (5) Contracting for services;
 - 18 (6) Application of limits on specific numbers of slots
19 or expenditure levels for certain services or both;
 - 20 (7) Expansion of managed care; and
 - 21 (8) Recommend changes in statutes to enhance the
22 ability of the Department to manage the program.
- 23 (c) In considering the actions listed in subsection (b)
24 of this section and in the development of the Medicaid growth
25 reduction plan, the Division of Medical Assistance, Department of
26 Human Resources, shall not adjust reimbursement rates to levels
27 which would cause Medicaid providers of service to be out of
28 compliance with certification requirements, licensure rules, or
29 other mandated quality or safety standards.
- 30 (d) The Division of Medical Assistance, Department of
31 Human Resources shall report to the Chairs of the House and
32 Senate Appropriations Subcommittees on Human Resources by
33 September 1, 1997 on the actions the Department intends to take
34 to meet the required reductions for 1998-99. The Division of
35 Medical Assistance shall not implement any of these actions until
36 after the September 1, 1997 report.
- 37 (e) The Division of Medical Assistance, Department of
38 Human Resources shall report to the Chairs of the House and
39 Senate Appropriations Subcommittees on Human Resources by April

1 1, 1998 on the final plan to reduce Medicaid growth by eight
2 percent (8%) by the year 2001.

CODE NO. 97DHR-H062

Requested by: Representatives Gardner, Cansler, Clary

ADULT DAY HEALTH CARE MEDICAID WAIVER

1 Section @. The Division of Medical Assistance,
2 Department of Human Resources, shall request a waiver from the
3 Health Care Financing Administration to provide adult day health
4 care services to Medicaid recipients who are not participating in
5 a community alternative program. The Division shall report to
6 the Chairs of the House and Senate Appropriations Subcommittees
7 on Human Resources by May 1, 1998 on its progress in obtaining
8 this waiver. The Division of Medical Assistance shall not
9 implement this waiver, if obtained, until it has reported to the
10 Chairs of the House and Senate Human Resources Appropriations
11 Subcommittees on the impact of the waiver on the provision of
12 long term care services for Medicaid recipients and the fiscal
13 impact of adding this additional service.

CODE NO. 97DHR-H015

Requested by: Representatives Gardner, Cansler, Clary

FOSTER CARE ASSISTANCE PAYMENTS

1 Section @. The maximum rates for State participation in
2 the foster care assistance program are established on a graduated
3 scale as follows:
4 (1) \$315.00 per child per month for children aged birth
5 through 5;
6 (2) \$365.00 per child per month for children aged 6
7 through 12; and
8 (3) \$415.00 per child per month for children aged 13
9 through 18.
10 Of these amounts, fifteen dollars (\$15.00) is a special needs
11 allowance for the child.

Requested by: Representatives Gardner, Cansler, Clary

AUTHORIZED ADDITIONAL USE OF HIV FOSTER CARE AND ADOPTIVE FAMILY FUNDS

1 Section ②. (a) In addition to providing board payments
2 to foster and adoptive families of HIV-infected children, as
3 prescribed in Chapter 324 of the 1995 Session Laws, any
4 additional funds remaining that were appropriated in Chapter 324
5 of the 1995 Session Laws for this purpose shall be used as
6 follows:

7 (1) To provide medical training in avoiding HIV
8 transmission in the home; and

9 (2) To transfer funds to the Department of Environment,
10 Health, and Natural Resources to create three
11 social work positions within the Department of
12 Environment, Health, and Natural Resources, for the
13 eastern part of North Carolina to enable the case
14 managing of families with HIV-infected children so
15 that the children and the parents get access to
16 medical care and so that child protective services
17 issues are addressed rapidly and effectively. The
18 three positions shall be medically based and
19 located:

20 a. One in the northeast, covering Northampton,
21 Hertford, Halifax, Gates, Chowan, Perquimans,
22 Pasquotank, Camden, Currituck, Bertie, Wilson,
23 Edgecombe, and Nash Counties;

24 b. One in the central east, covering Martin,
25 Pitt, Washington, Tyrrell, Dare, Hyde,
26 Beaufort, Jones, Greene, Craven, and Pamlico
27 Counties; and

28 c. One in the southeast, covering New Hanover,
29 Robeson, Brunswick, Carteret, Onslow, Lenoir,
30 Pender, Duplin, Bladen, and Columbus Counties.

31 (b) The maximum rates for State participation in HIV
32 foster care and adoptions assistance are established on a
33 graduated scale as follows:

34 (1) \$800.00 per month per child with indeterminate HIV
35 status;

36 (2) \$1,000 per month per child confirmed HIV-infected,
37 asymptomatic;

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- (3) \$1,200 per month per child confirmed HIV-infected, symptomatic; and
- (4) \$1,600 per month per child terminally ill with complex care needs.

CODE NO. 97DHR-H017

Requested by: Representatives Gardner, Cansler, Clary

ADOPTION ASSISTANCE PAYMENTS

1 Section @. The maximum rates for State participation in
2 the adoption assistance program are established on a graduated
3 scale as follows:

- 4 (1) \$315.00 per child per month for children aged birth
5 through 5;
6 (2) \$365.00 per child per month for children aged 6
7 through 12; and
8 (3) \$415.00 per child per month for children aged 13
9 through 18.

CODE NO. 97DHR-H018

Requested by: Representatives Gardner, Cansler, Clary

CHILD PROTECTIVE SERVICES

1 Section @. (a) The funds appropriated in this act to
2 the Department of Human Resources, Division of Social Services,
3 for the 1997-99 fiscal biennium for Child Protective Services
4 shall be allocated to county departments of social services based
5 upon a formula which takes into consideration the number of Child
6 Protective Services cases and the number of Child Protective
7 Services workers necessary to meet recommended standards adopted
8 by the North Carolina Association of County Directors of Social
9 Services.

10 (b) Funds allocated under subsection (a) of this
11 section shall be used by county departments of social services
12 for carrying out investigations of reports of child abuse or
13 neglect or for providing protective or preventive services in
14 which the department confirms abuse, neglect, or dependency.

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Requested by: Representatives Cansler, Gardner, Clary

CHILD CARING INSTITUTION FUND

1 Section @. (a) There is allocated from the funds
2 appropriated to the Department of Human Resources, Child Caring
3 Institution Fund, the sum of two million dollars (\$2,000,000) for
4 the 1997-98 fiscal year and the sum of two million dollars
5 (\$2,000,000) for the 1998-99 fiscal year in order to increase the
6 balance in the CCI Fund. Funds allocated under this section
7 shall be used to increase the private child caring agency
8 reimbursement rate for the State-funded portion of services to
9 children who are not eligible for federal IV-E or AFDC-EA
10 subsidies.

11 (b) Funds allocated under this section shall be used to
12 increase reimbursement rates to those child caring agencies
13 providing residential care services and behavioral health care
14 services under agreements with the county departments of social
15 services during fiscal year 1996-97. Counties shall not reduce
16 their contributions to the agencies' cost of care as a result of
17 the allocation of funds under subsection (a) of this section.
18 County contributions to the cost of care shall continue to be
19 negotiated between the counties and the agencies. County
20 contributions to the cost of care shall not be used to reduce or
21 offset State reimbursement for the cost of care in private child
22 caring institutions.

23 (c) Funds allocated under this section shall be
24 allocated to agencies by the Division of Social Services
25 according to the current and agreed upon formulas and
26 reimbursement methodologies, adjusted to reflect the additional
27 funds appropriated. Funds allocated from the CCI Fund may be
28 used by agencies to match federal funds for eligible children.

Requested by: Representatives Gardner, Cansler, Clary,
Easterling

CHILD WELFARE SYSTEM IMPROVEMENTS

1 Section 8. (a) Of the funds appropriated in this act to
2 the Department of Human Resources, Division of Social Services,
3 the sum of two million two hundred sixty-nine thousand seven
4 hundred fifty-two dollars (\$2,269,752) for the 1997-98 fiscal year
5 and the sum of two million two hundred sixty-nine thousand seven
6 hundred fifty-two dollars (\$2,269,752) for the 1998-99 fiscal
7 year shall be allocated to county Departments of Social Services
8 for hiring or contracting for additional foster care and adoption
9 worker positions created after July 1, 1997 based upon a formula
10 which takes into consideration the number of foster care and
11 adoption cases and the number of foster care and adoption workers
12 necessary to meet recommended standards adopted by the North
13 Carolina Association of County Directors of Social Services.

14 (b) Of the funds appropriated in this act to the
15 Department of Human Resources, Division of Social Services, the
16 sum of one hundred fifty-nine thousand dollars (\$159,000) for the
17 1997-98 fiscal year and the sum of one hundred sixty-three
18 thousand dollars (\$163,000) for the 1998-99 fiscal year shall be
19 used to establish and maintain a State Child Fatality Review Team
20 to conduct in-depth reviews of any child fatalities which have
21 occurred involving children and families involved with local
22 Department of Social Services Child Protective Services in the 12
23 months preceding the fatality.

24 The purpose of these reviews shall be to implement a
25 team approach to identifying factors which may have contributed
26 to conditions leading to the fatality and to develop
27 recommendations for improving coordination between local and
28 State entities which might have avoided the threat of injury or
29 fatality and to identify appropriate remedies. The Division of
30 Social Services shall make public the findings and
31 recommendations developed for each fatality reviewed relating to
32 improving coordination between local and State entities.

33 The State Review Team shall include representatives of
34 the local Department of Social Services and the State Division of
35 Social Services, a member of the local Community Child Protection
36 Team, a member of the local Child Fatality Prevention Team, a
37 representative from local law enforcement, a prevention
38 specialist, and a medical professional.

1 The State Review Team shall have access to all medical
2 records, hospital records, and records maintained by this State,
3 any county, or any local agency as necessary to carry out the
4 purposes of this subsection, including police investigations
5 data, medical examiner investigative data, health records, mental
6 health records, and social services records. Any member of the
7 State Review Team may share, only in an official meeting of the
8 State Review Team, any information available to that member that
9 the State Review Team needs to carry out its duties.

10 Meetings of the State Review Team are not subject to the
11 provisions of Article 33C of Chapter 143 of the General Statutes.
12 However, the State Review Team may hold periodic public meetings
13 to discuss, in a general manner not revealing confidential
14 information about children and families, the findings of their
15 reviews and their recommendations for preventive actions.
16 Minutes of all public meetings, excluding those of executive
17 sessions, shall be kept in compliance with Article 33C of Chapter
18 143 of the General Statutes. Any minutes or any other
19 information generated during any executive session shall be
20 sealed from public inspection.

21 All otherwise confidential information and records
22 acquired by the State Review Team, in the exercise of its duties
23 are confidential; are not subject to discovery or introduction
24 into evidence in any proceedings; and may only be disclosed as
25 necessary to carry out the purposes of the State Review Team. In
26 addition, all otherwise confidential information and records
27 created by the State Review Team in the exercise of its duties
28 are confidential; are not subject to discovery or introduction
29 into evidence in any proceedings; and may only be disclosed as
30 necessary to carry out the purposes of the State Review Team. No
31 member of the State Review Team, nor any person who attends a
32 meeting of the State Review Team, may testify in any proceeding
33 about what transpired at the meeting, about information presented
34 at the meeting, or about opinions formed by the person as a
35 result of the meetings. This subsection shall not, however,
36 prohibit a person from testifying in a civil or criminal action
37 about matters within that person's independent knowledge.

38 Each member of the State Review Team and invited
39 participant shall sign a statement indicating an understanding of
40 and adherence to confidentiality requirements, including the
41 possible civil or criminal consequences of any breach of
42 confidentiality.

43 Funds allocated under this subsection shall be used as
44 follows:

- 1 (1) To contract with a statewide prevention
2 organization and a statewide medical organization
3 to identify and orient prevention specialists and
4 medical professionals with experience in reviewing
5 child fatalities to serve on the State Review Team;
6 and
7 (2) To pay per diem expenses for the five participants
8 in each review who are not employed by the State
9 Division of Social Services or county Department of
10 Social Services.

11 The Division of Social Services, Department of Human
12 Resources shall report quarterly to the cochairs of the House and
13 Senate Appropriations Subcommittees on Human Resources and the
14 Fiscal Research Division on the activities of the State Child
15 Fatality Review Team and shall provide a final report to the
16 House and Senate Appropriations Subcommittees on Human Resources
17 within one week of the convening of the 1997 General Assembly,
18 Regular Session 1998, including recommendations for changes in
19 the statewide child protection system.

CODE NO. 97DHR-H022

Requested by: Representatives Gardner, Cansler, Clary

REVIEW OF AUTOMATED COLLECTION AND TRACKING SYSTEM

1 Section @. The Information Resource Management
2 Commission shall conduct a quarterly review of the Automated
3 Collection and Tracking System (ACTS) project being developed by
4 the Department of Human Resources. The review shall include an
5 analysis of the problems encountered and progress achieved,
6 identify critical issues to be resolved, and estimate the final
7 cost and date of completion. The review shall be submitted
8 through the Office of the State Controller to the Chairs of the
9 House and Senate Appropriations Committees, the Chairs of the
10 House and Senate Human Resources Appropriations Subcommittees,
11 the State Budget Director, and to the Director of the Fiscal
12 Research Division of the Legislative Services Office no later
13 than the last day of each quarter.
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CODE NO. 97DHR-H056

Requested by: Representatives Gardner, Cansler, Clary

LIMITATIONS ON STATE ABORTION FUND

1 Sec. @. The limitations on funding of the performance
2 of abortion established in Section 23.27 of Chapter 324 of the
3 1995 Session Laws, Regular Session 1996, as amended by Section
4 23.8A of Chapter 507 of the 1995 Session Laws, Regular Session
5 1996, apply to the 1997-98 and 1998-99 fiscal years.

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CODE NO. 97DHR-H019

Requested by: Representatives Gardner, Cansler, Clary

FOOD STAMP ELECTRONIC BENEFITS TRANSFER FUNDS SPECIFICATIONS

1 Section @. The Controller's Office, Department of Human
2 Resources, shall manage the development, implementation, and
3 operation of the Food Stamp Electronic Benefits Transfer Program
4 (EBT).

Requested by: Representatives Gardner, Cansler, Clary

WORK FIRST FRAUD CONTROL PROGRAM/DEBT SETOFF/CLIENT PROTECTION

1 Section @. (a) The Department of Human Resources,
2 immediately, shall implement the Work First Fraud Control Program
3 pursuant to 45 C.F.R. 235.112 as those regulations were in effect
4 on July 1, 1996.

5 (b) The Department of Human Resources shall award
6 incentive bonuses to each county for the county's efforts in
7 collecting AFDC and Work First cash assistance overpayments made
8 as a result of intentional false statements, intentional
9 misrepresentation, intentional failure to disclose a material
10 fact, or inadvertent household error.

11 (1) For collections relative to AFDC or Work First cash
12 assistance payments made prior to January 1, 1997,
13 the incentive bonus shall equal one-half of the
14 State's distributive share of the total AFDC and
15 Work First cash assistance benefits recouped for
16 the reasons described in this subsection. The
17 bonus on these recoupments shall be paid at the
18 time of collection.

19 (2) For collections relative to Work First cash
20 assistance benefits paid on or after January 1,
21 1997, the incentive bonus shall equal sixty percent
22 (60%) of the total amount recouped for the reasons
23 described in this subsection. The amount collected
24 by each county during the State fiscal year shall
25 be totaled, and an amount equal to sixty percent
26 (60%) of total collections by a county shall be
27 added to the county's Work First block grant for
28 the next fiscal year.

29 (c) The Department of Human Resources, Division of
30 Social Services, shall develop and implement a statewide
31 automated system to track AFDC and Work First cash assistance
32 fraud claims and collect these claims by any appropriate method,
33 including debt setoff pursuant to Chapter 105A of the General
34 Statutes.

35 (d) The Department of Human Resources shall ensure that
36 persons charged with, or suspected of, AFDC or Work First fraud
37 not be subjected to any of the following:

38 (1) Coercion;

- 1 (2) Discrimination in targeting persons for civil
2 action or criminal prosecution; or
- 3 (3) Civil investigation or civil action without being
4 (i) properly informed as to those matters that
5 might arise out of the investigation or action that
6 might result in criminal prosecution and (ii) in
7 such a case, being properly advised of their right
8 not to incriminate themselves.

CODE NO. 97DHR-H021

Requested by: Representatives Gardner, Cansler, Clary

ANNUAL REPORT ON CARING PROGRAM FOR CHILDREN, INC.

1 Section @. The Caring Program for Children, Inc., shall
2 report annually by May 1 to the Joint Legislative Commission on
3 Governmental Operations and to the Fiscal Research Division of
4 the Legislative Services Office, beginning with May 1, 1998, on
5 its program for providing health care for children.

6 This report shall include the number of children served
7 and the cost per child served.

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Requested by: Representative Cansler, Gardner, Clary

ADULT CARE HOME BED VACANCIES

1 Section @. (a) From the effective date of this act
2 until 18 months after the effective date of this act, the
3 Department of Human Resources shall not approve the addition of
4 any adult care home beds for any type home or facility in the
5 State, except as follows:
6 (1) Plans submitted for approval prior to May 18, 1997
7 may continue to be processed for approval;
8 (2) Plans submitted for approval subsequent to May 18,
9 1997 may be processed for approval if the
10 individual or organization submitting the plan
11 demonstrates to the Department that on or before
12 May 18, 1997, the individual or organization
13 purchased real property, entered into a binding
14 contract to purchase real property, or entered into
15 a binding real property lease arrangement for the
16 purpose of establishing or expanding an adult care
17 home facility; or
18 (3) If the Department determines that the vacancy rate
19 of adult care home beds in a county is less than
20 fifteen percent (15%) of the total number of beds
21 in the county as of the effective date of this act
22 and no new beds have been approved or licensed in
23 the county or plans submitted for approval in
24 accordance with subdivisions (1) or (2) of this
25 section, then the Department may accept and approve
26 the addition of beds in that county.
27 (b) The Department shall study the issue of high
28 vacancy rates for adult care home beds, including the impact of
29 those vacancy rates on cost effectiveness and quality of care for
30 the occupants of adult care homes and other facilities, and make
31 recommendations with respect to the need for the establishment of
32 a certificate of need type process for adult care homes and any
33 change needed in the certificate of need process for any other
34 facilities to prevent high vacancy rates for adult care home
35 beds. The Department shall report the results of its study,
36 along with the recommendations required by this section and any
37 other proposals and recommendations, to either the Chairs of the
38 House and Senate Appropriations Subcommittees on Human Resources
39 or to a study commission established to study this issue, should

1 one be established, by December 1, 1997. The Department's report
2 shall include any observations or recommendations it deems
3 appropriate with respect to correlations between the vacancy
4 rates and the condition or age of facilities.

Requested by: Representatives Gardner, Cansler, Clary
ADULT CARE HOMES REPORT

- 1 Section @. Beginning October 1, 1997, the Department of
2 Human Resources shall report annually, on the previous fiscal
3 year's activities, to the Joint Legislative Commission on
4 Governmental Operations and the Fiscal Research Division of the
5 Legislative Services Office as to the status of the following:
- 6 (1) Rate-setting and financing of adult care homes,
7 including the use of Medicaid funds for personal
8 care services;
 - 9 (2) Quality assurance and enhancement of adult care
10 homes, including case management for residents with
11 special care needs, monitoring of adult care home
12 facilities, and specialized training of direct care
13 staff; and
 - 14 (3) The process of the evaluation of the Adult Care
15 Home Financing and Quality Assurance Program.

Requested by: Representatives Gardner, Cansler, Clary
ADULT CARE HOMES REIMBURSEMENT RATE/ADULT CARE HOMES ALLOCATION
OF NONFEDERAL COST OF MEDICAID PAYMENTS

1 Section @. (a) The eligibility of Special Assistance
2 recipients residing in adult care homes on August 1, 1995, shall
3 not be affected by an income reduction in the Special Assistance
4 eligibility criteria resulting from adoption of the Rate Setting
5 Methodology Report and Related Services, providing these
6 recipients are otherwise eligible. The maximum monthly rate for
7 these residents in adult care home facilities shall be nine
8 hundred seventy-five dollars (\$975.00) per month for ambulatory
9 residents and one thousand seventeen dollars (\$1,017) per month
10 for semiambulatory residents.

11 (b) Effective August 1, 1995, the State shall pay fifty
12 percent (50%) and the county shall pay fifty percent (50%) of the
13 nonfederal costs of Medicaid services paid to adult care home
14 facilities. As Medicaid personal care requirements increase, the
15 county matching share shall be capped until it equals fifteen
16 percent (15%) of the nonfederal Medicaid personal care
17 requirements.

18 (c) Effective July 1, 1997, the maximum monthly rate
19 for residents in adult care home facilities shall be eight
20 hundred seventy-four dollars (\$874.00) per month per resident.

21 (d) Effective July 1, 1998, the maximum monthly rate
22 for residents in adult care home facilities shall be eight
23 hundred seventy-four dollars (\$874.00) per month per resident.

Requested by: Representatives Gardner, Cansler, Clary, Earle

IN-HOME SPECIAL ASSISTANCE DEMONSTRATION PROJECT

1 Sec. ④. (a) Notwithstanding any law to the contrary,
2 the Department of Human Resources, Division of Social Services,
3 in consultation with the Department of Human Resources, Division
4 of Aging, shall develop and implement an In-Home Special
5 Assistance Demonstration Project. The purpose of the project is
6 to determine the feasibility of using State and county funds to
7 provide financial assistance to low-income elderly or disabled
8 adults who are otherwise eligible for Special Assistance under
9 G.S. 108A-41(b) but who would rather live at home than in an
10 adult care home and whose daily care needs can be adequately met
11 through in-home services.

12 (b) The Department shall select five counties to
13 participate in the project. Counties desiring to participate
14 shall apply to the Department for selection. The Department shall
15 provide information to all counties about the scope and duration
16 of the project, the procedure for applying to be a participating
17 county, and what will be required of participating counties. The
18 counties selected to participate in the project shall be
19 representative of the State as a whole. In selecting the
20 participating counties, the Department shall consider each
21 applicant county's:

- 22 (1) Total population;
- 23 (2) Regional location;
- 24 (3) Urban or rural composition;
- 25 (4) Percentage of county population eligible for
26 Special Assistance services;
- 27 (5) Ability to offer case management services to each
28 client selected for the project;
- 29 (6) Ongoing support system for the aging and disabled;
30 and
- 31 (7) Ability to effectively and efficiently administer
32 the project.

33 (c) Individuals who are eligible for Special Assistance
34 under G.S. 108A-41(b) and who reside in a participating county
35 shall be eligible for Project assistance. However, each
36 participating county shall allocate Project funds for not more
37 than 40 eligible individuals. Funds used for Project assistance
38 and administration shall be matched State-County in the same

1 proportion as under the State-County Special Assistance for
2 Adults Program.

3 (d) The Department shall:

- 4 (1) Monitor local administration to ensure that
5 adequate case management services are provided to
6 Project recipients and that the health, safety, and
7 well-being of Project recipients are being
8 protected;
- 9 (2) Oversee approval of services purchased by Project
10 recipients;
- 11 (3) Collect information about the service providers and
12 types of services purchased by Project funds; and
- 13 (4) Obtain comprehensive data and information to enable
14 the State to anticipate, plan for, and provide in-
15 home services to its elderly and disabled citizens
16 in the future.

17 (e) The Department shall set a monthly budget for each
18 eligible individual participating in the project which shall not
19 exceed the statewide average monthly payment for Special
20 Assistance plus the maximum monthly payment allowed for Special
21 Assistance recipients receiving basic or enhanced Medicaid
22 personal care services. Project participants who are Medicaid
23 eligible shall be entitled to receive any and all Medicaid-funded
24 services for which they are eligible.

25 (f) The North Carolina Study Commission on Aging, with
26 assistance from the Division of Aging, Department of Human
27 Resources, shall contract for professional services to evaluate
28 the In-Home Special Assistance Demonstration Project. The
29 commission shall determine the scope of the evaluation and shall
30 require the contractor to provide written reports to the
31 Commission on July 1, 1998, and January 30, 1999.

32 The Department shall report to the North Carolina Study
33 Commission on Aging, to the Cochairs of the House of
34 Representatives and Senate Appropriations Subcommittees on Human
35 Resources, and to the Fiscal Research Division on October 1,
36 1997, March 1, 1998, and October 1, 1998, on the progress of
37 Project development and implementation. The Department's
38 October, 1998 report shall include recommendations on whether the
39 Project should be continued and, if so, the extent to which it
40 should be continued, why it should be continued, and the costs
41 associated with continuing the Project. If the Department
42 recommends that the Project not be continued, it shall provide
43 the reasons for the recommendation.

1 (g) This section becomes effective July 1, 1997 and
2 expires June 30, 1999. Nothing in this section shall be
3 construed as creating an entitlement to Special Assistance funds
4 or services under the In-Home Special Assistance Demonstration
5 Project created by this section.

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Requested by: Representatives Clary, Gardner, Cansler

ADULT CARE HOME STAFFING FOR ENHANCED PERSONAL CARE SERVICES

1 Sec. ④. (a) The Department of Human Resources shall
2 develop and implement a methodology for ensuring that adult care
3 homes with twelve or more beds have adequate staff to meet the
4 enhanced personal care needs of the home's heavy care residents.
5 As used in this section, the term:

6 (1) "Adequate staff" means one staff person for every
7 7-10 heavy care residents of the adult care home;
8 and

9 (2) "Heavy care resident" means an individual residing
10 in an adult care home who, according to Medicaid
11 criteria, needs intensive assistance or is totally
12 dependent on another person for eating, toileting,
13 or both eating and toileting.

14 If the Department finds that an adult care home has not
15 provided adequate staff to meet the enhanced personal care needs
16 of its heavy care residents, then the Department shall withhold
17 payment for enhanced personal care services until the staffing
18 requirements of this section have been met.

19 (b) The methodology developed by the Department shall
20 be applied effective October 1, 1997. The methodology shall be
21 incorporated into the chart of accounts used by adult care homes
22 to complete all required cost reporting under G.S. 131D-4.2
23 beginning with the October 1, 1997 through September 30, 1998
24 cost reporting time period.

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CODE NO. 97DHR-H014

Requested by: Representatives Gardner, Cansler, Clary

SENIOR CENTER OUTREACH

1 Section @. (a) Funds appropriated to the Department of
2 Human Resources, Division of Aging, for the 1997-99 fiscal
3 biennium, shall be used by the Division of Aging to enhance
4 senior center programs as follows:

- 5 (1) To test "satellite" services provided by existing
6 senior centers to unserved or underserved areas; or
7 (2) To provide start-up funds for new senior centers.

8 All of these funds shall be allocated by October 1 of
9 each fiscal year.

10 (b) Prior to funds being allocated pursuant to this
11 section for start-up funds for a new senior center, the county
12 commissioners of the county in which the new center will be
13 located shall:

- 14 (1) Formally endorse the need for a center;
15 (2) Formally agree on the sponsoring agency for the
16 center; and
17 (3) Make a formal commitment to use local funds to
18 support the ongoing operation of the center.

19 (c) State funding shall not exceed ninety percent (90%)
20 of reimbursable costs.

CODE NO. 97DHR-H071

Requested by: Representatives Gardner, Cansler, Clary

SURROGATE CONSENT FOR HEALTH CARE/STUDY

1 Sec. ②. (a) The North Carolina Study Commission on
2 Aging, as established under G.S. 120-180, shall study and
3 recommend a procedure for determining which person or persons may
4 make health care decisions for adult individuals in nursing homes
5 and other health care facilities who lack sufficient
6 understanding or capacity to make or communicate health care
7 decisions for themselves and for whom there is no authorized
8 health care agent, guardian of the person, or attorney-in-fact to
9 make the decision. The Commission shall ensure that the
10 procedure recommended operates consistently with existing law,
11 including living wills, health care powers of attorney, and
12 durable powers of attorney. In conducting the study, the
13 Commission may consider the provisions of House Bill 1112, first
14 edition, 1997 General Assembly.

15 (b) The Commission shall report its findings and
16 recommendations to the 1997 General Assembly, Regular Session
17 1998, upon its convening.

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CODE NO. 97DHR-H061

Requested by: Representatives Gardner, Cansler, Clary

COMMISSION ON AGING STUDY OF ADULT CARE HOME MONITORING

1 Sec. @. The North Carolina Study Commission on Aging
2 shall study the effectiveness and efficiency of State and county
3 monitoring and regulation of adult care homes. The Commission
4 shall report its findings and recommendations to the 1997 General
5 Assembly, Regular Session 1998, upon its convening.

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CODE NO. 97DHR-H050A

Requested by: Representatives Gardner, Cansler, Clary
SENIOR CENTER FUNDS

1 Section @. Of the funds appropriated in this act to the
2 Department of Human Resources, the sum of one million dollars
3 (\$1,000,000) for the 1997-98 fiscal year shall be used to support
4 existing senior centers and to assist in the development of new
5 senior centers. The Department shall allocate funds equally
6 among senior centers throughout the State as determined by the
7 Division of Aging. Expenditures of State funds for senior
8 centers shall not exceed ninety percent (90%) of all funds
9 expended for this purpose.
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CODE NO. 97DHR-H051A

Requested by: Representatives Gardner, Cansler, Clary
IN-HOME AND CAREGIVER SUPPORT FUNDS

1 Section @. Of the funds appropriated in this act to the
2 Department of Human Resources, Division of Aging, the sum of five
3 million dollars (\$5,000,000) for the 1997-98 fiscal year and the
4 sum of five million dollars (\$5,000,000) for the 1998-99 fiscal
5 year shall be allocated via the Home and Community Care Block
6 Grant for home and community care services for older persons who
7 are not eligible for Medicaid and who are on the waiting list for
8 these services. These funds shall be used only for direct
9 services. Service recipients shall pay for services based on
10 their income in accordance with G.S. 143B-181.1(a)(10).

11

CODE NO. 97DHR-H030

Requested by: Representatives Gardner, Cansler, Clary

CLINICAL SOCIAL WORKER EXEMPTION

1 Section @. Section 8 of Chapter 732 of the 1991 Session
2 Laws reads as rewritten:
3 "Section 8. This act becomes effective January 1, 1992. G.S.
4 90B-10(b)(3)a. is repealed effective January 1, ~~1997~~ 1999. The
5 term of the additional Board position for clinical social worker
6 created by this act shall commence upon the expiration of the
7 term of the public member whose term expires first."
8

CODE NO. 97DHR-H033

Requested by: Representatives Gardner, Cansler, Clary
MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS

1 Section @. Funds received by the Department of Human
2 Resources from the tax levied on mixed beverages under G.S. 18B-
3 804(b)(8) shall be expended by the Department of Human Resources
4 as prescribed by G.S. 18B-805(h). These funds shall be allocated
5 to the area mental health programs for substance abuse services.

Requested by: Representatives Gardner, Cansler, Clary
LIABILITY INSURANCE

1 Section ②. The Secretary of the Department of Human
2 Resources, the Secretary of the Department of Environment,
3 Health, and Natural Resources, and the Secretary of the
4 Department of Correction may provide medical liability coverage
5 not to exceed one million dollars (\$1,000,000) per incident on
6 behalf of employees of the Departments licensed to practice
7 medicine or dentistry, all licensed physicians who are faculty
8 members of The University of North Carolina who work on contract
9 for the Division of Mental Health, Developmental Disabilities,
10 and Substance Abuse Services for incidents that occur in Division
11 programs, and on behalf of physicians in all residency training
12 programs from The University of North Carolina who are in
13 training at institutions operated by the Department of Human
14 Resources. This coverage may include commercial insurance or
15 self-insurance and shall cover these individuals for their acts
16 or omissions only while they are engaged in providing medical and
17 dental services pursuant to their State employment or training.

18 The coverage provided under this section shall not cover
19 any individual for any act or omission that the individual knows
20 or reasonably should know constitutes a violation of the
21 applicable criminal laws of any state or the United States, or
22 that arises out of any sexual, fraudulent, criminal, or malicious
23 act, or out of any act amounting to willful or wanton negligence.

24 The coverage provided pursuant to this section shall not
25 require any additional appropriations and shall not apply to any
26 individual providing contractual service to the Department of
27 Human Resources, the Department of Environment, Health, and
28 Natural Resources, or the Department of Correction, with the
29 exception that coverage may include physicians in all residency
30 training programs from The University of North Carolina who are
31 in training at institutions operated by the Department of Human
32 Resources and licensed physicians who are faculty members of The
33 University of North Carolina who work for the Division of Mental
34 Health, Developmental Disabilities, and Substance Abuse Services.

CODE NO. 97DHR-H034

Requested by: Representatives Gardner, Cansler, Clary
PHYSICIAN SERVICES

1 Section @. With the approval of the Office of State
2 Budget and Management, the Department of Human Resources may use
3 funds appropriated in this act for across-the-board salary
4 increases and performance pay to offset similar increases in the
5 costs of contracting with private and independent universities
6 for the provision of physician services to clients in facilities
7 operated by the Division of Mental Health, Developmental
8 Disabilities, and Substance Abuse Services. This offsetting
9 shall be done in the same manner as is currently done with
10 constituent institutions of The University of North Carolina.

CODE NO. 97DHR-H036

Requested by: Representatives Gardner, Cansler, Clary
PRIVATE AGENCY UNIFORM COST FINDING REQUIREMENT

1 Section @. To ensure uniformity in rates charged to
2 area programs and funded with State-allocated resources, the
3 Division of Mental Health, Developmental Disabilities, and
4 Substance Abuse Services of the Department of Human Resources may
5 require a private agency that provides services under contract
6 with two or more area programs, except for hospital services that
7 have an established Medicaid rate, to complete an agencywide
8 uniform cost finding in accordance with G.S. 122C-143.2(a) and
9 G.S. 122C-147.2. The resulting cost shall be the maximum
10 included for the private agency in the contracting area program's
11 unit cost finding.

Requested by: Representatives Gardner, Cansler, Clary
THOMAS S.

1 Section @. (a) Funds appropriated to the Department of
2 Human Resources in this act for the 1997-98 fiscal year and the
3 1998-99 fiscal year for members of the Thomas S. Class as
4 identified in Thomas S., et al. v. Britt, formerly Thomas S., et
5 al. v. Flaherty, [Thomas S. et al. v. Bruton, Thomas S., C-C-82-
6 0418M (Western District)] shall be expended only for programs
7 serving Thomas S. Class members or for services for those clients
8 who are:

- 9 (1) Adults with mental retardation, or who have been
10 treated as if they had mental retardation, who were
11 admitted to a State psychiatric hospital on or
12 after March 22, 1984, and who are included on the
13 Division of Mental Health, Developmental
14 Disabilities, and Substance Abuse Services'
15 official list of prospective Class members;
- 16 (2) Adults with mental retardation who have a
17 documented history of State psychiatric hospital
18 admissions regardless of admission date and who,
19 without funding support, have a good probability of
20 being readmitted to a State psychiatric hospital;
- 21 (3) Adults with mental retardation who have never been
22 admitted to a State psychiatric hospital but who
23 have a documented history of behavior determined to
24 be of danger to self or others that results in
25 referrals for inpatient psychiatric treatment and
26 who, without funding support, have a good
27 probability of being admitted to a State
28 psychiatric hospital; or
- 29 (4) Adults who are included on the Division of Mental
30 Health, Developmental Disabilities, and Substance
31 Abuse Services' official list of prospective Class
32 members and have yet to be confirmed as Class
33 members, who currently reside in the community, and
34 who have a good probability of being admitted to a
35 facility licensed as a "home for the aged and
36 disabled".

37 No more than five percent (5%) of the funds appropriated in this
38 act for the Thomas S. program shall be used for clients meeting
39 subdivisions (2), (3), or (4) of this subsection.

1 (b) To ensure that Thomas S. Class members are
2 appropriately served, no State funds shall be expended on
3 placement and services for Thomas S. Class members except:

4 (1) Funds specifically appropriated by the General
5 Assembly for the placement and services of Thomas
6 S. Class members; and

7 (2) Funds for placement and services for which Thomas
8 S. Class members are otherwise eligible.

9 (b1) Thomas S. funds may be expended to support services
10 for Thomas S. Class members in adult care homes when the service
11 needs of individual Class members in these homes cannot be met
12 via the established maximum adult care home rate.

13 (c) The Department of Human Resources shall continue to
14 implement a prospective unit cost reimbursement system and shall
15 ensure that unit cost rates reflect reasonable costs by
16 conducting cost center service type rate comparisons and cost
17 center line item budget reviews as may be necessary.

18 (d) The Department of Human Resources shall submit by
19 April 1 of each fiscal year a report to the General Assembly on
20 the progress achieved in serving members and prospective members
21 of the Thomas S. Class. The report shall include the following:

22 (1) The number of Thomas S. clients confirmed as Class
23 members;

24 (2) The number of prospective Class members;

25 (3) The number of confirmed Class members awaiting
26 services;

27 (4) The number of Class members or prospective Class
28 members added in the preceding 12 months due to
29 their admission to a State psychiatric hospital;

30 (5) A description of the types of treatment services
31 provided to Class members;

32 (6) An analysis of the use of funds appropriated for
33 the Class; and

34 (7) The total State funds expended, by program, on
35 Thomas S. class members, other than those funds
36 specifically appropriated for the Thomas S. program
37 and services.

38 (e) Notwithstanding any other provision of law, if the
39 Department of Human Resources determines that a local program is
40 not providing minimally adequate services to members of the Class
41 identified in Thomas S., et al. v. Britt, formerly Thomas S., et
42 al. v. Flaherty, [Thomas S. et al. v. Bruton, Thomas S. C-C-82-
43 0418M (Western District)] or does not show a willingness to do
44 so, the Department may ensure the provision of these services

1 through contracts with public or private agencies or by direct
2 operation by the Department of these programs.

Requested by: Representatives Gardner, Cansler, and Clary
WILLIE M.

1 Section @. (a) Legislative Findings. -- The General
2 Assembly finds:
3 (1) That there is a need in North Carolina to provide
4 appropriate treatment and education programs to
5 children under the age of 18 who suffer from
6 emotional, mental, or neurological handicaps
7 accompanied by violent or assaultive behavior;
8 (2) That children meeting these criteria have been
9 identified as a Class in the case of Willie M., et
10 al. v. Hunt, et al., formerly Willie M., et al. v.
11 Martin, et al. [Willie M., 3:79 CV 294-MU (Western
12 District); and as defined in G.S. 122C-3(13a) as
13 Eligible Assaultive and Violent Children]; and
14 (3) That these children have a need for a variety of
15 services, in addition to those normally provided,
16 that may include, but are not limited to,
17 residential treatment services, educational
18 services, and independent living arrangements.
19 (b) Funds appropriated by the General Assembly to the
20 Department of Human Resources for serving members of the Willie
21 M. Class shall be expended only for programs serving members of
22 the Willie M. Class identified in Willie M., et al. v. Hunt, et
23 al., formerly Willie M., et al. v. Martin, et al., [or as
24 Eligible Assaultive and Violent Children] including evaluations
25 of potential Class members. The Department shall reallocate
26 these funds among services to Willie M. Class members during the
27 year as it deems advisable in order to use the funds efficiently
28 in providing appropriate services to Willie M. Class members.
29 (c) Funds for Department of Public Education. -- Funds
30 appropriated to the Department of Public Education in this act
31 for members of the Willie M. Class are to establish a
32 supplemental reserve fund to serve only members of the Class
33 identified in Willie M., et al. v. Hunt, et al., formerly Willie
34 M., et al. v. Martin, et al., [or as Eligible Assaultive and
35 Violent Children]. These funds shall be allocated by the State
36 Board of Education to the local education agencies to serve those
37 Class members who were not included in the regular average daily
38 membership and the census of children with special needs, and to
39 provide the additional program costs which exceed the per pupil

1 allocation from the State Public School Fund and other State and
2 federal funds for children with special needs.

3 (d) The Department of Human Resources shall continue to
4 implement its prospective unit cost reimbursement system and
5 shall ensure that unit cost rates reflect reasonable costs by
6 conducting cost center service type rate comparisons and cost
7 centerline item budget reviews as may be necessary, and based
8 upon these reviews and comparisons, the Department shall reduce
9 and/or cap rates to programs which are significantly higher than
10 those rates paid to other programs for the same service.

11 Any exception to this requirement shall be approved by
12 the Director of the Division of Mental Health, Developmental
13 Disabilities, and Substance Abuse Services, and shall be reported
14 in the Department's annual joint report to the Governor and the
15 General Assembly and in any periodic report the Department may
16 make to the Joint Legislative Commission on Governmental
17 Operations.

18 (d1) The Department of Human Resources shall implement
19 a process to review those cases for whom treatment has been
20 recommended whose annual cost is anticipated to be in excess of
21 one hundred fifty percent (150%) of the average annual per client
22 expenditure of the previous fiscal year and shall take actions to
23 reduce these treatment costs where appropriate.

24 (e) The Department of Human Resources and the
25 Department of Public Education shall submit, by May 1 of each
26 fiscal year, a joint report to the Governor and the General
27 Assembly on the progress achieved in serving members of the
28 Willie M. Class. The report shall include the following
29 unduplicated data for each area program/authority: (i) the
30 number of children nominated for the Willie M. Class; (ii) the
31 number of children actually identified as members of the Class in
32 each area program/authority; (iii) the number of children served
33 as members of the Class in each area program/authority; (iv) the
34 number of children who remain unserved or for whom additional
35 services are needed in order to be determined to be appropriately
36 served; (v) the types and locations of treatment and education
37 services provided to Class members; (vi) the cost of services,
38 by type, to members of the Class and the maximum and minimum
39 rates paid to providers for each service; (vii) the number of
40 cases whose treatment costs were in excess of one hundred fifty
41 percent (150%) of the average annual per client expenditure;
42 (viii) information on the impact of treatment and education
43 services on members of the Class; (ix) an explanation of, and
44 justification for, any waiver of departmental rules that affect

1 the Willie M. program; and (x) the total State funds expended, by
2 program, on Willie M. Class members, other than those funds
3 specifically appropriated for the Willie M. programs and
4 services.

5 (e1) From existing funds available to it, the
6 Department of Human Resources shall begin a process to document
7 and assess individual Class members' progress through the
8 continuum of services. Standardized measures of functioning
9 shall be administered periodically to each member of the Class,
10 and the information generated from these measures shall be used
11 to assess client progress and program effectiveness.

12 (f) The Departments of Human Resources and Public
13 Education shall provide periodic reports of expenditures and
14 program effectiveness on behalf of the Willie M. Class to the
15 Fiscal Research Division. As part of these reports, the
16 Departments shall explain measures they have taken to control and
17 reduce program expenditures.

18 (g) In fulfilling the responsibilities vested in it by
19 the Constitution of North Carolina, the General Assembly finds:

20 (1) That the General Assembly has evaluated the known
21 needs of the State and has endeavored to satisfy
22 those needs in comparison to their social and
23 economic priorities; and

24 (2) That the funds appropriated will enable the
25 development and implementation of placement and
26 services for the Class members in Willie M., et al.
27 v. Hunt, et al., formerly Willie M., et al. v.
28 Martin, et al., [or Eligible Assaultive and Violent
29 Children] within a reasonable period of time
30 considered within the context of the needs of the
31 Class members, the other needs of the State, and
32 the resources available to the State.

33 (h). The General Assembly supports the efforts of the
34 responsible officials and agencies of the State to meet the
35 requirements of the court order in Willie M., et al. v. Hunt, et
36 al., formerly Willie M., et al. v. Martin, et al., [Willie M.,
37 3:79 CV 294-MU (Western District)]. To ensure that Willie M.
38 Class members are appropriately served, no State funds shall be
39 expended on placement and services for Willie M. Class members
40 except:

41 (1) Funds specifically appropriated by the General
42 Assembly for the placement and services of Willie
43 M. Class members; and

1 (2) Funds for placement and services for which Willie
2 M. Class members are otherwise eligible.

3 This limitation shall not preclude the use of unexpended Willie
4 M. funds from prior fiscal years to cover current or future needs
5 of the Willie M. program subject to approval by the Director of
6 the Budget. These Willie M. expenditures shall not be subject to
7 the requirements of G.S. 143-18.

8 (i) Notwithstanding any other provision of law, if the
9 Department of Human Resources determines that a local program is
10 not providing appropriate services to members of the Class
11 identified in Willie M., et al. v. Hunt, et al., formerly Willie
12 M., et al. v. Martin, et al., [or as Eligible Assaultive and
13 Violent Children] the Department may ensure the provision of
14 these services through contracts with public or private agencies
15 or by direct operation by the Department of these programs.

Requested by: Representatives Gardner, Cansler, Clary
CAROLINA ALTERNATIVES

- 1 Section @. The Department of Human Resources shall move
2 forward with planning, readiness assessments, and other necessary
3 activities to be able to expand the Carolina Alternatives Child
4 and Adult Waiver Pilot Program. Prior to actual implementation
5 of additional covered populations, the Department shall:
- 6 (1) Receive approval from the Health Care Financing
7 Administration;
 - 8 (2) Continue the 10-site Carolina Alternatives pilot
9 programs;
 - 10 (3) Make a determination that each area authority that
11 is going to participate in the pilot has the
12 capacity to implement the waiver;
 - 13 (4) Obtain certification from the Office of State
14 Budget and Management that expansion of Carolina
15 Alternatives is budget neutral, excluding the
16 payment of claims related to the transition from
17 fee-for-service to Medicaid managed care, and
18 authorization from the Office of State Budget and
19 Management to proceed with the pilot;
 - 20 (5) Evaluate capitation rates to determine if they are
21 adequate to provide appropriate services;
 - 22 (6) Develop five-year cost estimates for Carolina
23 Alternatives; and
 - 24 (7) Submit a progress report to the 1997 General
25 Assembly, Regular Session 1998, and the Fiscal
26 Research Division not later than May 1, 1998.

CODE NO. 97DHR-H004A

Requested by: Representatives Gardner, Cansler, Clary

LIMITATION ON USE OF SPECIAL ALZHEIMER'S UNIT IN WILSON

1 Sec. @. (a) The Special Alzheimer's Unit established in
2 Wilson by funds appropriated in Chapter 507 of the 1995 Session
3 Laws shall serve only those clients who cannot be served by a
4 similar private facility.

5 (b) The Department of Human Resources shall solicit bids from
6 private providers for the operation of the Special Alzheimer's
7 Unit in Wilson. The Department shall report to the members of
8 the House and Senate Appropriations Subcommittees on Human
9 Resources, and the Fiscal Research Division, not less than 90
10 days prior to the opening of the Unit for operation. The report
11 shall provide the cost of operation of the Unit by the State as
12 compared to the cost of operation by private providers who have
13 submitted bids.

14

15

Requested by: Representatives Cansler, Gardner, Clary

EFFICIENCY STUDY OF STATE PSYCHIATRIC HOSPITALS

1 Sec. @. (a) The Department of Human Resources shall
2 contract with an independent consulting firm with proven
3 experience in hospital administration/management and an
4 understanding of the special operational issues related to
5 psychiatric hospitals to conduct a study of the management and
6 operation of the four State psychiatric hospitals. The purpose
7 of the study shall be to identify areas for improved operations
8 and efficiency. The study shall address, but not be limited to,
9 patient-to-staff ratios, cost efficiency of the various patient
10 units within the hospitals, and potential areas for achieving
11 greater cost efficiencies by contracting with private providers.
12 If the findings of the study reflect the need for specific
13 physical plant renovations, replacements, or new construction,
14 the report shall provide information which reflects the cost
15 efficiencies which would result from the improvements and the
16 time period over which the cost efficiencies would repay the cost
17 of improvements. The study shall also consider all potential
18 sources of revenue for the hospitals and what impact any proposed
19 operational changes may have on that revenue and the overall need
20 for appropriations from the General Fund. Contract services
21 shall be paid for from funds available to the Department.

22 (b) The results of the study and the Department's response to
23 the study shall be provided to the cochairs of the House
24 Appropriations Subcommittee on Human Resources and the Fiscal
25 Research Division not later than February 3, 1998.

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27
28

CODE NO. 97DHR-H040

Requested by: Representatives Gardner, Cansler, Clary
THOMAS S. LAWSUIT COMPLIANCE

1 Section @. The Department of Justice and the Department
2 of Human Resources shall pursue all administrative and legal
3 options necessary to enable the State to resolve the Thomas S.
4 lawsuit in the most expeditious and cost-effective manner
5 possible and to seek elimination of the necessity for oversight
6 by a special master.

Requested by: Representatives Gardner, Cansler, Clary
THOMAS S. FUNDS/COST CONTAINMENT

1 Section 0. (a) If Thomas S. funds are not sufficient,
2 then notwithstanding G.S. 143-16.3 and G.S. 143-23, the Director
3 of the Budget may use funds available to the Department in an
4 amount not to exceed fifteen million two hundred thousand dollars
5 (\$15,200,000).

6 (b) The Department of Human Resources, in conjunction with area
7 mental health programs, shall develop and implement cost
8 containment measures to reduce the cost of direct services. The
9 Department shall develop these strategies to emphasize positive
10 client outcomes through developmental disability long-term
11 managed supports rather than to emphasize process. These
12 measures shall include but not be limited to the following:

13 (1) Reduction of those process-oriented tasks required
14 by the State, including, but not limited to, tasks
15 required by the Divisions of: Medical Assistance,
16 Vocational Rehabilitation Services, Social
17 Services, Facilities Services, and Mental Health,
18 Developmental Disabilities, and Substance Abuse
19 Services;

20 (2) Single stream funding from all available sources;

21 (3) Waivers of federal requirements in order to comply
22 with the federal court order; and

23 (4) Review and, if necessary, amendment or repeal of
24 rules that conflict or otherwise interfere with
25 cost containment measures.

26 (c) The Department shall provide to the members of the
27 House and Senate Appropriations Subcommittees on Human Resources,
28 and to the Fiscal Research Division a detailed report of the
29 status of development and implementation of cost containment
30 measures required under this section. The report shall address
31 each of the measures listed in subsection (b) of this section,
32 and any other related cost containment measures developed by the
33 Department. The Department shall provide the report on December
34 1, 1997 and May 1, 1998.

Requested by: Representatives Gardner, Cansler, and Clary

MENTAL HEALTH COMMITMENT LAW/THOMAS S.

1 Sec. @. (a) G.S. 122C-261(f) reads as rewritten:

2 "(f) When a petition is filed for an individual who is a
3 resident of a single portal area, the procedures for examination
4 by a physician or eligible psychologist as set forth in G.S.
5 122C-263 shall be carried out in accordance with the area plan.
6 Prior to issuance of a custody order for a respondent who resides
7 in an area authority with a single portal plan, the clerk or
8 magistrate shall communicate with the area authority to determine
9 the appropriate 24-hour facility to which the respondent should
10 be admitted according to the area plan or to determine if there
11 are more appropriate resources available through the area
12 authority to assist the petitioner or the respondent. When an
13 individual from a single portal area is presented for commitment
14 at a 24-hour or State facility directly, the individual may not
15 be accepted for admission until the facility notifies the area
16 authority and the area authority agrees to the admission. If the
17 area authority does not agree to the admission, it shall
18 determine the appropriate 24-hour facility to which the
19 individual should be admitted according to the area plan or
20 determine if there are more appropriate resources available
21 through the area authority to assist the individual. If the area
22 authority agrees to the admission, further planning of treatment
23 for the client is the joint responsibility of the area authority
24 and the facility as prescribed in the area plan.

25 Notwithstanding the provisions of this section, in no event
26 shall an individual who is 18 years of age or older and known or
27 reasonably believed to be mentally retarded be admitted to a
28 State psychiatric hospital, except as follows:

- 29 (1) Persons described in G.S. 122C-266(b);
30 (2) Persons admitted pursuant to G.S. 15A-1321;
31 (3) Respondents who are so extremely dangerous as to
32 pose a serious threat to the community and to other
33 patients committed to non-State hospital
34 psychiatric inpatient units, as determined by the
35 Director of the Division of Mental Health,
36 Developmental Disabilities, and Substance Abuse
37 Services or his designee; and
38 (4) Respondents who are so gravely disabled by both
39 multiple disorders and medical fragility or

1 multiple disorders and deafness that alternative
2 care is inappropriate, as determined by the
3 Director of the Division of Mental Health,
4 Developmental Disabilities, and Substance Abuse
5 Services or his designee.

6 Individuals transported to a State facility for the mentally
7 ill who are not admitted by the facility may be transported by
8 law enforcement officers or designated staff of the State
9 facility in State-owned vehicles to an appropriate 24-hour
10 facility that provides psychiatric inpatient care.

11 No later than 24 hours after the transfer, the responsible
12 professional at the original facility shall notify the
13 petitioner, the clerk of court, and, if consent is granted by the
14 respondent, the next of kin, that the transfer has been
15 completed."

16 (b) G.S. 122C-262(d) reads as rewritten:

17 "(d) Anyone, including a law enforcement officer if necessary,
18 may transport the individual to a 24-hour facility described in
19 G.S. 122C-252 for examination and treatment pending a district
20 court hearing. If there is no area 24-hour facility and if the
21 respondent is indigent and unable to pay for care at a private
22 24-hour facility, the law enforcement officer or other designated
23 person providing transportation shall take the respondent to a
24 State facility for the mentally ill designated by the Commission
25 in accordance with G.S. 143B-147(a)(1)a and immediately notify
26 the clerk of superior court of this action. The physician's or
27 eligible psychologist's certificate shall serve as the custody
28 order and the law enforcement officer or other designated person
29 shall provide transportation in accordance with the provisions of
30 G.S. 122C-251.

31 In the event an individual who is 18 years of age or older and
32 known or reasonably believed to be mentally retarded is
33 transported to a State facility for the mentally ill, in no event
34 shall that individual be admitted to that facility except as
35 follows:

- 36 (1) Persons described in G.S. 122C-266(b);
- 37 (2) Persons admitted pursuant to G.S. 15A-1321;
- 38 (3) Respondents who are so extremely dangerous as to
39 pose a serious threat to the community and to other
40 patients committed to non-State hospital
41 psychiatric inpatient units, as determined by the
42 Director of the Division of Mental Health,
43 Developmental Disabilities, and Substance Abuse
44 Services or his designee; and

1 (4) Respondents who are so gravely disabled by both
2 multiple disorders and medical fragility or
3 multiple disorders and deafness that alternative
4 care is inappropriate, as determined by the
5 Director of the Division of Mental Health,
6 Developmental Disabilities, and Substance Abuse
7 Services or his designee.

8 Individuals transported to a State facility for the mentally
9 ill who are not admitted by the facility may be transported by
10 law enforcement officers or designated staff of the State
11 facility in State-owned vehicles to an appropriate 24-hour
12 facility that provides psychiatric inpatient care.

13 No later than 24 hours after the transfer, the responsible
14 professional at the original facility shall notify the
15 petitioner, the clerk of court, and, if consent is granted by the
16 respondent, the next of kin, that the transfer has been
17 completed."

18 (c) G.S. 122C-263(d) reads as rewritten:

19 "(d) After the conclusion of the examination the physician or
20 eligible psychologist shall make the following determinations:

21 (1) If the physician or eligible psychologist finds
22 that:

- 23 a. The respondent is mentally ill;
- 24 b. The respondent is capable of surviving safely
25 in the community with available supervision
26 from family, friends, or others;
- 27 c. Based on the respondent's psychiatric history,
28 the respondent is in need of treatment in
29 order to prevent further disability or
30 deterioration that would predictably result in
31 dangerousness as defined by G.S. 122C-3(11);
32 and
- 33 d. The respondent's current mental status or the
34 nature of the respondent's illness limits or
35 negates the respondent's ability to make an
36 informed decision to seek voluntarily or
37 comply with recommended treatment.

38 The physician or eligible psychologist shall so
39 show on the examination report and shall recommend
40 outpatient commitment. In addition the examining
41 physician or eligible psychologist shall show the
42 name, address, and telephone number of the proposed
43 outpatient treatment physician or center. The
44 person designated in the order to provide

1 transportation shall return the respondent to the
2 respondent's regular residence or, with the
3 respondent's consent, to the home of a consenting
4 individual located in the originating county, and
5 the respondent shall be released from custody.

6 (2) If the physician or eligible psychologist finds
7 that the respondent is mentally ill and is
8 dangerous to self, as defined in G.S. 122C-3(11)a.,
9 or others, as defined in G.S. 122C-3(11)b., the
10 physician or eligible psychologist shall recommend
11 inpatient commitment, and shall so show on the
12 examination report. If, in addition to mental
13 illness and dangerousness, the physician or
14 eligible psychologist also finds that the
15 respondent is known or reasonably believed to be
16 mentally retarded, this finding shall be shown on
17 the report. The law enforcement officer or other
18 designated person shall take the respondent to a
19 24-hour facility described in G.S. 122C-252 pending
20 a district court hearing. If there is no area 24-
21 hour facility and if the respondent is indigent and
22 unable to pay for care at a private 24-hour
23 facility, the law enforcement officer or other
24 designated person shall take the respondent to a
25 State facility for the mentally ill designated by
26 the Commission in accordance with G.S. 143B-
27 147(a)(1)a. for custody, observation, and treatment
28 and immediately notify the clerk of superior court
29 of this action.

30 In the event an individual who is 18 years of
31 age or older and known or reasonably believed to be
32 mentally retarded is transported to a State
33 facility for the mentally ill, in no event shall
34 that individual be admitted to that facility except
35 as follows:

- 36 a. Persons described in G.S. 122C-266(b);
37 b. Persons admitted pursuant to G.S. 15A-1321;
38 c. Respondents who are so extremely dangerous as
39 to pose a serious threat to the community and
40 to other patients committed to non-State
41 hospital psychiatric inpatient units, as
42 determined by the Director of the Division of
43 Mental Health, Developmental Disabilities, and
44 Substance Abuse Services or his designee; and

1 d. Respondents who are so gravely disabled by
2 both multiple disorders and medical fragility
3 or multiple disorders and deafness that
4 alternative care is inappropriate, as
5 determined by the Director of the Division of
6 Mental Health, Developmental Disabilities, and
7 Substance Abuse Services or his designee.

8 Individuals transported to a State facility for
9 the mentally ill who are not admitted by the
10 facility may be transported by law enforcement
11 officers or designated staff of the State facility
12 in State-owned vehicles to an appropriate 24-hour
13 facility that provides psychiatric inpatient care.

14 No later than 24 hours after the transfer, the
15 responsible professional at the original facility
16 shall notify the petitioner, the clerk of court,
17 and, if consent is granted by the respondent, the
18 next of kin, that the transfer has been completed.

19 (3) If the physician or eligible psychologist finds
20 that neither condition described in subdivisions
21 (1) or (2) of this subsection exists, the
22 proceedings shall be terminated. The person
23 designated in the order to provide transportation
24 shall return the respondent to the respondent's
25 regular residence or, with the respondent's
26 consent, to the home of a consenting individual
27 located in the originating county and the
28 respondent shall be released from custody."
29

Requested by: Representatives Crawford, Gardner, Cansler, Clary

BUTNER COMMUNITY LAND RESERVATION

1 Section @. The Department of Human Resources shall
2 reserve and dedicate the following described land for the
3 construction of a Community Building and related facilities to
4 serve the Butner Reservation:

5 "Approximately 2 acres, on the east side it borders Central
6 Avenue with a line running along the Wallace Bradshur property on
7 the north back to the tree line next to the ADATC. From there it
8 follows the tree line south and west to an including the softball
9 field. From the softball field it turns east to the State
10 Employees Credit Union and follows the Credit Union property on
11 the south side back to Central Avenue."

12 This land shall be reserved and dedicated for the project which
13 shall be funded with contributions from Granville County,
14 contributions from the residents of the Butner Reservation, the
15 use of cablevision franchise rebate funds received by the
16 Department of Human Resources on behalf of the Butner
17 Reservation, and other public and private sources.

18 The Butner Planning Council shall advise the Secretary of Human
19 Resources, through resolutions adopted by the Council, regarding
20 the use of this reserved and dedicated land, the construction of
21 the Community Building, and the expenditure of the cablevision
22 franchise rebate funds.

23 The Department of Human Resources shall reserve and dedicate
24 the above described property for the above described purposes
25 until the time, if any, that a permanent local government is
26 established on the Butner Reservation at which time the land
27 shall be transferred to the local government.

CODE NO. 97DHR-H059

Requested by: Representatives Gardner, Cansler, Clary
ALLOCATION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND
SUBSTANCE ABUSE EXPANSION FUNDS

1 Section @. Of the funds appropriated in this act to the
2 Division of Mental Health, Developmental Disabilities, and
3 Substance Abuse Services, Department of Human Resources, for
4 expansion of mental health, developmental disabilities, and
5 substance abuse programs and services, other than crisis
6 services, those funds needed by area authorities for "catch-up"
7 purposes shall be allocated pursuant to the Incentive Method
8 adopted by the Mental Health Study Commission and presented in
9 the Commission's Report to the 1996 General Assembly.

CODE NO. 97DHR-H060

Requested by: Representatives Gardner, Cansler, Clary

PROCEDURE FOR PRISONERS HELD IN COUNTY JAIL

1 Sec. @. Notwithstanding Chapter 122C of the General
2 Statutes, prisoners held in a county jail, other than prisoners
3 who have been found to be incapable of proceeding to trial
4 pursuant to Article 56 of Chapter 15A of the General Statutes,
5 who require mental health treatment that the county decides can
6 best be provided by inpatient care, shall be transported to the
7 mental health unit of Central Prison in accordance with
8 G.S. 162-39.

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Requested by: Representatives Gardner, Cansler, Clary

**LEGISLATIVE STUDY COMMISSION ON MENTAL HEALTH, DEVELOPMENT
DISABILITIES, AND SUBSTANCE ABUSE SERVICES**

1 Sec. ④. G.S. 120-205 reads as rewritten:

2 "**§ 120-205. Commission membership; meetings; terms; vacancies.**

3 (a) This commission shall be composed of ~~21~~ 22 members
4 appointed as follows:

5 (1) Seven members of the House of Representatives at
6 the time of their appointment, appointed by the
7 Speaker of the House of Representatives. Of these
8 members, one shall be a Chair of the House
9 Appropriations Subcommittee on Human Resources;

10 (2) Seven members of the Senate at the time of their
11 appointment, appointed by the President Pro Tempore
12 of the Senate. Of these members, one shall be the
13 Chair of the Senate Human Resources Appropriations
14 Committee;

15 (3) Three members who are representatives of Coalition
16 2001, appointed by the Governor. Of these members,
17 one shall be a representative from mental health,
18 one from developmental disabilities, and one from
19 substance abuse services;

20 (4) Two members of the public, appointed by the Speaker
21 of the House of Representatives. Of these members,
22 one shall be a county commissioner at the time of
23 appointment, selected from a list of four
24 candidates nominated by the North Carolina
25 Association of County Commissioners. If the
26 Association has failed to submit nominations by
27 September 1, 1996, the Speaker of the House of
28 Representatives may appoint any county
29 commissioner; and

30 (5) Two members of the public, appointed by the
31 President Pro Tempore of the Senate. Of these
32 members, one shall be a county commissioner at the
33 time of appointment, selected from a list of four
34 candidates nominated by the North Carolina
35 Association of County Commissioners. If the
36 Association has failed to submit nominations by
37 September 1, 1996, the President Pro Tempore of the

1 Senate may appoint any county ~~commissioner~~
2 commissioner; and

3 (6) One member who is a representative of the North
4 Carolina Hospital Association, appointed by the
5 Governor.

6 (b) The Speaker of the House of Representatives and the
7 President Pro Tempore of the Senate shall each select a
8 legislative member from their appointments to serve as cochair of
9 the commission. Meetings shall be called at the will of the
10 cochairs.

11 (c) All members shall serve at the will of their appointing
12 officer. Unless removed or unless resigning, members shall serve
13 for two-year terms. Members may be reappointed. Vacancies in
14 membership shall be filled by the appropriate appointing
15 officer."

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Requested by: Representatives Gardner, Cansler, Clary

WHITAKER SCHOOL REPLACEMENT FACILITY

1 Sec. @. The Department of Human Resources and the
2 Office of State Budget and Management shall, in consultation with
3 the Human Rights Committee of the Whitaker School in Butner,
4 attempt to locate a facility that would be a suitable replacement
5 facility for the Whitaker School. The facility may be located in
6 Butner or elsewhere. To be a suitable replacement, the existing
7 facility must be of size and structural condition to reasonably
8 accommodate current needs and must represent overall an
9 improvement over the current facility housing Whitaker School.
10 The Department may also investigate and consider whether it would
11 be more cost effective to build a new facility than to renovate
12 an existing facility. If a suitable existing facility is
13 located, then the Department and Office of State Budget and
14 Management shall pursue funding for repairs and renovations that
15 may be necessary to render the facility a suitable replacement.
16 Not later than May 1, 1998, the Department shall provide a status
17 report on its search for a replacement facility to the House and
18 Senate Appropriations Subcommittees on Human Resources, the
19 Fiscal Research Division, and the Human Rights Committee of the
20 Whitaker School. If the Department determines that it would be
21 more cost effective to build a new facility than to repair an
22 existing facility, then the Department shall provide information
23 supporting its determination in its May 1, 1998 report.

CODE NO. 97DHR-H084

Requested by: Representatives Gardner, Cansler, Clary

FORENSIC TREATMENT PROGRAM

1 Sec. @. The Commission for Mental Health, Developmental
2 Disabilities, and Substance Abuse Services shall adopt temporary
3 rules, in accordance with Chapter 150B of the General Statutes,
4 to implement the forensic treatment program at Dorothea Dix
5 Hospital. Notwithstanding the provisions of Chapter 122C of the
6 General Statutes pertaining to seclusion, the rules shall
7 include, for the purpose of protecting the health, safety, and
8 welfare of patients, employees, and the general public,
9 provisions for locking the rooms of patients in the forensic
10 treatment program during rest times, including normal sleeping
11 hours.

12

CODE NO. 97DHR-H057

Requested by: Representatives Gardner, Cansler, Clary

STUDY DOWNSIZING OF MENTAL RETARDATION CENTERS

1 Sec. ④. The Department of Human Resources shall conduct
2 a study of the impact of the plan for downsizing mental
3 retardation centers currently being implemented by the
4 Department. The study shall include the time period from the
5 commencement of implementation through June 30, 1996. The study
6 shall include, but is not limited to, the impact on patient
7 census, staffing in general, staff-to-patient ratios, budget
8 changes, placement of clients in the community, and development
9 of community services for developmental disability clients. The
10 Department shall provide the results of the study to the House
11 Appropriations Subcommittee on Human Resources and the Fiscal
12 Research Division not later than March 2, 1998.

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CODE NO. 97DHR-H002C

Requested by: Representatives Gardner, Cansler, Clary

EARLY INTERVENTION FUNDING/REFERRAL

1 Sec. ②. Of the funds appropriated in this act to the
2 Department of Human Resources, Division of Mental Health,
3 Developmental Disabilities, and Substance Abuse Services, the sum
4 of five million dollars (\$5,000,000) for the 1997-98 fiscal year
5 and the sum of five million dollars (\$5,000,000) for the 1998-99
6 fiscal year shall be allocated based on a plan developed in
7 consultation with the affected divisions within the Department
8 and the North Carolina Interagency Coordinating Council to meet
9 the needs of those children who are on the waiting list for early
10 intervention services. The Department may create up to 41 new
11 positions, as needed, in the Division of Services for the Blind
12 and the Division of Services for the Deaf and Hard of Hearing to
13 expand early intervention-related preschool services.

14 The agencies providing early intervention services to children
15 from birth through five years shall work together to develop
16 procedures to ensure that Beginnings for Parents of Hearing-
17 Impaired Children, Inc. shall be notified of children newly
18 identified with hearing loss and determined to be eligible for
19 services.

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CODE NO. 97DHR-H025

Requested by: Representatives Gardner, Cansler, Clary

**REIMBURSEMENT AND COMPENSATION OF MEMBERS OF THE NORTH CAROLINA
VOCATIONAL REHABILITATION ADVISORY COUNCIL, THE STATEWIDE
INDEPENDENT LIVING COUNCIL, AND THE COMMISSION FOR THE BLIND**

1 Section e. Notwithstanding G.S. 138-5(a)(1), those
2 members of the North Carolina Vocational Rehabilitation Advisory
3 Council, the Statewide Independent Living Council, and the
4 Commission for the Blind who are unemployed or who shall forfeit
5 wages from other employment to attend council or commission
6 meetings or to perform related duties, may receive compensation
7 not to exceed fifty dollars (\$50.00) a day for attending these
8 meetings or for performing related duties, as authorized in
9 sections 105 and 705 of P.L. 102-569, the Rehabilitation Act of
10 1973, 42 U.S.C. § 701, et seq., as amended. This compensation is
11 instead of the compensation specified in G.S. 138-5(a)(1).
12 Reimbursement for subsistence and travel expenses is as specified
13 in G.S. 138-5.

14

CODE NO. 97DHR-H045

Requested by: Representatives Gardner, Cansler, Clary
DIVISION OF SERVICES FOR BLIND/PERFORMANCE AUDIT

1 Section @. The Office of the State Auditor shall
2 conduct a performance audit of the Division of Services for the
3 Blind in the Department of Human Resources, to include the
4 Governor Morehead School. The performance audit shall address,
5 but not be limited to, the financial management of the Division.
6 The Office of the State Auditor shall submit the results of the
7 performance audit to the cochairs of the Senate and House
8 Appropriations Subcommittees on Human Resources by January 1,
9 1998.

CODE NO. 97DHR-H046

Requested by: Representatives Gardner, Cansler, Clary
SERVICES FOR BLIND/EXTENDED SERVICE PROVIDER POSITIONS

1 Section @. Of the funds appropriated in this act to the
2 Department of Human Resources, Division of Services for the
3 Blind, the sum of two hundred fifty thousand dollars (\$250,000)
4 in each fiscal year of the 1997-99 biennium shall be used to
5 maintain extended service provider positions at local, nonprofit
6 supported employment programs.

CODE NO. 97DHR-H047

Requested by: Representatives Gardner, Cansler, and Clary
GOVERNOR MOREHEAD SCHOOL/TEXTBOOK FUNDS

1 Section @. Of the funds appropriated in this act to the
2 Division of Services for the Blind, the sum of twelve thousand
3 four hundred eight dollars (\$12,408) for the 1997-98 fiscal year
4 and the sum of twelve thousand four hundred eight dollars
5 (\$12,408) for the 1998-99 fiscal year shall be used to increase
6 funding for textbooks or for adaptive technology, or both, for
7 student education at the Governor Morehead School. Funds for
8 this purpose shall be part of the Division's continuation budget
9 request.

CODE NO. 97DHR-H048

Requested by: Representatives Gardner, Cansler, and Clary
FAMILY SUPPORT/DEAF AND HARD OF HEARING SERVICES CONTRACT

1 Section @. Of the funds appropriated in this act to the
2 Division of Services for the Deaf and Hard of Hearing, Department
3 of Human Resources, for family support services, the sum of five
4 hundred three thousand two hundred thirty-eight dollars
5 (\$503,238) for the 1997-98 fiscal year and the sum of five
6 hundred three thousand two hundred thirty-eight dollars
7 (\$503,238) for the 1998-99 fiscal year shall be used to contract
8 with a private, nonprofit corporation licensed to do business in
9 North Carolina to perform those services, including family
10 support and advocacy services as well as technical assistance to
11 professionals who work with families of hearing-impaired
12 children.

CODE NO. 97DHR-H044

Requested by: Representatives Gardner, Cansler, Clary
S.O.S. AND FAMILY RESOURCE CENTER GRANT PROGRAMS ADMINISTRATIVE
COST LIMITS

1 Section @. (a) Of the funds appropriated to the
2 Department of Human Resources in this act, not more than three
3 hundred fifty thousand dollars (\$350,000) for the 1997-98 fiscal
4 year and not more than three hundred fifty thousand dollars
5 (\$350,000) for the 1998-99 fiscal year may be used to administer
6 the S.O.S. Program, to provide technical assistance to applicants
7 and to local S.O.S. programs, and to evaluate the local S.O.S.
8 programs. The Department may contract with appropriate public or
9 nonprofit agencies to provide the technical assistance, including
10 training and related services.

11 (b) Of the funds appropriated in this act to the
12 Department of Human Resources for the Family Resource Center
13 Grant Program, the Department may use up to two hundred fifty
14 thousand dollars (\$250,000) in each fiscal year to administer the
15 Program.

CODE NO. 97DHR-H042

Requested by: Representatives Gardner, Cansler, Clary
ANNUAL EVALUATION OF WILDERNESS CAMP, COACH MENTOR TRAINING, AND
GOVERNOR'S ONE-ON-ONE PROGRAMS

1 Section @. The Department of Human Resources shall
2 conduct an annual evaluation of the Wilderness Camp, Coach Mentor
3 Training, and Governor's One-on-One Programs. The results of the
4 evaluation shall be submitted to the Joint Legislative Commission
5 on Governmental Operations no later than October 1 of each year
6 covering the program for the prior fiscal year. In conducting
7 the evaluation, among other things, the focus shall be on
8 directing youth toward long-term positive and productive
9 noncriminal behavior. The review shall be qualitative and
10 quantitative.

CODE NO. 97DHR-H043

Requested by: Representatives Gardner, Cansler, Clary
DYS TRAINING SCHOOLS/STUDENT EVALUATIONS

1 Section @. The Department of Human Resources shall take
2 immediate steps to ensure that multidisciplinary diagnoses and
3 evaluations, as provided for in G.S. 115C-113, are made on all
4 students in training schools operated by the Division of Youth
5 Services and that the requisite resources and services are
6 provided for all DYS training school students who are identified
7 as children with special needs. The Department may use funds
8 available to provide evaluations, resources, and services, but
9 shall not reduce current DYS services. Lapsed salary funds shall
10 not be used to create new permanent positions.

CODE NO. 97DHR-H031A

Requested by: Representatives Gardner, Cansler, Clary
RECEIPTS OF FEDERAL FUNDS FOR EMERGENCY ASSISTANCE

1 Section @. The Department of Human Resources may use up
2 to twenty-five percent (25%) of federal Title IV-Emergency
3 Assistance funds, received after June 30, 1997, as reimbursement
4 for retroactive claims filed for defined critical needs. The
5 remainder of these funds shall be placed in a reserve for
6 appropriation by the General Assembly. The Department may submit
7 a prioritized list of recommended needs for these funds to the
8 cochairs of the Senate and House Appropriations Subcommittees on
9 Human Resources for consideration.

CODE NO. 97DHR-H023

Requested by: Representatives Gardner, Cansler, Clary

COMMUNITY-BASED ALTERNATIVES PARTICIPATION

1 Section @. County governments participating in the
2 Community-Based Alternatives Program shall certify annually to
3 the Division of Youth Services, Department of Human Resources,
4 that Community-Based Alternatives Aid to Counties shall not be
5 used to duplicate or supplant other programs within the county.

CODE NO. 97DHR-H028

Requested by: Representatives Gardner, Cansler, Clary

CHILD CARE FUNDS MATCHING REQUIREMENT

1 Section @. No local matching funds may be required by
2 the Department of Human Resources as a condition of any
3 locality's receiving any State child care funds appropriated by
4 this act unless federal law requires such a match.
5

Requested by: Representatives Gardner, Cansler, Clary

CHILD CARE SUBSIDIES

1 Section @. (a) The maximum gross annual income for
2 initial eligibility, adjusted biennially, for subsidized child
3 care services shall be seventy-five percent (75%) of the State
4 median income, adjusted for family size.

5 (b) Parents who receive child care subsidy to work,
6 look for work, attend work-related training or education
7 activities, or meet the special developmental needs of their
8 child, shall share in the cost of child care. No fees shall be
9 charged to the client when child care services are provided to
10 the individuals in the following circumstances:

11 (1) When children are receiving child care services in
12 conjunction with protective services as described
13 in 10 NCAC 35E.0106, up to a maximum of 12 months
14 from the time protective services are initiated;

15 (2) When child care services are provided as a support
16 to a child receiving Child Welfare Services as
17 described in the North Carolina Division of Social
18 Services Family Services Manual, Volume 1, Chapter
19 II; or

20 (3) When a child with no income is living with someone
21 other than the child's biological or adoptive
22 parent or is living with someone who does not have
23 court-ordered financial responsibility.

24 (c) Fees shall be established based on a percent of
25 gross family income and adjusted for family size. Fees shall be
26 determined as follows:

27 FAMILY SIZE	PERCENT OF GROSS FAMILY INCOME
28 1-3.	9%
29 4-5	8%
30 6 or more	7%

31 Local departments of social services shall apply this new fee
32 schedule to recipients at the next eligibility review on or after
33 the effective date of this section.

34 (d) Rules for the monthly schedule of payments for the
35 purchase of child care services for low-income children shall be
36 established by the Social Services Commission pursuant to G.S.
37 143-153(8)(a) in accordance with the following requirements:

38 (1) For child care facilities as defined in G.S. 110-
39 86(3) in which fewer than fifty percent (50%) of

1 the enrollees are subsidized by State or federal
2 funds, the State shall continue to pay the same fee
3 paid by private paying parents for a child in the
4 same age group in the same facility.

5 (2) "AA" licensed centers which are certified as
6 developmental day centers by the Division of Mental
7 Health, Developmental Disabilities, and Substance
8 Abuse Services receive one hundred ten percent
9 (110%) of the market rate or the rate they charge
10 private paying parents, whichever is lower, for
11 typically developing children.

12 (3) The monthly schedule of payments for the purchase
13 of child care services for low-income children from
14 providers who have fifty percent (50%) or more
15 children receiving child care subsidized with State
16 or federal funds include:

17 a. Provision of payment rates for child care that
18 are tied to the provider's regulatory status
19 as follows:

- 20 1. Registered homes and "A" licensed centers
21 receive the market rate or the rate they
22 charge their private paying parents,
23 whichever is lower;
- 24 2. "AA" licensed centers receive one hundred
25 ten percent (110%) of the market rate or
26 the rate they charge their private paying
27 parents, whichever is lower; and
- 28 3. Unregistered providers receive fifty
29 percent (50%) of the market rate or the
30 rate they charge their private paying
31 parents, whichever is lower.

32 b. Provision of payment rates for child care
33 providers in counties who do not have at least
34 75 children in each age group for center-based
35 and home-based care as follows:

- 36 1. Payment rates shall be set at the
37 statewide market rate for registered
38 homes and "A" licensed centers.
- 39 2. If it can be demonstrated that the
40 application of the statewide market rate
41 to a county with fewer than 75 children
42 in each age group is lower than the
43 county market rate and would inhibit the
44 ability of the county to purchase child

1 care for low-income children, then the
2 county market rate may be applied.

3 (e) Payment rates described in sub-subdivision (3)a. of
4 subsection (d) of this section shall be applied to all licensed
5 child care centers, including Head Start Wrap Around, that have
6 fifty percent (50%) or more of enrolled children receiving child
7 care subsidies, and to registered family child care homes and
8 unregulated providers that enroll subsidized children.

9 (f) A market rate shall be calculated for facilities
10 and homes for each county and for each age group or age category
11 of enrollees and shall be representative of fees charged to
12 unsubsidized private paying parents for each age group of
13 enrollees within the county. The Division of Child Development
14 shall also calculate a statewide market rate for each age
15 category. The Division of Child Development may also calculate
16 regional market rates for each age group and age category.

17 (g) Facilities licensed pursuant to Article 7 of
18 Chapter 110 of the General Statutes may participate in the
19 program that provides for the purchase of care in child care
20 facilities for minor children of needy families. No separate
21 licensing requirements shall be used to select facilities to
22 participate. In addition, child care facilities shall be
23 required to meet any additional applicable requirements of
24 federal law or regulations.

25 Child care homes as defined in G.S. 110-86(4) from which
26 the State purchases child care services shall meet the standards
27 established by the Child Day Care Commission pursuant to G.S.
28 110-101 and G.S. 110-105.1 and any additional requirements of
29 State law or federal law or regulations. Child care arrangements
30 exempt from State regulation pursuant to Article 7 of Chapter 110
31 of the General Statutes shall meet the requirements established
32 by other State law and by the Social Services Commission.

33 County departments of social services or other local
34 contracting agencies shall not use a provider's failure to comply
35 with requirements in addition to those specified in this
36 subsection as a condition for reducing the provider's subsidized
37 child care rate.

38

Requested by: Representatives Gardner, Cansler, Clary

CHILD CARE ALLOCATION FORMULA

1 Section @. (a) To simplify current child care
2 allocation methodology and more equitably distribute State child
3 care funds, the Department of Human Resources shall apply the
4 following allocation formula to all noncategorical federal and
5 State child care funds used to pay the costs of necessary child
6 care for minor children of needy families:
7 (1) One-third of budgeted funds shall be distributed
8 according to the county's population in relation to
9 the total population of the State;
10 (2) One-third of the budgeted funds shall be
11 distributed according to the number of children
12 under 6 years of age in a county who are living in
13 families whose income is below the State poverty
14 level in relation to the total number of children
15 under 6 years of age in the State in families whose
16 income is below the poverty level; and
17 (3) One-third of budgeted funds shall be distributed
18 according to the number of working mothers with
19 children under 6 years of age in a county in
20 relation to the total number of working mothers
21 with children under 6 years of age in the State.
22 (b) A county's initial allocation shall not be less
23 than that county's total expenditures for both FSA and non-FSA
24 child care in fiscal year 1995-96.
25

CODE NO. 97DHR-H029

Requested by: Representatives Gardner, Cansler, Clary

CHILD DAY CARE REVOLVING LOAN FUND

1 Section @. Notwithstanding any law to the contrary,
2 funds budgeted for the Child Day Care Revolving Loan Fund may be
3 transferred to and invested by the financial institution
4 contracted to operate the Fund. The principal and any income to
5 the Fund may be used to make loans, reduce loan interest to
6 borrowers, serve as collateral for borrowers, pay the
7 contractor's cost of operating the Fund, or to pay the
8 Department's cost of administering the program.
9

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Requested by: Representatives Gardner, Cansler, Clary

EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES PROGRAM

1 Section ③. (a) The General Assembly finds that it is
2 essential to continue developing comprehensive programs that
3 provide high quality early childhood education and development
4 services locally for children and their families. The General
5 Assembly intends to expand the Early Childhood Education and
6 Development Initiatives Program (the "Program") in a manner which
7 ensures quality assurance and performance-based accountability
8 for the Program.

9 (b) Notwithstanding any provision of Part 10B of Article
10 3 of Chapter 143B of the General Statutes or any other provision
11 of law or policy, the Department of Human Resources and the North
12 Carolina Partnership for Children, Inc., jointly shall continue
13 to implement the recommendations contained in the Smart Start
14 Performance Audit prepared pursuant to Section 27A(1)b. of
15 Chapter 324 of the 1995 Session Laws, as modified by Section
16 24.29 of Chapter 18 of the Session Laws, Second Extra Session
17 1996. The North Carolina Partnership for Children, Inc., shall
18 continue to report quarterly to the Joint Legislative Commission
19 on Governmental Operations on its progress toward full
20 implementation of the modified audit recommendations.

21 (c) The Joint Legislative Commission on Governmental
22 Operations shall, consistent with current law, continue to be the
23 legislative oversight body for the Program. The President Pro
24 Tempore of the Senate and the Speaker of the House of
25 Representatives may appoint a subcommittee of the Joint
26 Legislative Commission on Governmental Operations to carry out
27 this function. This subcommittee may conduct all initial reviews
28 of plans, reports, and budgets relating to the Program and shall
29 make recommendations to the Joint Legislative Commission on
30 Governmental Operations.

31 (d) Administrative costs shall be equivalent to, on an
32 average statewide basis for all local partnerships, not more than
33 eight percent (8%) of the total statewide allocation to all local
34 partnerships. What counts as administrative costs shall be as
35 defined in the Smart Start Performance Audit.

36 (e) Any local partnership, before receiving State
37 funds, shall be required annually to submit a plan and budget for
38 State funds for appropriate programs to the North Carolina
39 Partnership for Children, Inc., and the Joint Legislative

1 Commission on Governmental Operations. State funds to implement
2 the programs shall not be allocated to a local partnership until
3 the program plan is approved by the North Carolina Partnership
4 for Children, Inc.

5 (f) The North Carolina Partnership for Children, Inc.,
6 and all local partnerships shall use competitive bidding
7 practices in contracting for goods and services on all contract
8 amounts of one thousand five hundred dollars (\$1,500) and above,
9 and, where practicable, on contracts for amounts of less than one
10 thousand five hundred dollars (\$1,500).

11 (g) The role of the North Carolina Partnership for
12 Children, Inc., shall continue to be expanded to incorporate all
13 the aspects of the new role determined for the Partnership in the
14 Smart Start Performance Audit recommendations and to provide
15 technical assistance to local partnerships, assess outcome goals
16 for children and families, ensure that statewide goals and
17 legislative guidelines are being met, help establish policies and
18 outcome measures, obtain non-State resources for early childhood
19 and family services, and document and verify the cumulative
20 contributions received by the partnerships.

21 (h) The North Carolina Partnership for Children, Inc.,
22 and all local partnerships shall, in the aggregate, be required
23 to match no less than fifty percent (50%) of the total amount
24 budgeted for the Program in each fiscal year of the biennium as
25 follows: contributions of cash equal to at least ten percent
26 (10%) and in-kind donated resources equal to no more than ten
27 percent (10%) for a total match requirement of twenty percent
28 (20%) for each fiscal year. Only in-kind contributions that are
29 quantifiable, as determined in the Smart Start Performance Audit,
30 shall be applied to the in-kind match requirement.

31 Failure to obtain a twenty percent (20%) match by May 1
32 of each fiscal year shall result in a dollar-for-dollar reduction
33 in the appropriation for the Program for the next fiscal year.
34 The North Carolina Partnership for Children, Inc., shall be
35 responsible for compiling information on the private cash and in-
36 kind contributions into a report that is submitted to the Joint
37 Legislative Commission on Governmental Operations pursuant to
38 G.S. 143B-168.13(5) in a format that allows verification by the
39 Department of Revenue. The same match requirements shall apply
40 to any expansion funds appropriated by the General Assembly.

41 (i) Counties participating in the Program may use the
42 county's allocation of State and federal child care funds to
43 subsidize child care according to the county's Early Childhood
44 Education and Development Initiatives Plan as approved by the

1 North Carolina Partnership for Children, Inc. The use of federal
2 funds shall be consistent with the appropriate federal
3 regulations. Child care providers shall, at a minimum, comply
4 with the applicable requirements for State licensure or
5 registration pursuant to Article 7 of Chapter 110 of the General
6 Statutes, with other applicable requirements of State law or
7 rule, including rules adopted for nonregistered child care by the
8 Social Services Commission, and with applicable federal
9 regulations.

10 (j) The Department of Human Resources shall continue to
11 implement the performance-based evaluation system.

12 (k) The Frank Porter Graham Child Development Center
13 shall continue its evaluation of the Program. Notwithstanding
14 any policy to the contrary, the Frank Porter Graham Child
15 Development Center may use any method legally available to it to
16 track children who are participating or who have participated in
17 any Early Childhood Education and Development Initiative in order
18 to carry out its ongoing evaluation of the Program.

19 (l) G.S. 143B-168.12(a) reads as rewritten:

20 "(a) In order to receive State funds, the following conditions
21 shall be met:

22 (1) The North Carolina Partnership shall have a Board
23 of Directors consisting of the following 39
24 members:

- 25 a. The Secretary of Human Resources, ex officio;
- 26 b. The Secretary of Environment, Health, and
27 Natural Resources, ex officio;
- 28 c. The Superintendent of Public Instruction, ex
29 officio;
- 30 d. The President of the Department of Community
31 Colleges, ex officio;
- 32 e. One resident from each of the 1st, 3rd, 5th,
33 7th, 9th, and 11th Congressional Districts,
34 appointed by the President Pro Tempore of the
35 Senate;
- 36 f. One resident from each of the 2nd, 4th, 6th,
37 8th, 10th, and 12th Congressional Districts,
38 appointed by the Speaker of the House of
39 Representatives;
- 40 g. Seventeen members, of whom four shall be
41 members of the party other than the Governor's
42 party, appointed by the Governor;
- 43 h. The President Pro Tempore of the Senate, or a
44 designee;

- i. The Speaker of the House of Representatives, or a designee;
 - j. The Majority Leader of the Senate, or a designee;
 - k. The Majority Leader of the House of Representatives, or a designee;
 - l. The Minority Leader of the Senate, or a designee; and
 - m. The Minority Leader of the House of Representatives, or a designee.
- (2) The North Carolina Partnership shall agree to adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department.
 - (3) The North Carolina Partnership shall oversee the development and implementation of the local demonstration projects as they are selected.
 - (4) The North Carolina Partnership shall develop and implement a comprehensive standard fiscal accountability plan to ensure the fiscal integrity and accountability of State funds appropriated to it and to the local partnerships. The standard fiscal accountability plan shall, at a minimum, include a uniform, standardized system of accounting, internal controls, payroll, fidelity bonding, chart of accounts, and contract management and monitoring. The North Carolina Partnership may contract with outside firms to develop and implement the standard fiscal accountability plan. All local partnerships shall be required to participate in the standard fiscal accountability plan developed and adopted by the North Carolina Partnership pursuant to this subdivision.
 - (5) The North Carolina Partnership shall develop and implement a centralized accounting and contract management system which incorporates features of the required standard fiscal accountability plan described in subdivision (4) of subsection (a) of this section. The following local partnerships shall be required to participate in the centralized

1 the local partnerships are meeting the outcome
2 goals and objectives of the North Carolina
3 Partnership and the goals and objectives set forth
4 by the local partnerships in their approved annual
5 program plans.

6 The North Carolina Partnership may use
7 additional factors to determine whether to adjust
8 the local partnerships' allocations. These
9 additional factors shall be developed with input
10 from the local partnerships and shall be
11 communicated to the local partnerships when the
12 additional factors are selected. These additional
13 factors may include board involvement, family and
14 community outreach, collaboration among public and
15 private service agencies, and family involvement.

16 On the basis of performance assessments, local
17 partnerships annually shall be rated 'superior',
18 'satisfactory', or 'needs improvement'. Local
19 partnerships rated 'superior' ~~shall~~ may receive, to
20 the extent that funds are available, a ten percent
21 (10%) increase in their annual funding allocation.
22 Local partnerships rated 'satisfactory' ~~shall~~ may
23 receive their annual funding allocation. Local
24 partnerships rated 'needs improvement' ~~shall~~ may
25 receive ninety percent (90%) of their annual
26 funding allocation.

27 The North Carolina Partnership may contract with
28 outside firms to conduct the performance
29 assessments of local partnerships.

30 (8) The North Carolina Partnership shall establish a
31 local partnership advisory committee comprised of
32 15 members. Eight of the members shall be chairs
33 of local partnerships' board of directors, and
34 seven shall be staff of local partnerships.
35 Members shall be chosen by the Chair of the North
36 Carolina Partnership from a pool of candidates
37 nominated by their respective boards of directors.
38 The local partnership advisory committee shall
39 serve in an advisory capacity to the North Carolina
40 Partnership and shall establish a schedule of
41 regular meetings. Members shall serve two-year
42 terms and shall not serve more than two consecutive
43 terms. Members shall be chosen from local
44 partnerships on a rotating basis. The advisory
45 committee shall annually elect a chair from among
46 its members.

47 (9) The North Carolina Partnership shall report (i)
48 quarterly to the Joint Legislative Commission on
49 Governmental Operations and (ii) to the General
50 Assembly and the Governor on the ongoing progress
51 of all the local partnerships' work, including all
52 details of the use to which the allocations were

1 accountability system developed by the North
2 Carolina Partnership pursuant to this subdivision:

3 a. Local partnerships which have significant
4 deficiencies in their accounting systems,
5 internal controls, and contract management
6 systems, as determined by the North Carolina
7 Partnership based on the annual financial
8 audits of the local partnerships conducted by
9 the Office of the State Auditor; and

10 b. Local partnerships which are in the first two
11 years of operation following their ~~selection~~
12 selection, except for those created by
13 combination with existing local partnerships.

14 At the end of this two-year period, local
15 partnerships shall continue to participate in
16 the centralized accounting and contract
17 management system. With the approval of the
18 North Carolina Partnership, local partnerships
19 may perform accounting and contract management
20 functions at the local level using the
21 standardized and uniform accounting system,
22 internal controls, and contract management
23 systems developed by the North Carolina
24 Partnership.

25 Local partnerships which otherwise would not be
26 required to participate in the centralized
27 accounting and contract management system pursuant
28 to this subdivision may voluntarily choose to
29 participate in the system. Participation or
30 nonparticipation shall be for a minimum of two
31 years, unless, in the event of nonparticipation,
32 the North Carolina Partnership determines that any
33 partnership's annual financial audit reveals
34 serious deficiencies in accounting or contract
35 management.

36 (6) The North Carolina Partnership shall develop a
37 formula for allocating direct services funds
38 appropriated for this purpose to local
39 partnerships.

40 (7) The North Carolina Partnership may adjust its
41 allocations on the basis of local partnerships'
42 performance assessments. In determining whether to
43 adjust its allocations to local partnerships, the
44 North Carolina Partnership shall consider whether

1 put, and on the continuing plans of the North
2 Carolina Partnership and of the Department,
3 together with legislative proposals, including
4 proposals to implement the program statewide."
5 (m) G.S. 143B-168.13(a) reads as rewritten:
6 "(a) The Department shall:
7 (1) Develop a statewide process, in cooperation with
8 the North Carolina Partnership, to select the local
9 demonstration projects. The first 12 local
10 demonstration projects developed and implemented
11 shall be located in the 12 congressional districts,
12 one to a district. The locations of subsequent
13 selections of local demonstration projects shall
14 represent the various geographic areas of the
15 State.
16 (2) Develop and conduct a statewide needs and resource
17 assessment every third year, beginning in the 1997-
18 98 fiscal year. This needs assessment shall be
19 conducted in cooperation with the North Carolina
20 Partnership and with the local partnerships. The
21 Department may contract with an independent firm to
22 conduct the needs assessment. The needs assessment
23 shall be conducted in a way which enables the
24 Department and the North Carolina Partnership to
25 review, and revise as necessary, the total program
26 cost estimate and methodology. The data and
27 findings of this needs assessment shall form the
28 basis for annual program plans developed by local
29 partnerships and approved by the North Carolina
30 Partnership. A report of the findings of the needs
31 assessment shall be presented to the General
32 Assembly prior to the beginning of the 1999 Session
33 and every three years after that date.
34 (2.1) Develop and maintain an automated, publicly
35 accessible database of all regulated child
36 care programs.
37 ~~(3) Provide technical and administrative assistance to~~
38 ~~local partnerships, particularly during the first~~
39 ~~year after they are selected under this Part to~~
40 ~~receive State funds. The Department, at any time,~~
41 ~~may authorize the North Carolina Partnership or a~~
42 ~~governmental or public entity to do the contracting~~
43 ~~for one or more local partnerships. After a local~~
44 ~~partnership's first year, the Department may allow~~
45 ~~the partnership to contract for itself.~~
46 (4) Adopt, in cooperation with the North Carolina
47 Partnership, any rules necessary to implement this
48 Part, including rules to ensure that State leave
49 policy is not applied to the North Carolina
50 Partnership and the local partnerships. In order
51 to allow local partnerships to focus on the
52 development of long-range plans in their initial
53 year of funding, the Department may adopt rules

1 that limit the categories of direct services for
2 young children and their families for which funds
3 are made available during the initial year.

4 (5) Repealed by Session Laws 1996, Second Extra
5 Session, c. 18, s. 24.29(c).

6 (6) Annually update its funding formula using the most
7 recent data available. These amounts shall serve as
8 the basis for determining 'full funding' amounts
9 for each local partnership."

10 (n) G.S. 143B-168.15 reads as rewritten:

11 "§ 143B-168.15. Use of State funds.

12 (a) State funds allocated to local projects for services to
13 children and families shall be used to meet assessed needs,
14 expand coverage, and improve the quality of these services. The
15 local plan shall address the assessed needs of all children to
16 the extent feasible. It is the intent of the General Assembly
17 that the needs of both young children below poverty who remain in
18 the home, as well as the needs of young children below poverty
19 who require services beyond those offered in child care settings,
20 be addressed. Therefore, as local partnerships address the
21 assessed needs of all children, they should devote an appropriate
22 amount of their State allocations, considering these needs and
23 other available resources, to meet the needs of children below
24 poverty and their families.

25 (b) Depending on local, regional, or statewide needs, funds
26 may be used to support activities and services that shall be made
27 available and accessible to providers, children, and families on
28 a voluntary basis. Of the total funds allocated to all local
29 partnerships ~~that are designated by the Secretary for direct~~
30 ~~services, seventy-five percent (75%) shall be used for any one or~~
31 ~~more of the following activities and services:~~

32 (1) ~~Child day care services, including:~~

- 33 a. ~~Child day care subsidies to reduce waiting~~
34 ~~lists;~~
- 35 b. ~~Raising the county child day care subsidy rate~~
36 ~~to the State market rate, if applicable, in~~
37 ~~return for improvements in the quality of~~
38 ~~child day care services;~~
- 39 c. ~~Raising the income eligibility for child day~~
40 ~~care subsidies to seventy-five percent (75%)~~
41 ~~of the State median family income;~~
- 42 d. ~~Start-up funding for child day care providers;~~
- 43 e. ~~Assistance to enable child day care providers~~
44 ~~to conform to licensing and building code~~
45 ~~requirements;~~
- 46 f. ~~Child day care resources and referral~~
47 ~~services;~~
- 48 g. ~~Enhancement of the quality of child day care~~
49 ~~provided;~~
- 50 h. ~~Technical assistance for child day care~~
51 ~~providers;~~
- 52 i. ~~Quality grants for child day care centers or~~
53 ~~family child day care homes;~~

- 1 j. ~~Expanded services or enhanced rates for~~
2 ~~children with special needs;~~
3 k. ~~Head Start services;~~
4 l. ~~Development of comprehensive child day care~~
5 ~~services that include child health and family~~
6 ~~support;~~
7 m. ~~Activities to reduce staff turnover;~~
8 n. ~~Activities to serve children with special~~
9 ~~needs;~~
10 o. ~~Transportation services related to providing~~
11 ~~child day care services;~~
12 p. ~~Evaluation of plan implementation of child day~~
13 ~~care services; and~~
14 q. ~~Needs and resources assessments for child day~~
15 ~~care services.~~
16 (2) ~~Family and child-centered services, including~~
17 ~~early childhood education and child development~~
18 ~~services, including:~~
19 a. ~~Enhancement of the quality of family and~~
20 ~~child-centered services provided;~~
21 b. ~~Technical assistance for family and~~
22 ~~child-centered services;~~
23 c. ~~Needs and resource assessments for family and~~
24 ~~child-centered services;~~
25 d. ~~Home-centered services; and~~
26 e. ~~Evaluation of plan implementation of family~~
27 ~~and child-centered services.~~
28 (3) ~~Other appropriate activities and services for child~~
29 ~~day care providers and for family and~~
30 ~~child-centered services, including:~~
31 a. ~~Staff and organizational development,~~
32 ~~leadership and administrative development,~~
33 ~~technology assisted education, and long-range~~
34 ~~planning; and~~
35 b. ~~Procedures to ensure that infants and young~~
36 ~~children receive needed health, immunization,~~
37 ~~and related services. seventy percent (70%)~~
38 ~~shall be used in child care-related activities~~
39 ~~and programs which improve access to child~~
40 ~~care services, develop new child care~~
41 ~~services, or improve the quality of child care~~
42 ~~services in all settings.~~

43 (c) Long-term plans for local projects that do not receive
44 their full allocation in the first year, other than those
45 selected in 1993, should consider how to meet the assessed needs
46 of low-income children and families within their neighborhoods or
47 communities. These plans also should reflect a process to meet
48 these needs as additional allocations and other resources are
49 received.

50 (d) State funds designated for start-up and related activities
51 may be used for capital expenses or to support activities and
52 services for children, families, and providers. State funds
53 designated to support direct services for children, families, and

1 providers shall not be used for major capital expenses unless the
2 North Carolina Partnership approves this use of State funds based
3 upon a finding that a local partnership has demonstrated that (i)
4 this use is a clear priority need for the local plan, (ii) it is
5 necessary to enable the local partnership to provide services and
6 activities to underserved children and families, and (iii) the
7 local partnership will not otherwise be able to meet this
8 priority need by using State or federal funds available to that
9 local partnership. The funds approved for capital projects in
10 any two consecutive fiscal years may not exceed ten percent (10%)
11 of the total funds for direct services allocated to a local
12 partnership in those two consecutive fiscal years.

13 (e) State funds allocated to local partnerships shall not
14 supplant current expenditures by counties on behalf of young
15 children and their families, and maintenance of current efforts
16 on behalf of these children and families shall be sustained.
17 State funds shall not be applied without the Secretary's approval
18 where State or federal funding sources, such as Head Start, are
19 available or could be made available to that county.

20 (f) Local partnerships may carry over funds from one fiscal
21 year to the next, subject to the following conditions:

22 (1) Local partnerships in their first year of receiving
23 direct services funding may, on a one-time basis
24 only, carry over any unspent funds to the
25 subsequent fiscal year.

26 (2) Any local partnership may carry over any unspent
27 funds to the subsequent fiscal year, subject to the
28 limitation that funds carried over may not exceed
29 the increase in funding the local partnership
30 received during the current fiscal year over the
31 prior fiscal year.

32 (g) Not less than thirty percent (30%) of each local
33 partnership's direct services allocation shall be used to expand
34 child day care subsidies. To the extent practicable, these funds
35 shall be used to enhance the affordability, availability, and
36 quality of child day care services as described in this section.
37 The North Carolina Partnership may increase this percentage
38 requirement up to a maximum of fifty percent (50%) when, based
39 upon the local waiting list for subsidized child care or the
40 total percentage of children served whose families are income
41 eligible for subsidized child care, the North Carolina
42 Partnership determines a higher percentage is justified."

43 (o) The North Carolina Partnership shall not apply the
44 subsidy requirement in G.S. 143B-168.15(g) to the 45 counties
45 eligible to receive planning funds in 1997-98.

46 (p) There is allocated from the funds appropriated to
47 the Department of Human Resources, Division of Child Development,
48 in this act, the sum of twenty-one million one hundred seventy-
49 nine thousand seven hundred forty-seven dollars (\$21,179,747) for
50 the 1997-98 fiscal year and the sum of twenty million three
51 hundred twenty-nine thousand seven hundred forty-seven dollars
52 (\$20,329,747) for the 1998-99 fiscal year to be used as follows:

1 (1) Of the 35 partnerships existing as of the 1996-97
2 fiscal year, funds for direct services shall be
3 increased a total of \$14,137,034 for the 1997-98
4 fiscal year and \$14,137,034 for the 1998-99 fiscal
5 year. The North Carolina Partnership for Children,
6 Inc., may use up to \$1,500,000 of these funds in
7 the 1997-98 fiscal year as planning funds for the
8 remaining 45 unfunded counties.

9 (2) For the 12 new partnerships planned for as of the
10 1996-97 fiscal year, funds shall be \$5,252,713 for
11 the 1997-98 fiscal year and \$5,252,713 for the
12 1998-99 fiscal year to administer and deliver
13 direct services.

14 (3) The North Carolina Partnership for Children, Inc.,
15 shall receive an additional \$700,000 in the 1997-98
16 fiscal year and an additional \$700,000 in the 1998-
17 99 fiscal year for the State-level administration
18 of the Program.

19 (4) The Department of Human Resources shall receive
20 \$750,000 in nonrecurring funds in the 1997-98
21 fiscal year to conduct a statewide needs and
22 resources assessment.

23 (5) The Department of Human Resources shall receive
24 \$100,000 in nonrecurring funds in the 1997-98
25 fiscal year to complete the automation of a
26 database of all regulated child care programs.

27 (6) The Department of Human Resources shall receive
28 \$240,000 in the 1997-98 fiscal year and \$240,000 in
29 the 1998-99 fiscal year for professional
30 development programs.

31 (q) Of the funds appropriated to the Department of
32 Human Resources for the Program for the 1997-99 biennium, the
33 Frank Porter Graham Child Development Center shall receive the
34 sum of eight hundred fifty thousand dollars (\$850,000) for the
35 1997-98 fiscal year and the sum of eight hundred fifty thousand
36 dollars (\$850,000) for the 1998-99 fiscal year.

Requested by: Representatives Clary, C. Wilson

STATE MEDICAL FACILITIES PLAN/RULES

- 1 Sec. @. (a) G.S. 131E-177 reads as rewritten:
2 " § 131E-177. Department of Human Resources is designated State
3 Health Planning and Development Agency; powers and duties.
4 The Department of Human Resources is designated as the State
5 Health Planning and Development Agency for the State of North
6 Carolina, and ~~is empowered to~~ shall exercise the following powers
7 and duties:
8 ~~(1) To establish standards and criteria or plans~~
9 ~~required to carry out the provisions and purposes~~
10 ~~of this Article and to adopt rules pursuant to~~
11 ~~Chapter 150B of the General Statutes, to carry out~~
12 ~~the purposes and provisions of this Article;~~
13 (2) Adopt, amend, and repeal such rules and
14 regulations, consistent with the laws of this
15 State, as may be required by the federal government
16 for grants-in-aid for health service facilities and
17 health planning which may be made available by the
18 federal government. This section shall be
19 liberally construed in order that the State and its
20 citizens may benefit from such grants-in-aid;
21 (3) Define, by rule, procedures for submission of
22 periodic reports by persons or health service
23 facilities subject to agency review under this
24 Article;
25 (4) Develop policy, criteria, and standards for health
26 service facilities ~~planning;~~ planning. The
27 Department shall conduct statewide registration and
28 inventories of and make determinations of need for
29 health service facilities, health services as
30 specified in G.S. 131E-176(16)f., and equipment as
31 specified in G.S. 131E-176(16)fl., which shall
32 include consideration of adequate geographic
33 location of equipment and ~~services;~~ services, and
34 develop a State Medical Facilities ~~Plan;~~ Plan. The
35 Department shall adopt rules, pursuant to Chapter
36 150B of the General Statutes, to implement the
37 provisions of the State Medical Facilities Plan and
38 any other need determinations, criteria, plans, or

1 standards of any type before the Department may
2 apply them to project reviews;
3 ~~(5) Implement, by rule, criteria for project review;~~
4 (6) Have the power to grant, deny, or withdraw a
5 certificate of need and to impose such sanctions as
6 are provided for by this Article;
7 (7) Solicit, accept, hold and administer on behalf of
8 the State any grants or bequests of money,
9 securities or property to the Department for use by
10 the Department in the administration of this
11 Article; and
12 (8) Repealed by Session Laws 1987, c. 511, s. 1.
13 (9) Establish and collect fees for submitting
14 applications for certificates of need. The fee
15 schedule established should generate sufficient
16 revenue to offset the entire cost of the
17 certificate of need program. This fee may not
18 exceed seventeen thousand five hundred dollars
19 (\$17,500) and may not be less than two thousand
20 dollars (\$2,000). Fees collected under this
21 subdivision shall be credited to the General Fund
22 as nontax revenue.
23 (10) The authority to review all records in any
24 recording medium of any person or health service
25 facility subject to agency review under this
26 Article which pertain to construction and
27 acquisition activities, staffing or costs and
28 charges for patient care, including but not limited
29 to, construction contracts, architectural
30 contracts, consultant contracts, purchase orders,
31 cancelled checks, accounting and financial records,
32 debt instruments, loan and security agreements,
33 staffing records, utilization statistics and any
34 other records the Department deems to be reasonably
35 necessary to determine compliance with this
36 Article.
37 The Secretary of Human Resources shall have final
38 decision-making authority with regard to all functions described
39 in this section."
40 (b) This section becomes effective October 1, 1997.

Requested by: Representative Gardner

EXTEND DHR ADMINISTRATION OF TRI-COUNTY/TRI-COUNTY REALIGNMENT
INCENTIVE FUNDS

1 Sec. @. (a) Notwithstanding S.L. 1997-7, the Department
2 of Human Resources may continue to administer the services of the
3 Tri-County Area Authority in accordance with G.S. 122C-125.1 on
4 behalf and at the request of the board of county commissioners of
5 one or more of the counties that constitute the Tri-County Area
6 Authority. The extension granted under this subsection shall be
7 for a period not to exceed three calendar months commencing July
8 1, 1997, and shall be for the sole purpose of allowing one or
9 more of the counties that constitute the Tri-County Area
10 Authority to assess the feasibility of aligning with another
11 existing area authority.

12 (b) Of the funds appropriated in this act to the
13 Department of Human Resources, Division of Mental Health,
14 Developmental Disabilities, and Substance Abuse Services, the sum
15 of one million two hundred thousand dollars (\$1,200,000) in the
16 1997-98 fiscal year and the sum of one million two hundred
17 thousand dollars (\$1,200,000) for the 1998-99 fiscal year shall
18 be allocated by the Division to any existing area authority that
19 has aligned with one or more of the counties that comprised the
20 Tri County Area Authority. Funds shall be allocated only if the
21 per capita funding level for the existing area authority is
22 greater than the per capita funding level of the county that
23 aligned with the existing area authority. Funds allocated to an
24 existing area authority under this subsection shall not exceed
25 the amount necessary in each fiscal year to raise the aligned
26 county's level of per capita funding to that of the existing area
27 authority.

28 If the funds appropriated for the purpose of this subsection
29 are not sufficient, then notwithstanding G.S. 143-16.3 and G.S.
30 143-23, the Department of Human Resources shall allocate from
31 funds available to the Department the amount necessary to make up
32 the difference between the amount needed and the amount
33 appropriated. Funds allocated under this subsection shall not be
34 used for any purpose other than the purpose authorized. Funds
35 appropriated but not allocated at the end of the 1997-99 fiscal
36 biennium shall revert to the General Fund.

37
38

THE ADMINISTRATIVE PROCEDURE ACT

Definition Sec. 150B-2 8(a)

“Rule” means any agency regulation, standard, or statement of general applicability that implements or interprets an enactment of the General Assembly or Congress or a regulation adopted by a federal agency or that describes the procedure or practice requirements of an agency. The term includes the establishment of a fee and the amendment or repeal of a prior rule.



North Carolina General Assembly
Legislative Services Office

George R. Hall, Legislative Services Officer
(919) 733-7044

Elaine W. Robinson, Director
Administrative Division
Room 5, Legislative Building
16 W. Jones Street
Raleigh, NC 27603-5925
(919) 733-7500

Gerry F. Cohen, Director
Bill Drafting Division
Suite 401, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-6660

Thomas L. Covington, Director
Fiscal Research Division
Suite 619, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-4910

Donald W. Fulford, Director
Information Systems Division
Suite 400, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-6834

Terrence D. Sullivan, Director
Research Division
Suite 545, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-2578

May 28, 1997

MEMORANDUM

To: Representative Connie Wilson

From: Karen Cochrane-Brown, Staff Attorney *AB*
Mary Beach Shuping *MS*

Re: **Explanation of Special Provision to Clarify DHR Rule-making Requirements Concerning Certificate of Need (CON) Project Reviews**

The above-referenced special provision amending G.S. 131E-177 has the following effects:

- clarifies that DHR shall adopt rules, pursuant to the APA (G.S. 150B), regarding the following **before they may apply them to project reviews:**
 - implementation of the State Medical Facilities Plan (SMFP) (Note: this does **not** require DHR to adopt the SMFP as a rule);
 - any other need determinations, criteria, plans, or standards of any type.

Current statutory language in G.S. 131E-177 states that DHR is to adopt rules under the APA to carry out the "...purposes and provisions..." of the CON law, and to "... implement, by rule, criteria for project review." G.S. 131E-177(1) also directs DHR to "establish standards and criteria or plans ... to carry out the provisions ..." of the CON law. This could be read as a separate requirement which is not subject to rulemaking under the APA, because rules are only referred to in the second half of the sentence.

The proposed special provisions clearly spells out those areas where DHR is to adopt rules. **Under the APA, DHR is currently required to adopt as rules "...any agency regulation, standard, or statement of general applicability that implements or interprets an enactment of the General Assembly...."** (G.S. 150B-2(8a)). Thus, this special provision only clarifies that implementation of the SMFP; any other need determinations; criteria; plans; or, standards of any type which DHR applies to persons submitting project reviews for CONs must first be adopted as administrative rules.

Argument: This language will delay rule-making up to 2 years.

Response: **Current** G.S. 150B-21.1(a)(6) gives DHR specific permission to adopt **temporary rules** when there is "... a need for the rule to become effective the same date as the State Medical Facilities Plan approved by the Governor, if the rule addresses a matter included in the State Medical Facilities Plan."

Argument: The special provision requires the SMFP to be adopted as a rule.

Response: The special provision does not require that the SMFP be adopted as a rule; it only requires that the *implementation* of the provisions of the SMFP, which are to be applied to project reviews, be adopted as rules.

Argument: The special provision requires DHR to adopt **any** criteria or guidelines as rules.

Response: Current APA requires any regulation or standard applied to persons outside the agency which implement the law must be adopted as rules. The APA does **not** require the adoption of a rule for the following:

- statements concerning only the internal management of an agency, including policies and procedures manuals if the statement does not directly affect persons not employed by the agency;
- budgets and budget policies and procedures issued by the Director of the Budget, or a department head;
- nonbinding interpretive statements that merely define, interpret, or explain the meaning of a statute or rule;
- forms;
- statements that set forth criteria or guidelines to be used by the staff of an agency in performing audits, investigations, or inspections; in settling financial disputes or negotiating financial arrangements; or in the defense, prosecution, or settlement of cases.

Argument: The special provision will prevent DHR from being able to apply criteria or guidelines, such as those adopted by the American Medical Association (AMA), unless they are adopted as rules.

Response: Under **current** APA, any criteria or guidelines promulgated by another agency or group which are applied to project reviews must be in rules. Therefore, if DHR currently applies, for example, AMA standards concerning the suitability of certain equipment, these AMA standards must be in rule. To provide for changes in standards adopted by other groups such as the AMA, the APA permits agencies to adopt those standards by reference, including all subsequent editions and amendments to those standards; therefore, agencies do not have to go back through the rule-making process each time the group changes its standards. In addition, under current APA, if a federal law or regulation is enacted or changed, an agency may proceed with **temporary** rule-making. Therefore, if an applicable Medicaid regulation was changed, DHR would have grounds for temporary rule-making.

In summary, the special provision amending G.S. 131E-177 only clarifies what is currently applicable under the APA - any implementation of provisions in the SMFP; any other need determinations, criteria, plans, or standards of any type which directly or substantially affect the procedural or substantive rights or duties of persons submitting projects must be adopted as rules before DHR may apply them to the review of those projects.

We hope this information is helpful to you. Please do not hesitate to contact us if you need additional information.

Requested by: Representative C. Wilson

STATE MEDICAL FACILITIES PLAN/RULES

- 1 Sec. @. (a) G.S. 131E-177 reads as rewritten:
2 " § 131E-177. Department of Human Resources is designated State
3 Health Planning and Development Agency; powers and duties.
4 The Department of Human Resources is designated as the State
5 Health Planning and Development Agency for the State of North
6 Carolina, and ~~is empowered to~~ shall exercise the following powers
7 and duties:
8 (1) ~~To establish standards and criteria or plans~~
9 ~~required to carry out the provisions and purposes~~
10 ~~of this Article and to adopt rules pursuant to~~
11 ~~Chapter 150B of the General Statutes, to carry out~~
12 ~~the purposes and provisions of this Article;~~
13 (2) Adopt, amend, and repeal such rules and
14 regulations, consistent with the laws of this
15 State, as may be required by the federal government
16 for grants-in-aid for health service facilities and
17 health planning which may be made available by the
18 federal government. This section shall be
19 liberally construed in order that the State and its
20 citizens may benefit from such grants-in-aid;
21 (3) Define, by rule, procedures for submission of
22 periodic reports by persons or health service
23 facilities subject to agency review under this
24 Article;
25 (4) Develop policy, criteria, and standards for health
26 service facilities ~~planning;~~ planning. The
27 Department shall conduct statewide registration and
28 inventories of and make determinations of need for
29 health service facilities, health services as
30 specified in G.S. 131E-176(16)f., and equipment as
31 specified in G.S. 131E-176(16)fl., which shall
32 include consideration of adequate geographic
33 location of equipment and ~~services;~~ services, and
34 develop a State Medical Facilities Plan; Plan. The
35 Department shall adopt rules, pursuant to Chapter
36 150B of the General Statutes, to implement the
37 provisions of the State Medical Facilities Plan and
38 any other need determinations, criteria, plans, or

1 standards of any type before the Department may
2 apply them to project reviews;
3 ~~(5) Implement, by rule, criteria for project review;~~
4 (6) Have the power to grant, deny, or withdraw a
5 certificate of need and to impose such sanctions as
6 are provided for by this Article;
7 (7) Solicit, accept, hold and administer on behalf of
8 the State any grants or bequests of money,
9 securities or property to the Department for use by
10 the Department in the administration of this
11 Article; and
12 (8) Repealed by Session Laws 1987, c. 511, s. 1.
13 (9) Establish and collect fees for submitting
14 applications for certificates of need. The fee
15 schedule established should generate sufficient
16 revenue to offset the entire cost of the
17 certificate of need program. This fee may not
18 exceed seventeen thousand five hundred dollars
19 (\$17,500) and may not be less than two thousand
20 dollars (\$2,000). Fees collected under this
21 subdivision shall be credited to the General Fund
22 as nontax revenue.
23 (10) The authority to review all records in any
24 recording medium of any person or health service
25 facility subject to agency review under this
26 Article which pertain to construction and
27 acquisition activities, staffing or costs and
28 charges for patient care, including but not limited
29 to, construction contracts, architectural
30 contracts, consultant contracts, purchase orders,
31 cancelled checks, accounting and financial records,
32 debt instruments, loan and security agreements,
33 staffing records, utilization statistics and any
34 other records the Department deems to be reasonably
35 necessary to determine compliance with this
36 Article.
37 The Secretary of Human Resources shall have final
38 decision-making authority with regard to all functions described
39 in this section."
40 (b) This section becomes effective October 1, 1997.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

Passed

B. No. Special Provision

DATE May 30, 1997

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

☒ Rep.
☐ Sen.)

Arnold

moves to amend the bill on page 78, line 5 + 13

by delete the word & "bids"
and substitute the word & "information"

SIGNED Gene Arnold

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. _____

DATE 5/30/97

S. B. No. _____

Amendment No. _____

House Appropriations Subcommittee on Human
Resources Report

(to be filled in by
Principal Clerk)

(Rep.) Nye
Sen.)

moves to amend the ^{report} bill on page s 123 and 124, ~~the~~

by deleting the pages.

SIGNED

[Signature]

ADOPTED _____ FAILED _____ TABLED _____

3
Michaels
5.30.97
Carried v. v.

CODE NO. 97DHR-H079A

Requested by: Representatives Gardner, Cansler, Clary

NO STATE FUNDS FOR LOBBYING

1 Section @. (a) Funds appropriated by this act to the
2 Department of Human Resources shall not be used to conduct
3 activities aimed at influencing the General Assembly. The
4 prohibition in this subsection does not apply to employees of the
5 Department of Human Resources, to employees of county departments
6 of social services, or to private grantees.
7 (b) Neither the Department of Human Resources nor any
8 county department of social services, area mental health
9 authority, or county human services agency may retain any person
10 who would be required to register as a lobbyist under Article 9A
11 of Chapter 120 the General Statutes in order to carry out the
12 task for which that person is retained.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

Jules

H. B. No. _____

DATE 5/30/97

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)House Appropriations Subcommittee on
Human Resources Report dated 5/29/97Rep. Redwine

Sen.)

report (recommended budget section)

moves to amend the bill on page 2, ~~the~~ item 15

by deleting the item;

after page 12⁵,and ~~the~~ at the end of the report, by adding the
following new special provision:

"Requested by: Representative Redwine

Senior Advisor for Children and Families/Staff

Section @. Of the funds appropriated in
this act to the Department of Human Resources,
the sum of one hundred seventy thousand dollars
(\$170,000) for the 1997-98 fiscal year and the
sum of one hundred seventy thousand dollars
(\$170,000) for the 1998-99 fiscal year shall be ~~the~~
transferred to the Governor's Office for the Senior
Advisor for Children and Families and one
additional staff person."

SIGNED: David Redwine

ADOPTED _____

FAILED _____

TABLED _____

ADDENDUM

**HOUSE APPROPRIATIONS
SUBCOMMITTEE ON HUMAN
RESOURCES**

**DHR Block Grants and Welfare Reform
Initiatives/Conforming Changes Special
Provisions**

May 29, 1997

CODE NO. 97DHR-H085

Requested by: Representatives Gardner, Cansler, Clary

DHR BLOCK GRANT PROVISIONS

1 Section ②. (a) Appropriations from federal block grant
2 funds are made for the fiscal year ending June 30, 1998,
3 according to the following schedule:

4

5 **COMMUNITY SERVICES BLOCK GRANT**

6

7 01. Community Action Agencies \$ 11,546,034

8

9 02. Limited Purpose Agencies 641,446

10

11 03. Department of Human Resources
12 to administer and monitor
13 the activities of the
14 Community Services Block Grant 641,446

15

16 **TOTAL COMMUNITY SERVICES BLOCK GRANT** \$ 12,828,926

17

18 **SOCIAL SERVICES BLOCK GRANT**

19

20 01. County departments of social services \$ 30,395,663

21

22 02. Allocation for in-home services provided
23 by county departments of
24 social services 2,101,113

25

26 03. Division of Mental Health, Developmental
27 Disabilities, and Substance Abuse Services 4,764,124

28

29 04. Division of Services for the Blind 3,205,711

30

31 05. Division of Youth Services 950,674

32

33 06. Division of Facility Services 343,341

34

35 07. Division of Aging - Home and Community
36 Care Block Grant 1,915,234

37

38 08. Day care services 13,853,152

39

40 09. Division of Vocational Rehabilitation -
41 United Cerebral Palsy 71,484

42

43 10. State administration 1,954,237

44

45 11. Child Medical Evaluation Program 238,321

1		
2	12. Adult day care services	2,255,301
3		
4	13. County departments of social services for	
5	child abuse/prevention and	
6	permanency planning	394,841
7		
8	14. Transfer to Preventive Health	
9	Block Grant for emergency medical services	213,128
10		
11	15. Allocation to Preventive Health Block	
12	Grant for AIDS education, counseling,	
13	and testing	66,939
14		
15	16. Transfer to Department of Administration	
16	for the N.C. Commission of Indian Affairs	
17	In-Home Services Program for the elderly	203,198
18		
19	17. Division of Vocational Rehabilitation -	
20	Easter Seals Society	116,779
21		
22	18. UNC-CH CARES Program for training and	
23	consultation services	247,920
24		
25	19. Transfer to Department of Environment, Health,	
26	and Natural Resources for the Adolescent	
27	Pregnancy Prevention Program	239,261
28		
29	20. Office of the Secretary - Office of Economic	
30	Opportunity for N.C. Senior Citizens'	
31	Federation for outreach services to	
32	low-income elderly persons	41,302
33		
34	21. County departments of social services	
35	for child welfare improvements	2,211,687
36		
37	22. Division of Mental Health, Developmental	
38	Disabilities, and Substance Abuse	
39	Services for juvenile offenders	1,182,280
40		
41	TOTAL SOCIAL SERVICES BLOCK GRANT	\$ 66,965,690
42		
43	LOW-INCOME ENERGY BLOCK GRANT	
44		
45	01. Energy Assistance Programs	\$ 6,284,055
46		
47	02. Crisis Intervention	6,393,661
48		
49	03. Administration	1,428,386
50		
51	04. Weatherization Program	4,128,479
52		
53	05. Indian Affairs	33,022

1	TOTAL LOW-INCOME ENERGY BLOCK GRANT	\$ 18,267,603
2		
3	MENTAL HEALTH SERVICES BLOCK GRANT	
4		
5	01. Provision of community-based	
6	services in accordance with the	
7	Mental Health Study Commission's	
8	Adult Severe and Persistently	
9	Mentally Ill Plan	\$ 3,794,179
10		
11	02. Provision of community-based	
12	services in accordance with the	
13	Mental Health Study Commission's	
14	Child Mental Health Plan	1,819,931
15		
16	03. Administration	624,231
17		
18	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$ 6,238,341
19		
20	SUBSTANCE ABUSE PREVENTION	
21	AND TREATMENT BLOCK GRANT	
22		
23	01. Provision of community-based	
24	alcohol and drug abuse services,	
25	tuberculosis services, and services	
26	provided by the Alcohol, Drug Abuse	
27	Treatment Centers	\$ 10,935,939
28		
29	02. Continuation of services for	
30	pregnant women and women	
31	with dependent children	5,060,076
32		
33	03. Continuation and expansion of	
34	services to IV drug abusers and others	
35	at risk for HIV diseases	4,836,407
36		
37	04. Provision of services in accordance with	
38	the Mental Health Study Commission's	
39	Child and Adolescent Alcohol and Other	
40	Drug Abuse Plan	5,964,093
41		
42	05. Service for former SSI recipients	1,123,757
43		
44	06. Gender specific services and Employee	
45	Assistance Program services for Work First	
46	recipients	893,811
47		
48	07. Juvenile offender services and substance	
49	abuse pilot	300,000
50		
51	08. Administration	1,841,742
52		
53	TOTAL SUBSTANCE ABUSE PREVENTION	

1	AND TREATMENT BLOCK GRANT	\$ 30,955,825
2		
3	CHILD CARE AND DEVELOPMENT BLOCK GRANT	
4		
5	01. Child care services	\$ 17,581,167
6		
7	02. Administrative expenses and quality	
8	and availability initiatives	488,366
9		
10	03. Before and After School Child Care Programs	
11	and Early Childhood Development Programs	1,750,000
12		
13	04. Quality improvement activities	740,000
14		
15	TOTAL CHILD CARE AND DEVELOPMENT	
16	BLOCK GRANT	\$ 20,559,533
17		
18	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	
19		
20	01. Child care subsidies	\$ 99,845,334
21		
22	02. Quality and availability initiatives	4,388,806
23		
24	03. Administrative expenses	5,486,007
25		
26	04. Transfer from TANF Block Grant for	
27	child care subsidies and support	5,599,759
28		
29	05. Transfer from TANF Block Grant for the	
30	development of child care centers at	
31	community colleges	600,000
32		
33	TOTAL CHILD CARE AND DEVELOPMENT FUND	
34	BLOCK GRANT	\$115,919,906
35		
36	TEMPORARY ASSISTANCE TO NEEDY FAMILIES	
37	(TANF) BLOCK GRANT	
38		
39	01. Block Grants to county departments	
40	of social services (partial funding)	\$282,029,076
41		
42	02. Transfer to Child Care and Development	
43	Fund for development of child care centers	
44	at community colleges	600,000
45		
46	03. Transfer to the Child Care and	
47	Development Fund for Work First child	
48	care subsidies	5,599,759
49		
50	04. Allocation to the Division of Mental	
51	Health, Developmental Disabilities, and	
52	Substance Abuse Services for Work First	
53	substance abuse treatment and testing services	3,000,000

1	05. Allocation to the Division of Social	
2	Services for evaluation	300,000
3		
4	06. Allocation to the Division of Social	
5	Services for State and county	
6	staff development	500,000
7		
8	07. Allocation to the Department of	
9	Environment, Health, and Natural	
10	Resources for the reduction of	
11	out-of-wedlock births	1,600,000
12		
13	08. Allocation to the Division of Mental	
14	Health, Developmental Disabilities, and	
15	Substance Abuse Services for screening,	
16	diagnostic, and counseling services	
17	related to substance abuse services	
18	for Work First participants	2,300,000
19		
20	09. Transfer to the Social Services Block Grant	
21	for substance abuse services for juveniles	1,182,280
22		
23	10. Transfer to the Social Services Block Grant	
24	to establish the Special Children	
25	Adoption Fund	300,000
26		
27	11. TANF Reserve Fund	20,000,000
28		
29	TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES	
30	(TANF) BLOCK GRANT	\$317,411,115
31		

32 (b) Decreases in Federal Fund Availability Except the
33 TANF Block Grant

34 If federal funds are reduced below the amounts specified
35 above after the effective date of this act, then every program in
36 each of the federal block grants listed above shall be reduced
37 equally to total the reduction in federal funds.

38 (c) Increases in Federal Fund Availability - Block
39 Grant Funds Except the Social Services Block Grant, the TANF
40 Block Grant, and the Child Care and Development Fund Block Grant

41 Any block grant funds appropriated by the United States
42 Congress in addition to the funds specified in this act shall be
43 expended by the Department of Human Resources, provided that the
44 resultant increases are in accordance with federal block grant
45 requirements, by allocating the additional funds for direct
46 services only among the programs funded in this section.

47 (d) Increases in Federal Fund Availability - Social
48 Services Block Grant

49 Any block grant funds appropriated by the United States
50 Congress in addition to the funds specified in this act shall be
51 expended by the Department of Human Resources, provided the
52 resultant increases are in accordance with federal block grant
53 requirements, as follows:

- (1) Fifty percent (50%) of the funds shall be allocated to the county departments of social services for mandatory services; and
- (2) The remaining fifty percent (50%) shall be allocated for direct services only among the programs funded in this section.

All these budgeted increases shall be reported to the members of the House and Senate Appropriations Subcommittees on Human Resources and to the Fiscal Research Division.

(e) Of the funds appropriated in this act to the Department of Human Resources, Division of Social Services, the sum of one million three hundred thousand dollars (\$1,300,000) for the 1997-98 fiscal year and the sum of one million three hundred thousand dollars (\$1,300,000) for the 1998-99 fiscal year shall be allocated to county Departments of Social Services for hiring or contracting for additional child protective services, foster care, and adoption worker positions created after July 1, 1997, based upon a formula which takes into consideration the number of child protective services, foster care, and adoption cases, and child protective services, foster care, and adoption workers necessary to meet recommended standards adopted by the North Carolina Association of County Directors of Social Services. No local match shall be required as a condition for receipt of these funds.

(f) There is established in the Department of Human Resources, Division of Social Services, a Special Children Adoption Fund. The purpose of the fund is to provide funds for adoptive placements of children described in G.S. 108A-50 in foster care above those funds that participating licensed public and private adoption agencies can provide with existing resources.

Of the funds appropriated in this act to the Department of Human Resources, Special Children Adoption Fund, the sum of nine hundred eleven thousand six hundred eighty-seven dollars (\$911,687) for the 1997-98 fiscal year and the sum of nine hundred eleven thousand six hundred eighty-seven dollars (\$911,687) for the 1998-99 fiscal year shall be used to implement this subsection. Of the monies in the Special Children Adoption Fund, the Department shall award a minimum of four hundred thousand dollars (\$400,000) to licensed private adoption agencies. The Department of Human Resources, Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon successful placement of children described in G.S. 108A-50 in foster care. No local match shall be required as a condition for receipt of these funds. Funds not expended at the end of a fiscal year shall not revert but shall remain in the Fund for the purpose enumerated in this subsection.

The Department of Human Resources, Division of Social Services shall report by May 1, 1998 to the House and Senate Appropriations Subcommittees on Human Resources on the use of

1 funds allocated in this subsection and the number of children
2 placed.

3 (g) The Department of Human Resources, Division of
4 Mental Health, Developmental Disabilities, and Substance Abuse
5 Services, shall consult with the Department of Human Resources,
6 Division of Youth Services, the Administrative Office of the
7 Courts, local juvenile court counselors, and local area mental
8 health programs on the expenditure of the funds allocated to the
9 Department of Human Resources from the Social Services Block
10 Grant to ensure that those funds are used for substance abuse
11 services for juveniles.

12 (h) Funding for the Weatherization Program from the
13 Low-Income Energy Block Grant is contingent upon approval of a
14 federal waiver to increase funding. In the event the federal
15 waiver is not approved, the funds appropriated for the
16 Weatherization Program will be reduced to fifteen percent (15%)
17 of the Block Grant, and excess funds will be transferred to the
18 Crisis Intervention Program.

19 (i) Increases in Federal Fund Availability - Child Care
20 and Development Fund Block Grant

21 The Child Care and Development Fund Block Grant funds
22 appropriated by the United States Congress in addition to the
23 funds specified in this act shall be expended by the Department
24 of Human Resources, provided the resultant increases are in
25 accordance with federal block grant requirements and are within
26 the scope of the block grant plan approved by the General
27 Assembly.

28 (j) If funds appropriated through the Child Care and
29 Development Fund, which includes the Child Care and Development
30 Block Grant, for any program cannot be obligated or spent in that
31 program within the obligation or liquidation periods allowed by
32 the federal grants, the Department may move funds to other
33 programs, in accordance with federal requirements of the grant,
34 in order to use the federal funds fully.

35 (k) Of the funds appropriated in this act to the
36 Department of Human Resources, Division of Child Development, the
37 sum of six hundred thousand dollars (\$600,000) for fiscal year
38 1997-98 shall be transferred to the Department of Community
39 Colleges to establish three model early childhood education
40 centers in three community colleges, one in the eastern part of
41 the State, one in the western part of the State, and one in the
42 Piedmont.

43 (l) The Department of Environment, Health, and Natural
44 Resources and the county departments of public health shall
45 consult with the Department of Human Resources and the county
46 departments of social services on the expenditure of the funds
47 allocated to the Department of Environment, Health, and Natural
48 Resources from the Temporary Assistance to Needy Families Block
49 Grant to ensure that those funds are used for meeting the goal of
50 reducing out-of-wedlock births.

51 (m) The Department of Human Resources, Division of
52 Mental Health, Developmental Disabilities, and Substance Abuse
53 Services, shall consult with the county departments of social

1 services and the area mental health programs on the expenditure
2 of funds allocated to the Department of Human Resources from the
3 TANF Block Grant to ensure that those funds are used for
4 substance abuse services.

5 (n) By January 1, 1998, the Department of Human
6 Resources shall report to the Senate and House Appropriations
7 Subcommittees on Human Resources on the process undertaken for
8 determining how the funds described in subsections (g), (l), and
9 (m) of this section will be allocated.

10 (o) Of the TANF Block Grant funds appropriated by the
11 United States Congress for the 1997-98 fiscal year, the
12 Department of Human Resources shall reserve the sum of twenty
13 million dollars (\$20,000,000) for the purpose of providing for
14 future needs as allowed by federal law regulating the use of TANF
15 funds. These funds shall be held in reserve until the Department
16 notifies the Joint Legislative Public Assistance Commission,
17 submits a request for expenditure of these funds to the House and
18 Senate Appropriations Subcommittees on Human Resources, and funds
19 are appropriated by the General Assembly for the expenditure, or
20 unless the United States Congress reduces the amount of TANF
21 funds below the amounts specified above after the effective date
22 of this act. If federal funds are reduced below the amounts
23 specified above after the effective date of this act, then the
24 Department shall first reduce the reserve, and then, if the
25 reserve is exhausted, shall reduce every item in the TANF Block
26 Grant section listed above pro rata. Any TANF funds appropriated
27 by the United States Congress in addition to the funds specified
28 in this act shall be transferred to the reserve fund. If the
29 reserve is reduced or increased because of a reduction or
30 increase in appropriation by the United States Congress, the
31 Department shall report the reduction or increase to the Joint
32 Legislative Public Assistance Commission within 30 days after the
33 reserve is reduced or increased.

34

Requested by: Representatives Berry, Howard

PART XI-A. WELFARE REFORM INITIATIVES AND CONFORMING CHANGES

SUBPART A. WELFARE REFORM INITIATIVES

Section 11A.1. The title of Part 2 of Article 2 of Chapter 108A of the General Statutes reads as rewritten:

"Part 2. ~~Aid to Families with Dependent Children.~~ Work First Program."

Section 11A.2. G.S. 108A-24 reads as rewritten:

"§ 108A-24. Definitions.

As used in Chapter 108A:

(1) 'Applicant' is any person who requests assistance or on whose behalf assistance is requested.

(1a) 'Attainment' means to equal or exceed the outcomes and goals set forth in a County Plan or the State Plan.

(1b) 'Biometric' means a digitized image of selected features of an individual encoded and processed in a manner that ensures an extraordinarily high correlation between the digital data and the actual characteristics of an individual.

(1c) 'Child Development Agreement' ('CDA') means an agreement between a county and a recipient of Work First Program assistance which describes the parental responsibilities and child development goals required to maintain eligibility for qualification for Work First Family Assistance and Work First Services, and what the county will provide to assist the recipient in achieving those child development goals.

(1d) 'Community service' means work exchanged for temporary public assistance.

(1e) 'County block grant' means nonreverting federal and State money appropriated to implement and maintain a county's Work First Program.

(1f) 'County department of social services' means a county department of social services, consolidated human services agency, or other local agency designated to administer or provide services pursuant to this Article.

(1g) 'County Plan' is the biennial Work First Program plan prepared by each county pursuant to this Article and submitted to the Department for incorporation into the State Plan.

(2) 'Department' is the Department of Human Resources, unless the context clearly indicates otherwise.

(3) ~~'Dependent child' is a person under 18 years of age who is living with a natural parent, adoptive parent, stepparent, or any other~~

1 ~~person related by blood, marriage, or legal adoption, in a place of~~
2 ~~residence maintained by one or more of such persons as his or~~
3 ~~their own home, and who is deprived of parental support or care;~~
4 ~~it shall also include a minor who has been eligible for AFDC who~~
5 ~~is now living in a foster care facility or child caring institution; it~~
6 ~~shall also include a dependent child in school under 21 years of~~
7 ~~age as provided by Titles IV-A and XIX of the Social Security Act.~~

8 (3a) 'Employment' means work that requires either a contribution to
9 FICA or the filing of a State N.C. Form D-400, or the equivalent.

10 (3b) 'Family' means a unit consisting of a minor child or children and
11 one or more of their biological parents, adoptive parents, or
12 grandparents living together and in which one or more of the
13 parents is employed or performing community service.

14 (3c) 'Federal TANF funds' means the Temporary Assistance for Needy
15 Families block grant funds provided for in Title IV-A of the Social
16 Security Act.

17 (3d) 'First Stop Employment Assistance' is the program established to
18 assist recipients of Work First Program assistance or food stamps
19 with employment through job registration, job search, job
20 preparedness, and community service.

21 (3e) 'Full-time employment' means employment averaging over 30
22 hours a week for at least 50 consecutive weeks and which either
23 requires a contribution to FICA for four consecutive quarters or
24 the filing of a State N.C. Form D-400.

25 (3f) 'FICA' means the taxes imposed by the Federal Insurance
26 Contribution Act, 26 U.S.C. § 3101, et seq.

27 (4) Repealed by Session Laws 1983, c. 14, s. 3.

28 (4a) 'Mutual Responsibility Agreement' ('MRA') is an agreement
29 between a county and a recipient of Work First Program assistance
30 which describes the conditions for eligibility for the assistance and
31 what the county will provide to assist the recipient in moving from
32 assistance to self-sufficiency. Improvement in literacy shall be a
33 part of a MRA with persons who cannot read above the eighth
34 grade level. A MRA is a prerequisite for any temporary Work
35 First Program assistance under this Article.

36 (4b) 'Parent' means biological parent, adoptive parent, or grandparent.

37 (5) 'Recipient' is a person to whom, or on whose behalf, assistance is
38 granted under this Article.

39 (6) 'Resident,' unless otherwise defined by federal regulation, is a
40 person who is living in North Carolina at the time of application
41 with the intent to remain permanently or for an indefinite period;
42 or who is a person who enters North Carolina seeking employment
43 or with a job commitment.

- (7) 'Secretary' is the Secretary of Human Resources, unless the context clearly indicates otherwise.
- (8) 'State Plan' is the biennial Work First Program plan, based upon the aggregate of the County Plans, prepared by the Department for the State's Work First Program pursuant to this Article, and submitted sequentially to the Budget Director, to the General Assembly, to the Governor, and to the appropriate federal officials.
- (9) 'Temporary' is a time period, not to exceed 60 cumulative months, which meets the federal requirement of Title IV-A.
- (10) 'Title IV-A' means the Social Security Act, 42 U.S.C. § 601, et seq., as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193, and to other provisions of federal law as may apply to assistance provided in this Article.
- (11) 'Underemployment' means anything less than full-time employment except unemployment.
- (12) 'Unemployment' means no FICA contributions for four consecutive quarters or earnings less than those required for filing a State N.C. Form D-400.
- (13) 'Work' is lawful activity exchanged for cash, goods, uses, or services.
- (14) 'Work First Diversion Assistance' is a short-term cash payment that is intended to produce a substantial reduction in the likelihood of a family requiring Work First Family Assistance.
- (15) 'Work First Family Assistance' is a program of time-limited periodic payments to assist in maintaining the children of eligible families while the adult family members engage in activities to prepare for entering and to enter the workplace.
- (16) 'Work First Program' is the temporary assistance to needy families program established in this Article.
- (17) 'Work First Program assistance' means the goods, uses, or services provided under the Work First Program.
- (18) 'Work First Services' are services funded from appropriations made pursuant to this Article and designed to facilitate the purposes of the Work First Program."

Section 11A.3. G.S. 108A-25 reads as rewritten:

"§ 108A-25. Creation of programs.

(a) The following programs of public assistance are hereby established, and shall be administered by the county department of social services or board of commissioners or the Department of Human Resources under federal regulations or under rules ~~and regulations~~ adopted by the ~~Social Services Commission~~ and under the supervision of the Department of Human Resources:

- (1) ~~Aid to families with dependent children;~~ Work First Program;
- (2) State-county special assistance for adults;

- (3) Food stamp program;
- (4) Foster care and adoption assistance payments;
- (5) Low income energy assistance program.

(b) The program of medical assistance is hereby established as a program of public assistance and shall be administered by the county departments of social services under rules and regulations adopted by the Department of Human Resources.

(c) The Department of Human Resources ~~is hereby authorized to~~ shall accept all grants-in-aid for programs of public assistance which may be available to the State by the federal government. The provisions of this Article shall be liberally construed in order that the State and its citizens may benefit fully from ~~such~~ the federal grants-in-aid."

Section 11A.4. G.S. 108A-27 reads as rewritten:

"§ 108A-27. Authorization of ~~Aid to Families with Dependent Children Program.~~ Work First Program.

~~The (a) Each county Department is authorized to shall establish and supervise an Aid to Families with Dependent Children Program. develop, implement, and administer a biennial County Plan that begins to reduce unemployment and underemployment in that county. This program is to County Plan shall be administered by county departments of social services under federal regulations and rules and regulations of the Social Services Commission. in accordance with:~~

- (1) This Article;
- (2) Applicable federal, State, and local laws; and
- (3) Rules adopted pursuant to this Article by the Department.

(b) The Department shall adopt rules regarding the biennial County Plans that shall be the most flexible and least restrictive while ensuring that federal and State laws, regulations, and goals for the State are met or achieved.

(c) The Department shall establish, administer, and supervise the Work First Program in accordance with:

- (1) This Article;
- (2) The State Plan;
- (3) Rules adopted pursuant to this Article by the Department; and
- (4) Applicable federal and State laws."

Section 11A.5. Part 2 of Article 2 of Chapter 108A of the General Statutes is amended by adding the following new sections:

"§ 108A-27.1. Assistance not an entitlement.

Any assistance programs established under this Part are not entitlements, and nothing in this Part shall create any property right.

"§ 108A-27.2. Purpose; program description.

(a) The purpose of the Work First Program is to provide eligible families with short-term assistance to facilitate their movement to self-sufficiency through lawful employment.

(b) The Work First Program shall include program administration and four categories of assistance to participants:

- (1) First Stop Employment Assistance;
- (2) Work First Diversion Assistance;
- (3) Work First Family Assistance; and
- (4) Work First Services.

(c) A case in which benefits are paid only for a child may be considered a family for the Work First Program.

"§ 108A-27.3. Duties of county boards of commissioners.

(a) The duties of the county boards of commissioners under the Work First Program are as follows:

- (1) Establish county outcome and performance goals based on county economic, educational, and employment factors and adopt criteria for determining the progress of the county in moving persons and families to self-sufficiency.
- (2) Establish eligibility criteria for recipients.
- (3) Prescribe the method of calculating benefits for recipients.
- (4) Determine and list individuals and families eligible for the Work First Program.
- (5) Develop and enter into Mutual Responsibility Agreements with Work First Program recipients.
- (6) Develop and enter into Child Development Agreements with every eligible parent who has a MRA.
- (7) Provide community service work for any recipient who cannot find employment.
- (8) Make payments of Work First Diversion Assistance and Work First Family Assistance to recipients having MRAs and CDAs.
- (9) Monitor compliance with Mutual Responsibility Agreements and enforce the agreement provisions.
- (10) Monitor compliance with Child Development Agreements and enforce the agreement provisions.
- (11) Ensure compliance with State and federal law, rules, and regulations for the Work First Program.
- (12) Adopt and submit to the Department a biennial County Plan.

(b) County boards of commissioners shall not delegate the responsibilities described in subdivisions (a)(1), (a)(11), and (a)(12) of this section but may delegate other duties to public or private entities.

"§ 108A-27.4. Duties of the Department.

The Department shall have the following duties:

- (1) Establish and maintain a uniform system of identifying Work First Program, food stamp, and Medicaid recipients. This system shall provide security and portability throughout the State and between the departments within the State involved in the Work First Program, the food stamp program, and the Medicaid program. The system shall use multiple biometrics to ensure greater than ninety-nine percent (99%) accuracy for interdepartmental

1 identification. The Department shall ensure that the biometric
2 identification system will be able to interface with any existing
3 departmental biometric identification system.

4 (2) Provide technical assistance to counties developing and
5 implementing their County Plans, including providing information
6 concerning applicable federal law and regulations and changes to
7 federal law and regulations that effect the permissible use of
8 federal funds and scope of the Work First Program in a county.

9 (3) Adopt necessary rules, terms of funding, and promulgate criteria
10 that allows counties maximum flexibility in designing and
11 implementing County Plans.

12 (4) Ensure that County Plans comply with federal and State laws,
13 rules, and regulations.

14 (5) Establish schedules for counties to submit their County Plans to
15 ensure that all County Plans are adopted by the counties by the
16 first day of February of each even-numbered calendar year.

17 (6) Accept County Plans after ensuring that the aggregate of the
18 County Plans is in compliance with federal law and regulations for
19 receipt of federal funds and maximizes federal receipts for the
20 Work First Program.

21 (7) Coordinate activities of other State agencies providing technical
22 support to counties developing their County Plans.

23 (8) At the request of the counties, provide assistance to counties in
24 their activities with private sector individuals and organizations
25 relative to County Plans.

26 (9) Pay counties, on the first day of the quarter, one-fourth of the
27 counties' annual block grant funds. Once paid, these funds shall
28 be nonreverting.

29 (10) Provide for exceptions to criteria and standards for federal
30 programs.

31 (11) Describe authorized federal and State work activities.

32 (12) Define requirements for assignment of child support income and
33 compliance with child support enforcement activities.

34 (13) Monitor the performance of counties on a quarterly basis relative
35 to their County Plans and report quarterly to the Director of the
36 Budget and to the Joint Legislative Public Assistance Commission
37 and annually to the General Assembly on the counties' attainment
38 of the outcomes and goals specified in Part II of each County Plan.

39 (14) Prepare and submit, by April 1 of each even-numbered calendar
40 year, a biennial State Plan to the Director of the Budget in
41 accordance with federal laws and regulations and State laws and
42 rules.

43 (15) Establish the baseline for the State maintenance of effort.

44 "§ 108A-27.5. County Plan.

1 (a) Each county shall submit to the Department, according to the schedule
2 established by the Department and in compliance with all federal and State laws,
3 rules and regulations, a County Plan.

4 (b) A County Plan shall have the following five parts:

- 5 (1) Part I. Conditions Within the County;
- 6 (2) Part II. Outcomes and Goals for the County;
- 7 (3) Part III. Plans to Achieve the Outcomes and Goals;
- 8 (4) Part IV. Administration; and
- 9 (5) Part V. Funding Requirements.

10 (c) Funding requirements shall, at least, identify the amount of a county block
11 grant for Work First Diversion Assistance, a county block grant for Work First
12 Family Assistance, a county block grant for Work First Services, and the county's
13 maintenance of effort contribution. A county may establish a reserve.

14 (d) Each county shall include in its County Plan the following:

- 15 (1) The number of MRAs and CDAs entered into by the county;
- 16 (2) A description of the county's priorities for serving families who
17 need child care based on the needs of the community and the
18 availability of services and funding;
- 19 (3) A list of the community service programs equivalent to full-time
20 employment that are being offered to Work First Program
21 recipients who are unable to find full-time employment; and
- 22 (4) Any request from the Department for waivers to rules or any
23 proposals for statutory changes to remove any impediments to
24 implementation of the County's Plan.

25 (e) Each county shall provide to the general public an opportunity to review and
26 comment upon its County Plan prior to its submission to the Department.

27 (f) A county may modify its County Plan once each biennium but not at any other
28 time except by special request to the Joint Legislative Public Assistance Commission.

29 **"§ 108A-27.6. Performance standards; corrective action.**

30 (a) All adult recipients of Work First Program assistance are expected to achieve
31 full-time employment and at least eighth grade literacy. Adult recipients of Work
32 First Program assistance shall comply with the provisions and requirements in their
33 MRAs and CDAs. Failure to comply shall be cause to terminate Work First Program
34 assistance.

35 (b) County performance shall be judged solely upon its ability to attain the
36 outcomes and goals established in that county's County Plan.

37 (c) When a county fails to achieve its Work First Program goals, the Department
38 may take one or more of the following actions to assist the county in meeting its
39 goals:

- 40 (1) Notify the county of the deficiencies and add additional monitoring
41 and reporting requirements.
- 42 (2) Require the county to develop and submit for approval by the
43 Department a corrective action plan.

1 If a county fails to achieve its Work First Program goals for two consecutive years,
2 or fails to comply with a corrective action plan developed pursuant to this section,
3 the county shall lose an appropriate portion of the State's block grant to the county
4 in the subsequent State Plan.

5 "§ 108A-27.7. State Plan.

6 (a) The Department shall prepare and submit to the Director of the Budget, in
7 accordance with the procedures established in G.S. 143-16.1 for federal block grant
8 funds, a biennial State Plan that proposes the terms of the Work First Program for
9 each fiscal year. The State Plan shall be based upon the aggregate of the County
10 Plans. The State Plan shall include the following:

11 (1) Allocations of federal and State funds for the Work First Program,
12 including block grants to counties and the allocation of funding for
13 administration not to exceed the federally established limitations
14 on the use of federal TANF funds and the limits imposed under
15 this Article;

16 (2) Maintenance of effort and levels of State and county funding for
17 the Work First Program;

18 (3) Federal eligibility requirements and a description of the eligibility
19 requirements in each county;

20 (4) A description of eligible federal and State work activities;

21 (5) A description of the federal, State, and each county's financial
22 participation in the Work First Program;

23 (6) Provisions to ensure that no Work First Program recipients,
24 required to participate in work activities, shall be employed or
25 assigned when:

26 a. Any regular employee is on layoff from the same or
27 substantially equivalent job;

28 b. An employer terminates any regular employee or otherwise
29 causes an involuntary reduction in the employer's workforce
30 in order to hire Work First recipients; or

31 c. An employer otherwise causes the displacement of any
32 currently employed worker or positions, including partial
33 displacements such as reductions in hours of nonovertime
34 work, wages, or employment benefits, in order to hire Work
35 First recipients;

36 (7) Provisions to ensure the establishment and maintenance of
37 grievance procedures to resolve complaints by regular employees
38 who allege that the employment or assignment of a Work First
39 Program recipient is in violation of subdivision (6) of this section;

40 (8) Provisions to ensure that Work First Program participants, required
41 to participate in work activities, shall be subject to and have the
42 same rights under federal, State, or local laws applicable to non-
43 Work First Program employees in similarly situated work activities,
44 including, but not limited to, health and safety standards and

1 nondiscrimination laws, provided that nothing in this subdivision
2 shall be construed to prohibit Work First Program participants
3 from receiving State or county services designed to assist Work
4 First Program participants achieve job stability and self-sufficiency;

5 (9) Requirements for assignment of child support income and
6 compliance with child support enforcement activities; and

7 (10) Anything else required by federal or State law, rule, or regulation
8 to be included in the State Plan.

9 (b) The State Plan may provide for automatic Medicaid eligibility for Work First
10 Program recipients.

11 (c) The State Plan may distinguish among potential groups of recipients on
12 whatever basis necessary to enhance program purposes and to increase federal
13 revenues.

14 (d) The Department may modify the State Plan once a biennium but at no other
15 time except by special request to the Joint Legislative Public Assistance Commission.
16 Any changes to the State Plan shall be reported to the General Assembly during the
17 next session following the changes.

18 **"§ 108A-27.8. Duties of the Director of the Budget/Governor.**

19 (a) The Director of the Budget shall, by April 15 of each even-numbered calendar
20 year, approve and recommend adoption by the General Assembly of the State Plan.

21 (b) At the beginning of every fiscal year, the Director of the Budget shall report to
22 the General Assembly the number of permanent State employees who have been
23 Work First Program recipients during the previous calendar year.

24 (c) After the State Plan has become law, the Governor shall sign it and cause it to
25 be submitted to federal officials in accordance with federal law.

26 **"§ 108A-27.9. Maintenance of effort.**

27 (a) The Department shall maintain the State's maintenance of effort at one
28 hundred percent (100%). A county's maintenance of effort shall be no less than
29 eighty percent (80%).

30 (b) The Department shall provide to counties a list of activities that qualify for
31 maintenance of effort requirements.

32 **"§ 108A-27.10. Exemption from limitations for individuals convicted of certain drug-**
33 **related felonies.**

34 Individuals convicted of Class H or I controlled substance felony offenses in this
35 State shall be eligible to participate in the Work First Program and food stamp
36 program:

37 (1) Six months after release from custody if no additional controlled
38 substance felony offense is committed during that period and
39 successful completion of a required substance abuse treatment
40 program determined appropriate by the area mental health
41 authority; or

42 (2) If not in custody, six months after the date of conviction if no
43 additional controlled substance felony offense is committed during
44 that period and successful completion of a required substance

abuse treatment program determined appropriate by the area mental health authority.

A county department of social services shall require individuals who are eligible for Work First Program assistance and food stamp benefits pursuant to this section to undergo substance abuse treatment as a condition for receiving Work First Program or food stamp benefits, if funds and programs are available.

"§ 108A-27.11. Appeals.

The Work First Program is a program of temporary public assistance for the purpose of an appeal under G.S. 108A-79."

Section 11A.6. (a) G.S. 108A-29 reads as rewritten:

"§ 108A-29. Limitations on eligibility: First Stop Employment Assistance; priority for employment services.

~~(a) The Social Services Commission shall adopt such administrative rules concerning work requirements as conditions of eligibility for Aid to Families with Dependent Children in order to be in compliance with federal regulations, but such rules shall not be more restrictive than the work requirements applicable to the Job Opportunities and Basic Skills Training Program provided for in G.S. 108A-30.~~

(a1) There is established in the Employment Security Commission, Department of Commerce, a program to be called First Stop Employment Assistance. The Chairman of the Employment Security Commission shall administer the program with the participation and cooperation of county boards of commissioners, the Department of Human Resources, the Department of Labor, the Department of Crime Control and Public Safety, and the community college system.

(a2) Individuals seeking to apply or reapply for Work First Program assistance or food stamps who are unemployed or underemployed shall make their 'first stop' in the application process for assistance the Employment Security Commission, where they shall register for a job, unless exempt either temporarily or permanently from participating in a work program by federal or State law, rules, or regulations.

(a3) Individuals who are not otherwise exempt shall present verification of registration with the Employment Security Commission at the time of applying for public assistance. Unless exempt, the individual shall not be approved for Work First Program assistance or food stamps until verification is received. Child-only cases are exempt from this requirement.

(a4) The Employment Security Commission shall expand its Labor Market Information System. The expansion shall at least include: statistical information on unemployment rates and other labor trends by county; and publications dealing with licensing requirements, economic development, and career projections, and information technology systems which can be used to track participants through the employment and training process.

(a5) The First Stop Employment Program shall assist Work First Program and food stamp recipients with employment through job registration, job search, job preparedness, and community service.

(a6) The Employment Security Commission shall offer a continuum of services to individuals seeking employment and training assistance ranging from self-help options

1 to labor-intensive case management approaches. The Employment Security
2 Commission shall provide an intense program of employment or reemployment
3 services such as job seeking skills, workshops, employment counseling, and testing to
4 move individuals into the workforce as quickly as possible.

5 (a7) If after evaluation of an individual the Employment Security Commission
6 believes it necessary, the Employment Security Commission also may refer an
7 individual placed in the Job Preparedness component of the First Stop Employment
8 Program to a local community college for enrollment in General Education
9 Development, Adult Basic Education, or Human Resources Development programs
10 which are already in existence. Additionally, the Commission may refer an
11 individual to a literacy council. Whenever an individual is referred to a community
12 college or to a literacy council, the Employment Security Commission shall monitor
13 the individual's progress through close communications with those agencies. The
14 Employment Security Commission shall adopt rules to accomplish this subsection.

15 (a8) The Job Preparedness component of the Program shall last a maximum of 12
16 weeks unless the recipient is registered and is satisfactorily progressing in a program
17 that requires additional time to complete. Every effort shall be made to place the
18 recipient in part-time employment or part-time community service if the time
19 required exceeds the 12-week maximum.

20 (a9) An individual placed in the Job Search component of the First Stop
21 Employment Program shall look for work and shall accept any suitable employment.
22 The Employment Security Commission shall refer individuals to current job openings
23 and shall make job development contacts for individuals. Individuals shall be
24 required to keep a record of their job search activities on a job search record form
25 provided by the Commission, and the Employment Security Commission will monitor
26 these activities. A 'job search record' means a written list of dates, times, places,
27 addresses, telephone numbers, names, and circumstances of job interviews. The Job
28 Search component shall include at least one weekly contact with the Employment
29 Security Commission. The Employment Security Commission shall adopt rules to
30 accomplish this subsection.

31 (a10) The Employment Security Commission shall work with the Private
32 Personnel Service Division of the Department of Labor to develop a relationship with
33 these private employment agencies to utilize their services and make referrals of
34 individuals registered with the Employment Security Commission.

35 (a11) The Employment Security Commission shall notify all employers in the
36 State of the 'Exclusive No-Fault' Referral Service available through the Employment
37 Security Commission to employers who hire personnel through Job Service referrals.

38 (a12) All individuals referred to jobs through the Employment Security
39 Commission shall be instructed in the procedures for applying for the Federal Earned
40 Income Credit (FEIC). All individuals referred to jobs through the Employment
41 Security Commission who qualify for the FEIC shall apply for the FEIC by filing a
42 W-5 form with their employers.

1 (a13) The FEIC shall not be counted as income when eligibility is determined for
2 Work First Program assistance, Medicaid, food stamps, subsidies, public housing, or
3 Supplemental Security Income.

4 (a14) An individual who has not found a job within 12 weeks of being placed in
5 the Job Search component of the Program may also be placed in the Community
6 Service component at the county's option.

7 (a15) Once an individual has registered with the Employment Security
8 Commission and upon verification of the registration by the agency or contractor
9 providing the Work First Program assistance, the individual's eligibility for Work
10 First Program assistance may be evaluated and the application completed. The
11 individual then may be eligible for all the benefits for which the individual is eligible
12 under the county's County Plan. Continued receipt of Work First Program benefits is
13 contingent upon successful participation in the First Stop Employment Program, and
14 lack of cooperation and participation in the First Stop Employment Program may
15 result in the termination of benefits to the individual.

16 (a16) The county board of commissioners shall determine which agencies or
17 nonprofit or private contractors will participate with the Employment Security
18 Commission in developing the rules to implement the First Stop Employment
19 Program. The rules and operations of the program shall be reviewed by the Joint
20 Legislative Public Assistance Commission before implementation.

21 (a17) Each county shall organize a Job Service Employer Committee, based on
22 the membership makeup of the Job Service Employer Committees in existence at the
23 time this act becomes law. Each Job Service Employer Committee shall oversee the
24 operation of the First Stop Employment Program in that county. The Committee
25 shall report to the local Employment Security Commission quarterly on its
26 recommendations to improve the First Stop Employment Program. The Employment
27 Security Commission shall develop the reporting method and time frame and shall
28 coordinate a full report to be presented to the Joint Legislative Public Assistance
29 Commission by the end of each calendar year.

30 (b) Members of families with dependent children and with aggregate family
31 income at or below the level required for eligibility for ~~Aid to Families with~~
32 ~~Dependent Children~~ assistance, Work First Family Assistance, regardless of whether
33 or not they have applied for such assistance, shall be given priority in obtaining
34 manpower employment services including training and ~~public service employment~~
35 community service provided by or through State agencies or counties or with funds
36 which are allocated to the State of North Carolina directly or indirectly through
37 prime sponsors or otherwise for the purpose of employment of unemployed persons.

38 (c) [Repealed.]"

39 (b) Each county's Job Service Employer Committee shall develop a
40 study of the "working poor" in their respective counties and shall include the
41 following in the study:

- 42 (1) Determine the extent to which current labor market participation
43 enables individuals and families to earn the amount of disposable
44 income necessary to meet their basic needs;

- (2) Determine how many North Carolinians work and earn wages below one hundred fifty percent (150%) of the Federal Poverty Guideline and study trends in the size and demographic profiles of this underemployed group within the respective county;
- (3) Examine job market factors that contribute to any changes in the composition and numbers of the working poor including, but not limited to, shifts from manufacturing to service, from full-time to part-time work, from permanent to temporary or their contingent employment;
- (4) Consider and determine the respective responsibilities of the public and private sectors in ensuring that working families and individuals have disposable income adequate to meet their basic needs;
- (5) Evaluate the effectiveness of the unemployment insurance system in meeting the needs of low-wage workers when they become unemployed;
- (6) Examine the efficacy of a State earned income tax credit that would enable working families to meet the requirements of the basic needs budget;
- (7) Examine the wages, benefits, and protections available to part-time and temporary workers, leased employees, independent contractors, and other contingent workers as compared to regular full-time workers;
- (8) Solicit, receive, and accept grants or other funds from any person or entity and enter into agreements with respect to these grants or other funds regarding the undertaking of studies or plans necessary to carry out the purposes of the committee; and
- (9) Request any necessary data from either public or private entities that relate to the needs of the committee.

Each committee shall prepare and submit a report on the finding for the county which it represents by May 1, 1998, to the Joint Legislative Public Assistance Commission.

(c) The First Stop Employment Assistance program becomes effective beginning July 1, 1997. Funds shall be allocated from the Work First Program to establish the First Stop Employment Program and to assist the Job Service Employer Committees in their completion of the study of the working poor.

(d) G.S. 126-7.1 reads as rewritten:

"§ 126-7.1. Posting requirement; State employees receive priority consideration; reduction-in-force ~~rights~~; rights; Work First hiring.

(a) All vacancies for which any State agency, department, or institution openly recruit shall be posted within at least the following:

- (1) The personnel office of the agency, department, or institution having the vacancy; and

1 (2) The particular work unit of the agency, department, or institution
2 having the vacancy
3 in a location readily accessible to employees. If the decision is made, initially or at
4 any time while the vacancy remains open, to receive applicants from outside the
5 recruiting agency, department, or institution, the vacancy shall be listed with the
6 Office of State Personnel for the purpose of informing current State employees of
7 such vacancy. The State agency, department, or institution may not receive approval
8 from the Office of State Personnel to fill a job vacancy if the agency, department, or
9 institution cannot prove to the satisfaction of the Office of State Personnel that it
10 complied with these posting requirements. The agency, department, or institution
11 which hires any person in violation of these posting requirements shall pay such
12 person when employment is discontinued as a result of such violation for the work
13 performed during the period of time between his initial employment and separation.
14 (a1) State employees to be affected by a reduction in force shall be notified of the
15 reduction in force as soon as practicable, and in any event, no less than 30 days prior
16 to the effective date of the reduction in force.
17 (a2) The State Personnel Commission shall adopt rules to provide that priority
18 consideration for State employees separated from State employment as the result of
19 reductions in force is to enable a State employee's return to career service at a salary
20 grade and salary rate equal to that held in the most recent position. The State
21 Personnel Commission shall provide that a State employee who:
22 (1) Accepts a position at the same salary grade shall be paid at the
23 same salary rate as the employee's previous position.
24 (2) Accepts a position at a lower salary grade than the employee's
25 previous position shall be paid at the same rate as the previous
26 position unless the salary rate exceeds the maximum of the new
27 salary grade. When the salary rate exceeds the maximum of the
28 salary grade, the employee's new salary rate shall be reduced to
29 the maximum of the new salary grade.
30 (b) Subsection (a) of this section does not apply to vacancies which must be filled
31 immediately to prevent work stoppage or the protection of the public health, safety,
32 or security.
33 (c) If a State employee subject to this section:
34 (1) Applies for another position of State employment that would
35 constitute a promotion and;
36 (2) Has substantially equal qualifications as an applicant who is not a
37 State employee
38 then the State employee shall receive priority consideration over the applicant who is
39 not a State employee. This priority consideration shall not apply when the only
40 applicants considered for the vacancy are current State employees.
41 (c1) If a State employee who has been separated due to reduction in force or who
42 has been given notice of imminent separation due to reduction in force:

(1) Applies for another position of State employment equal to or lower in salary grade than the position held by the employee at the time of notification or separation; and

(2) Is determined qualified for that position

then within all State agencies, the State employee shall receive priority consideration over all other applicants but shall receive equal consideration with other applicants who are current State employees not affected by the reduction in force. This priority shall remain in effect for a period of 12 months from the date the employee receives notification of separation by reduction in force. State employees separated due to reduction in force shall receive higher priority than other applicants with employment or reemployment priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be considered as equal. The reduction-in-force priority created by this subsection shall be administered in accordance with rules promulgated by the State Personnel Commission.

(c2) If the applicants for reemployment for a position include current State employees, a State employee with more than 10 years of service shall receive priority consideration over a State employee having less than 10 years of service in the same or related position classification. This reemployment priority shall be given by all State departments, agencies, and institutions with regard to positions subject to this Chapter.

(d) 'Qualifications' within the meaning of subsection (c) of this section shall consist of:

(1) Training or education;

(2) Years of experience; and

(3) Other skills, knowledge, and abilities that bear a reasonable functional relationship to the abilities and skills required in the job vacancy applied for.

(e) Each State agency, department, and institution is encouraged to hire into State government employment qualified applicants who are current or former Work First program participants."

Section 11A.7. Chapter 108A of the General Statutes is amended by adding a new section to read:

"§ 108A-29.1. Substance abuse treatment required; drug testing for Work First Program recipients.

(a) Each applicant or current recipient of Work First Program benefits, determined by a Certified Substance Abuse Counselor (CSAC) or by a physician certified by the American Society of Addiction Medicine (ASAM) to be addicted to alcohol or drugs and to be in need of professional substance abuse treatment services shall be required, as part of the person's MRA and as a condition to receiving Work First Program benefits, to participate satisfactorily in an individualized plan of treatment in an appropriate treatment program. As a mandatory program component of participation in an addiction treatment program, each applicant or current recipient shall be required to submit to an approved, reliable, and professionally administered regime of testing for presence of alcohol or drugs, without advance

1 notice, during and after participation, in accordance with the addiction treatment
2 program's individualized plan of treatment, follow-up, and continuing care services
3 for the applicant or current recipient.

4 (b) An applicant or current recipient who fails to comply with any requirement
5 imposed pursuant to this section shall not be eligible for benefits or shall be subject to
6 the termination of benefits, but shall be considered to be receiving benefits for
7 purposes of determining eligibility for medical assistance.

8 (c) The children of any applicant or current recipient shall remain eligible for
9 benefits, and these benefits shall be paid to a protective payee pursuant to G.S. 108A-
10 38.

11 (d) An applicant or current recipient shall not be regarded as failing to comply
12 with the requirements of this section if an appropriate drug or alcohol treatment
13 program is unavailable.

14 (e) Area mental health authorities organized pursuant to Article 4 of Chapter
15 122C of the General Statutes shall be responsible for administering the provisions of
16 this section."

17 Section 11A.8. G.S. 108A-38 reads as rewritten:

18 **"§ 108A-38. Protective and vendor payments.**

19 ~~Instead of the use of personal representatives provided for by G.S. 108A-37, when~~
20 When necessary to comply with any present or future federal law or regulation in
21 order to obtain federal participation in public assistance payments, the payments may
22 be made direct to vendors to reimburse them for goods and services provided the
23 applicants or recipients, and may be made to protective payees who shall act for the
24 applicant or recipient for receiving and managing assistance. Payments to vendors
25 and protective payees shall be made to the extent provided in, and in accordance
26 with, rules ~~and regulations~~ of the ~~Social Services Commission or the Department,~~
27 which rules ~~and regulations~~ shall be subject to applicable federal laws and
28 regulations."

29 Section 11A.9. G.S. 108A-49 reads as rewritten:

30 **"§ 108A-49. Foster care and adoption assistance payments.**

31 (a) Benefits in the form of foster care assistance shall be granted in accordance
32 with the rules ~~and regulations~~ of the ~~Social Services Commission~~ Department of
33 Human Resources to any dependent child who ~~is~~ would have been eligible to receive
34 ~~AFDC~~ Aid to Families with Dependent Children (as that program was in effect on
35 June 1, 1995), but for his or her removal from the home of a specified relative for
36 placement in a foster care facility; provided, that the child's placement and care is the
37 responsibility of a county department of social services.

38 (b) Adoption assistance payments for certain adoptive children shall be granted in
39 accordance with the rules ~~and regulations~~ of the ~~Social Services Commission~~
40 Department to adoptive parents who adopt a child eligible to receive foster care
41 maintenance payments or supplemental security income benefits; provided, that the
42 child cannot be returned to his or her parents; and provided, that the child has
43 special needs which create a financial barrier to adoption.

(c) The Department is authorized to use available federal payments to states under Title IV-E of the Social Security Act for foster care and adoption assistance payments."

Section 11A.10. G.S. 108A-58 reads as rewritten:

"§ 108A-58. Transfer of property for purposes of qualifying for medical assistance; periods of ineligibility.

(a) Any person, otherwise eligible, who, either while receiving medical assistance benefits or within one year prior to the date of applying for medical assistance benefits, unless some other time period is mandated by controlling federal law, sells, gives, assigns or transfers countable real or personal property or an interest ~~therein, either by himself or through his legal representative,~~ in real or personal property for the purpose of retaining or establishing eligibility for medical assistance benefits, shall be ineligible to receive medical assistance benefits ~~thereafter~~ as set forth in subsection (c) of this section.

Countable real and personal property includes real property, excluding a homesite, intangible personal property, nonessential motor and recreational vehicles, nonincome producing business equipment, boats and motors. The provisions of this act shall not apply to the sale, gift, assignment or transfer of real or personal property if and to the extent that the person applying for medical assistance would have been eligible for such assistance notwithstanding ownership of such property or an interest therein.

(b) Any sale, gift, assignment or transfer of real or personal property or an interest ~~therein,~~ in real or personal property, as provided in subsection (a) of this section, shall be presumed to have been made for the purpose of retaining or establishing eligibility for medical assistance benefits unless the person, or ~~his~~ the person's legal representative, who sells, gives, assigns or transfers the property or interest, receives valuable consideration at least equal to the fair market value, less encumbrances, of the property or interest.

(c) Any person ~~who, by himself or through his legal representative,~~ who sells, gives, assigns or transfers real or personal property or an interest ~~therein~~ in real or personal property for the purpose of retaining or establishing eligibility for medical assistance benefits, as provided in subsection (a) of this section, ~~shall~~ shall, after the time of transfer, be ineligible to receive these benefits ~~thereafter~~ until an amount equal to the uncompensated value of the property or interest has been expended by or on behalf of the person for ~~his~~ the person's maintenance and support, including medical expenses, paid or incurred, or shall be ineligible in accordance with the following schedule, whichever is sooner:

- (1) For uncompensated value of at least one thousand dollars (\$1,000) but not more than six thousand dollars (\$6,000), a one-year period of ineligibility from date of sale, gift, assignment or transfer;
- (2) For uncompensated value of more than six thousand dollars (\$6,000) but not more than twelve thousand dollars (\$12,000), a two-year period of ineligibility from date of sale, gift, assignment or transfer;

1 (3) For uncompensated value of more than twelve thousand dollars
2 (\$12,000), a two-year period of ineligibility from date of sale, gift,
3 assignment or transfer, plus one additional month of ineligibility
4 for each five hundred dollar (\$500.00) increment or portion
5 thereof by which the uncompensated value exceeds twelve
6 thousand dollars (\$12,000), but in no event to exceed three years.

7 (d) The sale, gift, assignment or transfer for a consideration less than fair market
8 value, less encumbrances, of any tangible personal property which was acquired with
9 the proceeds of sale, assignment or transfer of real or intangible personal property
10 described in subsection (a) of this section or in exchange for such real or intangible
11 personal property shall be presumed to have been for the purpose of evading the
12 provisions of this section if the acquisition and sale, gift, assignment or transfer of the
13 tangible personal property is by or on behalf of a person receiving medical assistance
14 or within one year of making application for such assistance and the consequences of
15 the sale, gift, assignment or transfer of such tangible personal property shall be
16 determined under the provisions of subsections (c), (f) and (g) of this section.

17 (e) The presumptions created by subsections (b) and (d) may be overcome if the
18 person receiving or applying for medical assistance, or ~~his~~ the person's legal
19 representative, establishes by the greater weight of the evidence that the sale, gift,
20 assignment or transfer was exclusively for some purpose other than retaining or
21 establishing eligibility for medical assistance benefits.

22 (f) For the purpose of establishing uncompensated value under subsection (c), the
23 value of property or an interest therein shall be the fair market value of the property
24 or interest at the time of the sale, gift, assignment or transfer, less the amount of
25 compensation, if any, received for the property or interest. There shall be a rebuttable
26 presumption that the fair market value of real property is the most recent property
27 tax value of the property, as ascertained according to Subchapter II of Chapter 105 of
28 the General Statutes. Fair market value for purpose of this subsection shall be such
29 value, determined as above set out, less any legally enforceable encumbrances to
30 which the property is subject.

31 (g) In the event that there is more than one sale, gift, assignment or transfer of
32 property or an interest therein by a person receiving medical assistance or within one
33 year of the date of an application for medical assistance, unless some other time
34 period is mandated by controlling federal law, the uncompensated value, for the
35 purposes of subsection (c), shall be the aggregate uncompensated value of all sales,
36 gifts, assignments and transfers. The date which is the midpoint between the date of
37 the first and last sale, gift, assignment or transfer shall be the date from which the
38 period of ineligibility shall be determined under subsection (c).

39 (h) This section shall not apply to applicants for or recipients of ~~aid to families~~
40 ~~with dependent children~~ Work First Family Assistance or to persons entitled to
41 medical assistance by virtue of their eligibility for ~~aid to families with dependent~~
42 ~~children~~ Work First Family Assistance.

43 (i) This section shall apply only to transfers made before July 1, 1988."

44 Section 11A.11. G.S. 108A-80 reads as rewritten:

1 **"§ 108A-80. Confidentiality of records.**

2 (a) Except as provided in (b) below, it shall be unlawful for any person to obtain,
3 disclose or use, or to authorize, permit, or acquiesce in the use of any list of names or
4 other information concerning persons applying for or receiving public assistance or
5 social services that may be directly or indirectly derived from the records, files or
6 communications of the Department or the county boards of social services, or county
7 departments of social services or acquired in the course of performing official duties
8 except for the purposes directly connected with the administration of the programs of
9 public assistance and social services in accordance with federal law, rules and
10 ~~regulations and regulations, and~~ the rules ~~and regulations~~ of the ~~Social Services~~
11 ~~Commission or the Department.~~

12 (b) ~~The Department~~ Each county shall furnish a copy of the recipient check
13 register monthly to ~~each~~ its county auditor showing a complete list of all recipients of
14 ~~Aid To Families with Dependent Children~~ Work First Family Assistance and
15 State-County Special Assistance for Adults, their addresses, and the amounts of the
16 monthly grants. This register shall be a public record open to public inspection
17 during the regular office hours of the county auditor, but said register or the
18 information contained therein may not be used for any commercial or political
19 purpose. Any violation of this section shall constitute a Class 1 misdemeanor.

20 (c) Any listing of recipients of benefits under any public assistance or social
21 services program compiled by or used for official purposes by a county board of
22 social services or a county department of social services shall not be used as a mailing
23 list for political purposes. This prohibition shall apply to any list of recipients of
24 benefits of any federal, State, county or mixed public assistance or social services
25 program. Further, this prohibition shall apply to the use of such listing by any
26 person, organization, corporation, or business, including but not limited to public
27 officers or employees of federal, State, county, or other local governments, as a
28 mailing list for political purposes. Any violation of this section shall be punishable as
29 a Class 1 misdemeanor.

30 (d) ~~The Social Services Commission~~ Department of Human Resources shall have
31 the authority to adopt rules ~~and regulations~~ governing access to case files for social
32 services and public assistance ~~programs, except the Medical Assistance Program. The~~
33 ~~Secretary of the Department of Human Resources shall have the authority to adopt~~
34 ~~rules and regulations governing access to medical assistance case files. programs."~~

35 Section 11A.12. Part 10B of Article 3 of Chapter 143B of the General
36 Statutes is amended by adding a new section to read:

37 **"§ 143B-168.17. Priority/programs for children in Work First families.**

38 (a) All programs authorized and funded in whole or in part under this Part shall
39 give the children in Work First Program families priority in appropriate programs or
40 services.

41 (b) Counties which do not have programs funded in whole or in part under this
42 Part shall develop programs which first address the needs of children in participating
43 Work First Program families whenever funds under this Part become available.

1 (c) Counties may use funds provided under this Part for Work First Services but
2 shall not use funds provided for Work First Services for programs authorized under
3 this Part."

4 Section 11A.13. G.S. 153A-255 reads as rewritten:

5 "**§ 153A-255. Authority to provide social service programs.**

6 (a) Each county shall have the duty to provide temporary assistance to its poor
7 residents.

8 (b) Each county shall provide social service programs pursuant to Chapter 108A
9 and Chapter 111 and may otherwise undertake, sponsor, organize, engage in, and
10 support other social service programs intended to further the health, welfare,
11 education, employment, safety, comfort, and convenience of its citizens."

12 Section 11A.14. G.S. 108A-28, 108A-28.1, 108A-30, 108A-31, 108A-32,
13 108A-33, 108A-34, 108A-35, 108A-39.1, and 108A-92 are repealed.

14 Section 11A.15. Article 12G of Chapter 120 of the General Statutes is
15 repealed.

16 Section 11A.16. (a) The Department of Labor shall establish a pilot
17 project creating Individual Development Accounts (IDA) to assist working families.

18 (b) Of the funds appropriated in this act to the Department of Labor, the
19 sum of three hundred thousand dollars (\$300,000) for the 1997-98 fiscal year and the
20 sum of three hundred thousand dollars (\$300,000) for the 1998-99 fiscal year shall be
21 used to establish a pilot project creating Individual Development Accounts (IDA) to:

- 22 (1) Provide individuals and families, especially the underemployed, an
23 opportunity and an incentive to accumulate assets.
- 24 (2) Promote investments in education, homeownership, and
25 microenterprise development.
- 26 (3) Demonstrate that household savings strategies, such as the
27 development of IDAs, can be a powerful strategy for assisting
28 working persons and families to achieve long-term self-sufficiency.
- 29 (4) Utilize and build comprehensive community partnerships that
30 support asset building in low-wealth communities.

31 (c) The funds allocated in this section shall be made available to serve as
32 matching funds for personal savings of qualified participants selected to participate in
33 a multiyear demonstration to last not more than five years. Other expenses of the
34 demonstration, including training, technical assistance, evaluation, and other program
35 and administrative expenses, shall be covered from other public and private sources.
36 Matching funds provided from the funds allocated in this section may be used by
37 qualified participants for home purchase, investment in a business or self-employment
38 venture owned by the participant, or costs of postsecondary education or training for
39 the participant. Participants shall not be restricted as to the amounts or sources of
40 funds deposited in the account, but in order to create the incentive for continued
41 savings, only savings from earned income will qualify for State matching funds. Tax
42 return reports of earned income shall be used to verify compliance.

43 (d) This section becomes effective July 1, 1997.

1 Section 11A.17. (a) In order to ensure that the intent of the people is
2 carried out, it is the intent of the General Assembly to sit in Special Session to enact
3 the first State Plan developed pursuant to this Part. Thereafter, the State Plan shall
4 be adopted as part of the Current Operations Appropriations Act.

5 (b) While sitting in Special Session, the General Assembly shall entertain
6 requests by counties for proposed changes to statutory requirements or rules which a
7 county considers an impediment to its County Plan. In subsequent regular sessions,
8 county requests for changes shall be in the form of local bills.

9 (c) The requirement that the Department prepare and submit the State
10 Plan to the General Assembly for approval in accordance with the procedures set
11 forth in G.S. 143-16.1 shall not be applicable for fiscal year 1997-98. Until the
12 counties have prepared their County Plans and the State has prepared its State Plan
13 in accordance with this part and that State Plan has been enacted by the General
14 Assembly and it becomes law, either during its Regular Session 1998, or by Special
15 Session, the provisions of the State Plan submitted to the federal government on
16 October 16, 1996, shall remain in effect. State Plans submitted after the 1997-98
17 fiscal year shall be enacted by the General Assembly in order to be effective.

18 Section 11A.18. (a) All funds intended for the Work First Program shall
19 be appropriated to that Program through the 1997-99 biennium. No Work First
20 Program funds shall be diverted into other programs during the 1997-99 biennium.

21 (b) The administrative costs of the Work First Program, at any level,
22 shall not exceed eight percent (8%) of the State's federal TANF block grant funds,
23 and one-time expenditures for equipment and support shall not exceed ten percent
24 (10%) of the State's federal TANF block grant funds.

25 (c) Federal, State, and county funding for the Work First Program shall
26 be commingled and shall not be separated to frustrate the purposes of the Work First
27 Program.

28 (d) The commingled block grants paid quarterly to counties shall not be
29 reverted.

30 Section 11A.19. Notwithstanding any other provision of law, beginning
31 July 1, 1997, each county shall dedicate seventy-five percent (75%) of the total
32 AFDC and Work First Cash Assistance benefit amount that was determined
33 fraudulent or erroneous and recovered by that county pursuant to the AFDC Fraud
34 Control Program to enhance and improve program integrity.

35 Section 11A.20. (a) There is established a Joint Legislative Public
36 Assistance Commission. The Joint Legislative Public Assistance Commission shall
37 monitor and oversee the implementation of the provisions of this part and shall make
38 any necessary recommendations to the General Assembly regarding any further
39 changes to law or rule. The Speaker of the House of Representatives shall appoint
40 10 members, two of whom shall be cochair, and the President Pro Tempore of the
41 Senate shall appoint 10 members, two of whom shall be cochair. The Joint
42 Legislative Public Assistance Commission shall first convene within 30 days after this
43 act becomes law.

(b) Of the funds appropriated in this act to the General Assembly, the sum of one hundred thousand dollars (\$100,000) for the 1997-98 fiscal year and the sum of one hundred thousand dollars (\$100,000) for the 1998-99 fiscal year shall be used for the Joint Legislative Public Assistance Commission.

(c) This section becomes effective July 1, 1997.

Section 11A.21. The Legislative Research Commission may study issues relating to the Medical Assistance Program and the State-County Special Assistance Program, including the following: the need for further restrictions and longer periods of disqualification for the transfer of property for purposes of qualifying for medical assistance and State-County Special Assistance, and appropriate recovery from recipient estates of benefits paid by the Medical Assistance Program and the State-County Special Assistance Program. The Legislative Research Commission may report the results of its study, along with any legislative proposals and cost analyses, to the 1998 General Assembly.

Section 11A.22. (a) Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 31. Office of Inspector General.

"§ 143B-216.50. Department of Human Resources Inspector General.

(a) The Office of Inspector General is established in the Department of Human Resources to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the Department and in means-tested public assistance programs. The Office of Inspector General is designated as the State Law Enforcement Bureau (SLEB) to take custody and control of food stamps from the federal Food and Consumer Service to make them available to nonfederal law enforcement and investigative agencies to conduct criminal and food stamp program violation investigations.

(b) It shall be the duty and responsibility of the Inspector General to:

- (1) Advise in the development of performance measures, standards, and procedures for the evaluation of the Department.
- (2) Assess the reliability and validity of the information provided by the Department on performance measures and standards and make recommendations for improvement, if necessary.
- (3) Review the actions taken by the Department to improve program performance and meet program standards and make recommendations for improvement, if necessary.
- (4) Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the Department.
- (5) Conduct, supervise, or coordinate other activities and programs carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations, including coordinating activities between local program integrity workers and the State.

- 1 (6) Keep the Secretary of Human Resources informed concerning
2 fraud, abuses, and deficiencies relating to programs and operations
3 administered or financed by the Department, recommend
4 corrective action concerning fraud, abuses, and deficiencies, and
5 report on the progress made in implementing corrective action.
6 (7) Ensure effective coordination and cooperation between the State
7 Auditor, federal auditors, and other governmental bodies with a
8 view toward avoiding duplication.
9 (8) Review, as appropriate, rules relating to the programs and
10 operations of the Department and make recommendations
11 concerning their impact.
12 (9) Ensure that an appropriate balance is maintained between audit,
13 investigative, and other accountability activities.

14 (c) The Inspector General shall be appointed by the Secretary. The appointment
15 shall be made after notifying the Governor in writing, at least seven days prior to an
16 offer of employment, of the Secretary's intention to hire the Inspector General.

17 (d) The Inspector General shall report to and be under the general supervision of
18 the Secretary and shall not be subject to supervision by any other employee of the
19 Department. The Inspector General shall be appointed without regard to political
20 affiliation.

21 (e) The Inspector General may be removed from office by the Secretary. The
22 Secretary shall notify the Governor, in writing, of the intention to terminate the
23 Inspector General at least seven days prior to the removal.

24 (f) The Secretary shall not prevent or prohibit the Inspector General from
25 initiating, carrying out, or completing any audit or investigation.

26 (g) The Inspector General shall have access to any records, data, and other
27 information of the Department the Inspector General believes necessary to carry out
28 the Inspector General's duties. The Inspector General is also authorized to request
29 such information or assistance as may be necessary from the Department or from any
30 federal, State, or local government entity.

31 **"§ 143B-216.51. Inspector General -- Department audits.**

32 (a) To ensure that Department audits are performed in accordance with applicable
33 auditing standards, the Inspector General shall possess the following qualifications:

- 34 (1) A bachelors degree from an accredited college or university with a
35 major in accounting, or with a major in business which includes
36 five courses in accounting, and five years of experience as an
37 internal auditor or independent postauditor, electronic data
38 processing auditor, accountant, or any combination thereof. The
39 experience shall at a minimum consist of audits of units of
40 government or private business enterprises operating for profit or
41 not for profit;
42 (2) A masters degree in accounting, business administration, or public
43 administration from an accredited college or university and four

years of experience as required in subdivision (1) of this subsection; or

(3) A certified public accountant license issued pursuant to law or a certified internal audit certificate issued by the Institute of Internal Auditors or earned by examination, and four years of experience as required in subdivision (1) of this subsection.

The Inspector General shall, to the extent both necessary and practicable, include on the Inspector General's staff individuals with electronic data processing auditing experience.

(b) In carrying out the auditing duties and responsibilities of this Part, the Inspector General shall review and evaluate internal controls necessary to ensure the fiscal accountability of the Department. The Inspector General shall conduct financial, compliance, electronic data processing, and performance audits of the Department and prepare audit reports of the findings. The scope and assignment of the audits shall be determined by the Inspector General; however, the Secretary may at any time direct the Inspector General to perform an audit of a special program, function, or organizational unit. The performance of the audit shall be under the direction of the Inspector General.

(c) Audits undertaken pursuant to this Part shall be conducted in accordance with the current Standards for the Professional Practice of Internal Auditing and subsequent Internal Auditing Standards or Statements on Internal Auditing Standards published by the Institute of Internal Auditors, Inc., or, where appropriate, in accordance with generally accepted governmental auditing standards. All audit reports issued by internal audit staff shall include a statement that the audit was conducted pursuant to the appropriate standards.

(d) Audit workpapers and reports shall be public records to the extent that they do not include information which, under the laws of the State, is confidential and exempt from Chapter 132 of the General Statutes.

(e) At the conclusion of each audit, the Inspector General shall submit tentative findings and recommendations to the person responsible for supervision of the program function or operational unit who shall respond to any adverse findings within 20 working days after receipt of the tentative findings. The response and the Inspector General's rebuttal to the response shall be included in the final audit report.

(f) The Inspector General shall submit the final report to the Secretary and to the State Auditor.

(g) The State Auditor, in connection with any audit of the Department pursuant to law, shall give appropriate consideration to internal audit reports and the resolution of findings therein. The Joint Legislative Commission on Governmental Operations may inquire into the reasons or justifications for failure of the Secretary to correct the deficiencies reported in internal audits that are also reported by the State Auditor and shall take appropriate action. The State Auditor shall also review a sample of the Department's internal audit reports at least once every three years to determine compliance with current Standards for the Professional Practice of Internal

1 Auditing or, if appropriate, generally accepted governmental auditing standards. If
2 the State Auditor finds that these standards have not been complied with, the State
3 Auditor shall include a statement of this finding in the audit report of the
4 Department.

5 (h) The Inspector General shall monitor the implementation of the Department's
6 response to any audit of the Department conducted by the State Auditor pursuant to
7 law. No later than six months after the State Auditor publishes a report of the audit
8 of the Department, the Inspector General shall report to the Secretary on the status
9 of corrective actions taken. A copy of the report shall be filed with the Joint
10 Legislative Commission on Governmental Operations.

11 (i) The Inspector General shall develop long-term and annual audit plans based
12 on the findings of periodic risk assessments. The plan, where appropriate, should
13 include postaudit samplings of payments and accounts. The plan shall show the
14 individual audits to be conducted during each year and related resources to be
15 devoted to the respective audits. The State Controller may utilize audits performed
16 by the Inspector General. The plan shall be submitted to the Secretary for approval.
17 A copy of the approved plan shall be submitted to the State Auditor.

18 **"§ 143B-216.52. Inspector General -- investigations.**

19 (a) In carrying out the investigative duties and responsibilities specified in this
20 section, the Inspector General shall initiate, conduct, supervise, and coordinate
21 investigations designed to detect, deter, prevent, and eradicate fraud, waste,
22 mismanagement, misconduct, and other abuses in the Department and in means-
23 tested public assistance programs. For these purposes, the Inspector General shall:

- 24 (1) Receive and consider complaints and conduct, supervise, or
25 coordinate such inquiries, investigations, or reviews as the
26 Inspector General deems appropriate.
- 27 (2) Establish policies and standards for the investigation, detection,
28 and elimination of fraud, abuse, waste, and mismanagement in the
29 Department and in means-tested public assistance programs.
- 30 (3) Establish and conduct training programs for local and State
31 program integrity workers to improve detection of fraud and abuse.
- 32 (4) Conduct, supervise, and coordinate a program aimed at eliminating
33 food stamp violations, enter into any agreements with the federal
34 government necessary to establish this program, and serve as the
35 official authorized to accept food stamps from the federal Food
36 and Consumer Service for this purpose.
- 37 (5) Report expeditiously to the State Bureau of Investigation or other
38 law enforcement agencies, as appropriate, whenever the Inspector
39 General has reasonable grounds to believe there has been a
40 violation of criminal law.
- 41 (6) Conduct investigations and other inquiries free of actual or
42 perceived impairment to the independence of the Inspector
43 General or the Inspector General's office. This shall include

1 freedom from any interference with investigations and timely
2 access to records and other sources of information.

3 (7) Submit in a timely fashion final reports on investigations
4 conducted by the Inspector General to the Secretary.

5 (b) The Inspector General shall, not later than September 30 of each year, prepare
6 an annual report summarizing the activities of the office during the immediately
7 preceding State fiscal year. The final report shall be furnished to the Secretary. Such
8 report shall include, but need not be limited to:

9 (1) A description of activities relating to the development, assessment,
10 and validation of performance measures.

11 (2) A description of significant abuses and deficiencies relating to
12 programs and to operations of the Department disclosed by
13 investigations, audits, reviews, or other activities during the
14 reporting period.

15 (3) A description of the recommendations for corrective action made
16 by the Inspector General during the reporting period with respect
17 to significant problems, abuses, or deficiencies identified.

18 (4) The identification of each significant recommendation described in
19 previous annual reports on which corrective action has not been
20 completed.

21 (5) A summary of each audit and investigation completed during the
22 reporting period."

23 (b) The Department shall immediately proceed with the implementation
24 of this section, including proceeding with all actions necessary to establish a State
25 Law Enforcement Bureau (SLEB) program for food stamps in this State.

26 Section 11A.23. Part 6 of Chapter 143B of the General Statutes is
27 repealed. All functions, powers, duties, and obligations previously vested in the
28 Social Services Commission is transferred to and vested in the Department of Human
29 Resources by a Type I transfer, as defined in G.S. 143A-6.

30 **SUBPART B. STATUTORY TECHNICAL AND CONFORMING CHANGES**
31 **RELATING TO ENACTMENT OF THE WORK FIRST PROGRAM.**

32 Section 11A.24. G.S. 1-110(a) reads as rewritten:

33 "(a) Subject to the provisions of subsection (b) of this section with respect to
34 prison inmates, any superior or district court judge or clerk of the superior court may
35 authorize a person to sue as an indigent in their respective courts when the person
36 makes affidavit that he or she is unable to advance the required court costs. The clerk
37 of superior court shall authorize a person to sue as an indigent if the person makes
38 the required affidavit and meets one or more of the following criteria:

39 (1) Receives food stamps.

40 (2) Receives Aid to Families with Dependent Children (AFDC). Work
41 First Family Assistance.

42 (3) Receives Supplemental Security Income (SSI).

- 1 (4) Is represented by a legal services organization that has as its
2 primary purpose the furnishing of legal services to indigent
3 persons.
4 (5) Is represented by private counsel working on the behalf of or
5 under the auspices of a legal services organization under
6 subdivision (4) of this section.
7 (6) Is seeking to obtain a domestic violence protective order pursuant
8 to G.S. 50B-2.

9 A superior or district court judge or clerk of superior court may authorize a person
10 who does not meet one or more of these criteria to sue as an indigent if the person is
11 unable to advance the required court costs. The court to which the summons is
12 returnable may dismiss the case and charge the court costs to the person suing as an
13 indigent if the allegations contained in the affidavit are determined to be untrue or if
14 the court is satisfied that the action is frivolous or malicious."

15 Section 11A.25. G.S. 15-155.1 reads as rewritten:

16 "**§ 15-155.1. Reports to district attorneys of aid to dependent children and illegitimate**
17 **out-of-wedlock births.**

18 The Department of Human Resources, by and through the Secretary of Human
19 Resources, shall promptly after June 19, 1959, make a report to each district attorney,
20 setting out the names and addresses of all mothers who reside in his prosecutorial
21 district as defined in G.S. 7A-60 and are recipients of ~~aid to dependent children~~
22 assistance under the provisions of Part 2, Article 2, Chapter 108A of the General
23 Statutes. Such report shall in some manner show the identity of the unwed mothers
24 and shall set forth the number of children born to each said mother. Such a report
25 shall also be made monthly thereafter setting out the names and addresses of all such
26 mothers who reside in the district and who may have become recipients of ~~aid to~~
27 ~~dependent children~~ assistance under the provisions of Part 2, Article 2, Chapter 108A
28 of the General Statutes since the date of the last report."

29 Section 11A.26. G.S. 15-155.2(a) reads as rewritten:

30 "(a) Upon receipt of such reports as are provided for in G.S. 15-155.1, the district
31 attorney of superior court may make an investigation to determine whether the
32 mother of an ~~illegitimate out-of-wedlock~~ child or who is a recipient of ~~aid to a~~
33 ~~dependent child or children,~~ Work First Family Assistance, has abandoned, is
34 willfully neglecting or is refusing to support and maintain the child within the
35 meaning of G.S. 14-326 or 49-2 or is diverting any part of the funds received as ~~aid to~~
36 ~~a dependent child~~ Work First Family Assistance to any purpose other than for the
37 support and maintenance of ~~such dependent~~ a child in violation of G.S. 108-76.1. In
38 making this investigation the district attorney is authorized to call upon:

- 39 (1) Any county board of social services or the Department of Human
40 Resources for personal, clerical or investigative assistance and for
41 access to any records kept by either such board and relating to the
42 matter under investigation and such boards are hereby directed to
43 assist in all investigations hereunder and to furnish all records
44 relating thereto when so requested by the district attorney;

- 1 (2) The board of county commissioners of any county within his
2 district for legal or clerical assistance in making any investigation
3 or investigations in such county and such boards are hereby
4 authorized to furnish such assistance in their discretion; and
5 (3) The district attorney of any inferior court in his district for
6 personal assistance in making any investigation or investigations in
7 the county in which the court is located and any district attorney
8 so called upon is hereby authorized to furnish such assistance by
9 and with the consent of the board of county commissioners of the
10 county in which the court is located, which board shall provide
11 and fix his compensation for assistance furnished."

12 Section 11A.27. G.S. 95-25.3(d) reads as rewritten:

13 "(d) The Commissioner, in order to prevent curtailment of opportunities for
14 employment of the economically disadvantaged and the unemployed, may, by
15 regulation, establish a wage rate not less than eighty-five percent (85%) of the
16 otherwise applicable wage rate in effect under subsection (a) which shall apply to all
17 persons (i) who have been unemployed for at least 15 weeks and who are
18 economically disadvantaged, or (ii) who are, or whose families are, receiving aid to
19 ~~families with dependent children provided under Part A of Title IV of the Social~~
20 ~~Security Act, Work First Family Assistance~~ or who are receiving supplemental
21 security benefits under Title XVI of the Social Security Act.

22 Pursuant to regulations issued by the Commissioner, certificates establishing
23 eligibility for such subminimum wage shall be issued by the Employment Security
24 Commission.

25 The regulation issued by the Commissioner shall not permit employment at the
26 subminimum rate for a period in excess of 52 weeks."

27 Section 11A.28. G.S. 105A-2(1) reads as rewritten:

28 "(1) 'Claimant agency' means and includes:

- 29 a. The State Education Assistance Authority as enabled by
30 Article 23 of Chapter 116 of the General Statutes;
31 b. The North Carolina Department of Human Resources when
32 in the exercise of its authority to collect health profession
33 student loans made pursuant to G.S. 131-121;
34 c. The North Carolina Department of Human Resources when
35 in the performance of its duties under the Medical
36 Assistance Program enabled by Chapter 108A, Article 2,
37 Part 6, and any county operating the same Program at the
38 local level, when and only to the extent such a county is in
39 the performance of Medical Assistance Program collection
40 functions;
41 d. The North Carolina Department of Human Resources when
42 in the performance of its duties, under the Child Support
43 Enforcement Program as enabled by Chapter 110, Article 9
44 and Title IV, Part D of the Social Security Act to obtain

- 1 indemnification for past paid public assistance or to collect
2 child support arrearages owed to an individual receiving
3 program services and any county operating the program at
4 the local level, when and only to the extent that the county
5 is engaged in the performance of those same duties;
- 6 e. The University of North Carolina, including its constituent
7 institutions as specified by G.S. 116-2(4);
- 8 f. The University of North Carolina Hospitals at Chapel Hill
9 in the conduct of its financial affairs and operations
10 pursuant to G.S. 116-37;
- 11 g. The Board of Governors of the University of North Carolina
12 and the State Board of Education through the College
13 Scholarship Loan Committee when in the performance of its
14 duties of administering the Scholarship Loan Fund for
15 Prospective College Teachers enabled by Chapter 116,
16 Article 5;
- 17 h. The Office of the North Carolina Attorney General on
18 behalf of any State agency when the claim has been reduced
19 to a judgment;
- 20 i. The State Board of Community Colleges through
21 community colleges as enabled by Chapter 115D in the
22 conduct of their financial affairs and operations;
- 23 j. State facilities as listed in G.S. 122C-181(a), School for the
24 Deaf at Morganton, North Carolina Sanatorium at McCain,
25 Western Carolina Sanatorium at Black Mountain, Eastern
26 North Carolina Sanatorium at Wilson, and Gravelly
27 Sanatorium at Chapel Hill under Chapter 143, Article 7;
28 Governor Morehead School under Chapter 115, Article 40;
29 Central North Carolina School for the Deaf under Chapter
30 115, Article 41; Wright School for Treatment and Education
31 of Emotionally Disturbed Children under Chapter 122C;
32 and these same institutions by any other names by which
33 they may be known in the future;
- 34 k. The North Carolina Department of Revenue;
- 35 l. The Administrative Office of the Courts;
- 36 m. The Division of Forest Resources of the Department of
37 Environment, Health, and Natural Resources;
- 38 n. The Administrator of the Teachers' and State Employees'
39 Comprehensive Major Medical Plan, established in Article 3
40 of General Statutes Chapter 135;
- 41 o. The State Board of Education through the Superintendent
42 of Public Instruction when in the performance of his duties
43 of administering the Scholarship Loan Fund for Prospective
44 Teachers enabled by Chapter 115C, Article 32A and the

- 1 scholarship loan and grant programs enabled by Chapter
2 115C, Article 24C, Part 1;
- 3 p. The Board of Trustees of the Teachers' and State
4 Employees' Retirement System and the Board of Trustees of
5 the Local Governmental Employees' Retirement System in
6 the performance of their duties pursuant to Chapters 120,
7 128, 135 and 143 of the General Statutes;
- 8 q. The North Carolina Teaching Fellows Commission in the
9 performance of its duties pursuant to Chapter 115C, Article
10 24C, Part 2;
- 11 r. The North Carolina Department of Human Resources when
12 in the performance of its collection duties for intentional
13 program violations and violations due to inadvertent
14 household error under the Food Stamp Program enabled by
15 Chapter 108A, Article 2, Part 5, and any county operating
16 the same Program at the local level, when and only to the
17 extent such a county is in the performance of Food Stamp
18 Program collection functions.
- 19 The North Carolina Department of Human Resources
20 when, in the performance of its duties under the ~~Aid to~~
21 ~~Families with Dependent Children Program or the Aid to~~
22 ~~Families with Dependent Children Emergency Assistance~~
23 ~~Program provided in Part 2 of Article 2 of Chapter 108A or~~
24 ~~the Work First Cash Assistance Program established~~
25 ~~pursuant to the federal waivers received by the Department~~
26 ~~on February 5, 1996, Work First Program provided in Part 2~~
27 of Article 2 of Chapter 108A of the General Statutes, or
28 under the State-County Special Assistance for Adults
29 Program provided in Part 3 of Article 2 of Chapter 108A, it
30 seeks to collect public assistance payments obtained through
31 an intentional false statement, intentional misrepresentation,
32 intentional failure to disclose a material fact, or inadvertent
33 household error;
- 34 s. The Employment Security Commission of North ~~Carolina:~~
35 Carolina:
- 36 t. Any State agency in the collection of salary overpayments
37 from former ~~employees:~~ employees; or
- 38 u. The State Board of Education through the Superintendent
39 of Public Instruction when in the performance of his duties
40 of administering the program under which the State
41 encourages participation in the National Board for
42 Professional Teaching Standards (NBPTS) Program, enabled
43 by Section 19.28 of Chapter 769 of the 1993 Session Laws."

44 Section 11A.29. G.S. 110-129(6) reads as rewritten:

1 "(6) 'Disposable income' means any form of periodic payment to an
2 individual, regardless of sources, including but not limited to
3 wages, salary, commission, self-employment income, bonus pay,
4 severance pay, sick pay, incentive pay, vacation pay, compensation
5 as an independent contractor, worker's compensation,
6 unemployment compensation benefits, disability, annuity,
7 survivor's benefits, pension and retirement benefits, interest,
8 dividends, rents, royalties, trust income and other similar payments,
9 which remain after the deduction of amounts for federal, State,
10 and local taxes, Social Security, and involuntary retirement
11 contributions. However, Supplemental Security Income, ~~Aid for~~
12 ~~Dependent Children~~, Work First Family Assistance, and other
13 public assistance payments shall be excluded from disposable
14 income. For employers, disposable income means 'wage' as it is
15 defined by G.S. 95-25.2(16). Unemployment compensation benefits
16 shall be treated as disposable income only for the purposes of
17 income withholding under the provisions of G.S. 110-136.4, and
18 the amount withheld shall not exceed twenty-five percent (25%) of
19 the unemployment compensation benefits."

20 Section 11A.30. G.S. 110-130.1 reads as rewritten:

21 "**§ 110-130.1. ~~Non-AFDC~~ Non-Work First services.**

22 (a) All child support collection and paternity determination services provided
23 under this Article to recipients of public assistance shall be made available to any
24 individual not receiving public assistance in accordance with federal law and as
25 contractually authorized by the nonrecipient, upon proper application and payment
26 of a nonrefundable application fee of ten dollars (\$10.00).

27 (b) Repealed by Session Laws 1989, c. 490.

28 (b1) In cases in which a public assistance debt which accrued pursuant to G.S.
29 110-135 remains unrecovered, support payments shall be transmitted to the
30 Department of Human Resources for appropriate distribution. When services are
31 terminated and all costs and any public assistance debts have been satisfied, the
32 support payment shall be redirected to the client.

33 (c) Actions or proceedings to establish, enforce, or modify a duty of support or
34 establish paternity as initiated under this Article shall be brought in the name of the
35 county or State agency on behalf of the public assistance recipient or nonrecipient
36 client. Collateral disputes between a custodial parent and noncustodial parent,
37 involving visitation, custody and similar issues, shall be considered only in separate
38 proceedings from actions initiated under this Article. The attorney representing the
39 designated representative of programs under Title IV-D of the Social Security Act
40 shall be deemed attorney of record only for proceedings under this Article, and not
41 for the separate proceedings. No attorney/client relationship shall be considered to
42 have been created between the attorney who represents the child support
43 enforcement agency and any person by virtue of the action of the attorney in
44 providing the services required.

1 (c1) The Department is hereby authorized to use the electronic and print media
2 in attempting to locate absent and deserting parents. Due diligence must be taken to
3 ensure that the information used is accurate or has been verified. Print media shall be
4 under no obligation or duty, except that of good faith, to anyone to verify the
5 correctness of any information furnished to it by the Department or county
6 departments of social services.

7 (d) Any fee imposed by the North Carolina Department of Revenue or the
8 Secretary of the Treasury to cover their costs of withholding for ~~non-AFDC non-~~
9 Work First arrearages certified for the collection of past due support from State or
10 federal income tax refunds shall be borne by the client by deducting the fee from the
11 amount collected.

12 Any income tax refund offset amounts which are subsequently determined to have
13 been incorrectly withheld and distributed to a client, and which must be refunded by
14 the State to a responsible parent or the nondebtor spouse, shall constitute a debt to
15 the State owed by the client."

16 Section 11A.31. G.S. 111-21 reads as rewritten:

17 "**§ 111-21. Disqualifications for relief.**

18 No aid to needy blind persons shall be given under the provisions of this Article to
19 any individual for any period with respect to which he is receiving aid under the laws
20 of North Carolina providing ~~aid for dependent children~~ Work First Family
21 Assistance and/or relief for the aged, and/or aid for the permanently and totally
22 disabled."

23 **SUBPART C. STATUTORY TECHNICAL AND CONFORMING CHANGES**
24 **RELATING TO THE ABOLISHMENT OF THE SOCIAL SERVICES COMMISSION**
25 **AND THE COMMISSION ON THE FAMILY.**

26 Section 11A.32. G.S. 7A-289.14 reads as rewritten:

27 "**§ 7A-289.14. Duties of Secretary of Human Resources.**

28 It shall be the duty of the Secretary of Human Resources to arrange for the
29 appropriate unit or units of the Department of Human Resources to implement this
30 Article as follows:

- 31 (1) To designate the appropriate unit of the Department of Human
32 Resources to be responsible for coordination of state-level services
33 in relation to delinquency prevention and youth services so that
34 any citizen may go to one place in State government to receive
35 services or access to services.
- 36 (2) Repealed by Session Laws 1977, c. 627, s. 20.
- 37 (3) To arrange appropriate coordination and planning within the
38 child-serving agencies of the Department of Human Resources and
39 promote interdepartmental coordination.
- 40 (4) To assist local governments and private service agencies in the
41 development of community-based programs, and to provide
42 information on the availability of potential funding sources and
43 whatever assistance may be requested in making application for
44 needed funding.

(5) To approve yearly program evaluations and to make recommendations to the General Assembly concerning continuation funding that might be supported by that evaluation.

(6) To approve program evaluation standards by which all programs developed under the provisions of this Article may be objectively evaluated.

Such standards as may be developed for the purpose of program evaluation shall be in addition to any current standards as may be applicable under the existing authority of the ~~Social Services Commission and the~~ Department of Human Resources.

Minimum operating standards as well as program evaluation standards as may be needed for new program models designed to fulfill the intent of this Article, may be developed at the discretion of the ~~Secretary either by the Social Services Commission or the Secretary.~~ Secretary.

(7) To develop a formula for funding on a matching basis community-based services as provided for in this Article. This formula shall be based upon the county's or counties' relative ability to fund community-based programs for juveniles.

Local governments receiving State matching funds for programs under the provisions of this Article must maintain the same overall level of effort that existed at the time of the filing of the county assessment of youth needs with the Department of Human Resources as provided in G.S. 7A-289.16 of this Article."

Section 11A.33. G.S. 7A-548(a2) reads as rewritten:

"(a2) Upon completion of the investigation, the Director shall give the Department written notification of the results of the investigation required by G.S. 7A-544. Upon completion of an investigation of child sexual abuse in a day care facility or day care home, the Director shall also make written notification of the results of the investigation to the State Bureau of Investigation.

The Director of the Department of Social Services shall submit a report of alleged abuse, neglect, or dependency cases or child fatalities that are the result of alleged maltreatment to the central registry under the policies adopted by the ~~Social Services Commission.~~ Department of Human Resources."

Section 11A.34. G.S. 7A-552 reads as rewritten:

"§ 7A-552. Central registry.

The Department of Human Resources shall maintain a central registry of abuse, neglect, and dependency cases and child fatalities that are the result of alleged maltreatment that are reported under this Article in order to compile data for appropriate study of the extent of abuse and neglect within the State and to identify repeated abuses of the same juvenile or of other juveniles in the same family. This data shall be furnished by county directors of social services to the Department of Human Resources and shall be confidential, subject to policies adopted by the ~~Social Services Commission~~ Department of Human Resources providing for its use for study

1 and research and for other appropriate disclosure. Data shall not be used at any
2 hearing or court proceeding unless based upon a final judgment of a court of law."

3 Section 11A.35. G.S. 48-1-101(14) reads as rewritten:

4 "(14) 'Preplacement assessment' means a document, whether prepared
5 before or after placement, that contains the information required
6 by G.S. 48-3-303 and any rules adopted by the ~~Social Services~~
7 ~~Commission~~ Department of Human Resources."

8 Section 11A.36. G.S. 48-2-502(c) reads as rewritten:

9 "(c) The ~~Social Services Commission~~ Department of Human Resources may adopt
10 rules to implement the provisions of this section."

11 Section 11A.37. G.S. 48-3-203(e) reads as rewritten:

12 "(e) In addition to the authority granted in G.S. 131D-10.5, the ~~Social Services~~
13 ~~Commission~~ Department of Human Resources may adopt rules for placements by
14 agencies consistent with the purposes of this Chapter."

15 Section 11A.38. G.S. 48-3-204(a) reads as rewritten:

16 "(a) The ~~Social Services Commission~~ Department of Human Resources may adopt
17 rules requiring agencies to adopt and follow appropriate recruitment plans for
18 prospective adoptive parents."

19 Section 11A.39. G.S. 48-3-303(i) reads as rewritten:

20 "(i) The ~~Social Services Commission~~ Department of Human Resources shall have
21 authority to establish by rule additional standards for preplacement assessments."

22 Section 11A.40. G.S. 48-3-308(a) reads as rewritten:

23 "(a) Each agency shall have a procedure for allowing an individual who has
24 received an unfavorable preplacement assessment to have the assessment reviewed by
25 the agency. In addition to the authority in G.S. 131D-10.5, the ~~Social Services~~
26 ~~Commission~~ Department of Human Resources ~~shall have authority to~~ may adopt
27 rules implementing this section."

28 Section 11A.41. G.S. 108A-1 reads as rewritten:

29 "**§ 108A-1. Creation.**

30 Every county shall have a board of social services or a consolidated human
31 services board created pursuant to G.S. 153A-77(b) which shall establish county
32 policies for the programs established by this Chapter in conformity with the rules and
33 regulations of the ~~Social Services Commission~~ and under the supervision of the
34 Department of Human Resources. Provided, however, county policies for the
35 program of medical assistance shall be established in conformity with the rules and
36 regulations of the Department of Human Resources."

37 Section 11A.42. G.S. 108A-3 reads as rewritten:

38 "**§ 108A-3. Method of appointment; residential qualifications; fee or compensation for**
39 **services; consolidated human services board appointments.**

40 (a) Three-Member Board. -- The board of commissioners shall appoint one
41 member who may be a county commissioner or a citizen selected by the board; the
42 ~~Social Services Commission~~ Department of Human Resources shall appoint one
43 member; and the two members so appointed shall select the third member. In the
44 event the two members so appointed are unable to agree upon selection of the third

1 member, the senior regular resident superior court judge of the county shall make the
2 selection.

3 (b) Five-Member Board. -- The procedure set forth in subsection (a) shall be
4 followed, except that both the board of commissioners and the ~~Social Services~~
5 ~~Commission~~ Department of Human Resources shall appoint two members each, and
6 the four so appointed shall select the fifth member. If the four are unable to agree
7 upon the fifth member, the senior regular superior court judge of the county shall
8 make the selection.

9 (c) Provided further that each member so appointed under subsection (a) and
10 subsection (b) of this section by the ~~Social Services Commission~~ Department of
11 Human Resources and by the county board of commissioners or the senior regular
12 resident superior court judge of the county, shall be bona fide residents of the county
13 from which they are appointed to serve, and will receive as their fee or compensation
14 for their services rendered from the Department of Human Resources directly or
15 indirectly only the fees and compensation as provided by G.S. 108A-8.

16 (d) Consolidated Human Services Board. -- The board of county commissioners
17 shall be the sole appointing authority for members of a consolidated human services
18 board and shall appoint those members in accordance with G.S. 153A-77(c)."

19 Section 11A.43. G.S. 108A-5 reads as rewritten:

20 "**§ 108A-5. Order of appointment.**

21 (a) Three-Member Board: The term of the member appointed by the ~~Social~~
22 ~~Services Commission~~ Department of Human Resources shall expire on June 30, 1981,
23 and every three years thereafter; the term of the member appointed by the board of
24 commissioners shall expire on June 30, 1983, and every three years thereafter; and
25 the term of the third member shall expire on June 30, 1982, and every three years
26 thereafter.

27 (b) Five-Member Board: Whenever a board of commissioners of any county
28 decides to expand a three-member board to a five-member board of social services,
29 the ~~Social Services Commission~~ Department of Human Resources shall appoint an
30 additional member for a term expiring at the same time as the term of the existing
31 member appointed by the board of commissioners, and the board of commissioners
32 shall appoint an additional member for a term expiring at the same time as the term
33 of the existing member appointed by the ~~Social Services Commission~~ Department of
34 Human Resources. The change to a five-member board shall become effective at the
35 time when the additional members shall have been appointed by both the county
36 board of commissioners and the ~~Social Services Commission~~ Department of Human
37 Resources. Thereafter all appointments shall be for three-year terms.

38 (c) Change from Five-Member to Three-Member Board: The change shall become
39 effective on the first day of July following the decision to change by the board of
40 commissioners. On that day, the following two seats on the board of social services
41 shall cease to exist:

42 (1) The seat held by the member appointed by the ~~Social Services~~
43 ~~Commission~~ Department of Human Resources whose term would
44 have expired on June 30, 1983, or triennially thereafter; and

(2) The seat held by the member appointed by the board of commissioners whose term would have expired June 30, 1981, or triennially thereafter."

Section 11A.44. G.S. 108A-9 reads as rewritten:

"§ 108A-9. Duties and responsibilities.

The county board of social services shall have the following duties and responsibilities:

- (1) To select the county director of social services according to the merit system rules of the State Personnel Commission;
- (2) To advise county and municipal authorities in developing policies and plans to improve the social conditions of the community;
- (3) To consult with the director of social services about problems relating to his office, and to assist him in planning budgets for the county department of social services;
- (4) To transmit or present the budgets of the county department of social services for public assistance, social services, and administration to the board of county commissioners;
- (5) To have such other duties and responsibilities as the General Assembly, the Department of Human Resources ~~or the Social Services Commission~~ or the board of county commissioners may assign to it."

Section 11A.45. G.S. 108A-10 reads as rewritten:

"§ 108A-10. Fees.

The county board of social services is authorized to enter into contracts with any governmental or private agency, or with any person, whereby the board of social services agrees to render services to or for such agency or person in exchange for a fee to cover the cost of rendering such service. This authority is to be limited to services voluntarily rendered and voluntarily received, but shall not apply where the charging of a fee for a particular service is specifically prohibited by statute or regulation. The fees to be charged under the authority of this section are to be based upon a plan recommended by the county director of social services and approved by the local board of social services and the board of county commissioners. In no event is the fee charged to exceed the cost to the board of social services. Fee policies may not conflict with rules and regulations adopted by the ~~Social Services Commission or~~ Department of Human Resources regarding fees.

The fees collected under the authority of this section are to be deposited to the account of the social services department so that they may be expended for social services purposes in accordance with the provisions of Article 3 of Chapter 159, the Local Government Budget and Fiscal Control Act. No individual employee is to receive any compensation over and above his regular salary as a result of rendering services for which a fee is charged.

The county board of social services shall annually report to the county commissioners receipts received under this section. Fees collected under this section

1 shall not be used to replace any other funds, either State or local, for the program for
2 which the fees were collected."

3 Section 11A.46. G.S. 108A-14(a) reads as rewritten:

4 "(a) The director of social services shall have the following duties and
5 responsibilities:

- 6 (1) To serve as executive officer of the board of social services and act
7 as its secretary;
- 8 (2) To appoint necessary personnel of the county department of social
9 services in accordance with the merit system rules of the State
10 Personnel Commission;
- 11 (3) To administer the programs of public assistance and social services
12 established by this Chapter under pertinent rules and regulations;
- 13 (4) To administer funds provided by the board of commissioners for
14 the care of indigent persons in the county under policies approved
15 by the county board of social services;
- 16 (5) To act as agent of the ~~Social Services Commission~~ and Department
17 of Human Resources in relation to work required by the ~~Social~~
18 ~~Services Commission~~ and Department of Human Resources in the
19 county;
- 20 (6) To investigate cases for adoption and to supervise adoptive
21 placements;
- 22 (7) To issue employment certificates to children under the regulations
23 of the State Department of Labor;
- 24 (8) To supervise adult care homes under the rules and regulations of
25 the ~~Social Services Commission~~; Department of Human Resources;
- 26 (9) To assist and cooperate with the Department of Correction and
27 their representatives;
- 28 (10) To act in conformity with the provisions of Article 7, Chapter 35
29 of the General Statutes with regard to sterilization of mentally ill
30 and mentally retarded persons;
- 31 (11) To investigate reports of child abuse and neglect and to take
32 appropriate action to protect such children pursuant to the Child
33 Abuse Reporting Law, Article 44 of Chapter 7A;
- 34 (12) To accept children for placement in foster homes and to supervise
35 placements for so long as such children require foster home care;
- 36 (13) To respond by investigation to notification of a proposed adoptive
37 placement pursuant to G.S. 48-3(b) and (c); and
- 38 (14) To receive and evaluate reports of abuse, neglect, or exploitation
39 of disabled adults and to take appropriate action as required by the
40 Protection of the Abused, Neglected, or Exploited Disabled Adults
41 Act, Article 6 of this Chapter, to protect these adults."

42 Section 11A.47. G.S. 108A-15.1(a) reads as rewritten:

43 "(a) Except as otherwise provided by this section and subject to any limitations
44 that may be imposed by the board of county commissioners under G.S. 153A-77, a

1 consolidated human services board created pursuant to G.S. 153A-77(b) shall have
2 the responsibility and authority to carry out the programs established in this Chapter
3 in conformity with the rules and regulations of ~~the Social Services Commission~~ and
4 under the supervision of the Department of Human Resources in the same manner as
5 a county social services board."

6 Section 11A.48. G.S. 108A-40 reads as rewritten:

7 **"§ 108A-40. Authorization of State-County Special Assistance for Adults Program.**

8 The Department is authorized to establish and supervise a State-County Special
9 Assistance for Adults Program. This program is to be administered by county
10 departments of social services under rules and regulations of the ~~Social Services~~
11 ~~Commission.~~ Department."

12 Section 11A.49. G.S. 108A-41 reads as rewritten:

13 **"§ 108A-41. Eligibility.**

14 (a) Assistance shall be granted under this Part to all persons in adult care homes
15 for care found to be essential in accordance with the rules and regulations adopted by
16 the ~~Social Services Commission~~ Department of Human Resources and prescribed by
17 G.S. 108A-42(b).

18 (b) Assistance shall be granted to any person who:

19 (1) Is 65 years of age and older, or is between the ages of 18 and 65
20 and is permanently and totally disabled; and

21 (2) Has insufficient income or other resources to provide a reasonable
22 subsistence compatible with decency and health as determined by
23 the rules and regulations of the ~~Social Services Commission;~~
24 Department of Human Resources; and

25 (3) Is a resident of North Carolina.

26 (c) When determining whether a person has insufficient resources to provide a
27 reasonable subsistence compatible with decency and health, there shall be excluded
28 from consideration the person's primary place of residence and the land on which it
29 is situated, and in addition there shall be excluded real property contiguous with the
30 person's primary place of residence in which the property tax value is less than
31 twelve thousand dollars (\$12,000).

32 (d) The county shall also have the option of granting assistance to Certain
33 Disabled persons as defined in the rules and regulations adopted by the ~~Social~~
34 ~~Services Commission.~~ Department of Human Resources. Nothing in this Part should
35 be interpreted so as to preclude any individual county from operating any program of
36 financial assistance using only county funds."

37 Section 11A.50. G.S. 108A-42(c) reads as rewritten:

38 "(c) Disability shall be reviewed by medical consultants employed by the
39 Department. The final decision on the disability shall be made by these medical
40 consultants under rules and regulations adopted by the ~~Social Services Commission.~~
41 Department of Human Resources."

42 Section 11A.51. G.S. 108A-43 reads as rewritten:

43 **"§ 108A-43. Application procedure.**

1 (a) Applications under this Part shall be made to the county director of social
2 services who, with the approval of the county board of social services and in
3 conformity with the rules and regulations of the ~~Social Services Commission~~,
4 Department of Human Resources, shall determine whether assistance shall be granted
5 and the amount of such assistance; but the county board of social services may
6 delegate to the county director the authority to approve or reject all applications for
7 assistance under this Part, in which event the county director shall not be required to
8 report his actions to the board.

9 (b) The amount of assistance which any eligible person may receive shall be
10 determined with regard to the resources and necessary expenditures of the applicant,
11 in accordance with the appropriate rules and regulations of the ~~Social Services~~
12 ~~Commission~~. Department of Human Resources."

13 Section 11A.52. G.S. 108A-45 reads as rewritten:

14 "**§ 108A-45. Participation.**

15 The State-County Special Assistance for Adults Program established by this Part
16 shall be administered by all the county departments of social services under rules and
17 regulations adopted by the ~~Social Services Commission~~ and under the supervision of
18 the Department. Provided that, assistance for certain disabled persons shall be
19 provided solely at the option of the county."

20 Section 11A.53. G.S. 108A-47 reads as rewritten:

21 "**§ 108A-47. Limitations on payments.**

22 No payment of assistance under this Part shall be made for the care of any person
23 in an adult care home that is owned or operated in whole or in part by any of the
24 following:

- 25 (1) A member of the ~~Social Services Commission~~, Department of
26 Human Resources, of any county board of social services, or of any
27 board of county commissioners;
- 28 (2) An official or employee of the Department, unless the official or
29 employee has been appointed temporary manager of the facility
30 pursuant to G.S. 131E-237, or of any county department of social
31 services;
- 32 (3) A spouse of a person designated in subdivisions (1) and (2)."

33 Section 11A.54. G.S. 108A-48(a) reads as rewritten:

34 "(a) The Department is authorized to establish a State Foster Care Benefits
35 Program with appropriations by the General Assembly for the purpose of providing
36 assistance to children who are placed in foster care facilities by county departments of
37 social services in accordance with the rules and regulations of the ~~Social Services~~
38 ~~Commission~~. Department of Human Resources. Such appropriations, together with
39 county contributions for this purpose, shall be expended to provide for the costs of
40 keeping children in foster care facilities."

41 Section 11A.55. G.S. 108A-50(c) reads as rewritten:

42 "(c) Eligibility for an adoptive child to receive assistance shall be determined by
43 the Department ~~under the rules and regulations of the Social Services Commission~~.
44 and pursuant to its rules."

1 Section 11A.56. G.S. 108A-52 reads as rewritten:

2 **"§ 108A-52. Determination of eligibility.**

3 Any person who believes that he or another person is eligible to receive food
4 stamps may apply for such assistance to the county department of social services in
5 the county in which the applicant resides. The application shall be made in such form
6 and shall contain such information as the ~~Social Services Commission~~ Department of
7 Human Resources may require. Upon receipt of an application for food stamps, the
8 county department of social services shall make a prompt evaluation or investigation
9 of the facts alleged in the application in order to determine the applicant's eligibility
10 for such assistance and to obtain such other information as the Department may
11 require. Upon the completion of such investigation, the county department of social
12 services shall, within a reasonable period of time, determine eligibility."

13 Section 11A.57. G.S. 108A-55(d) reads as rewritten:

14 "(d) No payments shall be made for the care of any person in a nursing home or
15 intermediate care home which is owned or operated in whole or in part by a member
16 of ~~the Social Services Commission~~, of any county board of social services, or of any
17 board of county commissioners, or by an official or employee of the Department or of
18 any county department of social services or by a spouse of any such person."

19 Section 11A.58. G.S. 108A-79 reads as rewritten:

20 **"§ 108A-79. Appeals.**

21 (a) A public assistance applicant or recipient shall have a right to appeal the
22 decision of the county board of social services, county department of social services,
23 or the board of county commissioners granting, denying, terminating, or modifying
24 assistance, or the failure of the county board of social services or county department
25 of social services to act within a reasonable time under the rules and regulations of
26 ~~the Social Services Commission~~ or the Department. Each applicant or recipient shall
27 be notified in writing of his right to appeal upon denial of his application for
28 assistance and at the time of any subsequent action on his case.

29 (b) In cases involving termination or modification of assistance, no action shall
30 become effective until 10 workdays after notice of this action and of the right to
31 appeal is mailed or delivered by hand to the recipient; provided, however,
32 termination or modification of assistance may be effective immediately upon the
33 mailing or delivery of notice in the following circumstances:

34 (1) When the modification is beneficial to the recipient; or

35 (2) When federal regulations permit immediate termination or
36 modification upon mailing or delivery of notice and the ~~Social~~
37 ~~Services Commission~~ or the Department of Human Resources
38 promulgates regulations adopting said federal law or regulations.
39 When federal and State regulations permit immediate termination
40 or modification, the recipient shall have no right to continued
41 assistance at the present level pending a hearing, as would
42 otherwise be provided by subsection (d) of this section.

1 (c) The notice of action and the right to appeal shall comply with all applicable
2 federal and State law and regulations; provided, such notice shall, at a minimum
3 contain a clear statement of:

- 4 (1) The action which was or is to be taken;
- 5 (2) The reasons for which this action was or is to be taken;
- 6 (3) The regulations supporting this action;
- 7 (4) The applicant's or recipient's right to both a local and State level
8 hearing, or to a State level hearing in the case of the food stamp
9 program, on the decision to take this action and the method for
10 obtaining these hearings;
- 11 (5) The right to be represented at the hearings by a personal
12 representative, including an attorney obtained at the applicant's or
13 recipient's expense;
- 14 (6) In cases involving termination or modification of assistance, the
15 recipient's right upon timely request to continue receiving
16 assistance at the present level pending an appeal hearing and
17 decision on that hearing.

18 An applicant or recipient may give notice of appeal by written or oral statement to
19 the county department of social services, which shall record such notice by
20 completing a form developed by the Department.

21 Such notice of appeal must be given within 60 days from the date of the action, or
22 90 days from the date of notification in the case of the food stamp program. Failure
23 to give timely notice of appeal constitutes a waiver of the right to a hearing except
24 that, for good cause shown, the county department of social services may permit an
25 appeal notwithstanding the waiver. The waiver shall not affect the right to reapply
26 for benefits.

27 (d) If there is such timely appeal in cases not involving disability, in the first
28 instance the hearing shall consist of a local appeal hearing before the county director
29 or a designated representative of the county director, provided whoever hears the
30 local appeal shall not have been involved directly in the initial decision giving rise to
31 the appeal. If there is such timely appeal in cases involving disability, the county
32 director or a designated representative of the county director shall within five days of
33 the request for an appeal forward the request to the Department of Human
34 Resources, and the Department shall designate a hearing officer who shall promptly
35 hold a hearing in the county according to the provisions of subsections (i) and (j) of
36 this section. In cases involving termination or modification of assistance (other than
37 cases of immediate termination or modification of assistance pursuant to subsection
38 (b) (2) of this section), the recipient shall continue to receive assistance at the present
39 level pending the decision at the initial hearing, whether that be the local appeal
40 hearing decision or, in cases involving questions of disability, the Department of
41 Human Resources hearing decision, provided that in order to continue receiving
42 assistance pending the initial hearing decision the recipient must request a hearing on
43 or before the effective date of the termination or modification of assistance.

1 (e) The local appeal hearing shall be held not more than five days after the request
2 for it is received. The recipient may, for good cause shown as defined by rule or
3 regulation of the ~~Social Services Commission or the~~ Department, petition the county
4 department of social services, in writing, for a delay, but in no event shall the local
5 appeal hearing be held more than 15 days after the receipt of the request for hearing.

6 At the local appeal hearing:

- 7 (1) The appellant and the county department may be represented by
8 personal representatives, including attorneys, obtained at their
9 expense.
- 10 (2) The appellant or his personal representative and the county
11 department shall present such sworn evidence and law or
12 regulations as bear upon the case. The hearing need not be
13 recorded or transcribed, but the director or his representative shall
14 summarize in writing the substance of the hearing.
- 15 (3) The appellant or his personal representative and the county
16 department may cross-examine witnesses and present closing
17 arguments summarizing their views of the case and the law.
- 18 (4) Prior to and during the hearing, the appellant or his personal
19 representative shall have adequate opportunity to examine the
20 contents of his case file for the matter pending together with those
21 portions of other public assistance or social services case files
22 which pertain to the appeal, and all documents and records which
23 the county department of social services intends to use at the
24 hearing. Those portions of the public assistance or social services
25 case file which do not pertain to the appeal or which are required
26 by federal statutes or regulations or by State statutes or regulations
27 to be held confidential shall not be released to the appellant or his
28 personal representative. In cases where the appellant has been
29 denied access to the public assistance or social services case file
30 the hearing officer shall certify as part of the official record that
31 the hearing officer has examined the case files and that no portion
32 of those files pertain to the appeal. Such certification may be
33 subject to judicial review as provided in subsection (k) of this
34 section. Nothing in this section is intended to restrict an applicant
35 or recipient access to information if that access is allowed by rules
36 and regulations promulgated pursuant to G.S. 108A-80.

37 (f) The director or his designated representative shall make the decision based
38 upon the evidence presented at the hearing and all applicable regulations, and shall
39 prepare a written statement of his decision citing the regulations and evidence to
40 support it. This written statement of the decision will be served by certified mail on
41 the appellant within five days of the local appeal hearing. If the decision terminating
42 or modifying the appellant's benefits is affirmed, the assistance shall be terminated or
43 modified, not earlier than the date the decision is mailed, and any assistance received
44 during the time of the appeal is subject to recovery.

1 (g) If the appellant is dissatisfied with the decision of the local appeal hearing, he
2 may within 15 days of the mailing notification of the decision take a further appeal to
3 the Department. However, assistance may not be received pending this further
4 appeal. Failure to give timely notice of further appeal constitutes a waiver of the right
5 to a hearing before an official of the Department except that, for good cause shown,
6 the Department may issue an order permitting a review of the local appeal hearing
7 notwithstanding the waiver. The waiver shall not affect the right to reapply for
8 benefits.

9 (h) Subsections (d)-(g) of this section shall not apply to the food stamp program.
10 The first appeal for a food stamp recipient or his representative shall be to the
11 Department. Pending hearing, the recipient's assistance shall be continued at the
12 present level upon timely request.

13 (i) If there is an appeal from the local appeal hearing decision, or from a food
14 stamp recipient or his representative where there is no local hearing, or if there is an
15 appeal of a case involving questions of disability the county director shall notify the
16 Department according to its rules and regulations. The Department shall designate a
17 hearing officer who shall promptly hold a de novo administrative hearing in the
18 county after giving reasonable notice of the time and place of such hearing to the
19 appellant and the county department of social services. Such hearing shall be
20 conducted according to applicable federal law and regulations and Article 3, Chapter
21 150B, of the General Statutes of North Carolina; provided the Department shall
22 adopt rules and regulations to ensure the following:

23 (1) Prior to and during the hearing, the appellant or his personal
24 representative shall have adequate opportunity to examine his case
25 file and all documents and records which the county department of
26 social services intends to use at the hearing together with those
27 portions of other public assistance or social services case files
28 which pertain to the appeal. Those portions of the public assistance
29 or social services case files which do not pertain to the appeal or
30 which are required by federal statutes or regulations or by State
31 statutes or regulations to be held confidential shall not be released
32 to the appellant or his personal representative. In cases where the
33 appellant has been denied access to portions of the public
34 assistance or social services case file, the hearing officer shall
35 certify as part of the official record that the hearing officer has
36 examined the case files and that no portion of those files pertain to
37 the appeal. Such certification may be subject to judicial review as
38 provided in subsection (k) of this section. Nothing in this section is
39 intended to restrict an applicant or recipient access to information
40 if that access is allowed by rules or regulations promulgated
41 pursuant to G.S. 108A-80.

42 (2) At the appeal hearing, the appellant and personnel of the county
43 department of social services may present such sworn evidence,
44 law and regulations as bear upon the case.

1 (3) The appellant and county department shall have the right to be
2 represented by the person of his choice, including an attorney
3 obtained at his own expense.

4 (4) The appellant and county department shall have the right to
5 cross-examine the other party as well as make a closing argument
6 summarizing his view of the case and the law.

7 (5) The appeal hearing shall be recorded; however, no transcript will
8 be prepared unless a petition for judicial review is filed pursuant to
9 subsection (k) herein, in which case, the transcript will be made a
10 part of the official record. In the absence of the filing of a petition
11 for a judicial review, the recording of the appeal hearing may be
12 erased or otherwise destroyed 180 days after the final decision is
13 mailed.

14 (6) Notwithstanding G.S. 150B-28 or any other provision of State law,
15 discovery shall be no more extensive or formal than that required
16 by federal law and regulations applicable to such hearings.

17 (j) After the administrative hearing, the hearing officer shall prepare a proposal for
18 decision, citing pertinent law, regulations, and evidence, which shall be served upon
19 the appellant and the county department of social services or their personal
20 representatives. The appellant and the county department of social services shall have
21 the opportunity to present oral and written arguments in opposition to or in support
22 of the proposal for decision to the designated official of the Department who is to
23 make the final decision. The final decision shall be based on, conform to, and set
24 forth in detail the relevant evidence, pertinent State and federal law and regulations,
25 and matters officially noticed. The decision shall be rendered not more than 90 days,
26 or 45 days in the case of the food stamp program, from the date of request for the
27 hearing, unless the hearing was delayed at the request of the appellant. If the hearing
28 was delayed at the appellant's request, the decision may only be delayed for the
29 length of time the appellant requested a delay. The final decision shall be served
30 upon the appellant and upon the county department of social services by certified
31 mail, with a copy furnished to either party's attorney of record. In the absence of a
32 petition for judicial review filed pursuant to subsection (k) herein, the final decision
33 shall be binding upon the appellant, the county department of social services, the
34 county board of social services, and the board of county commissioners.

35 (k) Any applicant or recipient who is dissatisfied with the final decision of the
36 Department may file, within 30 days of the receipt of notice of such decision, a
37 petition for judicial review in superior court of the county from which the case arose.
38 Failure to file a petition within the time stated shall operate as a waiver of the right
39 of such party to review, except that, for good cause shown, a judge of the superior
40 court resident in the district or holding court in the county from which the case arose
41 may issue an order permitting a review of the agency decision under this Chapter
42 notwithstanding such waiver. The hearing shall be conducted according to the
43 provisions of Article 4, Chapter 150B, of the North Carolina General Statutes. The
44 court shall, on request, examine the evidence excluded at the hearing under G.S.

1 108A-79(e)(4) or G.S. 108A-79(i)(1) and if the evidence was improperly excluded,
2 the court shall consider it. Notwithstanding the foregoing provisions, the court may
3 take testimony and examine into the facts of the case, including excluded evidence, to
4 determine whether the final decision is in error under federal and State law, and
5 under the rules and regulations of the ~~Social Services Commission or the~~ Department
6 of Human Resources. Furthermore, the court shall set the matter for hearing within
7 15 days from the filing of the record under G.S. 150B-47 and after reasonable written
8 notice to the Department of Human Resources and the applicant or recipient.
9 Nothing in this subsection shall be construed to abrogate any rights that the county
10 may have under Article 4 of Chapter 150B.

11 (l) In the event of conflict between federal law or regulations and State law or
12 regulations, the federal law or regulations shall control."

13 Section 11A.59. G.S. 108A-90(a) reads as rewritten:

14 "(a) Whenever the Secretary or his representative assigns a portion of the
15 nonfederal share of public assistance expenses to the counties under the rules and
16 regulations of the ~~Social Services Commission or the~~ Department, the board of
17 commissioners of each county shall levy and collect the taxes required to meet the
18 county's share of such expenses."

19 Section 11A.60. G.S. 108A-108 reads as rewritten:

20 "**§ 108A-108. Payment for essential services.**

21 At the time the director, in accordance with the provisions of G.S. 108A-103
22 makes an evaluation of the case reported, then it shall be determined, according to
23 regulations set by the ~~Social Services Commission,~~ Department of Human Resources,
24 whether the individual is financially capable of paying for the essential services. If he
25 is, he shall make reimbursement for the costs of providing the needed essential
26 services. If it is determined that he is not financially capable of paying for such
27 essential services, they shall be provided at no cost to the recipient of the services."

28 Section 11A.61. G.S. 110-51 reads as rewritten:

29 "**§ 110-51. Bond required.**

30 The ~~Social Services Commission~~ Department of Human Resources may, in its
31 discretion, require of a person, agency, association, institution, or corporation which
32 brings or sends a child into the State with the written consent of the ~~Department of~~
33 ~~Human Resources,~~ Department, as provided by G.S. 110-50, a continuing bond in a
34 penal sum not in excess of one thousand dollars (\$1,000) with such conditions as may
35 be prescribed and such sureties as may be approved by the Department of Human
36 Resources. Said bond shall be made in favor of and filed with the Department of
37 Human Resources with the premium prepaid by the said person, agency, association,
38 institution or corporation desiring to place such child in the State."

39 Section 11A.62. G.S. 110-55 reads as rewritten:

40 "**§ 110-55. Violation of Article a misdemeanor.**

41 Every person acting for himself or for an agency who violates any of the provisions
42 of this Article or who shall intentionally make any false statements to the ~~Social~~
43 ~~Services Commission or the~~ Secretary of Human Resources or an employee thereof
44 acting for the Department in an official capacity in the placing or adoption of

1 juvenile delinquents or dependents shall, upon conviction thereof, be guilty of a Class
2 2 misdemeanor."

3 Section 11A.63. G.S. 120-123(28) is repealed.

4 Section 11A.64. G.S. 122C-22 reads as rewritten:

5 "**§ 122C-22. Exclusions from licensure; deemed status.**

6 (a) The following are excluded from the provisions of this Article and are not
7 required to obtain licensure under this Article:

- 8 (1) Physicians and psychologists engaged in private office practice;
- 9 (2) General hospitals licensed under Article 5 of Chapter 131E of the
10 General Statutes, that operate special units for the mentally ill,
11 developmentally disabled, or substance abusers;
- 12 (3) State and federally-operated facilities;
- 13 (4) Adult care homes licensed under Chapter 131D of the General
14 Statutes;
- 15 (5) Developmental child day care centers licensed under Article 7 of
16 Chapter 110 of the General Statutes;
- 17 (6) Persons subject to licensure under rules of the ~~Social Services~~
18 ~~Commission~~; Department of Human Resources;
- 19 (7) Persons subject to rules and regulations of the Division of
20 Vocational Rehabilitation Services; and
- 21 (8) Facilities that provide occasional respite care for not more than
22 two individuals at a time; provided that the primary purpose of the
23 facility is other than as defined in G.S. 122C-3(14).

24 (b) The Commission may adopt rules establishing a procedure whereby a
25 licensable facility certified by a nationally recognized agency, such as the Joint
26 Commission on Accreditation of Hospitals, may be deemed licensed under this
27 Article by the Secretary. Any facility licensed under the provisions of this subsection
28 shall continue to be subject to inspection by the Secretary."

29 Section 11A.65. G.S. 122C-132.1(a) reads as rewritten:

30 "(a) The public system shall, in cooperation with private providers, provide for a
31 single portal of entry and exit policy for services for individuals with developmental
32 disabilities. An area authority shall present to the Secretary a single portal of entry
33 and exit plan for services for individuals with developmental disabilities that has been
34 approved by the area board. Area authorities are encouraged to use community
35 interagency councils in the development and implementation of single portal of entry
36 and exit policies. For purposes of this section, services for individuals with
37 developmental disabilities shall include 24-hour and day/night services for individuals
38 with developmental disabilities operated under the authority of this Chapter,
39 Chapters 131D-2, Part A of Article 6 of Chapter 131E of the General Statutes, Article
40 7 of Chapter 110 of the General Statutes, rules of the Division of Vocational
41 Rehabilitation Services, and rules of the ~~Social Services Commission~~. Department of
42 Human Resources."

43 Section 11A.66. G.S. 131D-1(a) reads as rewritten:

1 "(a) The Department of Human Resources shall inspect and license all maternity
2 homes established in the State under such rules and regulations as the ~~Social Services~~
3 ~~Commission~~ Department may adopt."

4 Section 11A.67. G.S. 131D-2 reads as rewritten:

5 **"§ 131D-2. Licensing of adult care homes for the aged and disabled.**

6 (a) The following definitions will apply in the interpretation of this section:

7 (1) 'Abuse' means the willful or grossly negligent infliction of physical
8 pain, injury or mental anguish, unreasonable confinement, or the
9 willful or grossly negligent deprivation by the administrator or staff
10 of an adult care home of services which are necessary to maintain
11 mental and physical health.

12 (1a) 'Administrator' means a person approved by the Department of
13 Human Resources who has the responsibility for the total
14 operation of a licensed domiciliary home.

15 (1b) 'Adult care home' is an assisted living residence in which the
16 housing management provides 24-hour scheduled and unscheduled
17 personal care services to two or more residents, either directly or,
18 for scheduled needs, through formal written agreement with
19 licensed home care or hospice agencies. Some licensed adult care
20 homes provide supervision to persons with cognitive impairments
21 whose decisions, if made independently, may jeopardize the safety
22 or well-being of themselves or others and therefore require
23 supervision. Medication in an adult care home may be
24 administered by designated, trained staff. Adult care homes that
25 provide care to two to six unrelated residents are commonly called
26 family care homes. Adult care homes and family care homes are
27 subject to licensure by the Division of Facility Services.

28 (1c) 'Amenities' means services such as meals, housekeeping,
29 transportation, and grocery shopping that do not involve hands-on
30 personal care.

31 (1d) 'Assisted living residence' means any group housing and services
32 program for two or more unrelated adults, by whatever name it is
33 called, that makes available, at a minimum, one meal a day and
34 housekeeping services and provides personal care services directly
35 or through a formal written agreement with one or more licensed
36 home care or hospice agencies. The Department may allow nursing
37 service exceptions on a case-by-case basis. Settings in which
38 services are delivered may include self-contained apartment units
39 or single or shared room units with private or area baths. Assisted
40 living residences are to be distinguished from nursing homes
41 subject to provisions of G.S. 131E-102. Effective October 1, 1995,
42 there are two types of assisted living residences: adult care homes
43 and group homes for developmentally disabled adults. Effective

- July 1, 1996, there is a third type, multiunit assisted housing with services.
- (1e) 'Compensatory agent' means a spouse, relative, or other caretaker who lives with a resident and provides care to a resident.
- (2) 'Developmentally disabled adult' means a person who has attained the age of 18 years and who has a developmental disability defined as a severe, chronic disability of a person which:
- a. Is attributed to a mental or physical impairment or combination of mental and physical impairments;
 - b. Is manifested before the person attains age 22;
 - c. Is likely to continue indefinitely;
 - d. Results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care, (ii) receptive and expressive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency; and
 - e. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.
- (3) Repealed by Session Laws 1995, c. 535, s. 8.
- (4) 'Exploitation' means the illegal or improper use of an aged or disabled resident or his resources for another's profit or advantage.
- (5) 'Family care home' means an adult care home having two to six residents. The structure of a family care home may be no more than two stories high and none of the aged or physically disabled persons being served there may be housed in the upper story without provision for two direct exterior ground-level accesses to the upper story.
- (6) 'Group home for developmentally disabled adults' means an adult care home which has two to nine developmentally disabled adult residents.
- (7) Repealed by Session Laws 1995, c. 535, s. 8.
- (7a) Effective July 1, 1996, 'multiunit assisted housing with services' means an assisted living residence in which hands-on personal care services and nursing services which are arranged by housing management are provided by a licensed home care or hospice agency, through an individualized written care plan. The housing management has a financial interest or financial affiliation or formal written agreement which makes personal care services accessible and available through at least one licensed home care or hospice agency. The resident has a choice of any provider, and the housing management may not combine charges for housing and personal care services. All residents, or their compensatory agents,

1 must be capable, through informed consent, of entering into a
2 contract and must not be in need of 24-hour supervision.
3 Assistance with self-administration of medications may be provided
4 by appropriately trained staff when delegated by a licensed nurse
5 according to the home care agency's established plan of care.
6 Multiunit assisted housing with services programs are required to
7 register with the Division of Facility Services and to provide a
8 disclosure statement. The disclosure statement is required to be a
9 part of the annual rental contract that includes a description of the
10 following requirements:

- 11 a. Emergency response system;
- 12 b. Charges for services offered;
- 13 c. Limitations of tenancy;
- 14 d. Limitations of services;
- 15 e. Resident responsibilities;
- 16 f. Financial/legal relationship between housing management
17 and home care or hospice agencies;
- 18 g. A listing of all home care or hospice agencies and other
19 community services in the area;
- 20 h. An appeals process; and
- 21 i. Procedures for required initial and annual resident screening
22 and referrals for services.

23 Continuing care retirement communities, subject to regulation by
24 the Department of Insurance under Chapter 58 of the General
25 Statutes, are exempt from the regulatory requirements for multiunit
26 assisted housing with services programs.

- 27 (8) 'Neglect' means the failure to provide the services necessary to
28 maintain a resident's physical or mental health.
- 29 (9) 'Personal care services' means any hands-on services allowed to be
30 performed by In-Home Aides II or III as outlined in Department
31 rules.
- 32 (10) 'Registration' means the submission by a multiunit assisted housing
33 with services provider of a disclosure statement containing all the
34 information as outlined in subdivision (7a) of this subsection.
- 35 (11) 'Resident' means a person living in an assisted living residence for
36 the purpose of obtaining access to housing and services provided
37 or made available by housing management.

38 (a1) Persons not to be cared for in adult care homes. -- Except when a physician
39 certifies that appropriate care can be provided on a temporary basis to meet the
40 resident's needs and prevent unnecessary relocation, adult care homes shall not care
41 for individuals with any of the following conditions or care needs:

- 42 (1) Ventilator dependency;
- 43 (2) Individuals requiring continuous licensed nursing care;

(3) Individuals whose physician certifies that placement is no longer appropriate;

(4) Individuals whose health needs cannot be met in the specific adult care home as determined by the residence, and

(5) Such other medical and functional care needs as the ~~Social Services Commission~~ Department of Human Resources determines cannot be properly met in an adult care home.

(a2) Persons not to be cared for in multiunit assisted housing with services. -- Except when a physician certifies that appropriate care can be provided on a temporary basis to meet the resident's needs and prevent unnecessary relocation, multiunit assisted housing with services shall not care for individuals with any of the following conditions or care needs:

(1) Ventilator dependency;

(2) Dermal ulcers III and IV, except those stage III ulcers which are determined by an independent physician to be healing;

(3) Intravenous therapy or injections directly into the vein, except for intermittent intravenous therapy managed by a home care or hospice agency licensed in this State;

(4) Airborne infectious disease in a communicable state that requires isolation of the individual or requires special precautions by the caretaker to prevent transmission of the disease, including diseases such as tuberculosis and excluding infections such as the common cold;

(5) Psychotropic medications without appropriate diagnosis and treatment plans;

(6) Nasogastric tubes;

(7) Gastric tubes except when the individual is capable of independently feeding himself and caring for the tube, or as managed by a home care or hospice agency licensed in this State;

(8) Individuals requiring continuous licensed nursing care;

(9) Individuals whose physician certifies that placement is no longer appropriate;

(10) Unless the individual's independent physician determines otherwise, individuals who require maximum physical assistance as documented by a uniform assessment instrument and who meet Medicaid nursing facility level-of-care criteria as defined in the State Plan for Medical Assistance. Maximum physical assistance means that an individual has a rating of total dependence in four or more of the seven activities of daily living as documented on a uniform assessment instrument;

(11) Individuals whose health needs cannot be met in the specific multiunit assisted housing with services as determined by the residence; and

1 (12) Such other medical and functional care needs as the ~~Social~~
2 ~~Services Commission~~ Department of Human Resources determines
3 cannot be properly met in multiunit assisted housing with services.

4 (a3) Hospice care. -- At the request of the resident, hospice care may be provided
5 in an assisted living residence under the same requirements for hospice programs as
6 described in Article 10 of Chapter 131E of the General Statutes.

7 (b) Licensure; inspections. --

8 (1) The Department of Human Resources shall inspect and license,
9 under rules adopted by the ~~Social Services Commission,~~
10 Department, all adult care homes for persons who are aged or
11 mentally or physically disabled except those exempt in subsection
12 (c) of this section. Licenses issued under the authority of this
13 section shall be valid for one year from the date of issuance unless
14 revoked earlier by the Secretary of Human Resources for failure to
15 comply with any part of this section or any rules adopted
16 hereunder. No new license shall be issued for any domiciliary
17 home whose administrator was the administrator for any
18 domiciliary home [adult care home] that had its license revoked
19 until one full year after the date of revocation. Licenses shall be
20 renewed annually upon filing and the Department's approval of
21 the renewal application. A license shall not be renewed if
22 outstanding fines and penalties imposed by the State against the
23 home have not been paid. Fines and penalties for which an appeal
24 is pending are exempt from consideration. The renewal application
25 shall contain all necessary and reasonable information that the
26 Department may by rule require. The Department may also issue a
27 provisional license to a facility, pursuant to rules adopted by the
28 ~~Social Services Commission,~~ Department, for substantial failure to
29 comply with the provisions of this section or rules promulgated
30 pursuant to this section. Any facility wishing to contest the issuance
31 of a provisional license shall be entitled to an administrative
32 hearing as provided in the Administrative Procedure Act, Chapter
33 150B of the General Statutes. A petition for a contested case shall
34 be filed within 30 days after the Department mails written notice of
35 the issuance of the provisional license.

36 (1a) In addition to the licensing and inspection requirements mandated
37 by subdivision (1) of this subsection, the Department shall ensure
38 that adult care homes required to be licensed by this Article are
39 monitored for licensure compliance on a regular basis. In carrying
40 out this requirement, the Department shall work with county
41 departments of social services to do the routine monitoring and to
42 have the Division of Facility Services oversee this monitoring and
43 perform any follow-up inspection called for. The Department shall
44 also keep an up-to-date directory of all persons who are

administrators as defined in subdivision (1a) of subsection (a) of this section.

(2) Any individual or corporation that establishes, conducts, manages, or operates a facility subject to licensure under this section without a license is guilty of a Class 3 misdemeanor, and upon conviction shall be punishable only by a fine of not more than fifty dollars (\$50.00) for the first offense and not more than five hundred dollars (\$500.00) for each subsequent offense. Each day of a continuing violation after conviction shall be considered a separate offense.

(3) In addition, the Department may summarily suspend a license pursuant to G.S. 150B-3(c) whenever it finds substantial evidence of abuse, neglect, exploitation or any condition which presents an imminent danger to the health and safety of any resident of the home. Any facility wishing to contest summary suspension of a license shall be entitled to an administrative hearing as provided in the Administrative Procedure Act, Chapter 150B of the General Statutes. A petition for a contested case shall be filed within 20 days after the Department mails a notice of summary suspension to the licensee.

(4) Notwithstanding G.S. 8-53 or any other law relating to confidentiality of communications between physician and patient, in the course of an inspection conducted under subsection (b):

a. Department representatives may review any writing or other record concerning the admission, discharge, medication, care, medical condition, or history of any person who is or has been a resident of the facility being inspected, and

b. Any person involved in giving care or treatment at or through the facility may disclose information to Department representatives;

unless the resident objects in writing to review of his records or disclosure of such information.

The facility, its employees and any other person interviewed in the course of an inspection shall be immune from liability for damages resulting from disclosure of any information to the Department.

The Department shall not disclose:

a. Any confidential or privileged information obtained under this subsection unless the resident or his legal representative authorizes disclosure in writing or unless a court of competent jurisdiction orders disclosure, or

b. The name of anyone who has furnished information concerning a facility without that person's consent.

1 The Department shall institute appropriate policies and
2 procedures to ensure that unauthorized disclosure does not occur.
3 All confidential or privileged information obtained under this
4 section and the names of persons providing such information shall
5 be exempt from Chapter 132 of the General Statutes.

- 6 (5) Notwithstanding any law to the contrary, Chapter 132 of the
7 General Statutes, the Public Records Law, applies to all records of
8 the State Division of Social Services of the Department of Human
9 Resources and of any county department of social services
10 regarding inspections of domiciliary care facilities except for
11 information in the records that is confidential or privileged,
12 including medical records, or that contains the names of residents
13 or complainants.

14 (c) The following are excluded from the provisions of this section and are not
15 required to be registered or obtain licensure under this section:

- 16 (1) Facilities licensed under Chapter 122C or Chapter 131E of the
17 General Statutes;
18 (2) Persons subject to rules of the Division of Vocational
19 Rehabilitation Services;
20 (3) Facilities that care for no more than four persons, all of whom are
21 under the supervision of the United States Veterans
22 Administration; and
23 (4) Facilities that make no charges for housing, amenities, or personal
24 care service, either directly or indirectly.

25 (c1) Although the contract obligation still remains to pay the housing management
26 for any services covered by the contract between the resident and housing
27 management, the resident of an assisted living facility has the right to obtain services
28 not at the expense of the housing management, from providers other than the housing
29 management.

30 (c2) ~~The Social Services Commission~~ Department of Human Resources shall
31 adopt any rules necessary to carry out this section. The Commission has the authority,
32 in adopting rules, to specify the limitation of nursing services provided by assisted
33 living residences. In developing rules, the Commission shall consider the need to
34 ensure comparable quality of services provided to residents, whether these services
35 are provided directly by a licensed assisted living provider, licensed home care
36 agency, or hospice. In adult care homes, living arrangements where residents require
37 supervision due to cognitive impairments, rules shall be promulgated to ensure that
38 supervision is appropriate and adequate to meet the special needs of these residents.

39 (c3) Nothing in this section shall be construed to supersede any federal or State
40 antitrust, antikickback, or safe harbor laws or regulations.

41 (c4) Housing programs for two or more unrelated adults that target their services
42 to elderly or disabled persons in which the only services provided by the housing
43 management, either directly or through an agreement or other arrangements, are
44 amenities that include, at a minimum, one meal a day and housekeeping services, are

1 exempt from licensure, but are required to be listed with the Division of Aging,
2 providing information on their location and number of units operated. This type of
3 housing is not considered assisted living.

4 (d) Repealed by Session Laws 1995, c. 535, s. 8.

5 (e) The Department of Human Resources shall provide the method of evaluation
6 of residents in adult care homes in order to determine when any of those residents
7 are in need of the professional medical and nursing care provided in licensed nursing
8 homes.

9 (f) If any provisions of this section or the application of it to any person or
10 circumstance is held invalid, the invalidity does not affect other provisions or
11 applications of the section which can be given effect without the invalid provision or
12 application, and to this end the provisions of this section are severable.

13 (g) In order for an adult care home to maintain its license, it shall not hinder or
14 interfere with the proper performance of duty of a lawfully appointed community
15 advisory committee, as defined by G.S. 131D-31 and G.S. 131D-32.

16 (h) Suspension of admissions to adult care home:

17 (1) In addition to the administrative penalties described in subsection
18 (b), the Secretary may suspend the admission of any new residents
19 to an adult care home, where the conditions of the adult care
20 home are detrimental to the health or safety of the residents. This
21 suspension shall be for the period determined by the Secretary and
22 shall remain in effect until the Secretary is satisfied that conditions
23 or circumstances merit removing the suspension.

24 (2) In imposing a suspension under this subsection, the Secretary shall
25 consider the following factors:

26 a. The degree of sanctions necessary to ensure compliance with
27 this section and rules adopted hereunder; and

28 b. The character and degree of impact of the conditions at the
29 home on the health or safety of its residents.

30 (3) The Secretary of Human Resources shall adopt rules to implement
31 this subsection.

32 (4) Any facility wishing to contest a suspension of admissions shall be
33 entitled to an administrative hearing as provided in the
34 Administrative Procedure Act, Chapter 150B of the General
35 Statutes. A petition for a contested case shall be filed within 20
36 days after the Department mails a notice of suspension of
37 admissions to the licensee.

38 (i) Notwithstanding the existence or pursuit of any other remedy, the Department
39 of Human Resources may, in the manner provided by law, maintain an action in the
40 name of the State for injunction or other process against any person to restrain or
41 prevent the establishment, conduct, management or operation of an adult care home
42 without a license. Such action shall be instituted in the superior court of the county
43 in which any unlicensed activity has occurred or is occurring.

1 If any person shall hinder the proper performance of duty of the Secretary or his
2 representative in carrying out this section, the Secretary may institute an action in the
3 superior court of the county in which the hindrance has occurred for injunctive relief
4 against the continued hindrance, irrespective of all other remedies at law.

5 Actions under this subsection shall be in accordance with Article 37 of Chapter 1
6 of the General Statutes and Rule 65 of the Rules of Civil Procedure."

7 Section 11A.68. G.S. 131D-4.3 reads as rewritten:

8 **"§ 131D-4.3. Adult care home rules.**

9 (a) Pursuant to G.S. 143B-153, the ~~Social Services Commission~~ Department of
10 Human Resources shall adopt rules to ensure at a minimum, but shall not be limited
11 to, the provision of the following by adult care homes:

12 (1) Client assessment and independent case management;

13 (2) A minimum of 75 hours of training for personal care aides
14 performing heavy care tasks and a minimum of 40 hours of
15 training for all personal care aides. The training for aides providing
16 heavy care tasks shall be comparable to State-approved Certified
17 Nurse Aide I training. For those aides meeting the 40-hour
18 requirement, at least 20 hours shall be classroom training to
19 include at a minimum:

- 20 a. Basic nursing skills;
- 21 b. Personal care skills;
- 22 c. Cognitive, behavioral, and social care;
- 23 d. Basic restorative services; and
- 24 e. Residents' rights.

25 A minimum of 20 hours of training shall be provided for aides in
26 family care homes that do not have heavy care residents. Persons
27 who either pass a competency examination developed by the
28 Department of Human Resources, have been employed as personal
29 care aides for a period of time as established by the Department,
30 or meet minimum requirements of a combination of training,
31 testing, and experience as established by the Department shall be
32 exempt from the training requirements of this subdivision;

33 (3) Monitoring and supervision of residents; and

34 (4) Oversight and quality of care as stated in G.S. 131D-4.1.

35 (b) Rules to implement this section shall be adopted as emergency rules in
36 accordance with Chapter 150B of the General Statutes. These rules shall be in effect
37 no later than January 1, 1996.

38 (c) The Department may suspend or revoke a facility's license, subject to the
39 provisions of Chapter 150B, to enforce compliance by a facility with this section or to
40 punish noncompliance."

41 Section 11A.69. G.S. 131D-6 reads as rewritten:

42 **"§ 131D-6. Certification of adult day care programs; purpose; definition; penalty.**

43 (a) It is the policy of this State to enable people who would otherwise need
44 full-time care away from their own residences to remain in their residences as long as

1 possible and to enjoy as much independence as possible. One of the programs that
2 permits adults to remain in their residences and with their families is adult day care.

3 (b) As used in this section 'adult day care program' means the provision of group
4 care and supervision in a place other than their usual place of abode on a less than
5 24-hour basis to adults who may be physically or mentally disabled. The Department
6 of Human Resources shall annually inspect and certify all adult day care programs,
7 under rules adopted by the ~~Social Services Commission~~ Department. The ~~Social~~
8 ~~Services Commission~~ Department of Human Resources shall adopt and enforce rules
9 to protect the health, safety, and welfare of persons in adult day care programs.
10 These rules shall include minimum standards relating to management of the program,
11 staffing requirements, building requirements, fire safety, sanitation, nutrition, and
12 program activities.

13 ~~The Department of Human Resources shall enforce the rules of the Social Services~~
14 ~~Commission.~~

15 (c) The Secretary may impose a civil penalty not to exceed one hundred dollars
16 (\$100.00) for each violation on a person, firm, agency, or corporation who willfully
17 violates any provision of this section or any rule adopted by the ~~Social Services~~
18 ~~Commission~~ Department pursuant to this section. Each day of a continuing violation
19 constitutes a separate violation.

20 In determining the amount of the civil penalty, the Secretary shall consider the
21 degree and extent of the harm or potential harm caused by the violation.

22 ~~The Social Services Commission~~ Department shall adopt rules concerning the
23 imposition of civil penalties under this subsection.

24 (c1) Any person, firm, agency, or corporation that harms or willfully neglects a
25 person under its care is guilty of a Class 1 misdemeanor.

26 (d) The following programs are exempted from the provisions of this section:

- 27 (1) Those that care for three people or less;
- 28 (2) Those that care for two or more persons, all of whom are related
29 by blood or marriage to the operator of the facility;
- 30 (3) Those that are required by other statutes to be licensed by the
31 Department of Human Resources."

32 Section 11A.70. G.S. 131D-10.2 reads as rewritten:

33 **"§ 131D-10.2. Definitions.**

34 For purposes of this Article, unless the context clearly implies otherwise:

- 35 (1) 'Adoption' means the act of creating a legal relationship between
36 parent and child where it did not exist genetically.
- 37 (2) 'Adoptive Home' means a family home approved by a child
38 placing agency to accept a child for adoption.
- 39 (3) 'Child' means an individual less than 18 years of age, who has not
40 been emancipated under the provisions of Article 56 of Chapter
41 7A of the General Statutes.
- 42 (4) 'Child Placing Agency' means a person authorized by statute or
43 license under this Article to receive children for purposes of

- 1 placement in residential group care, family foster homes or
2 adoptive homes.
- 3 (5) 'Children's Camp' means a residential child-care facility which
4 provides foster care at either a permanent camp site or in a
5 wilderness setting.
- 6 (6) ~~'Commission' means the Social Services Commission.~~
- 7 (6a) 'Criminal History' means a county, state, or federal criminal
8 history of conviction or a pending indictment of a crime, whether a
9 misdemeanor or a felony, that bears upon an individual's fitness to
10 have responsibility for the safety and well-being of children,
11 including the following North Carolina crimes contained in any of
12 the following Articles of Chapter 14 of the General Statutes:
13 Article 6, Homicide; Article 7A, Rape and Kindred Offenses;
14 Article 8, Assaults; Article 10, Kidnapping and Abduction; Article
15 13, Malicious Injury or Damage by Use of Explosive or Incendiary
16 Device or Material; Article 26, Offenses Against Public Morality
17 and Decency; Article 27, Prostitution; Article 39, Protection of
18 Minors; Article 40, Protection of the Family; and Article 59, Public
19 Intoxication. Such crimes also include possession or sale of drugs
20 in violation of the North Carolina Controlled Substances Act,
21 Article 5 of Chapter 90 of the General Statutes, and alcohol-
22 related offenses such as sale to underage persons in violation of
23 G.S. 18B-302 or driving while impaired in violation of G.S. 20-
24 138.1 through G.S. 20-138.5. In addition to the North Carolina
25 crimes listed in this subdivision, such crimes also include similar
26 crimes under federal law or under the laws of other states.
- 27 (7) 'Department' means the Department of Human Resources.
- 28 (8) 'Family Foster Home' means the private residence of one or more
29 individuals who permanently reside as members of the household
30 and who provide continuing full-time foster care for a child or
31 children who are placed there by a child placing agency or who
32 provide continuing full-time foster care for two or more children
33 who are unrelated to the adult members of the household by
34 blood, marriage, guardianship or adoption.
- 35 (9) 'Foster Care' means the continuing provision of the essentials of
36 daily living on a 24-hour basis for dependent, neglected, abused,
37 abandoned, destitute, orphaned, undisciplined or delinquent
38 children or other children who, due to similar problems of
39 behavior or family conditions, are living apart from their parents,
40 relatives, or guardians in a family foster home or residential child-
41 care facility. The essentials of daily living include but are not
42 limited to shelter, meals, clothing, education, recreation, and
43 individual attention and supervision.

- 1 (9a) 'Foster Parent' means any individual who is 18 years of age or
2 older who permanently resides in a family foster home licensed by
3 the State and any such individual applying to provide family foster
4 care.
- 5 (10) 'Person' means an individual, partnership, joint-stock company,
6 trust, voluntary association, corporation, agency, or other
7 organization or enterprise doing business in this State, whether or
8 not for profit.
- 9 (11) 'Primarily Educational Institution' means any institution which
10 operates one or more scholastic or vocational and technical
11 education programs that can be offered in satisfaction of
12 compulsory school attendance laws, in which the primary purpose
13 of the housing and care of children is to meet their educational
14 needs, provided such institution has complied with Article 39 of
15 Chapter 115C of the General Statutes.
- 16 (12) 'Provisional License' means a type of license granted by the
17 Department to a person who is temporarily unable to comply with
18 a rule or rules adopted under this Article.
- 19 (13) 'Residential Child-Care Facility' means a staffed premise with paid
20 or volunteer staff where children receive continuing full-time foster
21 care. Residential child-care facility includes child-caring
22 institutions, group homes, and children's camps which provide
23 foster care."

24 Section 11A.71. G.S. 131D-10.3 reads as rewritten:

25 "**§ 131D-10.3. Licensure required.**

26 (a) No person shall operate, establish or provide foster care for children or receive
27 and place children in residential care facilities, family foster homes, or adoptive
28 homes without first applying for a license to the Department and submitting the
29 required information on application forms provided by the Department.

30 (b) Persons licensed or seeking a license under this Article shall permit the
31 Department access to premises and information required to determine whether the
32 person is in compliance with licensing rules of the ~~Commission~~ Department.

33 (c) Persons licensed pursuant to this Article shall be periodically reviewed by the
34 Department to determine whether they comply with ~~Commission~~ Department rules
35 and whether licensure shall continue.

36 (d) This Article shall apply to all persons intending to organize, develop or
37 provide foster care for children or receive and place children in residential child-care
38 facilities, family foster homes or adoptive homes irrespective of such persons having
39 applied for or obtained a certification, registration or permit to carry on work not
40 controlled by this Article except persons exempted in G.S. 131D-10.4.

41 (e) Unless revoked or modified to a provisional or suspended status, the terms of a
42 license issued by the Department shall be in force for a period not to exceed 24
43 months from the date of issuance under rules adopted by the ~~Commission~~
44 Department.

1 (f) Persons licensed or seeking a license who are temporarily unable to comply
2 with a rule or rules may be granted a provisional license. The provisional license can
3 be issued for a period not to exceed six months. The noncompliance with a rule or
4 rules shall not present an immediate threat to the health and safety of the children,
5 and the person shall have a plan approved by the Department to correct the area(s)
6 of noncompliance within the provisional period. A provisional license for an
7 additional period of time to meet the same area(s) of noncompliance shall not be
8 issued.

9 (g) In accordance with ~~Commission~~ Department rules, a person may submit to the
10 Department documentation of compliance with the standards of a nationally
11 recognized accrediting body, and the Department on the basis of such accreditation
12 may deem the person in compliance with one or more ~~Commission~~ Department
13 licensing rules."

14 Section 11A.72. G.S. 131D-10.5 is repealed.

15 Section 11A.73. G.S. 131D-10.6 reads as rewritten:

16 "**§ 131D-10.6. Powers and duties of the Department.**

17 In addition to other powers and duties prescribed by law, the Department shall
18 exercise the following powers and duties:

- 19 (1) Investigate applicants for licensure to determine whether they are
20 in compliance with licensing rules adopted by the ~~Commission~~
21 Department and the provisions of this Article.
- 22 (2) Grant a license when an investigation shows compliance with this
23 Article and ~~Commission~~ Department rules. The license shall be
24 valid for a period not to exceed 24 months as specified by
25 ~~Commission~~ Department rules and may be revoked or placed in
26 suspended or provisional status sooner if the Department finds that
27 licensure rules are not being met or upon a finding that the health,
28 safety or welfare of children is threatened.
- 29 (2a) Adopt, amend, and repeal rules consistent with the laws of this
30 State and the laws and regulations of the federal government to
31 implement the provisions and purposes of this Article.
- 32 (2b) Issue declaratory rulings as may be needed to implement the
33 provisions and purposes of this Article.
- 34 (2c) Adopt rules governing procedures to appeal Department decisions
35 pursuant to this Article granting, denying, suspending or revoking
36 licenses.
- 37 (2d) Adopt criteria for waiver of licensing rules adopted pursuant to
38 this Article.
- 39 (3) Administer and enforce the provisions of this Article and the rules
40 of the ~~Commission~~ Department.
- 41 (4) Appoint hearing officers to conduct appeals pursuant to this
42 Article.
- 43 (5) Prescribe the form in which application for licensure shall be
44 submitted.

- 1 (6) Inspect facilities and obtain records, documents and other
2 information necessary to determine compliance with the provisions
3 of this Article and ~~Commission~~ Department rules.
4 (7) Grant, deny, suspend or revoke a license or a provisional license,
5 in accordance with ~~Commission~~ Department rules.
6 (8) Grant a waiver for good cause to ~~Commission~~ Department rules
7 that do not affect the health, safety, or welfare of children in
8 facilities subject to licensure under this Article, in accordance with
9 ~~Commission~~ Department rules."

10 Section 11A.74. G.S. 131D-11 reads as rewritten:

11 **"§ 131D-11. Inspection.**

12 The Department of Human Resources shall, as authorized by G.S. 153-51, inspect
13 regularly all local confinement facilities as defined by G.S. 153-50(4) to determine
14 compliance with the minimum standards for local confinement facilities adopted by
15 the ~~Social Services Commission~~ Department."

16 Section 11A.75. G.S. 131D-19 reads as rewritten:

17 **"§ 131D-19. Legislative intent.**

18 It is the intent of the General Assembly to promote the interests and well-being of
19 the residents in adult care homes and assisted living residences licensed pursuant to
20 G.S. 131D-2. It is the intent of the General Assembly that every resident's civil and
21 religious liberties, including the right to independent personal decisions and
22 knowledge of available choices, shall not be infringed and that the facility shall
23 encourage and assist the resident in the fullest possible exercise of these rights. It is
24 the intent of the General Assembly that rules developed by the ~~Social Services~~
25 ~~Commission~~ Department of Human Resources to implement Article 1 and Article 3
26 of Chapter 131D of the General Statutes encourage every resident's quality of life,
27 autonomy, privacy, independence, respect, and dignity and provide the following:

- 28 (1) Diverse and innovative housing models that provide choices of
29 different lifestyles that are acceptable, cost-effective, and accessible
30 to all consumers regardless of age, disability, or financial status;
31 (2) A residential environment free from abuse, neglect, and
32 exploitation;
33 (3) Available, affordable personal service models and individualized
34 plans of care that are mutually agreed upon by the resident, family,
35 and providers and that include measurable goals and outcomes;
36 (4) Client assessment, evaluation, and independent case management
37 that enhance quality of life by allowing individual risk-taking and
38 responsibility by the resident for decisions affecting daily living to
39 the greatest degree possible based on the individual's ability; and
40 (5) Oversight, monitoring, and supervision by State and county
41 governments to ensure every resident's safety and dignity and to
42 assure that every resident's needs, including nursing and medical
43 care needs if and when needed, are being met."

44 Section 11A.76. G.S. 143-318.14A(a) reads as rewritten:

1 "(a) Except as provided in subsection (e) below, all official meetings of
2 commissions, committees, and standing subcommittees of the General Assembly
3 (including, without limitation, joint committees and study committees), shall be held
4 in open session. For the purpose of this section, the following also shall be considered
5 to be 'commissions, committees, and standing subcommittees of the General
6 Assembly':

- 7 (1) The Legislative Research Commission;
- 8 (2) The Legislative Services Commission;
- 9 (3) The Advisory Budget Commission;
- 10 (4) The Joint Legislative Utility Review Committee;
- 11 (5) The Joint Legislative Commission on Governmental Operations;
- 12 (6) The Joint Legislative Commission on Municipal Incorporations;
- 13 ~~(7) The Commission on the Family;~~
- 14 (8) The Joint Select Committee on Low-Level Radioactive Waste;
- 15 (9) The Environmental Review Commission;
- 16 (10) The Joint Legislative Transportation Oversight Committee;
- 17 (11) The Joint Legislative Education Oversight Committee;
- 18 (12) The Joint Legislative Commission on Future Strategies for North
19 Carolina;
- 20 (13) The Commission on Children with Special Needs;
- 21 (14) The Legislative Committee on New Licensing Boards;
- 22 (15) The Agriculture and Forestry Awareness Study Commission;
- 23 (16) The North Carolina Study Commission on Aging; and
- 24 (17) The standing Committees on Pensions and Retirement."

25 Section 11A.77. G.S. 143-578 reads as rewritten:

26 **"§ 143-578. Access to records.**

27 (a) The State Team, the Local Teams, and the Task Force during its existence,
28 shall have access to all medical records, hospital records, and records maintained by
29 this State, any county, or any local agency as necessary to carry out the purposes of
30 this Article, including police investigations data, medical examiner investigative data,
31 health records, mental health records, and social services records. The State Team,
32 the Task Force, and the Local Teams shall not, as part of the reviews authorized
33 under this Article, contact, question, or interview the child, the parent of the child, or
34 any other family member of the child whose record is being reviewed. Any member
35 of a Local Team may share, only in an official meeting of that Local Team, any
36 information available to that member that the Local Team needs to carry out its
37 duties.

38 (b) Meetings of the State Team and the Local Teams are not subject to the
39 provisions of Article 33C of Chapter 143 of the General Statutes. However, the
40 Local Teams may hold periodic public meetings to discuss, in a general manner not
41 revealing confidential information about children and families, the findings of their
42 reviews and their recommendations for preventive actions. Minutes of all public
43 meetings, excluding those of executive sessions, shall be kept in compliance with
44 Article 33C of Chapter 143 of the General Statutes. Any minutes or any other

1 information generated during any executive session shall be sealed from public
2 inspection.

3 (c) All otherwise confidential information and records acquired by the State
4 Team, the Local Teams, and the Task Force during its existence, in the exercise of
5 their duties are confidential; are not subject to discovery or introduction into
6 evidence in any proceedings; and may only be disclosed as necessary to carry out the
7 purposes of the State Team, the Local Teams, and the Task Force. In addition, all
8 otherwise confidential information and records created by a Local Team in the
9 exercise of its duties are confidential; are not subject to discovery or introduction into
10 evidence in any proceedings; and may only be disclosed as necessary to carry out the
11 purposes of the Local Team. No member of the State Team, a Local Team, nor any
12 person who attends a meeting of the State Team or a Local Team, may testify in any
13 proceeding about what transpired at the meeting, about information presented at the
14 meeting, or about opinions formed by the person as a result of the meetings. This
15 subsection shall not, however, prohibit a person from testifying in a civil or criminal
16 action about matters within that person's independent knowledge.

17 (d) Each member of a Local Team and invited participant shall sign a statement
18 indicating an understanding of and adherence to confidentiality requirements,
19 including the possible civil or criminal consequences of any breach of confidentiality.

20 (e) Cases receiving child protective services at the time of review by a Local
21 Team shall have an entry in the child's protective services record to indicate that the
22 case was received by that Team. Additional entry into the record shall be at the
23 discretion of the director of the county department of social services.

24 (f) ~~The Social Services Commission~~ Department of Human Resources shall adopt
25 rules to implement this section in connection with reviews conducted by Community
26 Child Protection Teams. The Health Services Commission shall adopt rules to
27 implement this section in connection with Local Teams that review additional child
28 fatalities. In particular, these rules shall allow information generated by an executive
29 session of a Local Team to be accessible for administrative or research purposes
30 only."

31 Section 11A.78. G.S. 143B-138 reads as rewritten:

32 "**§ 143B-138. Department of Human Resources -- functions and organization.**

33 (a) Repealed by Session Laws 1989, c. 727, s. 5.

34 (b) All functions, powers, duties, and obligations heretofore vested in
35 commissions, boards, councils, committees, or subunits of the Department of Human
36 Resources which are not transferred by G.S. 143B-279.3 shall continue to be vested in
37 the Department of Human Resources. These shall include, but are not limited to, the
38 following:

- 39 (1) Division of Aging.
- 40 (2) Respite Care Program.
- 41 (3) Governor's Advisory Council on Aging.
- 42 (4) Division of Services for the Blind.
- 43 (5) Commission for the Blind.
- 44 (6) Professional Advisory Committee.

- (7) Consumer and Advocacy Advisory Committee for the Blind.
- (8) Division of Medical Assistance.
- (9) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.
- (10) Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services.
- (11) Division of Social Services.
- (12) ~~Social Services Commission.~~
- (13) Division of Facility Services.
- (14) Medical Care Commission.
- (15) Child Day-Care Commission.
- (16) Emergency Medical Services Advisory Council.
- (17) Division of Vocational Rehabilitation.
- (18) Division of Youth Services.
- (19) Division of Schools for the Deaf and the Blind.
- (20) Board of Directors of the Governor Morehead School.
- (21) Board of Directors for the North Carolina Schools for the Deaf.
- (22) North Carolina Council for the Hearing Impaired.
- (23) Council on Developmental Disabilities.
- (24) North Carolina Council on the Holocaust.

(c) All functions, powers, duties, and obligations heretofore vested in the Economic Opportunity Division of the Department of Natural Resources and Community Development are hereby transferred to and vested in the Department of Human Resources by a Type I transfer as defined in G.S. 143A-6.

(d) The Department of Human Resources is vested with all other functions, powers, duties, and obligations as are conferred by the Constitution and laws of this State."

Section 11A.79. G.S. 143B-150.8 reads as rewritten:

"§ 143B-150.8. Advisory Committee on Family-Centered Services; responsibilities.

(a) The Advisory Committee on Family-Centered Services shall have the following responsibilities:

- (1) Provide guidance and advice to the Secretary in the development of a plan for the statewide implementation of an inter-agency family preservation services program whereby family-centered preservation services are available to all counties by July 1, 1995, through the coordinated efforts of the Division of Social Services, Division of Youth Services, and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.
- (2) Recommend standards for:
 - a. Oversight and development of family-centered preservation services;
 - b. Development and maintenance of inter-agency training and technical assistance in the provision of family-centered services;

- c. Professional staff qualifications, program monitoring, and data collection;
- d. Statewide evaluation of locally-based family preservation programs;
- e. Coordination of funding sources for family preservation programs;
- f. Procedures for awarding grants to local agencies providing family-centered services; and
- g. Annual reports to the Governor and the General Assembly on the services provided and achievements of the Family Preservation Services Program.

(3) The Committee shall submit a written report not later than May 1, 1992, and not later than October 1 of each year thereafter, to the Governor, to the Joint Legislative Commission on Governmental ~~Operations, and to the Commission on the Family. Operations.~~ The report shall address the progress in implementation of the Family Preservation Services Program. The report shall include an accounting of funds expended and anticipated funding needs for full implementation of the program. The report shall also include the following information for each county participating in the Program and for the Program as a whole:

- a. The number of families receiving service through the Program;
- b. The number of children at risk of placement prior to initiation of service in families receiving Program services;
- c. Among those children in sub-subdivision b., the number of children placed in foster care, in group homes, and in other facilities outside their homes and families;
- d. The average cost of the service provided to families under the Program;
- e. The estimated cost of out-of-home placement, through foster care, group homes, or other facilities, which would otherwise have been expended on behalf of children at risk of placement who successfully remain united with their families as a result of services provided through the Program. Cost estimates should be based on average length of stay and average cost of such out-of-home placements;
- f. The number of children who remain unified with their families for one, two, and three years after receiving services under the Program; and
- g. An overall statement of the progress of the Program and local projects during the preceding year, along with recommendations for improvements.

1 (b) The Committee may use funds allocated to it to contract for services to
2 monitor local projects and for an independent evaluation of the Family Preservation
3 Services Program."

4 Section 11A.80. G.S. 143B-181.52 reads as rewritten:

5 "**§ 143B-181.52. Rules required -- ~~Social Services Commission~~: Department of Human**
6 **Resources.**

7 ~~The Social Services Commission~~ Department of Human Resources shall develop
8 rules containing State standards for special care units in rest homes for patients with
9 Alzheimer's disease and related dementia. These standards shall include guidelines
10 concerning the type of care provided in a special care unit, the type of resident who
11 can be served on the unit, the ratio of residents to staff members, and the
12 requirements for the training of staff members."

13 Section 11A.81. G.S. 148-33.1(f) reads as rewritten:

14 "(f) A prisoner who is convicted of a felony and who is granted work-release
15 privileges shall give his work-release earnings, less standard payroll deductions
16 required by law, to the Department of Correction. A prisoner who is convicted of a
17 misdemeanor, is committed to a local confinement facility, and is granted work-
18 release privileges by order of the sentencing court shall give his work-release
19 earnings, less standard payroll deductions required by law, to the custodian of the
20 local confinement facility. Other misdemeanants granted work-release privileges shall
21 give their work-release earnings, less standard payroll deductions required by law, to
22 the Department of Correction. The Department of Correction or the sentencing
23 court, as appropriate, shall determine the amount to be deducted from a prisoner's
24 work-release earnings to pay for the cost of the prisoner's keep and to accumulate a
25 reasonable sum to be paid the prisoner when he is paroled or discharged from prison.
26 The Department or sentencing court shall also determine the amount to be disbursed
27 by the Department or clerk of court, as appropriate, for each of the following:

- 28 (1) To pay travel and other expenses of the prisoner made necessary
29 by his employment;
- 30 (2) To provide a reasonable allowance to the prisoner for his
31 incidental personal expenses;
- 32 (3) To make payments for the support of the prisoner's dependents in
33 accordance with an order of a court of competent jurisdiction, or
34 in the absence of a court order, in accordance with a
35 determination of dependency status and need made by the local
36 department of social services in the county of North Carolina in
37 which such dependents reside;
- 38 (3a) To make restitution or reparation as provided in G.S. 148-33.2.
- 39 (4) To comply with an order from any court of competent jurisdiction
40 regarding the payment of an obligation of the prisoner in
41 connection with any judgment rendered by the court.
- 42 (5) To comply with a written request by the prisoner to withhold an
43 amount, when the request has been granted by the Department or
44 the sentencing court, as appropriate.

1 Any balance of his earnings remaining at the time the prisoner is released from
2 prison shall be paid to him. The ~~Social Services Commission~~ Department of Human
3 Resources is authorized to promulgate uniform rules and regulations governing the
4 duties of county social services departments under this section."

5 Section 11A.82. G.S. 153A-217 reads as rewritten:

6 "**§ 153A-217. Definitions.**

7 Unless otherwise clearly required by the context, the words and phrases defined in
8 this section have the meanings indicated when used in this Part:

9 (1) ~~'Commission' means the Social Services Commission.~~

10 (2) 'Secretary' means the Secretary of Human Resources.

11 (3) 'Department' means the Department of Human Resources.

12 (4) 'Governing body' means the governing body of a county or city or
13 the policy-making body for a district or regional confinement
14 facility.

15 (5) 'Local confinement facility' includes a county or city jail, a local
16 lockup, a regional or district jail, a juvenile detention home, a
17 detention facility for adults operated by a local government, and
18 any other facility operated by a local government for confinement
19 of persons awaiting trial or serving sentences except that it shall
20 not include a county satellite jail/work release unit governed by
21 Part 3 of Article 10 of Chapter 153A.

22 (6) 'Prisoner' includes any person, adult or juvenile, confined or
23 detained in a confinement facility.

24 (7) 'Unit,' 'unit of local government,' or 'local government' means a
25 county or city."

26 Section 11A.83. G.S. 153A-220 reads as rewritten:

27 "**§ 153A-220. Jail and detention services.**

28 The ~~Commission~~ Department has policy responsibility for providing and
29 coordinating State services to local government with respect to local confinement
30 facilities. The Department shall:

31 (1) Consult with and provide technical assistance to units of local
32 government with respect to local confinement facilities.

33 (2) Develop minimum standards for the construction and operation of
34 local confinement facilities.

35 (3) Visit and inspect local confinement facilities; advise the sheriff,
36 jailer, governing board, and other appropriate officials as to
37 deficiencies and recommend improvements; and submit written
38 reports on the inspections to appropriate local officials.

39 (4) Review and approve plans for the construction and major
40 modification of local confinement facilities.

41 (5) Repealed by Session Laws 1983, c. 745, s. 5, effective September 1,
42 1983.

43 (6) Perform any other duties that may be necessary to carry out the
44 State's responsibilities concerning local confinement facilities."

Section 11A.84. G.S. 153A-221(c) reads as rewritten:

"(c) Before the standards or any amendments thereto may become effective, they must be approved by the ~~Commission~~ Department and the Governor. Upon becoming effective, they have the force and effect of law."

Section 11A.85. G.S. 153A-221.1 reads as rewritten:

"§ 153A-221.1. Standards and inspections.

The legal responsibility of the Secretary of Human Resources and the ~~Social Services Commission~~ Department for State services to county juvenile detention homes under this Article is hereby confirmed and shall include the following: development of State standards under the prescribed procedures; inspection; consultation; technical assistance; and training. Further, the legal responsibility of the Department of Human Resources is hereby expanded to give said Department the same legal responsibility as to the State-administered regional detention homes which shall be developed by the State Department of Correction as provided by G.S. 134A-37.

The Secretary of Human Resources shall develop new standards which shall be applicable to county detention homes and regional detention homes as defined by G.S. 134-36 in line with the recommendations of the report entitled Juvenile Detention in North Carolina: A Study Report (January, 1973) where practicable, and such new standards shall become effective not later than July 1, 1977.

The Secretary of Human Resources shall also develop standards under which a local jail may be approved as a holdover facility for not more than five calendar days pending placement in a juvenile detention home which meets State standards, providing the local jail is so arranged that any child placed in the holdover facility cannot converse with, see, or be seen by the adult population of the jail while in the holdover facility. The personnel responsible for the administration of a jail with an approved holdover facility shall provide close supervision of any child placed in the holdover facility for the protection of the child."

Section 11A.86. (a) Of the funds appropriated in this act to the Department of Human Resources, the sum of six million seven hundred fifty thousand dollars (\$6,750,000) for the 1997-98 fiscal year and the sum of four hundred thousand dollars (\$400,000) for the 1998-99 fiscal year shall be used as follows:

- (1) To establish the uniform system of Work First Program, food stamp, and Medicaid recipient identification;
 - (2) To provide counties with workstations for biometric imaging; and
 - (3) To fund one program integrity worker in each county.
- (b) This section becomes effective July 1, 1997.

Section 11A.87. The Department of Human Resources shall have the uniform system of Work First Program, food stamp, and Medicaid recipient identification in place and operating before June 1, 1998. Except as otherwise provided in this Part, this Part is effective when it becomes law.



11/

11/11/97

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Human Resources
Addendum

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

HR-ALV-1



Date _____, 1997

Comm. Sub. ☐
Amends Title ☐

Representative Berry

- 1 moves to amend the Addendum on page 4, line 40, by deleting
2 "\$282,029,076" and substituting "\$302,029,076";
3
4 and on page 5, line 27, by deleting the line;
5
6 and on page 8, lines 10-33, by rewriting the lines to read:
7
8 "(o) If the United States Congress reduces the amount of
9 TANF funds below the amounts specified above after the effective
10 date of this act, then the Department shall reduce every item in the
11 TANF Block Grant section listed above pro rata. Any TANF funds
12 appropriated by the United States Congress in addition to the funds
13 specified in this act shall not be expended until appropriated to
14 the General Assembly. Any TANF Block Grant fund changes shall be
15 reported to the Joint Legislative Public Assistance Commission
16 within 30 days after the change.";
17
18 and on page 14, lines 26-28, by rewriting the lines to read:
19
20 "(9) Transmit federal annual block grant funds to the
21 counties as soon as they become available to the State
22 and in accordance with federal cash management laws
23 and regulations. The Department shall transmit one-
24 fourth of the counties' annual block grant funds
25 funded by the General Fund to the counties at the
26 beginning of each quarter. Once paid, these funds
27 shall be nonreverting.";
28
29 and on page 14, line 43, by inserting after the line the following:



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Human Resources
Addendum

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 2 of ____

HR-ALV-1

- 1 "(16) Establish a Work First Reserve Fund to provide
2 for future needs of the Work First Program.
3 Funds placed in this reserve shall not be
4 expended until the Department notifies the Joint
5 Legislative Public Assistance Commission, submits
6 a request for expenditure of these funds to the
7 House and Senate Appropriations Subcommittees on
8 Human Resources, and funds are appropriated by
9 the General Assembly for the expenditure."
10
11 and on page 17, line 28, by inserting before the period "of the
12 amount the State budgeted for programs under this Part during fiscal
13 year 1996-97";
14
15 and on page 17, line 29, by inserting before the period "of the
16 amount the county budgeted for programs under this Part during
17 fiscal year 1996-97";
18
19 and on page 23, line 36, by deleting "Certified Substance Abuse
20 Counselor (CSAC)" and substituting "Qualified Substance Abuse
21 Professional (QSAP)";
22
23 and on page 35, line 16, by rewriting the line to read:
24 "\$ 15-155.1. Reports to district attorneys of ~~aid to dependent~~
25 children Work First Family Assistance and ~~illegitimate~~";
26
27 and on page 75, line 37, by inserting after the line the following:
28
29 "Section 11A.86A. Of the funds appropriated in this act to
30 the Department of Human Resources, the sum of twenty million dollars
31 (\$20,000,000) shall be placed in the Work First Reserve Fund
32 established pursuant to G.S. 108A-27.4."
33

SIGNED Cherie Berry
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

ROLL CALL VOTE

*Rep. Redwin's Amendment
to remove pgs. 9-75 of
the State Reform*

22
YES

41
NO

= 63 (TOTAL)

HB# _____
SB# _____

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

DATE _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
_____	☒	HOLMES, Co-Chair	_____	☒	DECKER
_____	☒	ESPOSITO, Co-Chair	_____	☒	DOCKHAM
_____	_____	CREECH, Co-Chair	☒	_____	EARLE
_____	☒	CRAWFORD, Co-Chair	☒	_____	EASTERLING
_____	_____	ADAMS	_____	☒	ELLIS
_____	☒	ALDRIDGE	☒	_____	FOX
☒	_____	ALEXANDER	_____	☒	GARDNER
_____	☒	ARNOLD	_____	☒	GRADY
_____	☒	BAKER	_____	☒	GULLEY
_____	☒	BARBEE	_____	_____	HALL
_____	☒	BERRY	_____	_____	HARDAWAY
_____	_____	BLACK	_____	☒	HARDY
☒	_____	BLUE	_____	☒	HIATT
☒	_____	BONNER	_____	_____	HUNTER
_____	☒	BOWIE	☒	_____	HURLEY
_____	_____	BRASWELL	☒	_____	INSKO
_____	☒	CANSLER	_____	☒	IVES
_____	☒	CARPENTER	☒	_____	JEFFUS
_____	_____	CHURCH	_____	☒	JUSTUS
_____	☒	CLARY	☒	_____	KINNEY
_____	☒	CULP	_____	☒	KISER
☒	_____	CULPEPPER	_____	_____	McALLISTER
_____	☒	DAVIS	_____	☒	McCOMBS
_____	_____		☒	_____	McCRARY

ROLL CALL VOTE

PAGE 2

HB#

SB#

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
—	✓	McMAHAN	✓	—	WAINWRIGHT
✓	—	MICHAUX	—	—	WARNER
—	✓	MITCHELL	✓	—	WARWICK
—	✓	MOORE	—	✓	WATSON
—	✓	MORGAN	—	—	WEATHERLY
—	—	MOSLEY	✓	—	WILKINS
—	—	NEELY	—	✓	WILSON
—	✓	NYE	—	—	YONGUE
✓	—	OLDHAM			
—	—	OWENS			
—	✓	PRESTON			Ex officio Members
✓	—	REDWINE	—	—	Speaker Pro Tem WOOD
—	✓	REYNOLDS	—	—	Majority Leader DAUGHTRY
✓	—	ROGERS	—	✓	Majority Whip HOWARD
—	✓	RUSSELL			
✓	—	SAUNDERS			
—	✓	SEXTON			
—	✓	SHERRILL			
—	✓	SHUBERT			
✓	—	SMITH			
—	—	SUTTON			
—	✓	THOMPSON			
✓	—	TOLSON			

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. _____

DATE 5/30/97

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

House Appropriations Subcommittee
on Human Resources Report - Addendum

(Rep.) Redwine

Sen.)

Addendum
moves to amend the bill on page 9-75, ~~line~~

by deleting the lines, pages, and refer to committee on

~~Workforce Reform~~

SIGNED

D. Redwine

ADOPTED _____ FAILED _____ TABLED _____

failed 21-34



74
Blue
Nelson R. R. R.
of Tennessee

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Human Resources
Addendum

HR-ALV-3

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

Date _____, 1997

Comm. Sub. []
Amends Title []

Richard Blue, Jr.

1 moves to amend the Addendum on page 13, lines 10-13, by rewriting
2 the lines to read:

- 3
4 "(1) Establish county outcomes and performance goals in
5 consultation with the Department. At a minimum, these
6 goals shall include:
7 a. Meeting or exceeding the federal 'All Parent
8 Participation Rate';
9 b. Meeting or exceeding the federal 'Two Parent
10 Participation Rate'; and
11 c. Reducing their Work First Family Assistance
12 caseload by a percentage determined annually by
13 the Department."

14
15 and on page 14, lines 17-20, by rewriting the lines to read:

- 16
17 "(6) The Department shall approve the County Plan,
18 including:
19 a. Core performance goals;
20 b. Local work activities that are countable toward
21 the federal work participation rates and comply
22 with any federal requirements;
23 c. A list of all contracts and whether those
24 contracts are performance-based; and
25 d. A self-evaluation of the prior year's performance
26 against the county's performance goals."

27
28 and on page 14, lines 34-38, by rewriting the lines to read:
29



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Human Resources
Addendum

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 2 of ____

HR-ALV-3

1
2
3
4
5
6
7
8
9
10
11
12
13

"(13)

Monitor county performance against core performance goals on a monthly and quarterly basis. Additional technical assistance may be provided by the Department to enable counties to evaluate their Work First Program, as well as monitor any additional performance goals they may develop. The Department shall evaluate county performance against core goals and present a report of its findings to the Joint Legislative Public Assistance Commission by September 30 of each year."

SIGNED *James R. Bell*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



#5
Proced

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Human Resources
Addendum

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

HR-ALV-7

Date May 30, 1997

Comm. Sub. []
Amends Title []

1 moves to amend the Addendum on page 11, line 41, by rewriting the
2 line to read:
3
4 "under rules ~~and regulations~~ adopted by the Social Services
5 Commission and under";
6
7 and on page 24, line 26, by rewriting the line to read:
8
9 "with, rules ~~and regulations~~ of the Social Services Commission or
10 the Department,";
11
12 and on page 24, lines 32-33, by rewriting the lines to read:
13
14 "with the rules ~~and regulations~~ of the Social Services Commission to
15 any dependent child who is would have been eligible to receive";
16
17 and on page 24, lines 39-40, by rewriting the lines to read:
18
19 "accordance with the rules ~~and regulations~~ of the Social Services
20 Commission to adoptive parents who adopt a child eligible to receive
21 foster care";
22
23 and on page 27, lines 10-11, by rewriting the lines to read:
24
25 "~~regulations and regulations~~, and the rules ~~and regulations~~ of the
26 Social Services Commission or the Department.";
27
28 and on page 27, lines 30-34, by rewriting the lines to read:
29



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Human Resources
Addendum

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 2 of _____

HR-ALV-7

- 1 "(d) The Social Services Commission ~~shall have the authority to~~
2 ~~may~~ adopt rules ~~and regulations~~ governing access to case files for
3 social services and public assistance programs, except the Medical
4 Assistance Program. The Secretary of the Department of Human
5 Resources shall have the authority to adopt rules ~~and regulations~~
6 governing access to medical assistance case files.";
7
8 and on page 34, lines 26 29, by deleting the lines;
9
10 and on page 40, lines 24-25, by deleting: "THE SOCIAL SERVICES
11 COMMISSION AND";
12
13 and on page 40, line 26, through page 68, line 43, by deleting the
14 lines;
15
16 and on page 69, line 25, through page 71, line 27, by deleting the
17 lines;
18
19 and on page 73, line 4, through page 75, line 28, by deleting the
20 lines.
21

SIGNED *Matthew Alexander*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Human Resources
Addendum

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

HR-ALV-5

Date _____, 1997

Comm. Sub. []
Amends Title []

1 Representative Redwine

2

3 moves to amend the Addendum, as amended by HR-ALV-1, on page 17,
4 lines 27 through 31, by rewriting the lines to read:

5

6 "(a) Using the preceding fiscal year as the base year, counties
7 shall maintain financial commitment to the Work First Program equal
8 to the proportion of State funds appropriated to the Work First
9 Program.

10 (b) The Department shall define in the State Plan or by rule the
11 term 'maintenance of effort', based on that term as defined in
12 Public Law 104-193 and shall provide to counties a list of
13 activities that qualify for maintenance of effort requirements.

14 (c) If a county fails to comply with the maintenance of effort
15 requirement in subsection (a) of this section, the Director of the
16 Budget may withhold federal and State moneys appropriated to the
17 county pursuant to G.S. 108A-93."

18

19

SIGNED *Phil Perkins*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



#7

files

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Human Resources
Addendum

HR-ALV-9

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

Date _____, 1997

Comm. Sub. ☐
Amends Title ☐

Easterling

- 1 moves to amend the Addendum on page 27, lines 35-43, by deleting the
2 lines;
3
4 and on page 28, lines 1-3, by deleting the lines.

SIGNED *Easterling*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



#8
J. J. J.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Appropriations Subcommittee on Human Resources
Addendum

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

HR-ALV-4

Date 5/30/97, 1997

Comm. Sub. []
Amends Title []

Easterling

- 1 moves to amend the Addendum on page 13, lines 14-15, by deleting the
2 lines and renumbering the remaining subdivisions in G.S. 108A-
3 27.3(a) accordingly;
4
5 and on page 14, line 3, by inserting after the line the following:
6
7 "(2) Establish eligibility criteria for recipients.
8 (3) Prescribe the method of calculating benefits to
9 recipients."
10
11 and renumbering the remaining subdivisions in G.S. 108A-27.4
12 accordingly.

SIGNED *Easterling*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
GENERAL GOVERNMENT**

MAY 28, 1997


REP. WILLIAM IVES


REP. GENE MCCOMBS


REP. WILMA SHERRILL

General Assembly

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Budget	\$31,226,277		\$34,642,598
Legislative Changes			
(1900) Reserves and Transfers			
1 Reduction in Operating Reserves	(\$500,000)	R	(\$500,000) R
Reduces operating reserves.			
Total Legislative Changes	(\$500,000)	R	(\$500,000) R
Total Position Changes			
Revised Budget	\$30,726,277		\$34,142,598

Governor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,286,620		\$5,302,348	
Legislative Changes				
(0000) Departmentwide				
2 Purchased Contractual Services	(\$22,367)	R	(\$22,367)	R
(1110) Administration				
3 Eliminate Assistant Chief of Staff Position	(\$98,310)	R	(\$98,310)	R
Eliminate the position and associated benefits of Assistant Chief of Staff.	-1.00		-1.00	
(1130) Office of Intergovernmental Relations				
4 Eliminate Military Liaison Position	(\$25,220)	R	(\$25,220)	R
Eliminate the position and associated benefits for Military Liaison. This position has been vacant since 10-01-94.	-1.00		-1.00	
(1631) Raleigh Executive Residence				
5 Transfer to CC & PS	(\$6,099)	R	(\$6,099)	R
This transfer repays Crime Control & Public Safety (CC & PS) the costs of supplying the Governor's guards. \$6,099 was the amount of the requested increase from last year. The money will be saved by using guards with the same salaries as the current guards are earning.				
Total Legislative Changes	(\$151,996)	R	(\$151,996)	R
Total Position Changes	-2.00		-2.00	
Revised Budget	\$5,134,624		\$5,150,352	

State Budget and Management

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$3,855,400		\$3,938,220	
Legislative Changes				
(1022) 1997 Special Appropriations				
6 Fire Protection Grant Funds	\$3,080,000	R	\$3,080,000	R
Creates the State Fire Protection Grant Fund, to compensate local fire districts and political subdivisions for providing fire protection to State-owned buildings. Requires the Office of State Budget and Management to develop a statewide method for distributing these funds to the State's local fire districts and political subdivisions.				
7 NC Humanities Council	\$100,000	NR		
Provides a grant to the North Carolina Humanities Council, a not-for-profit organization.				
8 Women's Memorial Funds	\$50,000	NR		
This is a State Donation to the Women in Military Service for America Memorial Foundation, Inc., for the purpose of creating a memorial to women veterans of the armed services.				
(1310) Administration				
9 New Position	\$50,000	R	\$50,000	R
Creates a new analyst position to assist in analytical/administrative duties associated with increasing workload in the Capital Improvements Section.				
	1.00		1.00	
(1310) Office of State Budget and Manage				
10 Property, Plant & Equipment	(\$32,372)	R	(\$32,372)	R
Department will save money by deferring purchase of new items of equipment.				
11 Reduce Employee Costs	(\$5,010)	R	(\$5,010)	R
Reduce objects Employee Benefit Cost and Supplement to Regular Wage. Department plans that this money will not be needed due to savings accrued while vacancies exist.				
Total Legislative Changes	\$3,092,618	R	\$3,092,618	R
	\$150,000	NR		
Total Position Changes	1.00		1.00	
Revised Budget	\$7,098,018		\$7,030,838	

Office of State Planning

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,820,279		\$1,833,679	
Legislative Changes				
(1412) Geodetic Survey				
12 Make One-Half Position Receipt-Supported	(\$17,829)	R	(\$17,829)	R
Office of State Planning has one position which receives one-half of its funding from the General Fund. This position will become entirely receipt-supported.	-0.50		-0.50	
Total Legislative Changes	(\$17,829)	R	(\$17,829)	R
Total Position Changes	-0.50		-0.50	
Revised Budget	\$1,802,450		\$1,815,850	

Lieutenant Governor

GENERAL FUND

	FY 97-98		FY 98-99
Recommended Budget	\$612,176		\$612,336
Legislative Changes			
(1110) Administration			
13 Miscellaneous Expenses, Equipment, and Services	(\$2,946)	R	(\$2,946) R
Reductions in Registration Fees, Other Employee Educational Expenses, Maintenance Agreement-Equipment, DP Equipment, Repairs-Computer Equipment, General Office Expenses, Cellular Phone Service, Postage, and Telephone Service.			
Total Legislative Changes	(\$2,946)	R	(\$2,946) R
Total Position Changes			
Revised Budget	\$609,230		\$609,390

Secretary of State

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$5,243,012		\$5,230,680	
Legislative Changes				
(0000) Departmentwide				
14 New Computer System	\$80,000	R	\$80,000	R
Replaces old computer equipment with new local area network, new imaging system, new relational database software. Funds include money for a project manager and for computer consultants.	\$1,230,000	NR	\$0	NR
	1.00		1.00	
Total Legislative Changes	\$80,000	R	\$80,000	R
	\$1,230,000	NR	\$0	NR
Total Position Changes	1.00		1.00	
Revised Budget	\$6,553,012		\$5,310,680	

Auditor

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$9,495,886		\$9,504,085	
Legislative Changes				
(1120) Support Services				
15 Maintenance on Printing Equipment	\$38,600	R	\$38,600	R
Provides funds to maintain printing and duplicating equipment. Recommended by the Governor.				
(1210) Field Audit Division				
16 Equipment Replacement Reserve	\$175,000	R	\$175,000	R
Recurring funds would allow the Auditor to replace computers every three years. Recommended by the Governor.				
17 Audit Software	\$0	R	\$15,000	R
	\$159,000	NR	\$0	NR
18 EDP Audit Positions	\$123,606	R	\$123,606	R
Additional electronic data processing auditors.				
	\$12,980	NR	\$0	NR
	2.00		2.00	
19 Additional Audit Positions	\$160,322	R	\$160,322	R
Additional performance and financial auditors				
	\$19,470	NR	\$0	NR
	3.00		3.00	
Total Legislative Changes	\$497,528	R	\$512,528	R
	\$191,450	NR	\$0	NR
Total Position Changes	5.00		5.00	
Revised Budget	\$10,184,864		\$10,016,613	

Treasurer

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$18,432,034	\$18,434,193

Legislative Changes**(0000) All Divisions**

20 Rent for State-Owned Office Space	\$281,487	R	\$281,487	R

This appropriation was excluded from the Senate budget due to a technical oversight. However, this budget item is consistent with actions taken by the Senate.

Expenditures: \$836,230

Receipts: \$554,743

Appropriations: \$281,487

Non-Tax Revenue: \$281,487

(1110) General Administration

21 Strengthen Personnel Function	\$0	R	\$0	R

Funds a Personnel Officer I position in the department. Recommended by the Governor. Expenditures of \$44,558 in 1997-98 and \$42,127 in 1998-99 would be covered by increased receipts.

1.00

1.00

(1150) Information Systems

22 Maintenance of Automated Programs	\$0	R	\$0	R

Increased staffing to maintain automation in the department. Recommended by the Governor. Expenditures of \$240,968 in 1997-98 and \$230,264 in 1998-99 will be covered by increased receipts.

5.00

5.00

(1210) Investment Management

23 Strengthen Investment Administration	\$74,889	R	\$56,065	R

Additional Portfolio Manager to handle increased volumes of investments. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

1.00

1.00

(1310) Local Government Operations

24 Improve Ability to Manage Debt Approval	\$101,901	R	\$101,023	R

Additional staff to respond to increased demands for technical assistance. Recommended by the Governor. These appropriations from the General Fund would be offset by increases in non-tax revenues.

2.00

2.00

Total Legislative Changes	\$458,277	R	\$438,575	R
Total Position Changes	9.00		9.00	
Revised Budget	\$18,890,311		\$18,872,768	

Insurance

GENERAL FUND

FY 97-98

FY 98-99

Recommended Budget

\$19,880,965

\$19,909,612

Legislative Changes

(0000) Departmentwide

25 Rent for State-Owned Space

\$511,225

R

\$511,225

R

The Insurance Department occupies 40,898 square feet of space in the Dobbs Building. If the Insurance Department paid rent to the Department of Administration, at \$12.50 per square foot the total would be \$511,225 annually. This money would be used to reduce Administration's General Fund appropriation.

(1200) Company Services

26 Additional Financial Analysts

\$103,555

R

\$111,104

R

Hire additional financial analysts with HMO expertise to handle mergers and acquisitions. Not included in the Governor's recommendations.

2.00

2.00

(1300) Technical Services

27 Seniors' Health Insurance Information Program

\$32,311

R

\$31,357

R

Hire additional employee to handle phone calls. Not included in Governor's recommendations.

1.00

1.00

28 Additional Market Practices Examiners

\$313,314

R

\$333,174

R

Adds two three-person teams to monitor market practices. One of the teams will monitor Life and Health Insurance companies; the other will monitor the practices of Health Maintenance Organizations (HMOs).

6.00

6.00

(1500) Safety Services

29 Upgrade and Increase Fire and Rescue Services

\$96,000

R

\$96,000

R

Computer software for counties to submit Fire Incident Reports and implement Rescue Reporting Program.

House Subcommittee on General Government

30 Additional Employees for Manufactured Housing

\$0 R \$0 R

Hire additional inspectors for manufactured housing and buildings. Not included in Governor's recommendations. These positions are 100% receipt-supported.

3.00 3.00

FY 97-98

Expenditures: \$237,622

Receipts: 237,622

Appropriations: 0

FY 98-99

Expenditures: \$217,972

Receipts: 217,972

Appropriations: 0

(1900) Reserves and Transfers

31 Fire and Rescue Workers' Comp

\$4,500,000 R \$4,500,000 R

Provides a recurring grant to the Fire and Rescue Workers' Comp Fund. Intent is for the State to contribute to the Fund until its reserves (projected time: about 8 years) are sufficient to let it be self-supporting.

32 Consumer Protection Fund

\$200,000 R \$200,000 R

Additional funds to hire outside contractual services for legal proceedings in ratesetting cases. Not included in Governor's recommendations.

33 Pay for Revenue Workers

\$99,270 R \$99,270 R

Transfers \$99,270 in FY 1997-98 and \$99,270 in FY 1998-99 to pay the Department of Revenue for collecting the gross premiums tax and the Regulatory Charge which supports the Department of Insurance. This item is a technical correction of the Senate budget, in which the transfer was approved but through inadvertence was not listed as an expansion item.

34 Transfer Fire Protection Grant Program

(\$1,450,000) R (\$1,450,000) R

The Fire Protection Grant Program is transferred to the Office of State Budget and Management. The Department of Insurance will not need an appropriation to fund this program.

Total Legislative Changes

\$4,405,675 R \$4,432,130 R

Total Position Changes

12.00 12.00

Revised Budget

\$24,286,640 \$24,341,742

Administration

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$59,567,213	\$60,961,819

Legislative Changes

(0000) All Divisions

35 Personnel Reductions	(\$527,405)	R	(\$527,405)	R
Reductions recommended by the Governor, including one painter supervisor, nine painters, one vacant office assistant position in Facilities Management, a vacant position in the Council for Person's with Disabilities, and an office assistant position in the Board of Science and Technology. Reduction also includes \$105,014 in salary reserve money.	-13.00		-13.00	

(1121) Fiscal Management

36 Reduced Data Processing Services	(\$7,000)	R	(\$7,000)	R

(1225) State Health Plan Purchasing Allian

37 Reversions From Previous Operating Budgets	\$0	R	\$0	R
Under the statutory language creating the State Health Plan Purchasing Alliance Fund, left over balances from the Board's operating budget have not been reverting to the General Fund. These past balances and the interest earned on them should be transferred from the State Health Plan Purchasing Alliance Fund to the General Fund at the end of 1996-97. This transfer will increase funds available for 1997-98 by \$648,718.				

38 Miscellaneous Line Item Reductions	(\$47,000)	R	(\$47,000)	R
Reductions in operating budget:				
Rent/Lease:	(\$10,000)			
Transportation:	(\$5,000)			
Data Processing:	(\$10,000)			
Printing, binding, duplicating:	(\$17,000)			
Registration Fees:	(\$1,000)			
Office Equipment:	(\$4,000)			

(1241) Management Information Systems

39 Reductions in Operating Expenses	(\$3,463)	R	(\$3,463)	R
Reductions in data processing maintenance and office furniture and equipment				

House Subcommittee on General Government

(1264) Agency for Public Telecommunicati

40 Reductions in contractual services and travel	(\$8,920)	R	(\$8,920)	R

(1311) Office of State Personnel

41 Operating Budget Reductions

Reduce funds in the following line items in FY 97-98:	(\$70,406)	NR		

(531572) Unemp Comp Payments to ES	(\$ 7,016)
(531625) St Disability Payment	(15,000)
(532199) Misc Contractual Svs	(26,000)
(532850) Printing	(2,390)
(532942) Other Emp Educational Ex	(10,000)
(536905) Employer OJT Incentive	(5,000)
(537102) Res Emp Survey	(5,000)

42 Staff for Personnel Mgmt Information System (PMIS)

	\$137,934	R	\$137,934	R

The Governor recommends funding to provide two (2) computer analyst programmers and a support position to enable the Office to respond to increased mainframe data collection and analytical needs, and to continue to efficiently respond to PMIS users.

\$15,000	NR	
3.00		3.00

(1421) Facility Management

43 Delays in Operating New Buildings

Reductions recommended by the Governor due to delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$678,000)	NR	(\$370,000)	NR

44 Additional Delays in Operating New Buildings

Additional reductions beyond those recommended by the Governor due to additional delays in the opening of the new SBI Laboratory, the Old Revenue Building and the Natural Science Museum.

(\$215,773)	NR	(\$371,920)	NR

45 Increase Rental Receipts

(\$1,156,250)	R	(\$1,156,250)	R

Increases receipts to the Department of Administration by charging rent to the State Treasurer and to the Department of Insurance. The rent paid by these agencies is offset by increases in the receipts they collect and in the non-tax revenues their operations generate. The Treasurer will be charged \$645,025. Insurance will be charged \$511,225.

46 Reduce Operating Budget for New Buildings

(\$496,440)	R	(\$518,437)	R

Reduces amount budgeted for indirect costs in operating new buildings.

(1623) State Capitol Police

47 Eliminate Two Vacant Property Guard Positions

(\$42,524)	R	(\$42,524)	R

-2.00

-2.00

House Subcommittee on General Government

48 Transfer Positions to Revenue

(\$235,648) R (\$235,648) R

Transfers 10 property guards from Capitol Police to Department of Revenue. Includes salaries, benefits, uniforms and equipment.

-10.00

-10.00

(1741) Human Relations Council

49 Reduction in Miscellaneous Line Items

(\$11,938) R (\$11,938) R

(1761) Youth Involvement Office

50 Increase Wages for Interns

\$77,616 R \$77,616 R

Increases hourly wage for interns from \$5.00 to \$6.75 per hour. Increase is recommended by the Governor.

(1771) Veteran Affairs

51 Reductions in Expenses

(\$65,124) R (\$65,124) R

Two veterans cemetery maintenance positions will be converted to receipts-supported positions, and motor vehicle replacements will be reduced.

(1781) Domestic Violence Program

52 Additional Position

\$50,000 R \$50,000 R

Administrative assistant position to monitor batterers treatment programs. Recommended by Governor.

1.00

1.00

53 Funds for Local Domestic Violence Programs

Provides additional one-time funding to local domestic violence programs.

\$1,100,000 NR \$0 NR

(1811) Advocacy for Disabled

54 Reduced Operating Expenses

(\$8,600) R (\$8,600) R

Reductions in contractual services, and board member travel and subsistence

(1861) Commission of Indian Affairs

55 Delete Match for Title XX

(\$15,000) R (\$15,000) R

Title XX federal funds for Indian Day Care have been discontinued. Therefore, matching funds are no longer needed.

(1862) Low-Level Radioactive Waste

56 Reductions in Communication Expense and Travel

(\$11,018) R (\$11,018) R

House Subcommittee on General Government

(1871) Board of Science and Technology

57 Reduction in Communications Expense

(\$13,110) R

(\$13,110) R

Total Legislative Changes

(\$2,383,890) R

(\$2,405,887) R

\$150,821 NR

(\$741,920) NR

Total Position Changes

-21.00

-21.00

Revised Budget

\$57,334,144

\$57,814,012

State Controller

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$16,053,306		\$16,056,630	
Legislative Changes				
(1000) Divisionwide				
58 North Carolina Information Highway	(\$5,337,824)	R	(\$5,337,824)	R
Provide non-recurring support in FY 97-98 for 101 existing sites - 52 high schools; 30 Community Colleges, including 1 data only site; two (2) campuses in the University System; 17 State and local agencies; and new sites. Additionally, appropriates to the Office of State Controller funds for long distance services. Funding for FY 98-99 to be considered in the 1998 Session.	\$5,337,824	NR		
59 Year 2000 Computer Conversion				
Nonrecurring funding is recommended by the Governor to assist state government departments and agencies in the conversion of computer applications to accommodate year 2000 requirements.	\$3,425,000	NR		
60 Additional Operating Budget Reductions				
Reduce the following line items in FY 97-98:	(\$147,433)	NR		
(532821) Data Processing Services (\$94,055)				
(5369AA) NCIH (53,378)				
61 532700 Travel/Subsistence	(\$13,100)	R	(\$13,100)	R
Reduce the following line items each fiscal year:				
(532714) In-State transportation (\$10,000)				
(532724) In-State meals (\$ 3,100)				
Total Legislative Changes	(\$5,350,924)	R	(\$5,350,924)	R
	\$8,615,391	NR		
Total Position Changes				
Revised Budget	\$19,317,773		\$10,705,706	

Revenue

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$68,045,123		\$68,862,535	
Legislative Changes				
(0000) Departmentwide				
62 Salary Reductions/Span of Control	(\$592,976)	R	(\$592,976)	R
Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The approach for the Department is three-fold with the elimination of nine (9) positions; reduction of salary reserve created by lowering the budgeted level of fifteen (15) revenue officer and revenue tax auditor trainee positions to the first step; and reduction of operating line items.	-9.00		-9.00	
(1600) Administration				
63 Administrative Program Reductions	(\$200,000)	R	(\$200,000)	R
Reduce funds for data processing equipment and for repairs to buildings each year of the biennium:				
FY 97-98				
(532310) Repairs - Buildings (\$100,000)				
(534522) Equipment - Computers (\$100,000)				
FY 98-99				
(532310) Repairs - Buildings (\$100,000)				
(534522) Equipment - Computers (\$100,000)				
(1620) Tax Administration				
64 Capitol Police	\$235,648	R	\$235,648	R
Transfer ten (10) Property Guards with salaries, benefits, uniforms, and equipment from Capitol Police in the Department of Administration to the Department of Revenue.	10.00		10.00	
65 Assist New Audit Positions	\$31,305	R	\$62,609	R
Add an Administrative Officer III, as recommended by the Governor, to offset increased workload resulting from the new audit positions, effective January 1, 1998.	\$8,500 1.00	NR	1.00	
66 Annual Corporate Reports	\$87,073	R	\$112,144	R
Provide funds for personnel and operating costs as department assumes responsibility for collection of annual corporate reports.	\$74,200 2.00	NR	2.00	

House Subcommittee on General Government

(1640) Tax Compliance

67 Premiums Tax Positions

(\$99,270) R (\$99,270) R

Funds transferred from the Department of Insurance regulatory charge to provide continued support for the two (2) positions that are responsible for collection of the gross premiums tax. For the Department of Revenue the transfer of funds increases receipts, reducing the General Fund appropriation.

-2.00

-2.00

(1660) Field Operations

68 Additional Interstate Audit Personnel

\$298,192 R \$629,977 R

Appropriate funds for seven (7) new auditor positions and two (2) Tax Technicians in the Interstate Audit Division per the recommendation of the Governor. Positions are effective January 1, 1998.

\$94,000 NR

9.00

9.00

(1680) Legal and Administrative Services

69 Reductions to Postage and Printing

(\$263,800) R (\$263,800) R

Adjust appropriations for the following line items each fiscal year:

(532840) Postage (\$251,800)

(532850) Printing (\$ 12,000)

Total Legislative Changes

(\$503,828) R (\$115,668) R

\$176,700 NR

Total Position Changes

11.00

11.00

Revised Budget

\$67,717,995

\$68,746,867

Cultural Resources

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$52,608,363	\$52,922,221

Legislative Changes

(0000) Departmentwide

70 Salary Reductions/Span of Control

(\$610,262)	R	(\$610,262)	R

Reduce positions in the department as a result of the study authorized per Section 10.1, Chapter 324, 1995 Session Laws. The Department will eliminate 21 positions, including three (3) supervisory positions; reduce Reserve Funds for the Museum of History and Home Creek Farm; and reduce budgets of Archives and Records, Historic Sites, and the State Library.

-21.00		-21.00	

71 Departmental Line Transfer

\$0	R	\$0	R

Realign funds in the continuation budget by moving \$47,887 in Fund 1110, line (536930) to Fund 1210, line (536934).

(1210) Archives and History - Admin

72 Blackbeard's Flagship

Appropriate funds for the surveillance, preservation, and protection of the shipwreck of Blackbeard's flagship, Queen Anne's Revenge.

\$200,000	NR

73 Maritime Museum

Transfer positions, operating support, equipment, property, and other assets of the North Carolina Maritime Museum from the Department of Agriculture to the Department of Cultural Resources, Division of Archives and History (Fund 1210).

\$792,227	R	\$786,713	R

17.25		17.25	

	FY 1997-98	FY 1998-99
Requirements	\$ 792,527	\$ 787,013
Receipts	(\$ 300)	(\$ 300)
Appropriation	\$ 792,227	\$ 786,713

(1230) Archives and Records

74 North Carolina Postal History Commission

Appropriates funds to establish the NC Postal History Commission to advise the department on the collection, preservation, cataloging, publication, and exhibition of material associated with North Carolina's postal history.

\$35,000	NR

House Subcommittee on General Government

(1241) State Historic Sites

75 Reductions in Travel and Equipment

(\$30,000) R

Reduce the following line items in FY 98-99:

FY 98-99:

(532714) In-State transportation (\$15,000)

(534549) Other Motorized Vehicles (\$15,000)

(1250) Archaeology and Historic Preservat

76 Historic Rehabilitation Tax Credit Program

\$54,344 R \$54,344 R

Appropriates funds to allow the department to implement the program.

1.00

1.00

(1410) State Library Services

77 Library and Learning Resources

(\$6,000) R

Reduce funds in line item 534630 in FY 98-99.

(1480) Statewide Programs & Grants

78 6960 Aid to Counties

\$2,200,000 R \$2,200,000 R

Increase funds for grants to public libraries in accordance with the formula for State-Aid to libraries.

79 NC LIVE - Statewide Electronic Library

\$1,000,000 R \$1,000,000 R

Funding to support NC-Live (North Carolina Libraries and Virtual Education), a collaborative effort among the State Library and public libraries statewide in partnership with libraries in the University of North Carolina system and the Community College system recommended by the Governor to expand access to library and information resources. Initial funds will support statewide licensing of on-line reference and research materials.

(1500) Museum of History

80 Equipment

(\$30,000) R

Reduce funds in line item 534522 in FY 98-99.

House Subcommittee on General Government

(1992) Continuation Reserves

81 Reduce Funds in Operating Reserves

(\$100,000) R (\$34,000) R

Reduce funds in the reserves both years of the biennium as follows:

FY 97-98

(537102) Museum of History

2 Hist Mus Specs, Gr. 65, eff. 9/97	(\$39,720)
1 Pub Info Asst III, Gr. 57, eff 9/97	(14,490)
Social Security	(4,022)
Retirement	(5,694)
Med Ins	(1,560)
In-State Trans	(3,000)
In-State Subsistence	(2,200)
Training and Registration	(1,000)
Printing, Binding, etc.	(1,000)
Other Mat & Supplies	(483)
Office Furniture	(1,000)

(537110) Tryon Palace

1 Painter	(\$20,336)
Social Security	(1,556)
Retirement	(2,203)
Med Ins	(1,736)

FY 98-99

(537103) Historic Sites

Hist Halifax Tap Room	
Misc Contractual Services	(\$ 5,000)
Enrg Ser - Electrical	(3,000)
Enrg - Water & Sewer	(200)
Repairs - Other	(3,500)
In-State Trans	(200)
In-State Lodging	(100)
In-State Subsistence	(100)
Telephone Service	(550)
Postage, etc.	(200)
Print, Binding, etc.	(6,250)
Other Emp Educ Exp	(100)
Other Mat & Supplies	(800)
Equip - Other	(9,000)
Art & Artifacts	(5,000)

Total Legislative Changes	\$3,336,309	R	\$3,330,795	R
	\$235,000	NR		
Total Position Changes	-2.75		-2.75	
Revised Budget	\$56,179,672		\$56,253,016	

State Board of Elections

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$1,052,787		\$1,046,381	
Legislative Changes				
(0000) Departmentwide				
82 Computerized Voter Registration System	\$500,000	R	\$1,089,000	R
Funding to supplement the \$5.0 million computer reserves appropriated to design and implement the statewide voter registration system. Additional funds may be required to maintain the voter registration system in later years.				
(1100) Administration				
83 Reduce Printing Expenditures	(\$65,000)	R	(\$65,000)	R
Reduce the printing line item as a result of discontinuing the practice of providing absentee and supplemental ballots to county boards of elections.				
Total Legislative Changes	\$435,000	R	\$1,024,000	R
Total Position Changes				
Revised Budget	\$1,487,787		\$2,070,381	

Office of Administrative Hearings

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$2,217,486		\$2,217,486	
Legislative Changes				
(1100) Administration and Operations				
84 Administrative Law Judge Salaries	\$103,206	R	\$103,206	R
Sets salary for the Chief Administrative Law Judge equal to that fixed for District Court Judges. Sets the salaries of Administrative Law Judges at 90% of the salary of the Chief Administrative Law Judge. Establishes that the Chief Administrative Law Judge and Administrative Law Judges shall receive longevity pay.				
85 Reduce Services and Equipment	(\$10,690)	R	(\$10,690)	R
Reductions in Maintenance Agreements, Data Processing Services, Furniture & Equipment, and Printing.				
86 LAN Administrator	\$47,387	R	\$47,387	R
Provides funds to hire one person to administer local-area-network (LAN) system. Not included in Governor's recommendations.				
	1.00		1.00	
Total Legislative Changes	\$139,903	R	\$139,903	R
Total Position Changes	1.00		1.00	
Revised Budget	\$2,357,389		\$2,357,389	

Rules Review Commission

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$281,892	\$273,441
Legislative Changes		
(1100) Administration		
87 Other Expenses		
Appropriate funds to support legal expenses resulting from the lawsuit.	\$240,000	NR
Total Legislative Changes	\$240,000	NR
Total Position Changes		
Revised Budget	\$521,892	\$273,441

Requested by: Representatives Ives, McCombs, Sherrill

ANALYSIS OF STATE BUDGET DURING THE INTERIM

1 Section 19. (a) The President Pro Tempore of the Senate
2 shall authorize the standing Appropriations Committees and
3 standing Appropriations Subcommittees of the Senate and the
4 Speaker of the House of Representatives shall authorize the
5 standing Appropriations Committees and standing Appropriations
6 Subcommittees of the House of Representatives to meet separately
7 or jointly during the interim between the Regular 1997 and 1998
8 Sessions of the General Assembly to review matters related to the
9 State budget, the organization of State government, and any other
10 matter as they deem appropriate. The review shall include, but
11 not be limited to, an analysis of the budget of each agency to
12 determine:

- 13 (1) The cost savings that could be realized from
14 improvements in administrative structure,
15 practices, and procedures in State agencies;
16 (2) Ways to increase efficiency in budgeting and use of
17 resources; and
18 (3) Instances in which functions of agencies are
19 duplicative, overlapping, obsolete, incomplete in
20 scope or coverage, or fail to accomplish
21 legislative objectives, and should be abolished,
22 transferred, or modified to accomplish cost
23 savings.

24 d (b) The President Pro Tempore of the Senate shall
25 appoint an oversight committee comprised of the Senate
26 Appropriations Committee Chairs and one member of each Senate
27 Appropriations Subcommittee and the Speaker of the House of
28 Representatives shall appoint an oversight committee comprised of
29 the House Appropriations Committee Chairs and one member of each
30 House Appropriations Subcommittee to meet separately or jointly
31 to oversee the work of the Appropriations Committees and
32 Subcommittees during the interim.

Requested by: Representatives Ives, McCombs, Sherrill

HEALTH CARE OVERSIGHT COMMITTEE

1
2 Section @. (a) Of the funds appropriated in this act to
3 the General Assembly, the sum of fifty thousand dollars (\$50,000)
4 for the 1997-98 fiscal year and the sum of fifty thousand dollars
5 (\$50,000) for the 1998-99 fiscal year shall be allocated by the
6 Legislative Services Commission for the Joint Legislative Health
7 Care Oversight Committee established under subsection (b) of this
8 section.

9 (b) Chapter 120 of the General Statutes is amended by
10 adding the following new Article to read:

11 "ARTICLE 12K.

12 "Joint Legislative Health Care Oversight Committee.

13 "§ 120-70.96. Creation and membership of Joint Legislative
14 Health Care Oversight Committee.

15 There is established the Joint Legislative Health Care
16 Oversight Committee. The Committee consists of 14 members as
17 follows:

18 (1) Seven members of the Senate appointed by the
19 President Pro Tempore of the Senate, at least three
20 of whom are members of the minority party; and

21 (2) Seven members of the House of Representatives
22 appointed by the Speaker of the House of
23 Representatives, at least three of whom are members
24 of the minority party.

25 Terms on the Committee are for two years and begin on the
26 convening of the General Assembly in each odd-numbered year,
27 except the terms of the initial members, which begin on
28 appointment. Members may complete a term of service on the
29 Committee even if they do not seek reelection or are not
30 reelected to the General Assembly, but resignation or removal
31 from service in the General Assembly constitutes resignation or
32 removal from service on the Committee.

33 A member continues to serve until the member's successor is
34 appointed. A vacancy shall be filled within 30 days by the
35 officer who made the original appointment.

36 "§ 120-70.97. Purpose and powers of Committee.

37 (a) The Joint Legislative Health Care Oversight Committee shall
38 review, on a continuing basis, the provision of health care and
39 health care coverage to the citizens of this State, in order to

1 make ongoing recommendations to the General Assembly on ways to
2 improve health care for North Carolinians. To this end, the
3 Committee shall study the delivery, availability, and cost of
4 health care in North Carolina. The Committee may also study
5 other matters related to health care and health care coverage in
6 this State.

7 (b) The Committee may make interim reports to the General
8 Assembly on matters for which it may report to a regular session
9 of the General Assembly. A report to the General Assembly may
10 contain any legislation needed to implement a recommendation of
11 the Committee.

12 "§ 120-70.98. Organization of Committee.

13 (a) The President Pro Tempore of the Senate and the Speaker of
14 the House of Representatives shall each designate a cochair of
15 the Joint Legislative Health Care Oversight Committee. The
16 Committee shall meet at least once a quarter and may meet at
17 other times upon the joint call of the cochairs.

18 (b) A quorum of the Committee is eight members. No action may
19 be taken except by a majority vote at a meeting at which a quorum
20 is present. While in the discharge of its official duties, the
21 Committee has the powers of a joint committee under G.S. 120-19
22 and G.S. 120-19.1 through G.S. 120-19.4.

23 (c) Members of the Committee receive subsistence and travel
24 expenses as provided in G.S. 120-3.1. The Committee may contract
25 for consultants or hire employees in accordance with G.S. 120-
26 32.02. The Legislative Services Commission, through the
27 Legislative Services Officer, shall assign professional staff to
28 assist the Committee in its work. Upon the direction of the
29 Legislative Services Commission, the Supervisors of Clerks of the
30 Senate and of the House of Representatives shall assign clerical
31 staff to the Committee. The expenses for clerical employees shall
32 be borne by the Committee."

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Requested by: Representatives Ives, McCombs, Sherrill

FIRE PROTECTION GRANT FUNDS

1 Section 20.1. (a) Chapter 58 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 85A.

4 "State Fire Protection Grant Fund.

5 "\$ 58-85A-1. Creation of Fund; allocation to local fire
6 districts and political subdivisions of the State.

7 (a) There is created in the Office of State Budget and
8 Management the State Fire Protection Grant Fund. The purpose of
9 the Fund is to compensate local fire districts and political
10 subdivisions of the State for providing local fire protection to
11 State-owned buildings and their contents.

12 (b) The Office of State Budget and Management shall develop and
13 implement an equitable and uniform statewide method for
14 distributing any funds to the State's local fire districts and
15 political subdivisions.

16 Upon the request of the Director of the Budget, the Department
17 of Insurance shall provide the Office of State Budget and
18 Management all information necessary to develop and implement the
19 formula.

20 (c) It is the intent of the General Assembly to appropriate
21 annually to the State Fire Protection Grant Fund at least three
22 million eighty thousand dollars (\$3,080,000) from the General
23 Fund, one hundred fifty thousand dollars (\$150,000) from the
24 Highway Fund, and nine hundred seventy thousand dollars
25 (\$970,000) from University of North Carolina receipts to the
26 State Fire Protection Fund. Funds received from the General Fund
27 shall be allocated only for providing local fire protection for
28 State-owned property supported by the General Fund; funds
29 received from the Highway Fund shall be allocated only for
30 providing local fire protection for State-owned property
31 supported by the Highway Fund; and funds received from University
32 of North Carolina receipts shall be allocated only for providing
33 local fire protection for State-owned property supported by
34 University of North Carolina receipts."

35 (b) G.S. 143-3.7 is repealed.

36 (c) Of the funds appropriated from the General Fund to
37 the Office of State Budget and Management, the sum of three
38 million eighty thousand dollars (\$3,080,000) for the 1997-98
39 fiscal year and the sum of three million eighty thousand dollars

1 (\$3,080,000) for the 1998-99 fiscal year shall be used for the
2 State Fire Protection Grant Fund.

3 (d) Of the funds appropriated from the Highway Fund to
4 the Office of State Budget and Management, the sum of one hundred
5 fifty thousand dollars (\$150,000) for the 1997-98 fiscal year and
6 the sum of one hundred fifty thousand dollars (\$150,000) for the
7 1998-99 fiscal year shall be used for the State Fire Protection
8 Grant Fund.

9 (e) Of the funds available to The University of North
10 Carolina from federal receipts, the sum of nine hundred seventy
11 thousand dollars (\$970,000) for the 1997-98 fiscal year and the
12 sum of nine hundred seventy thousand dollars (\$970,000) for the
13 1998-99 fiscal year shall be transferred to the State Fire
14 Protection Grant Fund for the State Fire Protection Grant Fund.

Requested by: Representatives Ives, McCombs, and Sherrill
INFORMATION RESOURCES MANAGEMENT COMMISSION

1 Section e. (a) Effective July 1, 1997, G.S. 143B-
2 426.21(a) reads as rewritten:

3 "(a) Creation; Membership. -- The Information Resource
4 Management Commission is created in the Office of the State
5 Controller. The Commission consists of the following members:

6 (1) Four members of the Council of State, appointed by
7 the Governor.

8 (1a) The Secretary of State.

9 (2) The Secretary of Administration.

10 (3) The State Budget Officer.

11 (4) Two members of the Governor's cabinet, appointed by
12 the Governor.

13 (5) One citizen of the State of North Carolina with a
14 background in and familiarity with information
15 systems or telecommunications, appointed by the
16 General Assembly upon the recommendation of the
17 President Pro Tempore of the Senate in accordance
18 with G.S. 120-121.

19 (6) One citizen of the State of North Carolina with a
20 background in and familiarity with information
21 systems or telecommunications, appointed by the
22 General Assembly upon the recommendation of the
23 Speaker of the House of Representatives in
24 accordance with G.S. 120-121.

25 (7) The Chair of the Governor's Committee on Data
26 Processing and Information Systems.

27 (8) The Chair of the State Information Processing
28 Services Advisory Board.

29 (9) The Chair of the Criminal Justice Information
30 Network Governing Board.

31 Members of the Commission shall not be employed by or serve on
32 the board of directors or other corporate governing body of any
33 information systems, computer hardware, computer software, or
34 telecommunications vendor of goods and services to the State of
35 North Carolina.

36 The two initial cabinet members appointed by the Governor and
37 the two initial citizen members appointed by the General Assembly
38 shall each serve a term beginning September 1, 1992, and expiring
39 on June 30, 1995. Thereafter, their successors shall be appointed
40 for four-year terms, commencing July 1. Members of the Governor's

1 cabinet shall be disqualified from completing a term of service
2 of the Commission if they are no longer cabinet members.

3 The appointees by the Governor from the Council of State shall
4 each serve a term beginning on September 1, 1992, and expiring on
5 June 30, 1993. Thereafter, their successors shall be appointed
6 for four-year terms, commencing July 1. Members of the Council of
7 State shall be disqualified from completing a term of service on
8 the Commission if they are no longer members of the Council of
9 State.

10 Vacancies in the two legislative appointments shall be filled
11 as provided in G.S. 120-122.

12 The Commission chair shall be elected in the first meeting of
13 each calendar year from among the appointees of the Governor from
14 the Council of State and shall serve a term of one year. The
15 Secretary of Administration shall be secretary to the Commission.

16 No member of the Information Resource Management Commission
17 shall vote on an action affecting solely his or her own State
18 agency."

19 (b) This section expires June 30, 2001.

CODE NO. 97AUD-H001A

Requested by: Representatives Ives, McCombs, and Sherrill

PERFORMANCE AUDIT OF SIPS

1 Section @. The State Auditor shall conduct a
2 performance audit of State Information Processing Services
3 (SIPS). In conducting the audit, the State Auditor shall
4 consider the growth in the number of SIPS employees, the
5 distribution of work within SIPS, increases in employees'
6 salaries, use of SIPS receipts, and all other indicators of cost
7 of services in relation to service delivery, including a review
8 of the business plan and rate setting process. The State Auditor
9 shall report the results of this audit to the Joint Legislative
10 Commission on Governmental Operations prior to April 15, 1998.

CODE NO. 97TREAS-H001B-S30.20

Requested by: Representatives Ives, McCombs, and Sherrill

RETIREMENT SYSTEM ADMINISTRATIVE EXPENSES TO COMPLY WITH SUPREME COURT DECISIONS

1 Section @. The Board of Trustees of the Teachers' and
2 State Employees' Retirement System may expend an aggregate total
3 of not more than five hundred thousand dollars (\$500,000) for
4 fiscal year 1997-98 and an aggregate total of not more than two
5 hundred thousand dollars (\$200,000) for fiscal year 1998-99 from
6 assets of the Teachers' and State Employees' Retirement System
7 and the Local Governmental Employees Retirement System to meet
8 administrative expenses to comply with the Faulkenberry, Woodard
9 and Peel cases (109PA96) decided by the Supreme Court on April
10 11, 1997.

CODE NO. 97INS-H001

Requested by: Representative Ives

CONSTRUCTION CODE RECEIPTS

1 Section 23. Departmental receipts realized by the
2 Department of Insurance in excess of amounts approved for
3 expenditure by the General Assembly, as adjusted by the Office of
4 State Budget and Management to reflect the distribution of
5 statewide reserves, shall revert to the General Fund at the end
6 of each fiscal year. This section shall not apply to receipts
7 realized by the Department from the sale of copies of the State
8 construction code if the receipts are used for the purchase of
9 copies of the code for sale to the public, except that unspent
10 construction code receipts shall revert to the General Fund at
11 the end of each fiscal year.

Requested by: Representative Ives

EXPAND USE OF INSURANCE REGULATORY FUND

1 Section 23.1. G.S. 58-6-25(d) reads as rewritten:

2 "(d) Use of Proceeds. -- The Insurance Regulatory Fund is
3 created in the State treasury, under the control of the Office of
4 State Budget and Management. The proceeds of the charge levied in
5 this section and all fees collected under Articles 69 through 71
6 of this Chapter and under Articles 9 and 9C of Chapter 143 of the
7 General Statutes shall be credited to the Fund. The Fund shall be
8 placed in an interest-bearing account and any interest or other
9 income derived from the Fund shall be credited to the Fund.
10 Moneys in the Fund may be spent only pursuant to appropriation by
11 the General Assembly and in accordance with the line item budget
12 enacted by the General Assembly. The Fund is subject to the
13 provisions of the Executive Budget Act, except that no unexpended
14 surplus of the Fund shall revert to the General Fund. All money
15 credited to the Fund shall be used to reimburse the General Fund
16 for the following:

17 (1) Money appropriated to the Department of Insurance
18 to pay its expenses incurred in regulating the
19 insurance industry and other industries in this
20 State.

21 (2) Money appropriated to State agencies to pay the
22 expenses incurred in regulating the insurance
23 industry, in certifying statewide data processors
24 under Article 11A of Chapter 131E of the General
25 Statutes, and in purchasing reports of patient data
26 from statewide data processors certified under that
27 Article.

28 (3) Money appropriated to the Department of Revenue to
29 pay the expenses incurred in collecting and
30 administering the taxes on insurance companies
31 levied in Article 8B of Chapter 105 of the General
32 Statutes."

CODE NO. 97ADMIN-H003-S

Requested by: Representatives Ives, McCombs, Sherrill

COMBINE PROGRAMS TO HELP WOMEN AND CHILDREN

1 Section @. The Office of State Budget and Management
2 shall study the feasibility of consolidating the budgets and
3 services and the administration of federal and State grants for
4 domestic violence programs and rape crisis programs in the State,
5 including those programs currently administered by the Council
6 for Women, Department of Administration, the Governor's Crime
7 Commission, Department of Crime Control and Public Safety, and
8 the Division of Social Services, Department of Human Resources.
9 This study shall include an analysis of the feasibility of
10 combining budgets and services of the NC Council for Women (Fund
11 1731), the Domestic Violence Program (Fund 1781), the Domestic
12 Violence Center (Fund 1782), the Displaced Homemakers Program
13 (Fund 1732), and the Rape Crisis Program (Fund 1734) and an
14 analysis of ways to promote more efficient and effective
15 coordination of resources and services at the State and local
16 levels. The Office of State Budget and Management shall report
17 the findings and recommendations of the study to the House and
18 Senate Appropriations Subcommittees on General Government and the
19 Fiscal Research Division by March 31, 1998.

Requested by: Representative Ives, McCombs, Sherrill

PROCUREMENT CARD PILOT PROGRAM

1 Section @. (a) Except as provided by this section, no
2 State agency, community college, constituent institution of The
3 University of North Carolina, or local school administrative unit
4 shall use procurement cards for the purchase of equipment or
5 supplies prior to July 1, 1998.

6 (b) The Secretary of Administration shall designate not
7 more than 15 governmental entities to participate in a pilot
8 program on the purchase of supplies and equipment by procurement
9 card. Those designated shall represent a cross-section of
10 governmental entities and shall include at least one State
11 agency, one community college, two constituent institutions of
12 The University of North Carolina, and one local school
13 administrative unit.

14 (c) The Division of Purchase and Contract and the State
15 Controller shall report to the Joint Legislative Commission on
16 Governmental Operations on March 1, 1998, on this pilot program.
17 The report shall include estimates from the pilot program of how
18 many purchasing and accounts payable personnel hours could be
19 saved or redirected or both as a result of the procurement card,
20 and the impact of the procurement card on accounting and
21 budgeting records and on purchasing history records. The report
22 shall also include a discussion of the effect of the procurement
23 card on the State's ability to track both out-of-state sales
24 taxes and North Carolina State and local sales tax payments by
25 county. Finally, the report shall include a discussion of any
26 other costs and benefits of the procurement card.

27 (d) This section does not affect contracts for
28 procurement cards entered into prior to March 31, 1997.

CODE NO. 97ADMIN-H002

Requested by: Representatives Ives, McCombs, Sherrill

STATE HEALTH PLAN PURCHASING ALLIANCE BOARD OPERATING FUNDS
REVERT

1 Section @. (a) G.S. 143-635(c) reads as rewritten:

2 "(c) Moneys appropriated by the General Assembly ~~shall be~~
3 ~~deposited in the Fund and shall become part of the continuation~~
4 ~~budget of the Department of Administration.~~ for operations of
5 the State Health Plan Purchasing Alliance Board shall not be part
6 of the State Health Plan Purchasing Alliance Fund."

7 (b) The sum of six hundred forty-eight thousand seven
8 hundred eighteen dollars (\$648,718) for the 1996-97 fiscal year
9 shall be transferred from the State Health Plan Purchasing
10 Alliance Fund to the General Fund.

11 (c) All monies for operations of the State Health Plan
12 Purchasing Alliance Board unexpended at the end of the 1996-97
13 fiscal year shall revert to the General Fund.

14 (d) This section becomes effective June 30, 1997.
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1 CODE NO. 97ADMIN-H008-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES

1 Section 24.3. The Department of Human Resources shall
2 continue to provide the current office space for the four
3 regional offices of the Governor's Advocacy Council for Persons
4 with Disabilities or office space that is comparable to that now
5 used by the Council.

1 CODE NO. 97ADMIN-H007-S

2

3 Requested by: Representatives Ives, McCombs, Sherrill

4

5 FEES FOR USE OF STATE-OWNED OFFICE SPACE

1 Section 24.4. G.S. 143-342.1 reads as rewritten:

2 "§ 143-342.1. State-owned office space; fees for use by
3 self-supporting agencies.

4 The Department shall determine equitable fees for the use of
5 State owned and operated office space, and it shall assess the
6 Department of State Treasurer, the Department of Insurance, and
7 all self-supporting agencies using any of this office space for
8 payment of these fees. For the purposes of this section,
9 self-supporting agencies are those agencies designated by the
10 Director of the Budget as being primarily funded from sources
11 other than State appropriations. Fees assessed under this section
12 shall be paid to the General Fund."

CODE NO. 97ADMIN-H005-S

Requested by: Representatives Ives, McCombs, Sherrill

PARKING REVENUES

1 Section 24.5. The Secretary of Administration may use
2 funds from parking revenues that are in excess of parking system
3 expense requirements to fund the fifteen dollar (\$15.00) per
4 month subsidies for vanpools and transit passes.

Requested by: Representative Ives

STATE CONSTRUCTION STUDY COMMISSION

- 1 Section 9. (a) The State Construction Study Commission
2 is created. The Commission shall consist of 15 members:
- 3 (1) Two members of the House of Representatives
4 appointed by the Speaker of the House of
5 Representatives,
 - 6 (2) Two members of the Senate appointed by the
7 President Pro Tempore,
 - 8 (3) The Secretary of Administration or a designee,
 - 9 (4) The Commissioner of Insurance or a designee,
 - 10 (5) The chair of the State Building Commission or a
11 designee,
 - 12 (6) One member appointed by the Speaker of the House of
13 Representatives on the recommendation of the
14 American Institute of Architects, Inc., North
15 Carolina Chapter,
 - 16 (7) One member appointed by the President Pro Tempore
17 of the Senate on the recommendation of Carolina's
18 AGC, Inc.,
 - 19 (8) One member appointed by the Speaker of the House of
20 Representatives on the recommendation of the
21 Consulting Engineers Council of North Carolina,
22 Inc.,
 - 23 (9) One member who is a plumbing contractor appointed
24 by the President Pro Tempore of the Senate on the
25 recommendation of the North Carolina Association of
26 Plumbing-Heating-Cooling Contractors, Incorporated,
 - 27 (10) One member who is a heating-cooling contractor
28 appointed by the Speaker of the House of
29 Representatives on the recommendation of the North
30 Carolina Association of Plumbing-Heating-Cooling
31 Contractors, Incorporated,
 - 32 (11) One member appointed by the President Pro Tempore
33 of the Senate on the recommendation of the
34 Carolinas Electrical Contractor's Association,
35 Inc., and
 - 36 (12) One member appointed by the Speaker of the House of
37 Representatives on the recommendation of the North
38 Carolina Association of Electrical Contractors,
39 Inc.,

1 (13) One member appointed by the President Pro Tempore
2 of the Senate on the recommendation of the American
3 Fire Sprinkler Association Carolinas Chapter,
4 Incorporated.

5 (b) The President Pro Tempore of the Senate shall
6 designate one Senator as cochairman and the Speaker of the House
7 of Representatives shall designate one Representative as
8 cochairman.

9 (c) The Commission shall study:

10 (1) Ways to streamline the review and approval
11 processes for State projects; and
12 (2) Ways to eliminate duplication of effort and
13 overlapping responsibilities among State agencies
14 involved in the review and approval processes.

15 (d) The Commission shall submit a final report of its
16 findings and recommendations to the Regular 1998 Session of the
17 1997 General Assembly by filing the report with the President Pro
18 Tempore of the Senate and the Speaker of the House of
19 Representatives. Upon filing its final report, the Commission
20 shall terminate.

21 (e) The Commission, while in the discharge of official
22 duties, may exercise all the powers provided for under the
23 provisions of G.S. 120-19, and G.S. 120-19.1 through G.S.
24 120-19.4. The Commission may meet at any time upon the joint
25 call of the cochairmen. The Commission may meet in the
26 Legislative Building or the Legislative Office Building.

27 (f) Members of the Commission shall receive subsistence
28 and travel expenses at the rates set forth in G.S. 120-3.1.

29 (g) The Commission may contract for professional,
30 clerical, or consultant services as provided by G.S. 120-32.02.
31 The Legislative Services Commission, through the Legislative
32 Administrative Officer, shall assign professional staff to assist
33 in the work of the Commission. The House of Representatives' and
34 the Senate's Supervisor of Clerks shall assign clerical staff to
35 the commission or committee, upon the direction of the
36 Legislative Services Commission. The expenses relating to
37 clerical employees shall be borne by the Commission.

38 (h) When a vacancy occurs in the membership of the
39 Commission the vacancy shall be filled by the same appointing
40 officer who made the initial appointment.

41 (i) All State departments and agencies and local
42 governments and their subdivisions shall furnish the Commission
43 with any information in their possession or available to them.

1 (j) Of the funds appropriated to the General Assembly
2 for the 1997-98 fiscal year, the sum of twenty-five thousand
3 dollars (\$25,000) shall be allocated to implement the provisions
4 of this section.

CODE NO. 97ADMIN-H009

Requested by: Representatives Ives, McCombs, and Sherrill

TRANSFER POSITIONS FROM CAPITOL POLICE TO REVENUE

1 Section @. The positions of ten property guards are
2 transferred from the Capitol Police in the Department of
3 Administration to the Department of Revenue. The funds,
4 equipment, supplies, records, and other property to support the
5 positions transferred by this section are also transferred from
6 the Capitol Police in the Department of Administration to the
7 Department of Revenue. Any disputes arising out of this transfer
8 shall be resolved by the Director of the Budget.

Requested by: Representatives Ives, McCombs, Sherrill,
Easterling, and Moore

CONSOLIDATE YOUTH COUNCILS

1 Section @. (a) Part 18 of Article 9 of Chapter 143B of
2 the General Statutes is repealed.

3 (b) G.S. 143B-414 reads as rewritten:

4 "**§ 143B-414. Governor's Advocacy Council on Children and Youth --**
5 **creation; powers and duties.**

6 (a) There is hereby created the Governor's Advocacy Council on
7 Children and Youth of the Department of Administration.

8 (b) The Council shall have the following functions and duties:

- 9 (1) To act as an advocate for children and youth within
10 State and local governments, and with private
11 agencies serving children and youth;
- 12 (2) To provide assistance ~~in the development and~~
13 ~~coordination of~~ to individuals and children in
14 child advocacy systems at the regional and local
15 levels within the State;
- 16 (3) To perform a continuing review of existing programs
17 of State government for children and youth and
18 their families;
- 19 (4) To, in cooperation with State, local or private
20 agencies, identify needs of children and youth and
21 their families that are not currently being met and
22 recommend new programs or improvement of existing
23 programs;
- 24 (5) To review any new programs affecting children and
25 youth proposed by any State agency and recommend
26 changes to avoid duplication of services, to
27 promote better planning, or otherwise to make more
28 effective use of available resources;
- 29 (5.1) To screen applications for student internships
30 and select from these applications the
31 recipients of student internships;
- 32 (5.2) To determine the appropriateness of proposals
33 for projects for student interns submitted by
34 the offices and departments enumerated in
35 subdivision (5.3) of this subsection;
- 36 (5.3) To determine the number of student interns to
37 be allocated to each of the following offices
38 or departments:

- a. Office of the Governor
- b. Department of Administration
- c. Department of Correction
- d. Department of Cultural Resources
- e. Department of Revenue
- f. Department of Transportation
- g. Department of Environment, Health, and Natural Resources
- h. Department of Commerce
- i. Department of Crime Control and Public Safety
- j. Department of Human Resources
- k. Office of the Lieutenant Governor
- l. Office of the Secretary of State
- m. Office of the State Auditor
- n. Office of the State Treasurer
- o. Department of Public Instruction
- p. Department of Agriculture
- q. Department of Labor
- r. Department of Insurance
- s. Office of the Speaker of the House of Representatives
- t. Justices of the Supreme Court and Judges of the Court of Appeals
- u. Department of Community Colleges
- v. Office of State Personnel
- w. Office of the Senate President Pro Tempore;
- (5.4) To receive on behalf of the Department of Administration and to recommend expenditure of gifts and grants from public and private donors and to award grants;
- (5.5) To suggest, monitor, and impact legislation affecting children and youth;
- (6) ~~To meet at least annually with the Governor and present a written~~ an annual report to the Governor concerning the health and well-being of North Carolina's children and youth and the effectiveness of current programs and the need for new programs for children and youth;
- (7) To provide information to the general public and State, local and private agencies serving children and youth and their families concerning the activities and findings of the Council; and
- (8) ~~To perform other advisory functions assigned by~~ advise the Secretary of Administration ~~or a~~

1 ~~legislative committee.~~ upon any matter the
2 Secretary may refer to it; and

- 3 (9) To adopt bylaws, guidelines, and policies necessary
4 to carry out its powers and duties and to recommend
5 rules to the Secretary of Administration that the
6 Secretary may adopt. This function shall not
7 require the Secretary to adopt rules nor prevent
8 the Secretary from adopting rules when the
9 Secretary believes them to be necessary or
10 desirable."

11 (c) G.S. 143B-415 reads as rewritten:

12 "§ 143B-415. Governor's Advocacy Council on Children and Youth
13 -- members; selection; quorum; compensation.

14 (a) The Governor's Advocacy Council on Children and Youth
15 shall consist of ~~18 members. The composition of the Council shall~~
16 ~~be as follows: two members appointed by the President Pro Tempore~~
17 ~~of the Senate from the membership of the Senate; two members~~
18 ~~selected by the Speaker of the House of Representatives from the~~
19 ~~membership of the House of Representatives; 14 members appointed~~
20 ~~by the Governor. 20 members as follows:~~

21 (1) One Senator appointed by the General Assembly upon
22 the recommendation of the President Pro Tempore of
23 the Senate.

24 (2) One representative of a child or youth organization
25 appointed by the General Assembly upon the
26 recommendation of the President Pro Tempore of the
27 Senate.

28 (3) One Representative appointed by the General
29 Assembly upon the recommendation of the Speaker of
30 the House of Representatives.

31 (4) One representative of a child or youth organization
32 appointed by the General Assembly upon the
33 recommendation of the Speaker of the House of
34 Representatives.

35 (5) Fourteen members appointed by the Governor as
36 follows:

37 a. An attorney.

38 b. Two young adults, each of whom is over 18
39 years old but less than 25 years old at the
40 time of appointment and who have an interest
41 in and knowledge of children or youth services
42 or programs.

43 c. Two public college or university
44 representatives, one of whom must represent an

1 historically African-American college or
2 university.

3 d. A private college or university
4 representative.

5 e. A community college representative.

6 f. One male and one female youth, each of whom is
7 18 years old or younger at the time of
8 appointment.

9 g. Five representatives of children and youth
10 organizations.

11 (6) One male and one female youth elected by the North
12 Carolina State Youth Council, each of whom is 18
13 years old or younger at the time of appointment.

14 ~~Of the members appointed by the Governor, at least one shall~~
15 ~~come from each congressional district in accordance with G.S.~~
16 ~~147-12(3)b.~~

17 ~~In selecting the 14 members of the Council, the Governor shall~~
18 ~~select 10 public-spirited adult citizens who have an interest in~~
19 ~~and knowledge of children and youth, persons who work with~~
20 ~~children or representatives of organizations concerned with~~
21 ~~problems of children and youth. The remaining four members to be~~
22 ~~appointed by the Governor shall consist of two youths of each sex~~
23 ~~who are 18 years of age or under at the time of their~~
24 ~~appointments.~~

25 ~~(b) The initial members of the Council shall be the members of~~
26 ~~the former Governor's Advocacy Council on Children and Youth of~~
27 ~~the Department of Human Resources whose terms shall expire on the~~
28 ~~date they would have, had said Council of the Department of Human~~
29 ~~Resources not been transferred. At the end of the respective~~
30 ~~terms of office of the initial members of the Council, the~~
31 ~~appointment of all members shall be as provided in this section~~
32 ~~and for terms of four years and until their successors are~~
33 ~~appointed and qualify. Any appointment to fill a vacancy on the~~
34 ~~Council created by the resignation, death, dismissal, or~~
35 ~~disability of a member shall be for the balance of the unexpired~~
36 ~~term. The members appointed by the General Assembly upon the~~
37 ~~recommendation of the President Pro Tempore of the Senate and~~
38 ~~upon the recommendation of the Speaker of the House of~~
39 ~~Representatives shall serve for two-year terms to commence as of~~
40 ~~July 1. The youth members 18 years old or younger appointed by~~
41 ~~the Governor and those appointed by the North Carolina State~~
42 ~~Youth Council shall serve two-year terms to commence as of July~~
43 ~~1. The initial term for six of the remaining members appointed~~
44 ~~by the Governor shall be one year to commence as of July 1. The~~

1 initial terms of the remaining six members appointed by the
2 Governor shall be two years to commence as of July 1. At the end
3 of the respective terms of office of these last 12 members
4 appointed by the Governor, the appointment of their successors
5 shall be for terms of two years and until their successors are
6 appointed and qualify.
7 Of the members appointed by the Governor, at least one shall
8 come from each congressional district in accordance with G.S.
9 147-12(3b).
10 Vacancies in appointments made by the General Assembly shall be
11 filled in accordance with G.S. 120-122. Other vacancies shall be
12 filled in the same manner as the original appointment.
13 (c) ~~The Governor~~ Each appointing officer may remove any member
14 of the Council appointed by ~~the Governor~~, that officer or Council
15 respectively.
16 The Governor shall designate from the membership of the Council
17 a ~~chairman~~ chair and a ~~vice-chairman~~ vice-chair to serve at his
18 the Governor's ~~pleasure~~, pleasure for not more than two terms.
19 ~~The Council shall meet at least quarterly and upon the call of~~
20 ~~the chairman or upon written request of at least nine members.~~
21 The members of the Council shall receive per diem and necessary
22 travel and subsistence expenses in accordance with the provisions
23 of G.S. 138-5.
24 A majority of the Council shall constitute a quorum for the
25 transaction of business.
26 (d) All administrative, management, clerical and other
27 functions and services required by the Council shall be supplied
28 by the Secretary of Administration."
29 (d) G.S. 143B-416 reads as rewritten:
30 "§ 143B-416. Governor's ~~Advocacy~~ Council on Children and Youth --
31 access to information.
32 Unless otherwise prohibited by law, every State and local
33 agency, department, board, commission, school, or corporation
34 that supervises, administers, or otherwise directs programs or
35 services for children and youth shall provide the Council with
36 any requested information relating to such programs and
37 services."
38 (e) G.S. 143B-385 and G.S. 143B-386 are repealed.
39 (f) G.S. 143B-387 reads as rewritten:
40 "§ 143B-387. North Carolina State Youth Council, Council --
41 creation; powers and duties.
42 ~~(a) There shall be a State Youth Council. It shall be~~
43 ~~established within one year of July 1, 1975, in accordance with~~
44 ~~the methods and procedures established by the Youth Advisory~~

1 ~~Council. The State Youth Council is authorized and empowered to~~
2 ~~do the following: There is created the North Carolina State Youth~~
3 ~~Council in the Department of Administration.~~

4 (b) The Council shall have the following functions and duties:

- 5 (1) To consider problems affecting youth and recommend
6 solutions or approaches to these problems to State
7 and local governments and their officials;
- 8 (2) To promote statewide activities for the benefit of
9 youth; and,
- 10 (3) To elect the two youth representatives to the Youth
11 Advisory Council. Governor's Council on Children
12 and Youth;
- 13 (4) To establish a statewide organization of youth
14 councils at the local, congressional district, and
15 State levels, with the power to call conventions of
16 such youth councils as necessary;
- 17 (5) To encourage the establishment and support of local
18 youth councils in every county of the State;
- 19 (6) To receive on behalf of the Department of
20 Administration and to recommend to the Secretary of
21 Administration the expenditure of gifts and grants
22 from public and private donors and the award of
23 grants;
- 24 (7) To adopt bylaws, guidelines, and policies necessary
25 to carry out its powers and duties and to recommend
26 rules to the Secretary of Administration that the
27 Secretary may adopt. This function shall not
28 require the Secretary to adopt rules nor prevent
29 the Secretary from adopting rules when the
30 Secretary believes them to be necessary or
31 desirable;
- 32 (8) To advise the Secretary of Administration upon any
33 matter the Secretary may refer to it; and
- 34 (9) To perform any other duties as may be assigned to
35 it by the Secretary of Administration."

36 (g) Part 7 of Article 9 of Chapter 143B of the General
37 Statutes is amended by adding a new section to read:

38 "§ 143B-387.1. North Carolina State Youth Council -- members;
39 selection; quorum; compensation.

40 (a) The North Carolina State Youth Council shall consist of 16
41 members, each of whom shall be 18 years old or younger at the
42 time of election, selected as follows:

- 43 (1) The four North Carolina State Youth Council
44 officers of chair, vice-chair, secretary, and

1 sergeant-at-arms elected at an annual convention of
2 delegates from local youth councils.

3 (2) Twelve members elected by an annual convention of
4 delegates from local youth councils. Each member
5 elected under this provision shall reside in and
6 represent a separate congressional district.

7 (b) The term for the four Council officers shall be one year
8 to commence as of July 1. The terms of the 12 congressional
9 district members shall be two years to commence as of July 1.

10 The chair of the Council shall fill any vacancy on the Council
11 for the balance of the unexpired term. The chair shall fill any
12 vacancy in a congressional district member's seat with a youth
13 from that congressional district.

14 (c) The members of the Council shall receive per diem and
15 necessary travel and subsistence expenses in accordance with the
16 provisions of G.S. 138-5. Nevertheless, no Council member nor
17 member of a local or district youth council shall receive per
18 diem, travel, or subsistence for attending conventions.

19 A majority of the Council shall constitute a quorum for the
20 transaction of business.

21 (d) All administrative, management, clerical, and other
22 functions and services required by the Council shall be supplied
23 by the Secretary of Administration."

24 (h) The terms of all current members of the Governor's
25 Advocacy Council on Children and Youth shall terminate on June
26 30, 1997, no matter the expiration date of their terms, and the
27 terms of all new appointees to the Governor's Council on Children
28 and Youth shall begin on July 1, 1997. The officers and members
29 of the State Youth Council holding office on the effective date
30 of this section shall continue to hold those offices on the North
31 Carolina State Youth Council until a convention elects new
32 officers and members, who shall hold their offices until July 1,
33 1998.

34 (i) The Revisor of Statutes is authorized to delete any
35 reference to the Governor's Advocacy Council on Children and
36 Youth in any portion of the General Statutes to which conforming
37 amendments are not made by this section and to substitute, as
38 appropriate and consistent with this section, the Governor's
39 Council on Children and Youth.

40 (j) The Revisor of Statutes is authorized to delete any
41 reference to the State Youth Council in any portion of the
42 General Statutes to which conforming amendments are not made by
43 this section and to substitute, as appropriate and consistent
44 with this section, the North Carolina State Youth Council.

1 (k) The Governor shall determine whether he should
2 create by Executive Order a body of youth leaders to be
3 denominated the North Carolina Council for Youth. Such a group
4 would be composed of youth leaders from various youth
5 organizations across the State, including, but not limited to,
6 the North Carolina State Youth Council, the 4-H, the Boy Scouts
7 of America, the Girl Scouts of America, the Future Farmers of
8 America, the Future Homemakers of America, and the Future
9 Business Leaders of America. The North Carolina Council for
10 Youth would examine issues common to youth and recommend to the
11 Governor, the General Assembly, the Council of State, and the
12 Governor's Cabinet any suggestions for solutions and improvements
13 regarding such issues and problems facing the youth of the State.

CODE NO. 97CONT-H001F

Requested by: Representatives Ives, McCombs, Sherrill

NORTH CAROLINA INFORMATION HIGHWAY

1 Section @. (a) The funds appropriated in this act to
2 the Office of State Controller for the operation of the North
3 Carolina Information Highway shall be used only for costs
4 incurred by the Office of State Controller related to the
5 operations and support of the North Carolina Information Highway.
6 No funds appropriated in this act shall be expended to pay
7 Minimum Monthly usage charges for North Carolina Information
8 Highway Services.

9 (b) The Office of the State Controller may use the two
10 hundred twenty-four thousand dollars (\$224,000) in savings that
11 accrued in fiscal year 1996-97 to fund new sites in fiscal year
12 1997-98.

13 (c) The Office of State Controller is encouraged to
14 consider new technologies and capabilities as a means of
15 providing NCIH users access to information and resources. The
16 Office of State Controller shall report to the General Assembly
17 in 1998 before the reconvening of the Regular Session on its
18 findings.

19 (d) The State Controller shall report quarterly to the
20 Joint Legislative Commission on Governmental Operations regarding
21 the costs incurred by the Office of State Controller related to
22 the operations and support of the North Carolina Information
23 Highway.

24 (e) Given the appropriations subcommittees meet in the
25 interim, the House and Senate Appropriations Subcommittees on
26 General Government will consider information leading to a
27 recommendation to adopt an alternate approach to State funding of
28 sites, effective in fiscal year 1998-99. The subcommittee is
29 not limited to the information that may be considered, and may
30 include in the review cost sharing measures that require sites to
31 participate in the annual cost of network charges; the phasing-
32 out of 100% State funding of site network charges; and the cost
33 of adding new sites with a specific period of time designated for
34 State funding of network charges.

35

CODE NO. 97CONT-H002-S

Requested by: Representatives Ives, McCombs, Sherrill

FUNDS FOR YEAR 2000 CONVERSION OF THE STATE'S COMPUTER SYSTEM

1 Section @. (a) The Office of State Controller shall
2 include in its charges for data processing services costs of
3 converting computer applications to operate properly at the turn
4 of the century. The State Controller shall develop procedures
5 for managing the year 2000 conversion.

6 (b) The State Controller shall analyze the needs of
7 State agencies for funds to convert their systems. In the course
8 of the analysis, the State Controller shall consider an agency's
9 need for each system it wishes to covert and the most cost-
10 effective manner in which to manage conversion. The State
11 Controller shall certify to the Office of State Budget and
12 Management the cost of each State agency for the year 2000
13 conversion.

14 (c) The Director of the Budget may use up to twenty
15 million dollars (\$20,000,000) of projected 1997-98 General Fund
16 reversions to cover the cost of the year 2000 conversion in
17 General Fund agencies during the 1997-98 fiscal year.

18 (d) Beginning October 1, 1997, and quarterly
19 thereafter, the Office of State Controller shall report to the
20 Joint Legislative Commission on Governmental Operations on the
21 status of the conversion and cost projections.

CODE NO. 97CULRES-H002-S

Requested by: Representatives Ives, McCombs, Sherrill

DEPARTMENT OF CULTURAL RESOURCES RETAIN HISTORICAL PUBLICATIONS
RECEIPTS

1 Section @. The Historical Publications Section,
2 Division of Archives and History, Department of Cultural
3 Resources, may retain the receipts, including over-realized
4 receipts, from the sale of its publications during each year of
5 the 1997-99 biennium. The receipts from the sale of those
6 publications retained by the Historical Publications Section
7 shall not revert, but shall be used to reprint the publications.

CODE NO. 97CULRES-H003-S

Requested by: Representatives Ives, McCombs, Sherrill

MODIFY THE AREAS OF RESPONSIBILITY OF THE ROANOKE ISLAND COMMISSION

1 Section @. G.S. 143B-131.2(b)(1) reads as rewritten:
2 "(1) To advise the Secretary of Transportation and adopt
3 rules on matters pertaining to, affecting, and
4 encouraging restoration, preservation, and
5 enhancement of the appearance, maintenance, and
6 aesthetic quality of U.S. Highway 64/264 and the
7 U.S. 64/264 Bypass and N.C. 400 travel corridors on
8 Roanoke Island and the grounds on ~~Ice Plant Island~~
9 Roanoke Island Festival Park."

CODE NO. 97CULRES-H005B

Requested by: Representatives Ives, McCombs, Sherrill

MUSEUM OF HISTORY RESTAURANT

1 Section @. Within the funds available, the Secretary of
2 Cultural Resources may contract with any person, firm, or
3 corporation to provide restaurant services in the North Carolina
4 Museum of History, as provided in subdivisions (16) and (17) of
5 G.S. 121-4. The Secretary shall negotiate a contract based on
6 marketable prices for the leased space and a percentage of gross
7 income. The contract shall provide that any agreed upon profits
8 are payable only to the Department of Cultural Resources.
9 Proceeds derived from the contract shall be reflected in the
10 Museum of History's budget as a receipt to reduce the General
11 Fund appropriation.

Requested by: Representatives Ives, McCombs, Sherrill, Decker

NORTH CAROLINA POSTAL HISTORY COMMISSION

1 Section e. Chapter 143 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 71.

4 "North Carolina Postal History Commission.

5 "§ 143-675. Commission established; purpose; members; terms of
6 office; quorum; compensation; termination.

7 (a) Establishment. -- There is established the North Carolina
8 Postal History Commission. The Commission shall be located within
9 the Department of Cultural Resources for organizational,
10 budgetary, and administrative purposes.

11 (b) Purpose. -- The purpose of the Commission is to advise the
12 Secretary of Cultural Resources on the collection, preservation,
13 cataloging, publication, and exhibition of material associated
14 with North Carolina's postal history.

15 (c) Membership. -- The Commission shall consist of 16 members,
16 as follows:

17 (1) Four persons appointed by the Governor, two of whom
18 shall be recommended by the President of the North
19 Carolina Postal History Society.

20 (2) Four persons appointed by the President Pro Tempore
21 of the Senate, two of whom shall be recommended by
22 the President of the North Carolina Postal History
23 Society.

24 (3) Four persons appointed by the Speaker of the House
25 of Representatives, two of whom shall be
26 recommended by the President of the North Carolina
27 Postal History Society.

28 (4) Four persons appointed by the Secretary of Cultural
29 Resources, two of whom shall be recommended by the
30 President of the North Carolina Postal History
31 Society.

32 The members appointed to the North Carolina Postal History
33 Commission shall be chosen from among individuals who have
34 education or experience in the fields of archives preservation,
35 North Carolina history, historical administration, museum
36 administration, or a knowledge of North Carolina's postal
37 history.

38 (d) Terms. -- Members shall serve for the duration of the
39 Commission. Initial terms shall commence July 1, 1997.

1 (e) Chair. -- The chair shall be elected biennially from the
2 membership of the Commission from among its members. The initial
3 term shall commence July 1, 1997.

4 (f) Vacancies. -- Vacancies resulting from the resignation of
5 a member or otherwise shall be filled in the same manner in which
6 the original appointment was made, and the term shall be for the
7 balance of the unexpired term.

8 (g) Compensation. -- The Commission members shall receive no
9 salary as a result of serving on the Commission but shall receive
10 per diem, subsistence, and travel expenses in accordance with the
11 provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable.

12 (h) Removal. -- Members may be removed in accordance with G.S.
13 143B-13.

14 (i) Meetings. -- The chair shall convene the Commission. The
15 Commission shall meet at least quarterly until an exhibit on
16 postal history is mounted and at least semiannually thereafter.

17 (j) Quorum. -- A majority of the members of the Commission
18 shall constitute a quorum for the transaction of business. The
19 affirmative vote of a majority of the members present at meetings
20 of the Commission shall be necessary for action to be taken by
21 the Commission.

22 (k) Termination of Commission. -- The Commission shall
23 terminate June 30, 2000.

24 "§ 143-676. Powers and duties of the Commission.

25 (a) Powers and Duties. -- The Commission shall have the
26 following powers and duties:

27 (1) To advise the Secretary of Cultural Resources on
28 the collection, preservation, cataloging,
29 publication, and exhibition of materials associated
30 with North Carolina's postal history in cooperation
31 with the North Carolina Museum of History.

32 (2) To adopt bylaws by a majority vote of the
33 Commission.

34 (3) To accept grants, contributions, devises, bequests,
35 gifts, and services for the purpose of providing
36 support to the Commission. The funds and property
37 shall be retained by the Commission, and the
38 Commission shall prescribe rules under which the
39 Commission may accept donations of money, property,
40 or personal services, and determine the value of
41 donations of property or personal services.

42 (b) Contract Authority. -- The Commission may procure
43 supplies, services, and property as appropriate and may enter
44 into contracts, leases, or other legal agreements within funds

1 available to carry out the purposes of this Article. All
2 contracts, leases, or legal agreements entered into by the
3 Commission shall terminate on the date of termination of the
4 Commission. Termination shall not affect any disputes or causes
5 of action of the Commission that arise before the date of
6 termination, and the Department of Cultural Resources may
7 prosecute or defend any causes of action arising before the date
8 of termination. All property acquired by the Commission that
9 remains in the possession of the Commission on the date of
10 termination shall become the property of the Department of
11 Cultural Resources.

12 "§ 143-677. Assignment of property; offices.

13 (a) Assignment of Property. -- Upon request of the Commission,
14 the head of any State agency may assign property, equipment, and
15 personnel of such agency to the Commission to assist the
16 Commission in carrying out its duties under this Article.
17 Assignments under this subsection shall be without reimbursement
18 by the Commission to the agency from which the assignment was
19 made. Property and equipment that remains in the possession of
20 the Commission on the date of the termination of the Commission
21 shall revert to the agency from which the property was acquired.

22 (b) Office Space. -- The Department of Cultural Resources
23 shall provide office space in Raleigh for use as offices by the
24 North Carolina Postal History Commission, and the Department of
25 Cultural Resources shall receive no reimbursement from the
26 Commission for the use of the property during the life of the
27 Commission.

28 "§ 143-678. Commission reports.

29 (a) Annual Report. -- Before July 1, 1998, the Commission shall
30 submit to the General Assembly a comprehensive report
31 incorporating specific recommendations of the Commission. After
32 the initial report, the Commission shall submit a report to the
33 General Assembly within 30 days of the convening of each regular
34 session of the General Assembly.

35 (b) Final Report. -- The Commission shall submit a final report
36 to the General Assembly no later than June 30, 2000. The final
37 report shall include:

- 38 (1) A summary of the activities of the Commission.
39 (2) A final accounting of funds received and expended
40 by the Commission.

41 "§ 143-679. Application of Article.

42 The provisions of Article 1 of Chapter 121 of the General
43 Statutes apply to the Commission."

CODE NO. 97CULRES-H001

Requested by: Representatives Ives, McCombs, Sherrill

SCHOOL VISIT/BALLET THEATER PROGRAM

1 Section @. The School Visit/Ballet Theater Program is
2 established in the Department of Cultural Resources. The program
3 shall offer educational programming through the provision of
4 preparatory classroom instructional materials and teacher
5 training and a live, professional, in-theater performance
6 experience for school children in conjunction with a school visit
7 to the City of Raleigh.

CODE NO. 97CULRES-H009A

Requested by: Representatives Ives, McCombs, Sherrill,
Culpepper

PRESERVATION OF BLACKBEARD'S FLAGSHIP

1 Section @. Of the funds appropriated in this act for
2 the 1997-98 fiscal year to the Department of Cultural Resources,
3 the sum of two hundred thousand dollars (\$200,000) shall be used
4 for the surveillance, preservation, and protection of the
5 shipwreck of Blackbeard's flagship, Queen Anne's Revenge, and a
6 systematic underwater archaeological recovery of cargo, tackle,
7 and artifacts for preservation, interpretation, and display.

CODE NO. 97CULRES-H013

Requested by: Representatives Ives, McCombs, Sherrill, Mercer

PRINCEVILLE CEMETERY OVERSIGHT

1 Section @. Within funds available, the Department of
2 Cultural Resources shall provide oversight and guidance to the
3 Town of Princeville and the Princeville Cemetery Commission with
4 regard to the restoration of the Princeville Cemetery and the
5 preparation of documents for the Princeville Cemetery to be
6 placed on the National Register of Historic Places.

Requested by: Representatives Ives, McCombs, and Sherrill

STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM

1 Section @. (a) The State Board of Elections shall
2 establish a statewide data elections management system. The
3 system shall prescribe data format standards, data communication
4 standards, and data content standards. The State Board of
5 Elections shall establish the system no later than November 1,
6 1997. Counties shall adhere to the standards prescribed by the
7 system no later than August 31, 1998. The State Board of
8 Elections may adopt rules to implement this section. Chapter
9 150B of the General Statutes governs the adoption of rules by the
10 State Board of Elections.

11 (b) Of the funds appropriated in this act to the State
12 Board of Elections for a statewide data elections management
13 system, the sum of one hundred fifty thousand dollars (\$150,000)
14 may be used by the State Board of Elections to hire a project
15 manager, to research and determine the needs of the local boards
16 of election in each county, and to develop a needs assessment
17 report.

18 (c) The remainder of the funds appropriated in Section
19 13.2 of Chapter 597 of the 1995 Session Laws shall be used to
20 develop, implement, and operate a statewide data elections
21 management system, which will include voter registration,
22 campaign reporting, and election night returns. These funds
23 shall be used only after the State Board of Elections and the
24 Information Resource Management Commission have jointly approved
25 and submitted a written, detailed implementation plan for
26 statewide data elections management to the Joint Legislative
27 Commission on Governmental Operations. That implementation plan
28 shall include:

- 29 (1) A description of the system being implemented;
- 30 (2) A description of the system's capabilities,
31 including user-friendliness;
- 32 (3) An itemized estimate of the costs of the system,
33 with a justification for each item, including a
34 plan for implementing the system within the funds
35 appropriated;
- 36 (4) A list of the counties to be brought into the
37 system during the fiscal year; and
- 38 (5) A proposed project management plan.

1 After their initial joint report, the State Board of Elections
2 and the Information Resource Management Commission shall make
3 written quarterly joint reports to the Joint Legislative
4 Commission on Governmental Operations, describing the status of
5 the project, listing the counties that have been brought into the
6 system and that are planned to be brought into the system, and
7 the costs.

8 (d) To the extent that this section conflicts with G.S.
9 163-82.11 through G.S. 163-82.13, with Section 16 of Chapter 769
10 of the 1993 Session Laws, or with Section 13.2 of Chapter 507 of
11 the 1995 Session Laws, this section prevails to the extent of the
12 conflict. Except to the extent of the conflict, Section 16 of
13 Chapter 769 of the 1993 Session Laws remains in effect.

CODE NO. 97SBE-H002

Requested by: Representatives Ives, McCombs, Sherrill

FLEXIBILITY IN VOTING EQUIPMENT ALLOCATION

1 Section @. G.S. 163-166 is repealed.

CODE NO. 97SBE-H003B

Requested by: Representatives Ives, McCombs, Sherrill

STATE TO SUPPLY ABSENTEE BALLOTS TO COUNTY ONLY IF IT IS
SUPPLYING BALLOTS FOR THAT COUNTY FOR USE AT THE PRECINCTS

1 Section @. (a) G.S. 163-136 is amended by adding a new
2 subsection to read:

3 "(e) Notwithstanding any other provision of law, the State
4 Board of Elections shall supply absentee and supplemental ballots
5 for use by a county board of elections only if the State is
6 supplying ballots to the county for use in the precincts as
7 provided by G.S. 163-136(b)(3)."

8 (b) This section applies to elections conducted on or
9 after January 1, 1998.

Requested by: Representatives Ives, McCombs, Sherrill

ADMINISTRATIVE LAW JUDGE SALARY

1 Section @. G.S. 7A-751 reads as rewritten:

2 "§ 7A-751. Agency head; powers and ~~duties~~, duties; salaries of
3 Chief Administrative Law Judge and other administrative law
4 judges.

5 (a) The head of the Office of Administrative Hearings is the
6 Chief Administrative Law Judge. ~~He~~ The Chief Administrative Law
7 Judge shall serve as Director and have the powers and duties
8 conferred on him or her by this Chapter and the Constitution and
9 laws of this State. ~~His~~ The salary of the Chief Administrative
10 Law Judge shall be fixed by the General Assembly in the Current
11 Operations Appropriations Act, the same as that fixed from time
12 to time for district court judges.

13 In lieu of merit and other increment raises, the Chief
14 Administrative Law Judge shall receive longevity pay on the same
15 basis as is provided to employees of the State who are subject to
16 the State Personnel Act.

17 (b) The salary of other administrative law judges shall be
18 ninety percent (90%) of the salary of the Chief Administrative
19 Law Judge.

20 In lieu of merit and other increment raises, an administrative
21 law judge shall receive longevity pay on the same basis as is
22 provided to employees who are subject to the State Personnel
23 Act."

CODE NO. 97GEN-H024A

Requested by: Representatives Ives, McCombs, Sherrill

NO GENERAL GOVERNMENT STATE AGENCY CONTRACT LOBBYING

1 Section @. The following may not retain any person who
2 would be required to register as a lobbyist under Article 9A of
3 Chapter 120 the General Statutes in order to carry out the task
4 for which that person is retained:

- 5 (1) Department of Administration;
- 6 (2) Department of the State Auditor;
- 7 (3) Office of the State Controller;
- 8 (4) Department of Cultural Resources;
- 9 (5) State Board of Elections;
- 10 (6) Office of the Governor;
- 11 (7) Office of Lieutenant Governor;
- 12 (8) Department of Insurance;
- 13 (9) Office of Administrative Hearings;
- 14 (10) Office of State Budget and Management;
- 15 (11) Department of Revenue;
- 16 (12) Department of the Secretary of State;
- 17 (13) Department of the State Treasurer; and
- 18 (14) Rules Review Commission.

#1 Rule 5-30-97 withdrawn

CODE NO. 97CULRES-H012

Requested by: Representative Ellis

ARTS COUNCIL GRANTS

1 Section @. Chapter 143B of the General Statutes is
2 amended by adding a new section to read:

3 "§ 143B-87.8. Arts council grants; criteria.

4 (a) Arts Council grants that are to be used for artworks shall
5 include as a term of each grant that the artwork created with the
6 grant funds shall not be displayed or performed in a facility if
7 the governing body of the community that would have zoning
8 jurisdiction over the facility adopts a resolution objecting to
9 the display or performance of the artwork in that community. For
10 the purposes of this section, 'artwork' means any artistic
11 creation or production in any form, including displays and
12 performances.

13 (b) The Department of Cultural Resources upon receipt of a
14 grant application shall notify the applicant of the grant terms
15 set out in subsection (a) of this section. The notification
16 shall also indicate that failure to comply with the grant terms
17 is a breach of contract and shall result in the revocation of the
18 grant in addition to other legal remedies. No grant shall be
19 issued to an applicant for artwork unless the applicant agrees in
20 writing to comply with the terms of the grant."

For the People

CODE NO. 97CULRES-H012A

Requested by: Representative Ellis

ARTS COUNCIL GRANTS

1 Section @. Chapter 143B of the General Statutes is
2 amended by adding a new section to read:

3 "§ 143B-87.8. Arts council grants; criteria.

4 (a) Arts Council grants that are to be used for artworks shall
5 include as a term of each grant that the artwork created with the
6 grant funds shall not be displayed or performed in a publicly
7 funded facility if the governing body of the community that would
8 have zoning jurisdiction over the facility adopts a resolution
9 objecting to the display or performance of the artwork in that
10 community.

11 (b) The Department of Cultural Resources shall notify the
12 applicant of the grant terms. No grant shall be issued to an
13 applicant for artwork unless the applicant agrees in writing to
14 comply with the terms of the grant."

#1 Elder Spec. From 5-30-97 Carried 2/21

1995 Revision

Requested by: Representatives Ellis, Ives, Lemmond, Culpepper, Senators Warren, Davis

ARTS COUNCIL GRANTS

Sec. 12.4. Arts Council grants that are to be used for artworks shall include as a term of the grant that the artwork created with the grant funds shall not be displayed or performed in a publicly funded facility if the governing body of the community that would have zoning jurisdiction over the facility objects by resolution to the display or performance of the artwork in that community.

PART 13. DEPARTMENT OF INSURANCE

Requested by: Representatives Ives, Lemmond, Culpepper, Senators Warren, Davis
UNBUDGETED INSURANCE RECEIPTS REVERT TO GENERAL FUND

Sec. 13. Departmental receipts realized by the Department of Insurance in excess of amounts approved for expenditure by the General Assembly, as adjusted by the Office of State Budget and Management to reflect the distribution of statewide reserves, shall revert to the General Fund at the end of each fiscal year.

Requested by: Representatives Ives, Lemmond, Culpepper, Senators Warren, Davis
CONTINUATION OF FINANCIAL AUDIT OF THE DEPARTMENT OF INSURANCE

Sec. 13.2. The Office of State Auditor shall conduct a financial related audit of the Department of Insurance and its operations for the 1994-95 fiscal year. The audit shall be conducted in accordance with professional standards. The scope of the audit shall include, but is not limited to, following up on the findings and recommendations from the independent financial audit of the Department of Insurance contracted for pursuant to Section 9 of Chapter 769 of the 1993 Session Laws. The audit shall be completed on or before March 1, 1996.

PART 14. STATE BOARD OF ELECTIONS

Requested by: Representatives Ives, Lemmond, Senator Warren
COMPETITIVE BIDS FOR PRINTING AND DISTRIBUTING BALLOTS

Sec. 14. G.S. 163-136(b)(3) reads as rewritten:

"(3) For all elections, primaries, and referenda not specified in the two preceding subdivisions, by the State Board of Elections, at the expense of the State.

Provided, that the State Board of Elections, in its discretion, may direct some or all counties to print the ballots required by this subdivision under the supervision of the State Board of Elections. If the State Board of Elections prints and distributes the ballots required by this subdivision at the expense of the State, the State Board shall ~~have the authority to negotiate for the ballots to be printed and distributed on a regional or centralized basis, and the State Board shall be exempt from securing competitive bids~~ establish contracts through competition pursuant to Article 3 of Chapter 143 of the General Statutes for printing and distribution of all ballots, abstracts and precinct return forms."

PART 15. COLLEGES AND UNIVERSITIES

Requested by: Representatives Grady, Preston, Senators Plexico, Winner
AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 352

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

97CONT-H001F-ALB-1

Date 5-30, 1997

Comm. Sub. [☐
Amends Title [☐

- 1 moves to amend provision 97CONT-H001F on page 1, line 15, by
2 deleting "information and resources", and substituting "the existing
3 ATM-SONET network"

SIGNED *Dennis Reynolds*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

#3 Reynolds 5-30-97 Carried 2/1

CODE NO. 97EMP-H014

Requested by: Representative Shubert

STATE EMPLOYEES' COMMUNICATIONS WITH LEGISLATORS

1 Section @. (a) Chapter 126 of the General Statutes is
2 amended by adding a new Article to read:

3 "Article 15.

4 "Communications with Members of the General Assembly.

5

6 "§ 126-90. Communications with members of the General Assembly.

7 A State employee's right to speak to a member of the
8 General Assembly at the member's request shall not be directly or
9 indirectly limited by the employee's supervisor or by any policy
10 of the department, agency, or institution that employs that State
11 employee."

12 (b) G.S. 126-5 is amended by adding a new subsection to
13 read:

14 "(c6) Article 15 of this Chapter shall apply to all State
15 employees, public school employees, and community college
16 employees."

#14 Shubert 5-30-97 Carried 2/2

CODE NO. 97CULRES-H200

Requested by: Representative Russell

FUNDS FOR MUSEUM OF THE ALBEMARLE

1 Section @. The Office of State Budget and Management is
2 authorized to transfer the sum of forty-seven thousand eight
3 hundred eighty-seven dollars (\$47,887) from Fund 1110 (Code
4 536930) to Fund 1500 (Code 534160) to replace funds that were
5 reallocated in the 1996-97 fiscal year to support Newbold-White
6 House.

7

#5 Russell 5-30-97 defeated 30.31

#6 p. effua 8-30-97 Carried 9711
CODE NO. 97GOV-H002B-S

Requested by: Representatives Ives, McCombs, Sherrill, R. Hunter

FIRE PROTECTION AND RESCUE GRANT FUNDS

1 Section 20.1. (a) Chapter 58 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 85A.

4 "State Fire Protection and Rescue Grant Fund.

5 "§ 58-85A-1. Creation of Fund; allocation to local fire
6 districts, political subdivisions of the State, volunteer fire
7 departments, and volunteer rescue squads.

8 (a) Creation; Purpose. -- There is created in the Office of
9 State Budget and Management the State Fire Protection Grant Fund.
10 The purposes of the Fund are:

11 (1) To compensate local fire districts and political
12 subdivisions of the State for providing local fire
13 protection to State-owned buildings and their
14 contents.

15 (2) To reimburse volunteer fire departments and
16 volunteer rescue squads for highway use tax they
17 pay on their fire trucks and emergency services
18 vehicles.

19 The Office of State Budget and Management shall develop and
20 implement an equitable and uniform statewide method for
21 distributing any funds to the State's local fire districts,
22 political subdivisions, and volunteer fire departments and
23 volunteer rescue squads. Upon the request of the Director of the
24 Budget, the Department of Insurance shall provide the Office of
25 State Budget and Management all information necessary to develop
26 and implement the formula.

27 (b) Definitions. -- The following definitions apply in this
28 section:

29 (1) Fire truck. -- A fire truck, a pump truck, a tanker
30 truck, or a ladder truck used to suppress fire; or
31 a four-wheel drive vehicle intended to be mounted
32 with a water tank and hose and used for forest fire
33 fighting.

34 (2) Highway use tax. -- The tax imposed in Article 5A
35 of Chapter 105 of the General Statutes.

36 (3) Volunteer fire department. -- A fire department
37 that is not part of a unit of local government, has

1 no more than two paid employees, and is exempt from
2 State income tax under G.S. 105-130.11.

3 (4) Volunteer rescue squad. -- An organization that
4 provides rescue services, emergency medical
5 services, or both, is not part of a unit of local
6 government, has no more than two paid employees,
7 and is exempt from State income tax under G.S.
8 105-130.11.

9 (c) Funds; Use. -- It is the intent of the General Assembly to
10 appropriate annually to the State Fire Protection Grant Fund at
11 least three million eighty thousand dollars (\$3,080,000) from the
12 General Fund, one hundred fifty thousand dollars (\$150,000) from
13 the Highway Fund, and nine hundred seventy thousand dollars
14 (\$970,000) from University of North Carolina receipts to the
15 State Fire Protection Fund. Funds received from the General Fund
16 shall be allocated only for (i) providing local fire protection
17 for State-owned property supported by the General Fund and (ii)
18 grants to volunteer fire departments and volunteer rescue squads
19 to reimburse them for for highway use tax they pay on their fire
20 trucks and emergency services vehicles; funds received from the
21 Highway Fund shall be allocated only for providing local fire
22 protection for State-owned property supported by the Highway
23 Fund; and funds received from University of North Carolina
24 receipts shall be allocated only for providing local fire
25 protection for State-owned property supported by University of
26 North Carolina receipts."

27 (b) G.S. 143-3.7 is repealed.

28 (c) Of the funds appropriated from the General Fund to
29 the Office of State Budget and Management, the sum of three
30 million eighty thousand dollars (\$3,080,000) for the 1997-98
31 fiscal year and the sum of three million eighty thousand dollars
32 (\$3,080,000) for the 1998-99 fiscal year shall be used for the
33 State Fire Protection Grant Fund.

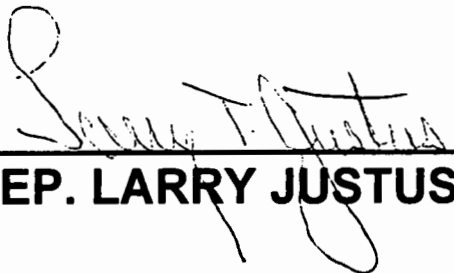
34 (d) Of the funds appropriated from the Highway Fund to
35 the Office of State Budget and Management, the sum of one hundred
36 fifty thousand dollars (\$150,000) for the 1997-98 fiscal year and
37 the sum of one hundred fifty thousand dollars (\$150,000) for the
38 1998-99 fiscal year shall be used for the State Fire Protection
39 Grant Fund.

40 (e) Of the funds available to The University of North
41 Carolina from federal receipts, the sum of nine hundred seventy
42 thousand dollars (\$970,000) for the 1997-98 fiscal year and the
43 sum of nine hundred seventy thousand dollars (\$970,000) for the

1 1998-99 fiscal year shall be transferred to the State Fire
2 Protection Grant Fund for the State Fire Protection Grant Fund.

**HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
JUSTICE AND PUBLIC SAFETY**

MAY 29, 1997



REP. LARRY JUSTUS



REP. GREGORY THOMPSON



REP. JOE KISER

Judicial

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Budget	\$310,944,929		\$316,264,917	
Legislative Changes				
1 Salary Reserve Funds	(\$1,800,000)	R	(\$1,800,000)	R
Reduce Department's available salary reserve funds - these funds are generated by filling positions at a salary less than the budgeted salary authorized by the General Assembly.				
2 Wayne Dispute Settlement Center Funds	(\$5,000)	R	(\$5,000)	R
Eliminate state funds for the Wayne Dispute Settlement Center since the Center discontinued operations on July 1, 1995.				
3 Indigent Defense Funds	(\$2,500,000)	R	(\$3,000,000)	R
Based on projections completed in September 1996, the Judicial Department anticipated needing an additional \$6,073,533 in FY 1997-98 and \$8,750,380 in FY 1998-99 for legal counsel of indigent defendants. The House Subcommittee determined these projections were too high and reduced the estimated increases by (\$2,500,000) in FY 1997-98 and (\$3,000,000) in FY 1998-99. This reduction still provides additional indigent defense funds totaling \$3,573,533 for FY 1997-98 and \$5,750,380 for FY 1998-99.				
4 Mecklenburg Drug Court Program	(\$13,394)	R	(\$13,394)	R
Reduce the net State appropriation for this program by increasing receipts received from Mecklenburg County to reflect the 25% local match.				
5 Drug Treatment Court Pilot Program			(\$52,551)	R
Eliminate funding for the Program Administrator position in FY 1998-99 since the program sunsets on June 30, 1998.				
			-1.00	
6 North Carolina State Bar Funds	(\$1,250,000)	R	(\$1,250,000)	R
Eliminate state funds provided to the North Carolina Bar for representation of indigent defendants in civil cases.				
7 Guardian Ad Litem Attorney Expenses	(\$100,000)	R	(\$100,000)	R
Reduce Guardian Ad Litem attorney expenditures by \$100,000 for each year of the 1997-99 biennium. (\$855,640 remains in the continuation budget)				
8 Equipment Replacement	\$319,236	R	\$319,236	R
Statewide funding to replace worn and outdated office equipment, computer equipment, and other related areas.				
	\$3,729,674	NR		

House Subcommittee on Justice and Public Safety

9 Replace Telephone Systems

Provide funds to replace 8 worn and outdated telephone systems in FY 1997-98.

\$24,000	R	\$24,000	R
\$240,000	NR		

10 Reserve for Technology

Funds to establish a reserve for technology that includes the following items:

\$776,811	R	\$1,011,611	R
\$2,595,895	NR		
12.00		12.00	

1997-98	1998-99

1. 12 Support Personnel	664,761 R	879,561 R
	115,145 NR	

Includes 2 Analyst Programmers, 4 LAN Support Specialists, 4 PC Support Specialists, 1 System Accountant, and 1 Voice/Data Specialist. All positions are effective 10/1/97.

2. PC Workstations	37,950 R	37,950 R
	379,500 NR	

Additional intelligent workstations for court system personnel statewide -- 50 for clerks, 50 for district attorneys, and 15 for public defenders.

3. Automated Forms System	30,000 R	50,000 R
	531,250 NR	

4. DA/PD Case Mgt. System	44,100 R	44,100 R
	570,000 NR	

5. Criminal Info. System	1,000,000 NR	

11 Software Upgrades

Provide funds to purchase database conversion software and to upgrade existing software for systems statewide.

\$230,000	R	\$230,000	R
\$225,000	NR		

12 Data Center Upgrades

Funds for additional frame relay lines which allow data to be transmitted more efficiently between the central criminal information system and offices statewide.

\$125,000	R	\$125,000	R

13 Assistant District Attorneys

Provide funding for 58 additional Assistant District Attorney positions effective 12/1/97.

\$2,222,444	R	\$3,806,192	R
\$57,420	NR		
58.00		58.00	

14 Victim Witness Assistants

Provide funds for 40 Victim Witness Assistant positions in District Attorneys Offices due to current workload and additional workload anticipated due to implementing the Victims Rights Constitutional Amendment.

\$1,031,080	R	\$1,337,680	R
\$195,200	NR		
40.00		40.00	

15 District Attorney Support Staff

Provide funds for 80 legal assistant positions for District Attorneys Offices statewide. Also provides funds for 2 investigator positions to be assigned to Districts 24 and 27B. All positions are effective 12/1/97.

\$1,569,950	R	\$2,612,656	R
\$456,306	NR		
82.00		82.00	

House Subcommittee on Justice and Public Safety

16 Magistrate Positions	\$224,712	R	\$293,697	R
Provide funds for 9 additional magistrate positions to be located in the following counties -- Edgecombe, Gaston, Wayne, Wilson, Union, Wilkes, Wake, Buncombe, and Cumberland. All positions are effective 10/1/97.	\$47,043	NR		
	9.00		9.00	
17 Clerks of Superior Court	\$1,903,500	R	\$2,543,200	R
Provide funding for 100 additional deputy clerk positions effective 10/1/97.	\$110,900	NR		
	100.00		100.00	
18 Court Reporters in Superior Court	\$198,696	R	\$264,828	R
Provide funds to reestablish 6 vacant positions which were eliminated in the 1995 long session. All positions are effective 10/1/97.	6.00		6.00	
19 Juvenile Court Counselors	\$540,285	R	\$720,060	R
Provide funds for 15 intensive court counselors effective 10/1/97. These additional positions would allow each judicial district to have at least one intensive court counselor.	\$19,725	NR		
	15.00		15.00	
20 Guardian Ad Litem Attorney and Training Manual	\$43,998	R	\$67,027	R
Provide funds to add one attorney who would serve as a central resource for Guardian Ad Litem contract attorneys. Most of the nonrecurring funds would be used to develop, publish, and distribute a Guardian Ad Litem abuse and neglect litigation manual for attorneys throughout the state and to conduct follow-up training. The attorney position is effective 1/1/98. This item was recommended by the Guardian Ad Litem Study Commission.	\$10,087	NR		
	1.00		1.00	
21 Divide District 30	\$210,871	R	\$268,881	R
Provide funds to divide District 30 into Districts 30A (Macon, Swain, Cherokee, Clay, and Graham Counties) and 30B (Haywood and Jackson Counties). The funds would be used to add a district attorney, a district attorney administrative assistant, a judicial assistant for the chief judge, a court counselor secretary, and to upgrade existing positions to a chief district court judge and court counselor.	\$37,069	NR		
	4.00		4.00	
22 Criminal Case Docket Management	\$322,774	R	\$401,310	R
The District Attorney criminal case docket management program was funded as a pilot project in 2 districts in FY 1995-97. This program is designed to help reduce case backlog and to move cases more quickly through the court system. The FY 1997-99 funding makes the 2 pilot programs permanent (Cumberland -- District 12 and Bladen/Brunswick/Columbus -- District 13) and expands the program into eight additional districts.	\$46,672	NR		
	10.00		10.00	
23 District Court Civil Case Management Pilot	\$118,500	NR		
Provide funds to continue pilot programs in Districts 13, 18, 30A and 30B, which assist district court judges with case management and setting of court calendars in civil cases. One case manager shall assist judges in Districts 30A and 30B.	3.00			

House Subcommittee on Justice and Public Safety

24 Custody Mediation Program	\$125,000	R	\$125,000	R
Provide funds to expand the custody mediation program to 4 additional district court districts. The program would be operational in 21 of 39 districts.				
25 Community Penalties	\$300,000	R	\$400,000	R
Provide funds to expand the Community Penalties Program to 4 additional districts. This allows the program to extend statewide by the end of the biennium.				
26 Arbitration Program	\$99,232	R	\$164,329	R
Provide funds to expand the superior court arbitration program to 5 additional districts. The program would be operational in 30 of 45 superior court districts.	\$10,710	NR		
	2.00		2.00	
27 Additional Supply Funds	\$50,000	R	\$50,000	R
Provide additional funds for general office supplies which would be distributed statewide based on need.				
28 Annual Recidivism Study	\$4,000	R	\$4,000	R
Provide funds for the Sentencing and Policy Advisory Commission to cover the operating expenses of researching and publishing an annual report on offender recidivism.				
29 Dispute Settlement Center Funds	\$55,000	R	\$55,000	R
Provides additional funds to the Mediation Center of the Southern Piedmont (\$25,000) to allow for expansion to Lincoln and Cleveland Counties, as well as additional funds for the Rockingham Mediation Center (\$5,000). Also provides \$25,000 for a new center in Catawba County.				
30 Court of Appeals Staff	\$74,200	R	\$97,671	R
Provide funds for one additional staff attorney and appellate clerk for the Court of Appeals. Both positions are effective 10/1/97.	\$11,961	NR		
	2.00		2.00	
31 Judicial Assistant Position	\$30,117	R	\$39,500	R
Provide funds for one judicial assistant to assist judges located in Davidson County in District 22. The position is effective 10/1/97.	\$6,296	NR		
	1.00		1.00	
32 Project Challenge Funds	\$100,000	NR		
Provide funds for Project Challenge Inc., a nonprofit organization which provides alternative dispositions and services to juveniles in Districts 24 who have been adjudicated delinquent or undisciplined. These funds will also allow for expansion into Districts 30A and 30B.				
33 Teen Court Funds	\$55,000	R	\$55,000	R
Provide funds to establish teen court programs in Orange (\$15,000), Guilford (\$20,000), and Brunswick Counties (\$20,000). Teen courts provide a peer review of juveniles who have committed non-violent misdemeanors and recommend different types of punishment, including community service and restitution. There are four other state funded teen courts operating in Buncombe, Cumberland, Durham, and Rockingham Counties.				

5.

House Subcommittee on Justice and Public Safety

34 Bad Check Pilot Programs

Provide funds for four positions to establish a bad check pilot program in Rockingham and Wake Counties. These programs are designed to reduce the amount of time spent prosecuting these cases, and to assist worthless check victims in recovering restitution.

\$135,000 NR
4.00

35 Juvenile Assessment Project

Provide funds to establish a juvenile assessment advisory board and center in District 12. The funds would be used to establish an advisory board who would make recommendations to the AOC on how to facilitate prevention and intervention services to at-risk juveniles.

\$60,000 NR

36 Program on Custody and Visitation Actions

Provide funds to develop an educational program in four districts (4,12,19B,26) for parents who are parties to a custody or visitation action. The funds would be used to establish an advisory committee, develop the curriculum, and determine the most effective means of implementing the program. The AOC is required to have the programs operating by January 1, 1998.

\$75,000 NR

37 Domestic Violence Court Matching Funds

Provide funds to District Attorneys' Offices to match federal grant funds received for domestic violence court programs.

\$92,000 NR

38 Adult / Juvenile Violent Offender Task Force

Provide funds for the Adult / Juvenile Violent Offender Task Force located in District 10. These funds are used to prosecute serious violent offenders more quickly through the court system.

\$50,000 NR

Total Legislative Changes	\$4,867,512	R	\$8,794,933	R
	\$8,430,458	NR		
Total Position Changes	349.00		341.00	
Revised Budget	\$324,242,899		\$325,059,850	

Justice

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$61,166,247	\$63,233,877

Legislative Changes

39 SBI - Vehicle Replacement	(\$317,500) R	(\$78,000) R
Replace vehicles for the State Bureau of Investigation on a schedule of 80,000 miles for automobiles and 90,000 miles for trucks. 25 fewer vehicles will be replaced in FY 1997-98 and 11 fewer vehicles in FY 1998-99. The net reduction includes increasing maintenance expenses by \$2,000 per automobile and \$3,000 per truck, as well decreasing expected receipts due to the sale of fewer vehicles.		
40 SBI Overtime Pay Adjustment	(\$606,004) R	(\$606,004) R
Reduce funds used to pay overtime to State Bureau of Investigation sworn law enforcement officers. Priority for overtime pay will be given to field agents before supervisory agents. (\$606,004 will remain in the continuation budget for overtime pay.)		
41 Adjustment for Increased DCI Receipts - SBI	(\$200,000) R	(\$200,000) R
Adjustment in the continuation budget of the State Bureau of Investigation due to an increase in the amount of receipts collected by the Division of Criminal Information. Since there has been an increase in the amount of Criminal Records Checks performed by the Division of Criminal Information, more receipts will be realized than anticipated.		
42 Attorney Salary Adjustments	(\$93,453) R	(\$93,453) R
Adjustment to discontinue funding for attorneys' one time salary adjustments (bonuses) based on job performance. The Department has granted these salary adjustments since 1993-4.		
43 Structured Sentencing Statewide Reserve	(\$400,000) R	(\$400,000) R
Reduce funds in the statewide reserve entitled Structured Sentencing. This reserve was intended to be labeled/named Criminal Justice Information Network Reserve. These funds were intended to initiate the operation of the Criminal Justice Information Network board and to begin the development of data sharing standards. Over \$300,000 remains in the continuation budget for use by the Criminal Justice Information Network board for board expenses and the development of data sharing standards.		

House Subcommittee on Justice and Public Safety

44 General Administration Positions

Fund one Paralegal II as a research technician for the Legal Services Division and one Accounting Technician III in the Administrative Services Division. Both positions are effective 10/1/97.

\$63,567	R	\$84,756	R
\$9,240	NR		
2.00		2.00	

45 Criminal Justice Information Network

Continue funding of the Criminal Justice Information Network. These funds will be used to continue developing data sharing standards and to upgrade the Automatic Fingerprinting Identification System.

\$850,000	NR		

46 SBI--DCI Technology Improvements and Staff

Provide funds to establish five new positions, effective October 1, 1997, within the Division of Criminal Information of the State Bureau of Investigation. Positions funded will include two computer consultants, two fingerprint technicians, and one processing assistant. Provide \$77,500 in nonrecurring funds to procure an uninterrupted power supply unit, and \$50,000 to begin development of a disaster recovery plan for the Division's computer system.

\$137,766	R	\$183,688	R
\$158,000	NR		
5.00		5.00	

47 Reserve for Sex Offender Registry

Provide funds to develop various changes to the current Sex Offender Registration Program and associated automated files. Funds will allow for the hiring of consultants to develop the program as well as to provide for the purchase of computer hardware and software.

\$15,650	R	\$15,650	R
\$131,525	NR		
0.50		0.50	

48 Sheriff's Standards Division Support Staff

Funds for an administrative assistant for the Sheriffs' Standards Division and Law Enforcement Liason Section to meet the statutory responsibilities of the Sheriffs' Education and Training Standards Division. Position begins October 1, 1997. Appropriation includes funds for computer equipment to allow automation of field testing in their training programs.

\$28,382	R	\$37,843	R
\$23,500	NR		
1.00		1.00	

49 DARE Expansion Funds

Provide funds to the State Bureau of Investigation to train additional local law enforcement officers to bring the Drug Abuse Resistance Education Program (DARE) into 7th and 9th grade classrooms.

\$113,300	NR		

50 Training and Standards Attorney

Fund an Attorney II position effective July 1, 1997 to represent the Department of Correction on correctional officer certification issues before the Training and Standards Commission. Position is currently funded by a contractual arrangement with the Department of Correction.

\$58,116	R	\$58,116	R
1.00		1.00	

51 Consumer Protection Attorney

Fund an Attorney III position to handle antitrust cases in the Citizens' Rights Division, effective 10/1/97.

\$51,637	R	\$68,850	R
\$6,000	NR		
1.00		1.00	

House Subcommittee on Justice and Public Safety

52 Capital Litigation Unit

Fund 2 Attorney IV positions and 1 Processing Assistant position in the Capital Litigation Unit of the Criminal Division, effective 10/1/97.

\$190,718	R	\$264,290	R
\$15,060	NR		
3.00		3.00	

53 Legal Services--Information Systems

Funds to continue the Department's transition to a local area network (LAN). Currently only 3 of the 5 Legal Services Divisions are connected.

\$148,620	NR

54 SBI - Pay Equity

Funds to provide one-time salary equity adjustments, and to establish a five percent annual salary increase for all sworn law enforcement officers in the State Bureau of Investigation. In FY 1997-98, funds are provided to establish a one time increase in salary for sworn law enforcement officers. The increase for each officer is based on a five percent increase for each year of service with the State Bureau of Investigation. This salary increase cannot go beyond an officer's pay grade. In FY 1998-99, and each year thereafter, a five percent annual salary increase is implemented for all of those sworn law enforcement officers that have not reached the maximum salary of their specific pay grade.

\$3,064,778	R	\$3,296,392	R

55 SBI Field Agents

Provide funds to hire 24 new field agents for the State Bureau of Investigation. Recurring funds in the first year are based on a 10/1/97 hiring date.

\$874,206	R	\$1,165,608	R
\$416,136	NR		
24.00		24.00	

56 Training & Standards - Justice Academy (Salemberg)

Provide funds for positions to instruct courses in standardized field sobriety testing, accident investigation, and detecting criminal activity. The following three positions will be hired effective July 1, 1997: 2 Instructor Coordinators and 1 Processing Assistant V.

\$123,591	R	\$123,591	R
\$39,000	NR		
3.00		3.00	

57 Western Justice Academy

Funds for personnel, operations, and start-up costs for the Western Justice Academy. These funds will allow the Western Justice Academy to begin operations in January 1998. Funds are already provided in the continuation budget for FY 1998-99.

\$491,155	R
\$2,492,482	NR
26.00	

58 Operating Costs for Justice Academy (Salemberg)

Reinstate operating funds which were reduced from the Salemberg Justice Academy in 1995.

\$100,000	R	\$100,000	R

59 Standards for Telecommunicators

Funds for the Sheriffs' Education and Training Standards Commission to establish minimum employment, training and retention standards for telecommunicators. Three positions are created effective July 1, 1997; a criminal justice research associate, a processing assistant and a criminal justice instructor-coordinator.

\$132,231	R	\$132,231	R
\$24,500	NR		
3.00		3.00	

House Subcommittee on Justice and Public Safety

60 Accident Victim Identification Training

Funds for the Justice Academy and the Criminal Justice Education and Standards Commission to develop a training curriculum for local law enforcement on the timely identification of accident victims and the facilitation of identification of potential organ donors.

\$25,000 NR

61 Safe Neighborhoods Initiative

Funds to continue the Safe Neighborhoods Initiative that assists communities with community policing, child ID projects and other crime prevention programs. The program is supported with federal funds through July 1997. These funds continue 3.5 of the 6 current positions; 3 Community Development Specialists and a half time Office Assistant.

\$139,840 R \$152,000 R

3.50

3.50

62 NC LEAF Funds

Provide funding to the NC Legal Education Assistance Foundation to assist with loan repayment for public service attorneys. Funds flow through the Department of Justice to NC LEAF, a nonprofit organization.

\$50,000 NR

Total Legislative Changes

\$3,854,680 R \$4,305,558 R

\$4,502,363 NR

Total Position Changes

73.00 47.00

Revised Budget

\$69,523,290 \$67,539,435

House Subcommittee on Justice and Public Safety

Correction

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$889,010,472	\$925,266,138

Legislative Changes

63 Out of State Housing of Inmates	(\$16,557,256)	R	(\$20,819,756)	R
The Governor recommended eliminating all funds in the continuation budget for housing inmates out of state on the premise that the inmates would be returned to North Carolina prisons at the end of 1996-97. However, upon further review, it was determined that inmates will not be returned until December, 1997 due to lack of State prison bedspace. The net result is that an additional \$4,262,500 is needed to fund out of state contracts so only \$16.557 million can be reduced the first year of the biennium.				
64 County Jail Contracts			(\$5,818,800)	R
The Governor recommended eliminating continuation funding for contracting with county jails to house State inmates on the premise that adequate bedspace would be available in State prisons in 1997-98. However, upon further review the Subcommittee noted that adequate bedspace will not be available until the end of 1997-98. Therefore, the \$5,818,800 in the continuation budget is needed in 1997-98 for county jail contracts.				
65 Reserve for Private Beds	(\$2,900,000)	NR		
One-time reduction in the operating reserves for the two 500 bed private prisons. Delays in signing the final contracts have pushed back prison completion dates and delayed the need for a portion of the 1997-98 funding. Full funding is authorized in the 1998-99 budget.				
66 Reserve for Operating New Prisons	(\$9,500,000)	NR		
One-time reduction in 1997-98 operating reserves due to delays in completion of the Avery/Mitchell prison and the Albemarle Prison. Both prisons are now scheduled for completion in October, 1998.				
67 Reduction in Inmate Food Budget	(\$5,000,000)	R	(\$5,000,000)	R
The Governor recommended a \$5,000,000 reduction in the inmate food budget due to system efficiencies that have lowered the cost per meal.				

House Subcommittee on Justice and Public Safety

68 Reserve for Repeal of Prison Cap	(\$500,000)	R	(\$500,000)	R
In 1995, in anticipation of inmates staying in prison longer due to repeal of the prison cap, the General Assembly authorized funding for DOC to add prison beds -- both inside and outside of the State prison system. The funds remaining in the reserve, approximately \$2.1 million dollars, are for operating additional beds at Pasquotank, Central Prison and Marion. The reduction is based on over-estimating the total amount of funds needed when the budget was originally projected in 1995.				
69 Adjust Operating Budget for Probation and Parole	(\$3,700,000)	R	(\$3,700,000)	R
The operating budget was adjusted to a more realistic level of need. Line items affected include employee travel and per-diem, postage and printing, supplies, repairs and materials.				
70 Title VII Program	(\$150,000)	R	(\$150,000)	R
In response to a federal lawsuit, the 1995 General Assembly funded 17 positions to implement and monitor improved recruitment, hiring, and promotional practices for females in the Department of Correction. The program has been fully implemented and reductions in positions and support are possible based on documented improvements in personnel practices.				
	-2.00		-2.00	
71 Further Reduction in Inmate Food Cost	(\$3,124,828)	R	(\$5,358,432)	R
The Subcommittee further reduced the inmate food budget due to a more realistic projection of inmate average daily population during the 1997-99 biennium and to anticipated system efficiencies (e.g. statewide automation of food inventory system; newly standardized menus) that have lowered the cost per meal to 83 cents.				
72 Reserve -- Repeal Prison Cap -- Further Reduction	(\$79,568)	R	(\$79,568)	R
The Subcommittee identified additional funds that should have been deleted from the Prison Cap reserve. Total reduction will be \$579,568.				
73 Title VII Program -- Further Reduction	(\$276,797)	R	(\$276,797)	R
The Governor reduced this program by \$150,000, including two positions. The Subcommittee reviewed the program and took a reduction of 7 additional positions since the department has made significant progress in hiring, recruitment and promotion of females. The program will retain eight positions to monitor department wide progress. (Span of Control Study)				
	-7.00		-7.00	
74 Modular Housing -- Reduce Reserve				
One-time reduction in reserve in 1997-98 due to delays in purchasing and siting modular housing units.				
	(\$543,132)	NR		
75 Operating Cost for Inmate Work Crews				
Fourteen inmate work crews are to be established at prison units where modular housing will be placed. Delays in siting modular units will delay starting the work crews so a one-time reduction in operating costs can be taken.				
	(\$70,000)	NR		

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76 Custody and Classification Unit

(\$219,935) R (\$519,935) R

Reduce staffing from 17 positions to 10 since this unit will no longer be handling classification and movement of inmates housed out of state after inmates are returned to State prisons in December, 1997. The 1998-99 reduction includes elimination of \$300,000 for airfare for returning inmates from out of state prisons since they will be returned in 1997-98. (Span of Control Study)

-7.00

-7.00

77 Private Prisons -- Substance Abuse

(\$2,727,806) R (\$2,654,715) R

The General Assembly authorized funding in 1994 to contract for 500 private prison treatment beds. To date, only contracts for 350 of the beds have been awarded. DOC indicates that with the impact of Structured Sentencing, it will be difficult to keep 500 minimum security pre-release treatment beds full. It is recommended that the funding for the additional 150 beds be eliminated.

78 Prison Operating Reserve -- 87.5 Million Bond

(\$1,326,927) R (\$1,326,927) R

Reduce positions and operating support for prisons constructed with funds from 1993 Bond. Reductions are based on reducing management levels and increasing employee to supervisor ratios as recommended in the Span of Control Study.

(\$1,288,633) NR

-14.00

-14.00

79 Prison Operating Reserves

(\$1,436,110) R (\$1,436,110) R

Two actions were taken to reduce this reserve - recurring reductions based on the Span of Control Study and non-recurring reductions based on delays in prison completion for Impact East (Female) and Albemarle and Avery/Mitchell.

(\$962,897) NR

-30.00

-30.00

80 Span of Control Study -- Department wide

(\$1,059,349) R (\$1,059,992) R

Eliminate 18 positions department-wide. These positions were identified as part of the Span Of Control Study.

-18.00

-18.00

81 Polk Youth Institution

(\$1,320,181) R (\$1,320,181) R

Reduce inmate operating costs for old prison (food, clothing, medical).

82 Private Prisons Reserve -- Further Reduction

(\$1,646,952) NR (\$641,824) NR

The Governor reduced this reserve by (\$2,900,000) due to delays in signing private prison contracts which changed construction completion dates. The Subcommittee took an additional one-time reduction based on a revised completion date for the two 500 bed facilities. Dates were changed from 2/98 to 5/98 for Pamlico and 5/98 to 8/98 for Avery/Mitchell. The construction/lease contract has now been signed.

83 Reimbursement for Housing Aliens

(\$670,000) R (\$670,000) R

Correction receives funding from the federal government for housing inmates who are illegal aliens. The DOC anticipates additional federal funds so the General Fund can be reduced to reflect increased receipts.

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84 Salary Reserve	(\$628,000)	R	(\$628,000)	R
Reduce salary reserve (funds generated by filling positions at salaries lower than budgeted).				
85 Health Services Budget	(\$2,357,972)	R	(\$3,088,686)	R
Based on revised projections of the average daily prison population, the Correction Health Services budget can be reduced.				
86 Guilford Diagnostic Center	(\$112,510)	R	(\$133,275)	R
Due to declining prison admissions, the General Assembly closed one inmate intake and diagnostic center in 1996-97 -- Southern Reception Center. The decline in admissions has continued and one additional diagnostic center is recommended for closing.				
	-5.00		-5.00	
87 Title VII Program -- Reserve Fund	(\$5,500,000)	NR		
The General Assembly authorized a \$5.5 million dollar reserve for payment to claimants as part of the settlement of the Title VII lawsuit. It now appears that it will be at least 1998-99 before all claims are received so the amount needed to pay claims cannot be determined at this time.				
88 Salary Reserve -- Further Reduction	(\$872,000)	R	(\$872,000)	R
This additional reduction would still leave Correction with approximately 25% of their salary reserve.				
89 Reduce Staff at Parole Commission	(\$454,125)	R	(\$454,125)	R
Due to a projected decline in the parole eligible population, the size of the Post Release Supervision and Parole Commission is reduced from 5 positions to 3 positions. In addition, 5 Analyst, 4 Clerical and 1 Special Projects Manager positions are eliminated. Four of these positions (2 clerical, 1 analyst and the Projects Manager) are currently vacant.				
	-12.00		-12.00	
90 Reduce Reserves for Structured Sentencing	(\$1,483,406)	R	(\$2,728,420)	R
Reduction of amount in reserves for new probation parole staff due to structured sentencing. The cost is reduced because of changes in the projected supervised population and to reflect a phase-in of the intermediate punishment officer reduced caseloads. Caseloads for intermediate officers will fall to 80 in 1997-8 and 70 in 1998-9. New clerks are allocated at the rate of 1 clerk per 8 officers; new Chief Officers are allocated at the rate of 1 Chief per 10 officers.				
	(\$211,453)	NR	(\$213,618)	NR
	-15.00		-47.00	
91 Women at Risk Program	\$125,000	R	\$125,000	R
Funds for the Women at Risk Program based in Buncombe County to provide non-residential treatment and supervision for female probationers. The program has been supported with nonrecurring funds since 1994-5.				

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92 Supervision of Sex Offenders	\$193,941	R	\$258,588	R
Funds for 6 additional probation parole officers to allow closer supervision of sex offenders. Additional staff will allow some officers to carry lower caseloads. Positions begin October 1, 1997.	\$34,632	NR		
	6.00		6.00	
93 Boot Camp Aftercare Pilot	\$350,000	NR		
Funds to continue the pilot project to provide treatment for offenders completing the IMPACT Boot Camp program. Funds will allow individualized follow-up programs for about 175 offenders in their home communities. The pilot program began in 1996-7.				
94 Bunking Inmates in Shifts	\$537,317	R	\$707,937	R
Funding to implement program initiated in 1995-96 at Lincoln Correctional Center. Program will bunk inmate in shifts in order to save prison bedspace. Funding is to provide additional security staff in recreation buildings and open space and for a third Enterprises shift as well as additional support staff. Program funding is effective October 1, 1997.	\$11,168	NR		
	18.00		18.00	
95 Audit of Division of Adult Probation and Parole	\$600,000	NR		
Funds are provided to the Department of Correction to contract for an operational audit of the Division of Adult Probation and Parole. The Department shall consult with the State Auditor's Office while contracting with an independent consultant for the audit.				
96 County Jail Reimbursement -- State Misdemeanants	\$3,010,089	NR		
County jails are required by statute to house state misdemeanants with sentences of 30 to 90 days. County jails are reimbursed at the rate of \$14.50 a day for each inmate. Funds provided would enable the State to increase the payment from \$14.50 a day to \$20.00 for 1997-98 only. The reimbursement rate would return to \$14.50 for 1998-99. Current continuation budget is approximately \$7.9 million dollars.				
97 Reserve for Enhanced Criminal Penalties			\$135,000	NR
Reserve for funding additional prison beds, if needed, due to criminal penalty bills included in this budget. Bill effective dates are 12/1/97; any potential fiscal or bed impact would be in 1998-99.				
Total Legislative Changes	(\$43,200,512)	R	(\$57,504,194)	R
	(\$18,617,178)	NR	(\$720,442)	NR
Total Position Changes	-86.00		-118.00	
Revised Budget	\$827,192,782		\$867,041,502	

House Subcommittee on Justice and Public Safety

Crime Control and Public Safety

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Budget	\$33,548,678	\$33,530,244

Legislative Changes

98 Administration -- SOC-Expanded Definition	(\$68,510)	R	(\$68,510)	R
Reduces funds for internship by \$34,124 (Student Temporary Wages). Reduces salary reserves by \$12,804. Eliminates \$21,582 for Indirect Cost Receipts. All of these reductions were based on recommendations by the Span of Control Study.				
99 Emergency Management -- SOC-Expanded Definition	(\$17,202)	R	(\$17,202)	R
Reduce funding of Hazardous Materials Response Teams to local governments by \$17,202 to amount actually needed (\$382,798 remains in continuation budget).				
100 Victim & Justice Services -- Span of Control	(\$46,604)	R	(\$46,604)	R
Eliminate 1 supervisory position based on recommendations of the Span of Control Study.				
	-1.00		-1.00	
101 Gov's Crime Commission -- SOC-Expanded Definition	(\$43,797)	R	(\$43,797)	R
Reduce state agency matching funds for use by the Department of Crime Control and Public Safety or other state agencies to match Governor's Crime Commission Grants (\$150,398 remains in continuation budget).				
102 Crime Prevention -- Span of Control	(\$96,419)	R	(\$96,419)	R
Eliminate 2 Community Development Specialists positions as recommended by the Span of Control Study.				
	-2.00		-2.00	
103 Drug Enforcement Grants- State Agency Match	(\$70,398)	R	(\$70,398)	R
Reduces funds by \$70,398 for grant matching monies that other State departments and agencies use for Governor's Crime Commission grants relating to drug enforcement. (\$80,000 remains in the continuation budget for the Department of Crime Control and Public Safety to use as their matching funds for grants.)				

House Subcommittee on Justice and Public Safety

104 CJIN Hardware/Software

\$0 R
\$0 NR

\$0 R
\$0 NR

Provide \$156,600 of recurring funds to lease equipment space and telephone lines at 30 new tower sites along the interstate highway system. Provide \$2,250,000 of nonrecurring funds to establish Data Ready Base Stations, Base Station Antennas, and RF Transmission Facilities for 30 new tower sites along the interstate highway system. Also provide \$1,700,000 in nonrecurring funds for the purchase of 200 Mobile Data Computers for Highway Patrol vehicles. These computers will be added to patrol vehicles that are stationed along the interstate highway system. (All funds for these portions of the Criminal Justice Information Network project are provided by the Highway Fund.)

105 Emergency Management Personnel

\$80,045 R
\$18,000 NR
2.00

\$106,726 R
2.00

Provides funding for two new positions within the Division of Emergency Management. These two positions include a Budget/Finance Officer position, and a Disaster Recovery Manager. Positions are effective October 1, 1997.

106 National Guard Maintenance Funds

\$325,000 R

\$325,000 R

Provide funds for repairs and maintenance of National Guard Armories. These funds will be used to address the National Guard's backlog of requests for repairs and maintenance of armories.

107 Highway Patrol Helicopters

\$0 R

\$0

Provide funds from the Highway Fund to move two State Highway Patrol Helicopters to Asheville and Kinston. Recurring funds for operation, maintenance, and flight time total \$103,660.

108 National Guard Tuition Assistance

\$128,660 R

\$128,660 R

Funds to increase the amount and number of educational assistance benefits for members of the National Guard.

109 Crimestoppers Program

\$15,000 NR

Non-recurring funds in the amount of \$15,000 to fund Crimestoppers of Cumberland County, a local, non-profit organization.

Total Legislative Changes

\$190,775 R
\$33,000 NR

\$217,456 R
\$0 NR

Total Position Changes

-1.00

-1.00

Revised Budget

\$33,772,453

\$33,747,700

JUDICIAL
SPECIAL PROVISIONS

CODE NO. 97AOC-H016-S

Requested by: Representatives Justus, Kiser, and Thompson

TRANSFER OF EQUIPMENT AND SUPPLY FUNDS

1 Section @. Funds appropriated to the Judicial
2 Department in the 1997-99 biennium for equipment and supplies
3 shall be certified in a reserve account. The Administrative
4 Office of the Courts shall have the authority to transfer these
5 funds to the appropriate programs and between programs as the
6 equipment priorities and supply consumptions occur during the
7 operating year. These funds shall not be expended for any other
8 purpose. The Administrative Office of the Courts shall make
9 quarterly reports on transfers made pursuant to this section to
10 the Joint Legislative Commission on Governmental Operations and
11 the Chairs of the Senate and House Appropriations Subcommittees
12 on Justice and Public Safety.

CODE NO. 97AOC-H009-S

Requested by: Representatives Justus, Kiser, and Thompson

INDIGENT PERSONS' ATTORNEY FEE FUND

1 Section @. (a) Effective July 1, 1997, the
2 Administrative Office of the Courts shall each year of the 1997-
3 99 biennium reserve funds for adult, juvenile, and guardian ad
4 litem cases from the Indigent Persons' Attorney Fee Fund. These
5 funds shall be allotted to each judicial district in which the
6 superior and district courts are coterminous, and otherwise by
7 county, according to the caseload of indigent persons who were
8 not represented by the public defender in the districts or
9 counties during 1996-97 and 1997-98, respectively. The remaining
10 available funds in the Indigent Persons' Attorney Fee Fund shall
11 be budgeted for capital cases and for transcripts, professional
12 examinations, expert witness fees, and other supporting services.

13 The Administrative Office of the Courts shall notify all
14 senior resident superior court judges, all chief district court
15 judges, and the clerk of superior court within the district or
16 county immediately after the allotment is made and shall provide
17 a monthly report on the status of the allotment for the district
18 or county.

19 The senior resident superior court judge and the chief
20 district court judge of each district or county shall ask all
21 judges holding court within the district or county: (i) to take
22 into consideration the amount of money allotted at the beginning
23 of the fiscal year and the amount of money remaining in the
24 allotment when they award counsel fees to attorneys of indigent
25 persons, and (ii) to make an effort to award fees equally and
26 justly for legal services provided. The clerk of superior court
27 for each county shall ensure that all judges holding court within
28 the county receive this request from the senior resident superior
29 court judge and the chief district court judge.

30 (b) If the funds allotted pursuant to subsection (a) of
31 this section are depleted in a district or county prior to the
32 end of the fiscal year, the Administrative Office of the Courts
33 shall allot any available funds from the reserve fund specified
34 in subsection (a) or from unanticipated receipts. However, if
35 necessary and appropriate due to unusual and unanticipated
36 circumstances occurring in the current year, the Administrative
37 Office of the Courts may allocate available funds to a district
38 or county in a manner calculated to result in the reasonably fair
39 distribution of remaining funds.

1 (c) If funds allocated in subsections (a) and (b)
2 this section are depleted in a district or county prior to the
3 end of the fiscal year, the Administrative Office of the Courts
4 shall allot available funds from the Public Defender program.

5 (d) If the funds allotted pursuant to subsections (a),
6 (b), and (c) of this section are depleted in a district or county
7 prior to the end of the fiscal year, the Administrative Office of
8 the Courts is authorized to transfer funds between districts or
9 counties only if the Administrative Office of the Courts
10 determines that the funds transferred will not be needed to meet
11 the obligations incurred by the Indigent Persons' Attorney Fee
12 Fund for the county or district from which the funds are
13 transferred for the fiscal year.

CODE NO. 97AOC-H017-S

Requested by: Representatives Justus, Kiser, and Thompson

REPORT ON DISPUTE SETTLEMENT CENTERS

1 Section @. (a) All local dispute settlement centers
2 currently receiving State funds shall report annually to the
3 Judicial Department on the program's funding and activities,
4 including:

- 5 (1) Types of dispute settlement services provided;
- 6 (2) Clients receiving each type of dispute settlement
7 service;
- 8 (3) Number and type of referrals received, cases
9 actually mediated, cases resolved in mediation, and
10 total clients served in the cases mediated;
- 11 (4) Total program funding and funding sources;
- 12 (5) Itemization of the use of funds, including
13 operating expenses and personnel;
- 14 (6) Itemization of the use of State funds appropriated
15 to the center;
- 16 (7) Level of volunteer activity; and
- 17 (8) Identification of future service demands and budget
18 requirements.

19 The Judicial Department shall compile and summarize the
20 information provided pursuant to this subsection and shall
21 provide the information to the Chairs of the House and Senate
22 Appropriations Committees and the Chairs of the House and Senate
23 Appropriations Subcommittees on Justice and Public Safety by
24 February 1 of each year.

25 (b) A local dispute settlement center requesting State
26 funds for the first time shall provide the General Assembly with
27 the information enumerated in subsection (a) of this section, or
28 projections where historical data are not available, as well as a
29 detailed statement justifying the need for State funding.

30 (c) Each local dispute settlement center receiving
31 State funds for the first time shall document in the information
32 provided pursuant to G.S. 7A-346.1 that, after the second year of
33 receiving State funds, at least ten percent (10%) of total
34 funding comes from non-State sources.

35 (d) Each local dispute settlement center receiving
36 State funds for the third, fourth, or fifth year shall document
37 that at least twenty percent (20%) of total funding comes from
38 non-State sources.

1 (e) Each local dispute settlement center receiving
2 State funds for six or more years shall document that at least
3 fifty percent (50%) of total funding comes from non-State
4 sources.

5 (f) Each local dispute settlement center currently
6 receiving State funds that has achieved a funding level from non-
7 State sources greater than that provided for that center by
8 subsection (c), (d), or (e) of this section shall make a good
9 faith effort to maintain that level of funding.

10 (g) The percentage that State funds comprise of the
11 total funding of each dispute settlement center shall be
12 determined at the conclusion of each fiscal year with the
13 information provided pursuant to G.S. 7A-346.1 and is intended as
14 a funding ratio and not a matching funds requirement. Local
15 dispute settlement centers may include the market value of
16 donated office space, utilities, and professional legal and
17 accounting services in determining total funding.

18 (h) A local dispute settlement center having difficulty
19 meeting the funding ratio provided for that center by subsection
20 (c), (d), or (e) of this section may request a waiver or special
21 consideration through the Administrative Office of the Courts for
22 consideration by the Senate and House Appropriation
23 Subcommittees on Justice and Public Safety.

24 (i) The provisions of G.S. 143-31.4 do not apply to
25 local dispute settlement centers receiving State funds.

CODE NO. 97AOC-H018-S

Requested by: Representatives Justus, Kiser, and Thompson

COMMUNITY PENALTIES PROGRAM

1 Section @. (a) Of the funds appropriated from the
2 General Fund to the Judicial Department for the 1997-99 biennium
3 to conduct the Community Penalties Program, the sum of four
4 million two hundred five thousand three hundred eighty-two
5 dollars (\$4,205,382) for the 1997-98 fiscal year and the sum of
6 four million three hundred five thousand three hundred eighty-two
7 dollars (\$4,305,382) for the 1998-99 fiscal year may be allocated
8 by the Judicial Department in each year of the biennium in any
9 amount among existing community penalties programs, including any
10 State-operated programs, or may be used to establish new
11 community penalties programs.

12 (b) The Judicial Department shall report annually to
13 the Senate and House Appropriations Subcommittees on Justice and
14 Public Safety and to the Fiscal Research Division on the
15 administrative expenditures of the community penalties programs.
16 The Judicial Department shall report quarterly to the Joint
17 Legislative Commission on Governmental Operations on any
18 elimination or reduction of funding for community penalties
19 programs funded in the 1996-97 fiscal year or any program
20 receiving initial funding during the 1997-99 biennium.

CODE NO. 97AOC-H020-S

Requested by: Representatives Justus, Kiser, and Thompson

MAKE SENTENCING COMMISSION PERMANENT

1 Section @. (a) Section 8 of Chapter 1076 of the 1989
2 Session Laws, as amended by Chapters 812 and 816 of the 1991
3 Session Laws, Chapters 253, 321, and 591 of the 1993 Session
4 Laws, and Chapter 236 of the 1995 Session Laws, reads as
5 rewritten:

6 "Sec. 8. This act is effective upon ~~ratification, and shall~~
7 ~~expire July 1, 1997, ratification.~~"

8 (b) G.S. 164-38 reads as rewritten:

9 "\$ 164-38. Terms of members; compensation; expenses.

10 The terms of existing members shall expire on June 30, ~~1995,~~
11 ~~1997,~~ unless they resign or are removed. New members shall be
12 appointed or the existing members reappointed by the appointing
13 authorities to serve ~~until July 1, 1997,~~ terms of two years,
14 unless they resign or are removed. Members serving by virtue of
15 elective or appointive office or as designees of such
16 officeholders may serve only so long as the officeholders hold
17 those respective offices. Members appointed by the Speaker of the
18 House and the President Pro Tempore of the Senate may be removed
19 by the appointing authority without cause. Vacancies occurring
20 before the expiration of a term shall be filled in the manner
21 provided for the members first appointed. A member of the
22 Commission may be removed only for disability, neglect of duty,
23 incompetence, or malfeasance in office. Before removal, the
24 member is entitled to a hearing. Effective with respect to
25 members designated on or after July 1, 1992, a person making a
26 designation pursuant to G.S. 164-37 may not make another
27 designation, except that the person's successor in elective or
28 appointive office may make a new designation.

29 The Commission members shall receive no salary for serving. All
30 Commission members shall receive necessary subsistence and travel
31 expenses in accordance with the provisions of G.S. 120-3.1, 138-
32 5, and 138-6 as applicable."

33 (c) G.S. 164-36 reads as rewritten:

34 "\$ 164-36. Powers and duties.

35 Sentences established for violations of the State's criminal
36 laws should be based on the established purposes of our criminal
37 justice and corrections systems. The Commission shall evaluate
38 sentencing laws and policies in relationship to both the state
39 purposes of the criminal justice and corrections systems and the

1 availability of sentencing options. The Commission shall make
2 recommendations to the General Assembly for the modification of
3 sentencing laws and policies, and for the addition, deletion, or
4 expansion of sentencing options as necessary to achieve policy
5 goals. The Commission shall make a report of its
6 recommendations, including any recommended legislation, to the
7 General Assembly annually."

CODE NO. 97AOC-H005-S

Requested by: Representatives Justus, Kiser, and Thompson

VICTIM'S RIGHTS AMENDMENT/FLEXIBILITY IN USE OF VICTIM WITNESS ASSISTANTS AND LEGAL ASSISTANTS

1 Section @. (a) The victim witness assistants funded in
2 this act are intended to support the implementation of the
3 Victims' Rights Amendment to the North Carolina Constitution and
4 to address the current workload. These positions shall be
5 allocated on the basis of workload and population. The Judicial
6 Department shall report to the Joint Legislative Commission on
7 Governmental Operations on the allocation of these positions by
8 November 1, 1997.

9 (b) In order to better manage current workloads, the
10 district attorney may temporarily assign a victim witness
11 assistant to perform duties normally performed by a legal
12 assistant and may temporarily assign a legal assistant to perform
13 duties normally performed by a victim witness assistant.

CODE NO. 97AOC-H010-S

Requested by: Representatives Justus, Kiser, and Thompson

CRIMINAL CASE MANAGEMENT FUNDS

1 Section @. (a) The criminal case docket management
2 programs funded in this act shall be distributed in a manner that
3 ensures representation in all areas of the State.
4 (b) The Administrative Office of the Courts shall report
5 by April 1, 1998, to the Chairs of the Senate and House
6 Appropriations Committees and the Chairs of the Senate and House
7 Appropriations Subcommittees on Justice and Public Safety on the
8 criminal case management programs established in 10 judicial
9 districts. The report shall assess the success of these 10
10 programs in reducing the backlog of court cases and resolving new
11 court cases more quickly and shall include recommendations for
12 the location of additional criminal case management programs in
13 the 1998-99 fiscal year.

CODE NO. 97AOC-H013

Requested by: Representatives Justus, Kiser, and Thompson

DIVIDE DISTRICT COURT DISTRICT 30 AND PROSECUTORIAL DISTRICT 30
INTO DISTRICTS 30A AND 30B

1 Section @. (a) G.S. 7A-133(a) reads as rewritten:

2 "(a) Each district court district shall have the numbers of
3 judges as set forth in the following table:

DistrictJudges			County
1	4		Camden
			Chowan
			Currituck
			Dare
			Gates
			Pasquotank
			Perquimans
2	3		Martin
			Beaufort
			Tyrrell
			Hyde
			Washington
3A	3		Pitt
3B	4		Craven
			Pamlico
			Carteret
4	6		Sampson
			Duplin
			Jones
			Onslow
5	6		New Hanover
			Pender
6A	2		Halifax
6B	3		Northampton
			Bertie
			Hertford
7	6		Nash
			Edgecombe
			Wilson
8	5		Wayne
			Greene
			Lenoir
9	4		Granville
			(part of Vance
			see subsection (b))
			Franklin
9A	2		Person

1			Caswell
2	9B	1	Warren
3			(part of Vance
4			see subsection (b))
5	10	12	Wake
6	11	6	Harnett
7			Johnston
8			Lee
9	12	8	Cumberland
10	13	4	Bladen
11			Brunswick
12			Columbus
13	14	5	Durham
14	15A	3	Alamance
15	15B	3	Orange
16			Chatham
17	16A	3	Scotland
18			Hoke
19	16B	5	Robeson
20	17A	2	Rockingham
21	17B	3	Stokes
22			Surry
23	18	10	Guilford
24	19A	3	Cabarrus
25	19B	5	Montgomery
26			Moore
27			Randolph
28	19C	3	Rowan
29	20	6	Stanly
30			Union
31			Anson
32			Richmond
33			Moore
34	21	7	Forsyth
35	22	7	Alexander
36			Davidson
37			Davie
38			Iredell
39	23	4	Alleghany
40			Ashe
41			Wilkes
42			Yadkin
43	24	3	Avery
44			Madison
45			Mitchell
46			Watauga
47			Yancey
48	25	7	Burke
49			Caldwell
50			Catawba
51	26	14	Mecklenburg
52	27A	5	Gaston
53	27B	4	Cleveland

1			Lincoln
2	28	5	Buncombe
3	29	5	Henderson
4			McDowell
5			Polk
6			Rutherford
7			Transylvania
8	~~30~~ 30A	4 2	Cherokee
9			Clay
10			Graham
11			~~Haywood~~
12			~~Jackson~~
13			Macon
14			~~Swain~~ Swain
15	30B	2	Haywood
16			Jackson."

17 (b) The district court judgeships established for
 18 District 30A by subsection (a) of this section shall be filled by
 19 the district court judges from current District 30 who reside in
 20 Cherokee and Swain Counties. The term of the judge residing in
 21 Swain County expires the first Monday in December of 1998. That
 22 judge's successor shall be elected in the 1998 election. The
 23 term of the judge residing in Cherokee County expires the first
 24 Monday in December of 2000. That judge's successor shall be
 25 elected in the 2000 election.

26 (c) The district court judgeships established for
 27 District 30B by subsection (a) of this section shall be filled by
 28 the district court judges from current District 30 who reside in
 29 Haywood County. The term of one of the judges residing in
 30 Haywood County expires the first Monday in December of 1998.
 31 That judge's successor shall be elected in the 1998 election.
 32 The term of the other judge residing in Haywood County expires
 33 the first Monday in December of 2000. That judge's successor
 34 shall be elected in the 2000 election.

35 (d) G.S. 7A-60(a1) reads as rewritten:

36 "(a1) The counties of the State are organized into
 37 prosecutorial districts, and each district has the counties and
 38 the number of full-time assistant district attorneys set forth in
 39 the following table:

40			No. of Full-Time
41	Prosecutorial		Asst. District
42	District	Counties	Attorneys
43	1	Camden, Chowan, Currituck,	9
44		Dare, Gates, Pasquotank,	
45		Perquimans	
46	2	Beaufort, Hyde, Martin,	5
47		Tyrrell, Washington	
48	3A	Pitt	8

1	3B	Carteret, Craven, Pamlico	8
2	4	Duplin, Jones, Onslow,	12
3		Sampson	
4	5	New Hanover, Pender	11
5	6A	Halifax	4
6	6B	Bertie, Hertford,	4
7		Northampton	
8	7	Edgecombe, Nash, Wilson	12
9	8	Greene, Lenoir, Wayne	10
10	9	Franklin, Granville,	9
11		Vance, Warren	
12	9A	Person, Caswell	3
13	10	Wake	23
14	11	Harnett, Johnston, Lee	11
15	12	Cumberland	14
16	13	Bladen, Brunswick, Columbus	8
17	14	Durham	10
18	15A	Alamance	7
19	15B	Orange, Chatham	6
20	16A	Scotland, Hoke	4
21	16B	Robeson	8
22	17A	Rockingham	5
23	17B	Stokes, Surry	5
24	18	Guilford	22
25	19A	Cabarrus	5
26	19B	Montgomery, Moore, Randolph	9
27	19C	Rowan	5
28	20	Anson, Richmond,	12
29		Stanly, Union	
30	21	Forsyth	13
31	22	Alexander, Davidson, Davie,	13
32		Iredell	
33	23	Alleghany, Ashe, Wilkes,	5
34		Yadkin	
35	24	Avery, Madison, Mitchell,	4
36		Watauga, Yancey	
37	25	Burke, Caldwell, Catawba	12
38	26	Mecklenburg	29
39	27A	Gaston	10
40	27B	Cleveland,	6
41		Lincoln	
42	28	Buncombe	9
43	29	Henderson, McDowell, Polk,	10
44		Rutherford, Transylvania	
45	~~30~~ 30A	Cherokee, Clay, Graham,	~~7~~ 4
46		~~Haywood, Jackson, Macon,~~	
47		~~Swain~~ <u>Swain</u>	

1 30B Haywood, Jackson 3."
2 (e) The district attorney position established for
3 District 30B by subsection (d) of this section shall be filled by
4 the district attorney from current District 30B who resides in
5 Haywood County. The district attorney position established for
6 District 30A by subsection (d) of this section shall be filled by
7 appointment by the Governor. That district attorney's term
8 expires on December 31, 2000. A successor shall be elected in
9 the 2000 election.
10 (f) The four assistant district attorney positions
11 established for District 30A by subsection (d) of this section
12 shall be filled by four assistant district attorneys currently
13 serving Cherokee, Clay, Graham, Macon, and Swain Counties in
14 current District 30. The three assistant district attorney
15 positions established for District 30B by subsection (d) of this
16 section shall be filled by three assistant district attorneys
17 currently serving Haywood and Jackson Counties in current
18 District 30.
19 (g) Subsections (a), (b), and (c) of this act become
20 effective October 1, 1997, or the date upon which those
21 subsections are approved under Section 5 of the Voting Rights Act
22 of 1965, whichever is later. The remainder of this section
23 becomes effective October 1, 1997.

1		Stanly, Union	
2	21	Forsyth	~~13~~ <u>14</u>
3	22	Alexander, Davidson, Davie,	~~13~~ <u>16</u>
4		Iredell	
5	23	Alleghany, Ashe, Wilkes,	~~5~~ <u>6</u>
6		Yadkin	
7	24	Avery, Madison, Mitchell,	~~4~~ <u>5</u>
8		Watauga, Yancey	
9	25	Burke, Caldwell, Catawba	~~12~~ <u>13</u>
10	26	Mecklenburg	~~29~~ <u>31</u>
11	27A	Gaston	~~10~~ <u>11</u>
12	27B	Cleveland,	~~6~~ <u>7</u>
13		Lincoln	
14	28	Buncombe	~~9~~ <u>10</u>
15	29	Henderson, McDowell, Polk,	~~10~~ <u>11</u>
16		Rutherford, Transylvania	
17	30A	Cherokee, Clay, Graham,	~~4~~ <u>5</u>
18		Macon, Swain	
19	30B	Haywood, Jackson	~~3~~ <u>4.</u> "
20	(b) Subsections (c) and (d) of Section 5 of Chapter 589		
21	of the 1995 Session Laws are repealed.		
22	(c) Subsection (a) of this section becomes effective		
23	December 1, 1997.		

CODE NO. 97AOC-H015-S

Requested by: Representatives Justus, Kiser, and Thompson

AUTHORIZE ADDITIONAL MAGISTRATES

1 Section @. G.S. 7A-133(c) reads as rewritten:
 2 "(c) Each county shall have the numbers of magistrates and
 3 additional seats of district court, as set forth in the following
 4 table:

County	Magistrates Min.-Max.		Additional Seats of Court
Camden	1	2	
Chowan	2	3	
Currituck	1	3	
Dare	3	8	
Gates	2	3	
Pasquotank	3	5	
Perquimans	2	3	
Martin	5	8	
Beaufort	4	8	
Tyrrell	1	3	
Hyde	2	4	
Washington	3	4	
Pitt	10	12	Farmville Ayden Havelock
Craven	7	10	
Pamlico	2	3	
Carteret	5	8	
Sampson	6	8	
Duplin	9	11	
Jones	2	3	
Onslow	8	14	
New Hanover	6	11	
Pender	4	6	
Halifax	9	14	Roanoke Rapids, Scotland Neck
Northampton	5	7	
Bertie	4	6	
Hertford	5	6	
Nash	7	10	Rocky Mount Rocky Mount
Edgecombe	4	~~6~~ 7	
Wilson	4	~~6~~ 7	
Wayne	5	~~11~~ 12	Mount Olive
Greene	2	4	
Lenoir	4	10	La Grange
Granville	3	7	
Vance	3	6	

1	Warren	3	4	
2	Franklin	3	6	
3	Person	3	4	
4	Caswell	2	5	
5	Wake	12	~~20~~ <u>21</u>	Apex,
6				Wendell,
7				Fuquay-
8				Varina,
9				Wake Forest
10	Harnett	7	11	Dunn
11	Johnston	10	12	Benson,
12				Clayton,
13				Selma
14	Lee	4	6	
15	Cumberland	10	~~17~~ <u>18</u>	
16	Bladen	4	6	
17	Brunswick	4	7	
18	Columbus	6	8	Tabor City
19	Durham	8	12	
20	Alamance	7	10	Burlington
21	Orange	4	11	Chapel Hill
22	Chatham	3	8	Siler City
23	Scotland	3	5	
24	Hoke	4	5	
25	Robeson	8	16	Fairmont,
26				Maxton,
27				Pembroke,
28				Red Springs,
29				Rowland,
30				St. Pauls
31	Rockingham	4	9	Reidsville,
32				Eden,
33				Madison
34	Stokes	2	5	
35	Surry	5	9	Mt. Airy
36	Guilford	20	26	High Point
37	Cabarrus	5	9	Kannapolis
38	Montgomery	2	4	
39	Randolph	5	10	Liberty
40	Rowan	5	10	
41	Stanly	5	6	
42	Union	4	~~6~~ <u>7</u>	
43	Anson	4	5	
44	Richmond	5	6	Hamlet
45	Moore	5	8	Southern
46				Pines
47	Forsyth	3	15	Kernersville
48	Alexander	2	3	
49	Davidson	7	10	Thomasville
50	Davie	2	3	
51	Iredell	4	9	Mooresville
52	Alleghany	1	2	
53	Ashe	3	4	

1	Wilkes	4	~~6~~ <u>7</u>	
2	Yadkin	3	5	
3	Avery	3	4	
4	Madison	4	5	
5	Mitchell	3	4	
6	Watauga	4	6	
7	Yancey	2	4	
8	Burke	4	7	
9	Caldwell	4	7	
10	Catawba	6	10	Hickory
11	Mecklenburg	15	26	
12	Gaston	11	~~20~~ <u>21</u>	
13	Cleveland	5	8	
14	Lincoln	4	7	
15	Buncombe	6	~~15~~ <u>16</u>	
16	Henderson	4	7	
17	McDowell	3	5	
18	Polk	3	4	
19	Rutherford	6	8	
20	Transylvania	2	4	
21	Cherokee	3	4	
22	Clay	1	2	
23	Graham	2	3	
24	Haywood	5	7	Canton
25	Jackson	3	4	
26	Macon	3	4	
27	Swain	2	3."	

CODE NO. 97AOC-H024

Requested by: Representatives Justus, Kiser, and Thompson

ADDITIONAL INVESTIGATORIAL ASSISTANTS

1 Section @. G.S. 7A-69 reads as rewritten:

2 "\$ 7A-69. Investigatorial assistants.

3 The district attorney in ~~the first, third B, fourth, seventh,~~
4 ~~eighth, tenth, eleventh, twelfth, fourteenth, fifteenth A,~~
5 ~~sixteenth, eighteenth, twentieth, twenty-first, twenty-fifth,~~
6 ~~twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth and~~
7 ~~thirtieth~~ prosecutorial districts 1, 3B, 4, 7, 8, 10, 11, 12, 14,
8 15A, 15B, 18, 20, 21, 24, 25, 26, 27A, 27B, 28, 29, and 30A is
9 entitled to one investigatorial assistant to be appointed by the
10 district attorney and to serve at his pleasure. The
11 investigatorial assistant for prosecutorial district 30A shall
12 also serve district 30B, and the district attorneys for those
13 districts shall cooperate to ensure that the investigatorial
14 assistant performs a substantially equivalent amount of work for
15 each district.

16 It shall be the duty of the investigatorial assistant to
17 investigate cases preparatory to trial and to perform such other
18 duties as may be assigned by the district attorney. The
19 investigatorial assistant is entitled to reimbursement for his
20 subsistence and travel expenses to the same extent as State
21 employees generally."

CODE NO. 97AOC-H025-S

Requested by: Representatives Justus, Kiser, Thompson

IRMC REVIEW OF INFORMATION TECHNOLOGY PLANS OF THE ADMINISTRATIVE
OFFICE OF THE COURTS

1 Section 15.17 (a) G.S. 143B-426.21(b) reads as
2 rewritten:

3 "(b) Powers and Duties. -- The Commission has the following
4 powers and duties:

- 5 (1) To develop, approve, and publish a statewide
6 information technology strategy covering the
7 current and following biennium that shall be
8 updated annually and shall be submitted to the
9 General Assembly on the first day of each regular
10 session.
- 11 (2) To develop, approve, and sponsor statewide
12 technology initiatives and to report on those
13 initiatives in the annual update of the statewide
14 information technology strategy.
- 15 (3) To review and approve biennially the information
16 technology plans of the executive agencies,
17 ~~including their agencies and to review and comment~~
18 biennially on the information technology plans of
19 the Administrative Office of the Courts. This
20 review shall include plans for the procurement and
21 use of personal computers and workstations.
- 22 (4) To recommend to the Governor and the Office of
23 State Budget and Management the relative priorities
24 across executive agency information technology
25 plans.
- 26 (5) To establish a quality assurance policy for all
27 agency information technology projects, information
28 systems training programs, and information systems
29 documentation.
- 30 (6) To establish and enforce a quality review and
31 expenditure review procedure for major agency
32 information technology projects.
- 33 (7) To review and approve expenditures from
34 appropriations made to the Office of State Budget
35 and Management for the purpose of creating a
36 Computer Reserve Fund.
- 37 (8) To develop and promote a policy and procedures for
38 the fair and competitive procurement of information

1 technology consistent with the rules of the
2 Department of Administration and consistent with
3 published industry standards for open systems that
4 provide agencies with a vendor-neutral operating
5 environment where different information technology
6 hardware, software, and networks operate together
7 easily and reliably."

8 (b) The Information Resources Management Commission
9 shall review the information technology plans of the
10 Administrative Office of the Courts and report its findings to
11 the Joint Legislative Commission on Governmental Operations by
12 November 1, 1997.

CODE NO. 97AOC-H026A

Requested by: Representatives Justus, Kiser, Thompson

STUDY COMMISSION ON THE ALLOCATION OF JUDICIAL RESOURCES

1 Section @. (a) The Study Commission on the Allocation
2 of Judicial Resources is created. The Commission shall consist
3 of 19 voting members as follows:

- 4 (1) Four members of the House of Representatives to be
5 appointed by the Speaker of the House of
6 Representatives;
- 7 (2) Four members of the Senate to be appointed by the
8 President Pro Tempore of the Senate;
- 9 (3) Two superior court judges, one to be appointed by
10 the Speaker of the House and one to be appointed by
11 the President Pro Tempore of the Senate;
- 12 (4) Two district court judges, one to be appointed by
13 the Speaker of the House and one to be appointed by
14 the President Pro Tempore of the Senate;
- 15 (5) Two district attorneys, one to be appointed by the
16 Speaker of the House and one to be appointed by the
17 President Pro Tempore of the Senate;
- 18 (6) Two clerks of superior court, one to be appointed
19 by the Speaker of the House and one to be appointed
20 by the President Pro Tempore of the Senate;
- 21 (7) Two magistrates, one to be appointed by the Speaker
22 of the House and one to be appointed by the
23 President Pro Tempore of the Senate; and
- 24 (8) The Director of the Administrative Office of the
25 Courts, or the Director's designee.

26 The Speaker of the House of Representatives and the President
27 Pro Tempore shall each designate a cochair from the General
28 Assembly membership serving on the Commission. The commission
29 shall meet upon the call of the cochairs. A majority of the
30 Commission shall constitute a quorum for the transaction of
31 business.

32 (b) The Commission shall study the allocation of
33 judicial resources, including superior court judges, district
34 court judges, assistant district attorneys, deputy clerks of
35 court, assistant clerks of court, magistrates, and support staff.
36 The study shall include a review of the existing workload and
37 staffing formulas for judicial personnel.

38 (c) The Commission may contract for consultant
39 services as provided by G.S. 120-32.02. Upon approval of the

1 Legislative Services Commission, the Legislative Services Officer
2 shall assign professional and clerical staff to assist in the
3 work of the Commission. Clerical staff shall be furnished to the
4 Commission through the offices of the House of Representatives
5 and Senate Supervisors of Clerks. The Commission may meet in the
6 Legislative Building or the Legislative Office Building upon the
7 approval of the Legislative Services Commission. The Commission,
8 while in the discharge of official duties, may exercise all the
9 powers provided under the provisions of G.S. 120-19 through G.S.
10 120-19.4, including the power to request all officers, agents,
11 agencies, and departments of the State to provide any
12 information, data, or documents within their possession,
13 ascertainable from their records, or otherwise available to them,
14 and the power to subpoena witnesses.

15 Members of the Commission shall receive per diem,
16 subsistence, and travel allowances as follows:

17 (1) Commission members who are members of the General
18 Assembly at the rate established in G.S. 120-3.1;

19 (2) Commission members who are officials or employees
20 of the State or of local government agencies at the
21 rate established in G.S. 138-6; and

22 (3) All other Commission members at the rate
23 established in G.S. 138-5.

24 (d) The Commission shall report the results of its
25 study and its recommendations to the 1999 General Assembly and
26 may make an interim report to the 1998 Regular Session of the
27 1997 General Assembly. The Commission shall terminate upon
28 filing its final report.

29 (e) There is allocated from the funds appropriated from
30 the funds appropriated to the Legislative Services Commission's
31 studies reserve to the Study Commission on the Allocation of
32 Judicial Resources Study Commission the sum of fifteen thousand
33 dollars (\$15,000) for the 1997-98 fiscal year and the sum of
34 fifteen thousand dollars (\$15,000) for the 1998-99 fiscal year to
35 conduct the study directed by this section.

CODE NO. 97AOC-H003

Requested by: Representatives Justus, Kiser, and Thompson

GUARDIAN AD LITEM ATTORNEY BILLINGS

1 Section @. Attorneys providing legal services for the
2 Guardian Ad Litem program shall bill the Judicial Department
3 within 30 days after the end of each quarter of the fiscal year
4 in order to be reimbursed for those services.

CODE NO. 97AOC-H006

Requested by: Representatives Justus, Kiser, Thompson

PROJECT CHALLENGE REPORT

1 Section ②. (a) Of the funds appropriated in this act
2 to the Administrative Office of the Courts for the 1997-98 fiscal
3 year, the sum of one hundred thousand dollars (\$100,000) shall be
4 used to support the operation of Project Challenge North
5 Carolina, Inc., a nonprofit corporation that provides alternative
6 dispositions and services to juveniles who have been adjudicated
7 delinquent or undisciplined in District Court District 24, and
8 for expansion of the program. The funds shall be used to:
9 (1) Provide community resources and dispositional
10 alternatives for juveniles in the form of community
11 services, including services to the elderly and
12 economically disadvantaged;
13 (2) Promote the involvement of juveniles in community
14 programs that instill in juveniles pride in their
15 communities and develop self-respect and the skills
16 needed for them to be productive, responsible
17 members of their communities;
18 (3) Coordinate with the local schools and State and
19 local law enforcement to educate juveniles
20 regarding the justice system and to promote respect
21 for authority and an appreciation of societal laws
22 and mores; and
23 (4) Collaborate with community agencies and
24 organizations to provide guidance to and positive
25 role models for juveniles.
26 (b) Project Challenge North Carolina, Inc. shall report
27 by March 1, 1998, to the Joint Legislative Commission on
28 Governmental Operations, the Chairs of the House and Senate
29 Appropriations Committees, and the Chairs of the House and Senate
30 Appropriations Subcommittees on Justice and Public Safety on the
31 expenditure of State appropriations and on the operations and the
32 effectiveness of the program, including information on the number
33 of juveniles served. Thereafter, Project Challenge North
34 Carolina, Inc. shall report quarterly to the Chairs of the House
35 and Senate Appropriations Subcommittees on Justice and Public
36 Safety on the operations and effectiveness of the program.

CODE NO. 97AOC-H014A

Requested by: Representatives Alexander, Justus, Kiser,
Thompson

EDUCATIONAL PROGRAM FOR PARENTS WHO ARE PARTIES TO A CUSTODY OR
VISITATION ACTION

- 1 Section @. (a) The Administrative Office of the
2 Courts shall develop a program to educate and sensitize separated
3 or divorcing couples with children about the needs of their
4 children during and after the separation and divorce process.
5 Program development shall include the following:
6 (1) An educational course that parties to a custody or
7 visitation action may attend voluntarily or if
8 ordered by the court. The course should be designed
9 to inform attendees of the impact of their
10 separation, custody, or visitation action on:
11 a. The children,
12 b. The parents' relationship with one another,
13 c. The family's relationship, and
14 d. The couple's financial responsibilities for
15 the children;
16 The course should provide information to attendees
17 on resources available in the community to help
18 them address these issues;
19 (2) An administrative plan for the implementation of
20 the program in at least four judicial districts
21 selected by the Administrative Office of the
22 Courts; the administrative plan shall include:
23 a. Provisions to ensure the program will be
24 financially self-sustaining in each district,
25 b. Methods for evaluating the courses to ensure
26 effectiveness, and for certifying attendance,
27 c. How the program will be implemented at the
28 local level, and
29 d. Other administrative matters identified by the
30 Administrative Office of the Courts as
31 necessary for effective and efficient program
32 implementation;
33 (3) Identification of course providers with whom the
34 Administrative Office of the Courts would contract
35 to make courses available at reasonable times and
36 to ensure that courses will be available with
37 sufficient regularity to meet the needs of the

1 judicial district in which the program is offered
2 and

3 (4) Other matters considered by the Administrative
4 Office of the Courts to be important program
5 components.

6 The Administrative Office of the Courts shall ensure
7 that the program is operational in judicial districts to be
8 selected by the Administrative Office of the Courts no later than
9 January 1, 1998. The Administrative Office of the Courts shall
10 consider implementing the program in judicial districts 4, 12,
11 19B, and 26. The program shall expire on July 1, 1999, unless
12 the program is implemented Statewide.

13 (b) The Administrative Office of the Courts shall
14 ensure involvement and input into the development of the program
15 by persons who have experience in assisting families through and
16 after the divorcing process.

17 (c) The court shall order participation in this
18 educational course if it finds that significant parental conflict
19 has adversely affected the children and that the children's best
20 interests would be served by the party or parties' participation
21 in the course.

22 (d) The Administrative Office of the Courts shall
23 report to the General Assembly not later than March 1, 1999, on
24 the program developed pursuant to this section. The report shall
25 include the following:

26 (1) Progress made on the implementation of the targeted
27 pilot districts and recommendations for the
28 expansion of the program to other districts or
29 Statewide;

30 (2) The amount of State funds that will be necessary
31 for the Administrative Office of the Courts to
32 supervise and oversee program operation;

33 (3) Estimates of reasonable fees that attendees would
34 be charged if the program were implemented
35 Statewide and a method for waiving such fees in
36 cases of severe financial hardship;

37 (4) Legislation that may be needed to facilitate
38 program implementation and operation; and

39 (5) Other recommendations the Administrative Office of
40 the Courts considers appropriate.

CODE NO. 97AOC-H008

Requested by: Representatives Morris, Hurley, Justus, Kiser,
and Thompson

CUMBERLAND JUVENILE ASSESSMENT CENTER

1 Sec. @. (a) Of the funds appropriated in this act to
2 the Administrative Office of the Courts for the 1997-98 fiscal
3 year, the sum of sixty thousand dollars (\$60,000) shall be used
4 to fund the Juvenile Assessment Project authorized by this
5 section. These funds shall be matched by local funds on the basis
6 of one dollar (\$1.00) of local funds for every three dollars
7 (\$3.00) of State funds.

8 (b) The Administrative Office of the Courts, in
9 collaboration with the Chief Court Counselor of District Court
10 District 12, the Cumberland County Department of Social Services,
11 and the appropriate local school administrative units, shall
12 develop and implement a Juvenile Assessment Center Project in
13 District Court District 12 to operate from the effective date of
14 this act to June 30, 1998. The purpose of the Project is to
15 facilitate efficient prevention and intervention service delivery
16 to juveniles who are (i) alleged to be delinquent or
17 undisciplined and have been taken into custody or (ii) at risk of
18 becoming delinquent or undisciplined because they have behavioral
19 problems and have committed delinquent acts even though they have
20 not been taken into custody. The Project shall assist these
21 juveniles, by providing a centralized point of intake and
22 assessment for the juveniles, by addressing the educational,
23 emotional, and physical needs of the juveniles, and by providing
24 juveniles with an atmosphere for learning personal
25 responsibility, self-respect, and respect for others. The
26 Administrative Office of the Courts shall consider the
27 recommendations of the Juvenile Assessment Advisory Board in
28 developing and implementing the Project.

29 (c) The Project shall be modeled after the Juvenile
30 Assessment Center in Hillsborough County, Florida, and shall:

- 31 (1) Identify those juveniles who are alleged to be
32 delinquent or undisciplined or are at risk of
33 becoming delinquent or undisciplined;
34 (2) Evaluate the educational, emotional, and physical
35 needs of the juveniles identified and determine
36 whether the juveniles have problems related to
37 substance abuse, depression, or other emotional
38 conditions;

1 (3) Develop in-depth and comprehensive assessment plans
 2 for the juveniles identified that recommend
 3 appropriate treatment, counseling, and disposition
 4 of the juveniles; and
 5 (4) Provide services to juveniles identified and their
 6 families through collaboration with public and
 7 private resources, including local law enforcement,
 8 parents' organizations, the Fayetteville Chamber of
 9 Commerce, and county and community programs and
 10 organizations that provide substance abuse
 11 treatment and child and family counseling.
 12 (d) There is established the Juvenile Assessment
 13 Advisory Board to make recommendations to the Administrative
 14 Office of the Courts regarding the development and operations of
 15 the Project. The Board shall consist of 13 members, including:
 16 (1) The director of the Department of Social Services
 17 of Cumberland County, or the director's designee.
 18 (2) A representative from the local mental health area
 19 authority of Cumberland County.
 20 (3) A member of the Cumberland County Board of
 21 Education.
 22 (4) The sheriff of Cumberland County, or the sheriff's
 23 designee.
 24 (5) The chief of police of the Fayetteville Police
 25 Department, or the designee of the chief of police.
 26 (6) A judge of District Court District 12.
 27 (7) A juvenile court counselor from District Court
 28 District 12.
 29 (8) The director of the Guardian Ad Litem program in
 30 Cumberland County, or the director's designee.
 31 (9) The director of the Health Department of Cumberland
 32 County, or the director's designee.
 33 (10) Two public members appointed by the Fayetteville
 34 City Council.
 35 (11) Two public members appointed by the Board of County
 36 Commissioners of Cumberland County.
 37 The members of the Board shall, within 30 days after the
 38 initial appointment is made, meet and elect one member as chair.
 39 The Board shall meet at least once a month at the call of the
 40 chair, and a quorum of the Board shall consist of a majority of
 41 its members. The Board of County Commissioners of Cumberland
 42 County shall provide necessary clerical and professional
 43 assistance to the Board.

1 Initial appointments shall be made by August 1, 1997, and all
2 terms shall expire June 30, 1998.

3 (e) The Administrative Office of the Courts, in
4 consultation with the Department of Human Resources, shall
5 evaluate the Project and report to the Chairs of the House and
6 Senate Appropriations Committees, the Chairs of the House and
7 Senate Appropriations Subcommittees on Justice and Public Safety
8 and Human Resources, and the Fiscal Research Division of the
9 General Assembly on December 1, 1997, and May 1, 1998, on the
10 progress of the development and implementation of the Project.
11 In the May, 1998 report, the Administrative Office of the Courts,
12 in consultation with the Department of Human Resources, shall
13 evaluate the effectiveness of the Project, including the number
14 of juveniles served or expected to be served, and shall recommend
15 whether the Project should be continued. If the Administrative
16 Office of the Courts recommends the Project be continued, the
17 May, 1998 report shall also provide a cost analysis outlining the
18 long-term staffing and operating needs of the Project.

19

20

CODE NO. 97AOC-H022

Requested by: Representatives Sexton, Eddins, Justus, Kiser,
and Thompson

BAD CHECK PILOT PROGRAM FUNDS/REPORT

1 Section @. Of the funds appropriated to the Judicial
2 Department for the 1997-98 fiscal year, the sum of one hundred
3 thirty-five thousand dollars (\$135,000) shall be used to
4 establish a bad check collection pilot program in Wake and
5 Rockingham Counties. The Administrative Office of the Courts
6 shall add two administrative positions to the district attorney's
7 office in each county to assist in implementing the pilot
8 program.

9 The Administrative Office of the Courts shall report by May 1,
10 1998 to the Chairs of the Senate and House Appropriations
11 Committees and the Chairs of the Senate and House Appropriations
12 Subcommittees on Justice and Public Safety on the implementation
13 of the programs, including their effectiveness in assisting the
14 recipients of worthless checks in obtaining restitution and the
15 amount of time saved in prosecuting worthless check cases.

CODE NO. 97AOC-H023

Requested by: Representatives Justus, Kiser, and Thompson

DISTRICT COURT CIVIL CASE MANAGEMENT

1 Section @. The Administrative Office of the Courts
2 shall report by May 1, 1998 to the Chairs of the Senate and House
3 Appropriations Committees and the Chairs of the Senate and House
4 Appropriations Subcommittees on Justice and Public Safety on the
5 civil case management pilot programs established in District
6 Court Districts 13, 18, 30A, and 30B. The report shall assess the
7 success of these programs in reducing the backlog of civil court
8 cases and in resolving new cases more quickly.

CODE NO. 97AOC-H024A

Requested by: Representatives Redwine, Hackney, Bowie, Justus, Kiser, and Thompson

ESTABLISH TEEN COURTS IN ORANGE, GUILFORD, AND BRUNSWICK COUNTIES

1 Section @. (a) Of the funds appropriated in this act to
2 the Judicial Department, the Administrative Office of the Courts
3 shall use:

- 4 (1) The sum of fifteen thousand dollars (\$15,000) for
5 the 1997-98 fiscal year and the sum of fifteen
6 thousand dollars (\$15,000) for the 1998-99 fiscal
7 year to establish a "teen court" program in Orange
8 County;
- 9 (2) The sum of twenty thousand dollars (\$20,000) for
10 the 1997-98 fiscal year and the sum of twenty
11 thousand dollars (\$20,000) for the 1998-99 fiscal
12 year to establish a "teen court" program in
13 Guilford County; and
- 14 (3) The sum of twenty thousand dollars (\$20,000) for
15 the 1997-98 fiscal year and the sum of twenty
16 thousand dollars (\$20,000) for the 1998-99 fiscal
17 year to establish a "teen court" program in
18 Brunswick County.

19 The Administrative Office of the Courts shall establish the
20 programs pursuant to the guidelines and objectives set forth in
21 Section 40 of Chapter 24 of the Session Laws of the 1994 Extra
22 Session.

23 (b) Each of the programs established pursuant to this
24 section shall report to the Administrative Office of the Courts
25 on the expenditures and operations of the program by March 1,
26 1998, and thereafter on a quarterly basis. The Administrative
27 Office of the Courts shall evaluate the effectiveness of the
28 programs and report its findings and recommendations to the Joint
29 Legislative Commission on Governmental Operations and to the
30 Chairs of the House of Representatives and Senate Appropriations
31 Subcommittees on Justice and Public Safety by April 15, 1998.

JUSTICE

SPECIAL PROVISIONS

52.

CODE NO. 97ATTY-H003

Requested by: Representatives Justus, Kiser, Thompson

SBI FUNDS/SPENDING PRIORITIES

1 Section . Of the funds appropriated in this act to the
2 Department of Justice, State Bureau of Investigation, for the
3 1997-99 biennium for overtime payments, the first priority for
4 use of the funds by the Department shall be to make overtime
5 payments to SBI agents in the Field Investigations Division.

CODE NO. 97ATTY-H007-S

53.

Requested by: Representatives Justus, Kiser, and Thompson

SBI USE OF COURT-ORDERED REIMBURSEMENT FUNDS

1 Section . The State Bureau of Investigation (SBI) may
2 use funds available from court-ordered reimbursement in
3 undercover drug operations.

CODE NO. 97ATTY-H008-S

54.

Requested by: Representatives Justus, Kiser, and Thompson

PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING BOARDS
PAY FOR USE OF STATE FACILITIES AND SERVICES

1 Section . The Private Protective Services and Alarm
2 Systems Licensing Boards shall pay the appropriate State agency
3 for the use of physical facilities and services provided to those
4 boards by the State.

CODE NO. 97ATTY-H009-S

Requested by: Representatives Justus, Kiser, and Thompson

LIMITS ON COMPUTER SYSTEM UPGRADE

1 Section . Any proposed increase in mainframe computer
2 capacity or system upgrade for the Judicial Department, the
3 Department of Correction, the Department of Justice, or the
4 Department of Crime Control and Public Safety, to be funded from
5 the Continuation Budget, shall be reported to the Joint
6 Legislative Commission on Governmental Operations, to the Senate
7 and House of Representatives Chairs of the Appropriations
8 Committees, and to the Senate and House Chairs of the
9 Appropriations Subcommittees on Justice and Public Safety before
10 the department enters into any contractual agreement. This
11 report is to be made jointly by the Information Resource
12 Management Commission, the Office of State Budget and Management,
13 and the requesting department.

14

CODE NO. 97ATTY-H011-S

Requested by: Representatives Justus, Kiser, and Thompson

CERTAIN LITIGATION EXPENSES TO BE PAID BY CLIENTS

1 Section . Client departments, agencies, and boards
2 shall reimburse the Department of Justice for reasonable court
3 fees, attorney travel and subsistence costs, and other costs
4 directly related to litigation in which the Department of Justice
5 is representing the department, agency, or board.

CODE NO. 97ATTY-H012-S

Requested by: Representatives Justus, Kiser, and Thompson

REIMBURSEMENT FOR UNC BOARD OF GOVERNORS LEGAL REPRESENTATION

1 Section . The Department of Justice shall be
2 reimbursed by the Board of Governors of The University of North
3 Carolina for two Attorney III positions to provide legal
4 representation to The University of North Carolina System.

CODE NO. 97ATTY-H013-S

Requested by: Representatives Justus, Kiser, and Thompson

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

Section . (a) Assets transferred to the Department of Justice during the 1997-99 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department and shall result in an increase of law enforcement resources for the Department. Assets transferred to the Department of Crime Control and Public Safety during the 1997-99 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department and shall result in an increase of law enforcement resources for the Department. The Departments of Justice and Crime Control and Public Safety shall report to the Joint Legislative Commission on Governmental Operations upon receipt of the assets and, before using the assets, shall report on the intended use of the assets and the departmental priorities on which the assets may be expended.

The General Assembly finds that the use of assets transferred pursuant to 19 U.S.C. § 1616a for new personnel positions, new projects, the acquisition of real property, repair of buildings where the repair includes structural change, and construction of or additions to buildings may result in additional expenses for the State in future fiscal periods. Therefore, the Department of Justice and the Department of Crime Control and Public Safety are prohibited from using these assets for such purposes without the prior approval of the General Assembly, except during the 1997-98 fiscal year, the Department of Justice may:

- (1) Use an amount not to exceed the sum of twenty-five thousand dollars (\$25,000) of the funds to extend the lease of space in the Town of Salemburg for SBI training; and
- (2) Use an amount not to exceed fifty thousand dollars (\$50,000) of the funds to lease space for its technical operations unit, storage of its equipment and vehicles, and command post vehicle.

(b) Nothing in this section prohibits North Carolina law enforcement agencies from receiving funds from the United States Department of Justice pursuant to 19 U.S.C. § 1616a.

CODE NO. 97ATTY-H014-S

Requested by: Representatives Justus, Kiser, and Thompson

DEPARTMENT OF JUSTICE RECORD CHECKS FUNDS AND REPORTS

Section . (a) The Department of Justice may use, for each year of the 1997-99 biennium, the sum of up to two hundred ten thousand five hundred sixty-three dollars (\$210,563) to add up to five positions in the State Bureau of Investigation to facilitate record checks for concealed weapons permits. The Office of State Budget and Management may adjust the allotment of appropriations to the Department of Justice until receipts are realized. The Department of Justice may fund one and one-half positions per 10,000 record checks for concealed weapons permits. If the total number of annual criminal record checks performed by the State Bureau of Investigation falls below the level of 5,000 checks, the number of positions shall be reduced to one.

(b) The Department of Justice shall report by January 15 each year to the Joint Legislative Commission on Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the receipts, costs for, and number of criminal record checks performed in connection with applications for concealed weapons permits. The report by the Department of Justice shall also include information on the number of applications received and approved for firearms safety courses.

CODE NO. 97ATTY-H005-S

Requested by: Representatives Justus, Kiser, Thompson

INCREASE THE NUMBER OF FICTITIOUS LICENSES AND REGISTRATION PLATES AUTHORIZED FOR PUBLICLY OWNED MOTOR VEHICLES AND REMOVE THE SUNSET ON PRIOR INCREASE ON NUMBER OF PLATES

1 Section . G.S. 20-39(h) reads as rewritten:
2 "(h) The Commissioner, notwithstanding any other provision of
3 this Chapter, may lawfully and to the extent necessary, provide
4 local, State or federal law-enforcement officers on special
5 undercover assignments with motor vehicle drivers licenses and
6 motor vehicle registration plates under assumed names using false
7 or fictitious addresses. Such registration plates shall only be
8 used on publicly owned or leased vehicles. Requests for these
9 licenses and registration plates shall be made to the
10 Commissioner by the head of the local, State or federal law-
11 enforcement agency and be accompanied by approval in writing from
12 the Director of the State Bureau of Investigation upon a specific
13 finding by the Director that the request is justified and
14 necessary. The Director shall keep a record of all such licenses,
15 registration plates, assumed names, false or fictitious
16 addresses, and law-enforcement officers using the licenses o
17 registration plates, and shall request the immediate return of
18 any license or registration plate that is no longer necessary.
19 Licenses and registration plates provided under this subsection
20 shall expire six months after initial issuance or subsequent
21 validation after the request for extension has been approved in
22 writing by the Director of the State Bureau of Investigation. The
23 head of the local, State or federal law-enforcement agency shall
24 be responsible for the use of the licenses and registration
25 plates and shall return them immediately to the Commissioner for
26 cancellation upon either (i) their expiration, (ii) request of
27 the Director of the State Bureau of Investigation, or (iii)
28 request of the Commissioner. Failure to return a license or
29 registration plates issued pursuant to this subsection shall be
30 punished as a Class 2 misdemeanor. At no time shall the number of
31 valid licenses and registration plates issued under this act
32 exceed ~~one hundred~~, one hundred fifty, and those issued shall be
33 strictly monitored by the Director. All of the private
34 registration plates issued to special agents of the State Bureau
35 of Investigation under the Department of Justice and to alcohol
36 law enforcement agents under the Department of Crime Control and
37 Public Safety, pursuant to G.S. 14-250, may be fictitious plates

1 and shall not be counted in the total number of fictitious plates
2 authorized by this subsection."

3 (b) Subsection (c) of Section 23 of Chapter 18 of the
4 Session Laws of the 1996 Second Extra Session is repealed.

5 (c) This section becomes effective June 29, 1997.

CODE NO. 97ATTY-H001

Requested by: Representatives Justus, Kiser, Thompson

**SHERIFF EDUCATION AND TRAINING STANDARDS COMMISSION TO ESTABLISH
MINIMUM EMPLOYMENT, TRAINING, AND RETENTION STANDARDS FOR
TELECOMMUNICATORS**

1 Section @ (a) Of the funds appropriated in this act to
2 the Department of Justice for the 1997-99 biennium, the sum of
3 one hundred fifty-six thousand seven hundred thirty-one dollars
4 (\$156,731) for the 1997-98 fiscal year and the sum of one hundred
5 thirty-two thousand two hundred thirty-one dollars (\$132,231) for
6 the 1998-99 fiscal year shall be used to fund a criminal justice
7 research associate, a processing assistant, a criminal justice
8 instructor-coordinator, and related expenses to implement this
9 section.

10 (b) G.S. 17E-2(3) reads as rewritten:

11 "(3) 'Justice officer' ~~means a person who, through the~~
12 ~~special trust and confidence of the sheriff of the~~
13 ~~county, has taken the oath of office prescribed by~~
14 ~~Chapter 11 of these statutes as a peace officer in~~
15 ~~the office of a sheriff, or who has been duly~~
16 ~~appointed as a detention officer by the sheriff.~~
17 ~~The term includes 'deputy sheriffs' and 'special~~
18 ~~deputy sheriffs' but does not include clerical and~~
19 ~~support personnel not required to take an oath. The~~
20 ~~term 'special deputy' means a person who, through~~
21 ~~appointment by the sheriff, becomes an unpaid~~
22 ~~criminal justice officer to perform a specific act~~
23 ~~directed to the person by the sheriff. Justice~~
24 ~~officer shall also mean the administrator and the~~
25 ~~other custodial personnel of district confinement~~
26 ~~facilities as defined in G.S. 153A-219. Nothing in~~
27 ~~this Chapter shall transfer any supervisory or~~
28 ~~administrative control of employees of district~~
29 ~~confinement facilities to the office of the~~
30 ~~sheriff. means:~~

31 a. A person who, through the special trust and
32 confidence of the sheriff, has taken the oath
33 of office prescribed by Chapter 11 of the
34 General Statutes as a peace officer in the
35 office of the sheriff. This term includes
36 'deputy sheriffs', 'reserve deputy sheriffs',
37 and 'special deputy sheriffs', but does not

1 include clerical and support personnel not
 2 required to take an oath. The term 'special
 3 deputy' means a person who, through
 4 appointment by the sheriff, becomes an unpaid
 5 criminal justice officer to perform a specific
 6 act directed by the sheriff; or

7 b. A person who, through the special trust and
 8 confidence of the sheriff, has been appointed
 9 as a detention officer by the sheriff; or

10 c. A person who is either the administrator or
 11 other custodial personnel of district
 12 confinement facilities as defined in G.S.
 13 153A-219; however, nothing in this Chapter
 14 transfers any supervisory or administrative
 15 control over employees of district confinement
 16 facilities to the office of the sheriff; or

17 d. A person who, through the special trust and
 18 confidence of the sheriff, is under the direct
 19 supervision and control of the sheriff and
 20 serves as a telecommunicator, or who is
 21 presented to the Commission for appointment as
 22 a telecommunicator by an employing entity
 23 other than the sheriff for the purpose of
 24 obtaining certification from the Commission as
 25 a telecommunicator."

26 (c) G.S. 17E-7 reads as rewritten:

27 "§ 17E-7. Required standards.

28 (a) Justice officers ~~officers~~, other than those set forth in
 29 subsection (c1) of this section, shall not be required to meet
 30 any requirements of subsections (b) and (c) of this section as a
 31 condition of continued employment, nor shall failure of a justice
 32 officer to fulfill such requirements make him ineligible for any
 33 promotional examination for which he is otherwise eligible if the
 34 officer held an appointment prior to July 1, 1983, and is a sworn
 35 law-enforcement officer with power of arrest. The legislature
 36 finds, and it is hereby declared to be the policy of this
 37 Chapter, that such officers have satisfied such requirements by
 38 their experience. It is the intent of the Chapter that all
 39 justice officers employed at the entry level after the Commission
 40 has adopted the required standards shall meet the requirements of
 41 this Chapter. All justice officers who are exempted from the
 42 required entry level standards by this subsection are subject to
 43 the requirements of subsections (b) and (c) of this section as

1 well as the requirements of G.S. 17E-4(a) in order to retain
2 certification.

3 (b) The Commission shall provide, by regulation, that no
4 person may be appointed as a justice officer at entry level,
5 except on a temporary or probationary basis, unless such person
6 has satisfactorily completed an initial preparatory program of
7 training at a school certified by the Commission or has been
8 exempted from that requirement by the Commission pursuant to this
9 Chapter. Upon separation of a justice officer from a sheriff's
10 department within the temporary or probationary period of
11 appointment, the probationary certification shall be terminated
12 by the Commission. Upon the reappointment to the same department
13 or appointment to another department of an officer who has
14 separated from a department within the probationary period, the
15 officer shall be charged with the amount of time served during
16 his initial appointment and allowed the remainder of the
17 probationary period to complete the basic training requirement.
18 Upon the reappointment to the same department or appointment to
19 another department of an officer who has separated from a
20 department within the probationary period and who has remained
21 out of service for more than one year from the date of
22 separation, the officer shall be allowed another probationary
23 period to complete such training as the Commission shall require
24 by rule for an officer returning to service.

25 (c) In addition to the requirements of subsection (b) of this
26 section, the Commission, by rules and regulations, may fix other
27 qualifications for the employment and retention of justice
28 officers including minimum age, education, physical and mental
29 standards, citizenship, good moral character, experience, and
30 such other matters as relate to the competence and reliability of
31 persons to assume and discharge the responsibilities of the
32 office, and the Commission shall prescribe the means for
33 presenting evidence of fulfillment of these requirements.

34 Where minimum educational standards are not met, yet the
35 individual shows potential and a willingness to achieve the
36 standards by extra study, they may be waived by the Commission
37 for the reasonable amount of time it will take to achieve the
38 standards required. Upon petition from a sheriff, the Commission
39 may grant a waiver of any provisions of this section (17E-7) for
40 any justice officer serving that sheriff.

41 (cl) Any justice officer appointed as a telecommunicator at
42 the entry level after October 1, 1997, shall meet all
43 requirements of this Chapter. Any person employed in the
44 capacity of a telecommunicator as defined by the Commission on or

1 before October 1, 1997, shall not be required to meet any entry-
2 level requirements as a condition of continued employment but
3 shall be reported to the Commission for certification. All
4 justice officers who are exempted from the required entry-level
5 standards by this subsection are subject to the requirements of
6 subsections (b) and (c) of this section as well as the
7 requirements of G.S. 17E-4(a) in order to retain certification.

8 (d) The Commission may issue a certificate evidencing
9 satisfaction of the requirements of subsections ~~(b) and (c)~~ (b),
10 (c), and (c1) of this section to any applicant who presents such
11 evidence as may be required by its rules and regulations of
12 satisfactory completion of a program or course of instruction in
13 another jurisdiction."

14 (d) Any entity, other than a sheriff's office, that
15 employs telecommunicators is not required to submit
16 telecommunicators under its employment for certification pursuant
17 to Chapter 17E of the General Statutes and is not subject to
18 criminal or civil liability if it does not do so.

CODE NO. 97ATTY-H002A

Requested by: Representatives Preston, Justus, Kiser, Thompson

DEPARTMENT OF JUSTICE TO PROVIDE TRAINING TO STATE AND LOCAL LAW
ENFORCEMENT OFFICERS IN THE IDENTIFICATION OF ACCIDENT-TRAUMA
VICTIMS IN ORDER TO FACILITATE TIMELY IDENTIFICATION OF POTENTIAL
ORGAN AND TISSUE DONORS AND TO PROVIDE FOR THE IDENTIFICATION OF
ACCIDENT-TRAUMA VICTIMS

1 Section @ (a) Of the funds appropriated in this act to
2 the Department of Justice for the 1997-98 fiscal year, the sum of
3 twenty-five thousand dollars (\$25,000) shall be used by the North
4 Carolina Criminal Justice Education and Standards Training
5 Commission, the North Carolina Sheriffs' Education and Training
6 Standards Commission, and the North Carolina Justice Academy to
7 provide for the training of State and local law enforcement
8 officers in the timely identification of accident-trauma victims
9 in order to facilitate the identification of potential organ and
10 tissue donors.

11 (b) Chapter 90 of the General Statutes is amended by
12 adding a new Article to read:

13 "ARTICLE 33.
14 "Accident-Trauma Victim Identification.
15 "\$ 90-600. Short title.

16 This Article shall be known and may be cited as the Carolyn
17 Sonzogni Act.

18 "§ 90-601. Purpose.

19 The identification of accident-trauma victims is crucial to the
20 timely notification of the next of kin of accident-trauma victims
21 and to the recovery of organs and tissues for organ transplants.
22 In recognition of these facts, it is the policy of this State and
23 the purpose of this act to provide for the timely identification
24 of accident-trauma victims by law enforcement, fire, emergency,
25 rescue, and hospital personnel.

26 "§ 90-602. Routine search for donor information.

27 (a) The following persons may make a reasonable search for a
28 document of gift or other information identifying the bearer as
29 an organ donor or as an individual who has refused to make an
30 anatomical gift:

31 (1) A law enforcement officer, firefighter, paramedic,
32 or other official emergency rescuer finding an
33 individual who the searcher believes is near death;
34 and

1 (2) A hospital, upon the admission of an individual at
2 or near the time of death, if there is not
3 immediately available any other source of that
4 information.

5 (b) Any law enforcement officer or other person listed in
6 subsection (a) of this section may conduct an administrative
7 search of the accident-trauma victim's Division of Motor Vehicles
8 driver record to determine the individual's authorization for
9 organ donation or refusal of organ donation.

10 (c) A physical search pursuant to subsection (a) of this
11 section may be conducted at or near the time of death or hospital
12 admission and shall be limited to those personal effects of the
13 individual where a drivers license reasonably may be stored. Any
14 information, document, tangible objects or other items discovered
15 during the search shall be used solely for the purpose of
16 ascertaining the individual's identity, notifying the
17 individual's next of kin, and determining whether the individual
18 intends to make an anatomical gift, and in no event shall any
19 such discovered material be admissible in any subsequent criminal
20 or civil proceeding, unless obtained pursuant to a lawful search
21 on other grounds.

22 "§ 90-603. Timely notification of next of kin.

23 A State or local law enforcement officer shall make a
24 reasonable effort to notify the next of kin of an accident-trauma
25 victim if the individual is hospitalized or dead. Whenever
26 possible, the notification should be delivered in person and
27 without delay after ensuring positive identification. If
28 appropriate under the circumstances, the notification may be
29 given by telephone in accordance with State and local law
30 enforcement departmental policies. In addition to the
31 notification of next of kin made by law enforcement personnel,
32 other emergency rescue or hospital personnel may contact the next
33 of kin, or the nearest organ procurement organization, in order
34 to expedite decision making with regard to potential organ and
35 tissue recovery.

36 "§ 90-604. Use of body information tags.

37 (a) In order to provide the identifying information necessary
38 to facilitate organ and tissue transplants, a body information
39 tag shall be attached to or transmitted with the body of an
40 accident-trauma victim by the following persons:

41 (1) A law enforcement officer, firefighter, paramedic,
42 or other official emergency rescuer who believes
43 the seriously injured individual to be near death;
44 and

1 (2) Hospital personnel, after the individual has been
2 pronounced dead.
3 (b) The body information tag shall include information
4 identifying the accident-trauma victim, identifying whether the
5 individual is an organ donor, and providing any information on
6 the next of kin. The Division of Motor Vehicles shall be
7 responsible for producing and distributing body information tags
8 to all State and local law enforcement departments. In addition,
9 the tags shall be distributed by the Division of Motor Vehicles
10 to all State and local agencies employing firefighters,
11 paramedics, and other emergency and rescue personnel."

CODE NO. 97ATTY-H004

Requested by: Representatives Justus, Kiser, Thompson

CRIMINAL JUSTICE INFORMATION NETWORK REPORT

1 Sec. @. The Criminal Justice Information Network
2 Governing Board created pursuant to Section 23.3 of Chapter 18 of
3 the Session Laws of the 1996 Second Extra Session shall report by
4 April 15, 1998, to the Chairs of the Senate and House
5 Appropriations Committees, the Chairs of the Senate and House
6 Appropriations Subcommittees on Justice and Public Safety, and
7 the Fiscal Research Division of the General Assembly on:
8 (1) The operations of the Board, including the Board's
9 progress in developing data-sharing standards in
10 cooperation with State and local agencies and the
11 estimated time of completion of the standards;
12 (2) The operating budget of the Board, the expenditures
13 of the Board as of the date of the report, and the
14 amount of funds in reserve for the operation of the
15 Board;
16 (3) A long-term strategic plan and cost analysis for
17 Statewide implementation of the Criminal Justice
18 Information Network; and
19 (4) The status of the implementation of the mobile data
20 network system, including the amount of funds spent
21 on the system as of the date of the report and the
22 long-term costs of implementing the system
23 Statewide.
24 The Board shall make an interim report on these issues to the
25 Chairs of the Senate and House Appropriations Committees, the
26 Chairs of the Senate and House Appropriations Subcommittees on
27 Justice and Public Safety, and the Fiscal Research Division of
28 the General Assembly by November 1, 1997.

CODE NO. 97ATTY-H010A

Requested by: Representatives Kiser, Justus, Thompson

STATE BUREAU OF INVESTIGATION LAW ENFORCEMENT OFFICERS' SALARY ADJUSTMENTS

1 Section @. (a) Of the funds appropriated in this act
2 to the Department of Justice, the sum of three million sixty four
3 thousand seven hundred seventy-eight dollars (\$3,064,778) shall
4 be used to adjust the salaries of sworn law enforcement officers
5 employed with the State Bureau of Investigation. The salary of
6 each sworn law enforcement officer of the State Bureau of
7 Investigation shall be adjusted by increasing the salary of each
8 officer by five percent (5%) per each year of service since 1985
9 in a sworn status position at the Bureau. No salary adjustment
10 shall result in an increase beyond the maximum salary set for an
11 officer's pay grade. If an officer's salary is near or at the
12 top of the officer's pay grade, the officer shall be eligible to
13 receive a salary adjustment up to the top of the officer's pay
14 grade. If an officer is at the top of their pay grade, then the
15 officer is not eligible to receive the one time salary
16 adjustment. Sworn officers holding the following management
17 positions are not eligible to receive the salary adjustment: SBI
18 Director, SBI Assistant Directors of Support Services, SBI
19 Assistant Director, SBI Assistant Directors of Field Services,
20 SBI Assistant Director of Crime Laboratory, Deputy Director of
21 Medicaid Fraud.

22 (b) G.S. 114-13 reads as rewritten:

23 "\$ 114-13. Director of the Bureau; ~~personnel~~ personnel;
24 salaries.

25 (a) The Attorney General shall appoint a Director of the
26 Bureau of Investigation, who shall serve at the will of the
27 Attorney General, and whose salary shall be fixed by the
28 Department of Administration under G.S. 143-36 et seq. ~~He~~ The
29 Attorney General may further appoint a sufficient number of
30 assistants and stenographic and clerical help, who shall be
31 competent and qualified to do the work of the Bureau. The
32 salaries of such assistants shall be fixed by the Department of
33 Administration under G.S. 143-36 et seq. The salaries of clerical
34 and stenographic help shall be the same as now provided for
35 similar employees in other State departments and bureaus.

36 (b) Beginning July 1, 1998, and annually thereafter, each
37 sworn law enforcement officer of the State Bureau of
38 Investigation shall be granted an automatic increase in the

1 amount of five percent (5%) of their total salary, not to exceed
2 the maximum of their salary range. The Director of the State
3 Bureau of Investigation and Assistant Directors of the State
4 Bureau of Investigation are not eligible to receive the five
5 percent (5%) annual increase."

6 (c) Subsection (a) of this section becomes effective
7 July 1, 1997. Subsection (b) of this section becomes effective
8 July 1, 1998.

CODE NO. 97CORR-H012-S

Requested by: Representatives Justus, Kiser, and Thompson

REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL COSTS
FOR INMATES, PAROLEES, AND POST-RELEASE SUPERVISEES AWAITING
TRANSFER TO STATE PRISON SYSTEM

1 Section @. (a) G.S. 148-29 reads as rewritten:

2 "§ 148-29. Transportation of convicts to prison; reimbursement
3 to counties; sheriff's expense affidavit.

4 (a) The sheriff having in charge any prisoner to be taken to
5 the State prison system shall send the prisoner to the custody of
6 the Department of Correction within five days after sentencing
7 and the disposal of all pending charges against the prisoner, if
8 no appeal has been taken. Beginning on the sixth day after
9 sentencing and disposal of all pending charges against the
10 prisoner and continuing through the day the prisoner is received
11 by the Division of Prisons, the Department of Correction shall
12 pay the ~~county~~ a county:

13 (1) A standard sum set by the General Assembly in its
14 appropriations acts for the cost of providing food,
15 clothing, personal items, supervision, and
16 necessary ordinary medical services to the prisoner
17 awaiting transfer to the State prison ~~system~~
18 system; and

19 (2) Extraordinary medical costs, as defined in G.S.
20 148-32.1(a), incurred by prisoners awaiting
21 transfer to the State prison system.

22 (b) The sheriff having in charge any parolee or post-release
23 supervisee to be taken to the State prison system shall send the
24 prisoner to the custody of the Department of Correction within
25 five days after preliminary hearing held under G.S. 15A-1368.6(b)
26 or G.S. 15A-1376(b). Beginning on the sixth day after the
27 hearing and continuing through the day the prisoner is received
28 by the Division of Prisons, the Department of Correction shall
29 pay the county:

30 (1) A standard sum set by the General Assembly in its
31 appropriations acts for the cost of providing food,
32 clothing, personal items, supervision, and
33 necessary ordinary medical services to the parolee
34 or post-release supervisee awaiting transfer to the
35 State prison system; and

36 (2) Extraordinary medical costs, as defined in G.S.
37 148-32.1(a), incurred by parolees or post-release

1 supervisees awaiting transfer to the State prison
2 system.

3 (c) The sheriff shall file with the board of commissioners of
4 his county a copy of his affidavit as to necessary guard,
5 together with a copy of his itemized account of expenses, both
6 certified to by him as true copies of those on file in his
7 office."

8 (b) The Department of Correction may use funds
9 appropriated to the Department for the 1997-99 biennium to pay
10 the sum of forty dollars (\$40.00) per day as reimbursement to
11 counties for the cost of housing convicted inmates and parolees
12 and post-release supervisees awaiting transfer to the State
13 prison system, as provided in G.S. 148-29. The Department shall
14 report quarterly to the Joint Legislative Commission on
15 Governmental Operations, the Joint Legislative Corrections
16 Oversight Committee, the Chairs of the Senate and House
17 Appropriations Committees, and the Chairs of the Senate and House
18 Appropriations Subcommittees on Justice and Public Safety on the
19 expenditure of funds to reimburse counties for prisoners awaiting
20 transfer and on its progress in reducing the jail backlog.

21 Prior to the expenditure of more than the sum of six
22 million five hundred thousand dollars (\$6,500,000) for the 1997-
23 98 fiscal year or more than the sum of four million dollar
24 (\$4,000,000) for the 1998-99 fiscal year to reimburse counties
25 for prisoners awaiting transfer, the Department of Correction and
26 the Office of State Budget and Management shall report to the
27 Joint Legislative Commission on Governmental Operations on the
28 necessity of that expenditure.

CODE NO. 97CORR-H002-S

Requested by: Representatives Justus, Kiser, and Thompson

INMATE HOUSING FUNDS

1 Section @. If delays in the construction of prison units
2 funded in the 1997-99 biennium continuation budget reserves for
3 operating prisons result in the availability of non-recurring
4 funds for the 1997-98 fiscal year, those funds shall be used to
5 contract for prison beds to house inmates in out-of-state prisons
6 or in local jails. To the extent that funds from the reserves
7 for operating prisons are not available, the Department of
8 Correction may use funds appropriated to the Department for the
9 1997-98 fiscal year to contract for prison beds to house inmates
10 in out-of-state prisons or in local jails. The Department shall
11 report quarterly to the Joint Legislative Commission on
12 Governmental Operations, the Joint Legislative Corrections
13 Oversight Committee, the Chairs of the Senate and House
14 Appropriations Committees, and the Chairs of the Senate and House
15 Appropriations Subcommittees on Justice and Public Safety on
16 these contracts. The report shall include the amount expended
17 monthly for each contract, the source of funding used to pay for
18 the contracts, the status of each contract, and the projected
19 dates for returning the inmates housed out-of-state or in local
20 jails to the State prison system.

21 Prior to the expenditure of more than the sum of one
22 million dollars (\$1,000,000) to fund contracts for out-of-state
23 and local jail beds, the Department of Correction and the Office
24 of State Budget and Management shall report to the Joint
25 Legislative Commission on Governmental Operations on the
26 necessity of that expenditure.

CODE NO. 97CORR-H014-S

Requested by: Representatives Justus, Kiser, and Thompson

LIMIT USE OF OPERATIONAL FUNDS

1 Section @. Funds appropriated in this act to the
2 Department of Correction for operational costs for additional
3 facilities shall be used for personnel and operating expenses set
4 forth in the budget approved by the General Assembly in this act.
5 These funds shall not be expended for any other purpose, except
6 as provided for in this act, and shall not be expended for
7 additional prison personnel positions until the new facilities
8 are within 90 days of projected completion, except for certain
9 management, security, and support positions necessary to prepare
10 the facility for opening, as authorized in the budget approved by
11 the General Assembly.

CODE NO. 97CORR-H010-S

Requested by: Representatives Justus, Kiser, and Thompson

USE OF FACILITIES CLOSED UNDER GPAC

1 Section @. In conjunction with the closing of small
2 expensive prison units recommended for consolidation by the
3 Government Performance Audit Committee, the Department of
4 Correction shall consult with the county or municipality in which
5 the unit is located or any private for-profit or nonprofit firm
6 about the possibility of converting that unit to other use.
7 Consistent with existing law, the Department may provide for the
8 transfer or the lease for 20 years or more of any of these units
9 to counties, municipalities, or private firms wishing to convert
10 them to other use. The Department of Correction may also
11 consider converting some of the units recommended for closing
12 from medium security to minimum security, where that conversion
13 would be cost-effective. A prison unit under lease to a county
14 pursuant to the provisions of this section is exempt for the
15 period of the lease from any of the minimum standards adopted by
16 the Secretary of Human Resources pursuant to G.S. 153A-221 that
17 would subject the unit to greater standards than those required
18 of a unit of the State prison system.
19 The Department of Correction shall report quarterly to
20 the Joint Legislative Corrections Oversight Committee on the
21 conversion of these units to other use.

CODE NO. 97CORR-H007-S

Requested by: Representatives Justus, Kiser, and Thompson

FEDERAL GRANT REPORTING

1 Section @. The Department of Correction, the Department
2 of Justice, the Department of Crime Control and Public Safety,
3 and the Judicial Department shall report by December 1 and May 1
4 of each year to the Joint Legislative Commission on Governmental
5 Operations, the Chairs of the Senate and House Appropriations
6 Committees, and the Chairs of the Senate and House Appropriations
7 Subcommittees on Justice and Public Safety on federal grant funds
8 received or pre-approved for receipt by those departments. The
9 report shall include information on the amount of grant funds
10 received or preapproved for receipt by each department, the use
11 of the funds, the State match expended to receive the funds, and
12 the period to be covered by each grant. If the department
13 intends to continue the program beyond the end of the grant
14 period, the department shall report on the proposed method for
15 continuing the funding of the program at the end of the grant
16 period. Each department shall also report on any information it
17 may have indicating that the State will be requested to provide
18 future funding for a program presently supported by a local
19 grant.

CODE NO. 97CORR-H015-S

Requested by: Representatives Justus, Kiser, and Thompson

HARRIET'S HOUSE FUNDS

1 Section @. Funds appropriated in this act to the
2 Department of Correction to support the programs of Harriet's
3 House may be used for program operating costs, the purchase of
4 equipment, and the rental of real property. Harriet's House
5 shall report by December 1 and May 1 of each year to the Joint
6 Legislative Commission on Governmental Operations on the
7 expenditure of State appropriations and on the effectiveness of
8 the program including information on the number of clients served
9 and the number of clients who successfully complete the Harriet's
10 House program.

CODE NO. 97CORR-H016-S

Requested by: Representatives Justus, Kiser, and Thompson

REPORT ON SUMMIT HOUSE

1 Section @. Summit House shall report by December 1 and
2 May 1 of each year to the Joint Legislative Commission on
3 Governmental Operations on the expenditure of State
4 appropriations and on the effectiveness of the program, including
5 information on the number of clients served, the number of
6 clients who have their probation revoked, and the number of
7 clients who successfully complete the program while housed at
8 Summit House.

CODE NO. 97CORR-H017A-S

Requested by: Representatives Justus, Kiser, and Thompson

MODIFICATION OF FUNDING FORMULA FOR THE NORTH CAROLINA STATE-COUNTY CRIMINAL JUSTICE PARTNERSHIP ACT

1 Section e. (a) Notwithstanding the funding formula set
2 forth in G.S. 143B-273.15, grants made through the North Carolina
3 State-County Criminal Justice Partnership Act for the 1997-98
4 fiscal year shall be distributed to the counties as specified in
5 G.S. 143B-273.15(2) only, and not as discretionary funds. The
6 Department may also use funds from the State-County Criminal
7 Justice Partnership Account in order to maintain the counties'
8 allocations of nine million six hundred thousand dollars
9 (\$9,600,000) as provided in previous fiscal years.
10 Appropriations not claimed or expended by the counties during the
11 1997-99 biennium shall be distributed as specified in G.S. 143B-
12 273.15(1).

13 (b) G.S. 143B-273.4(a) reads as rewritten:
14 "(a) An eligible offender is an adult offender who either is
15 in confinement awaiting trial, or was convicted of a misdemeanor
16 or a felony offense and received a nonincarcerative sentence of
17 an intermediate punishment or is serving a term of parole or
18 post-release supervision after ~~completing~~ serving an active
19 sentence of imprisonment."

CODE NO. 97CORR-H021-S

Requested by: Representatives Justus, Kiser, and Thompson

REPORT ON DART/DWI PROGRAM AT CHERRY HOSPITAL

1 Section @. The Department of Correction shall report by
2 December 1, 1997, and by May 1, 1998, to the Joint Legislative
3 Corrections Oversight Committee, the Chairs of the Senate and
4 House Appropriations Committees, and the Chairs of the
5 Appropriations Subcommittees on Justice and Public Safety on the
6 residential DWI/Substance Abuse Treatment Program for
7 probationers and parolees at the DART facility at Cherry
8 Hospital. The report shall include monthly statistical summaries
9 of population versus capacity and comparisons of the percentage
10 of offenders entering the program versus those completing the
11 program, for both probationers and parolees. The report shall
12 also include a budget report showing expenditures by purpose. If
13 the program is not operating at capacity by the end of each
14 reporting period, the Department of Correction shall explain the
15 reasons for underutilization and its proposed strategies for
16 addressing the problem of underutilization. Any new initiatives
17 that would revise or expand the treatment model at the facility,
18 along with the accompanying costs, shall also be included in each
19 report.

CODE NO. 97CORR-H006

Requested by: Representatives Justus, Kiser, and Thompson

REDUCE MEMBERSHIP ON POST-RELEASE SUPERVISION AND PAROLE COMMISSION

1 Section @. (a) G.S. 143B-267 reads as rewritten:

2 "\$ 143B-267. Post-Release Supervision and Parole Commission --
3 members; selection; removal; chairman; compensation; quorum;
4 services.

5 The Post-Release Supervision and Parole Commission shall
6 consist of ~~five~~ three full-time members. The ~~five~~ three
7 full-time members shall be appointed by the Governor from persons
8 whose recognized ability, training, experience, and character
9 qualify them for service on the Commission. ~~The terms of office~~
10 ~~of the five members presently serving on the Commission shall~~
11 ~~expire on June 30, 1993. The terms of three members appointed~~
12 ~~effective July 1, 1993, shall be for three years. The terms of~~
13 ~~two members appointed effective July 1, 1993, shall be for four~~
14 ~~years.~~ In order to stagger the terms of the three members
15 serving on the Commission on July 1, 1997, the Governor shall
16 designate one of those members to serve a term expiring on June
17 30, 1999, one to serve a term expiring on June 30, 2000, and one
18 to serve a term expiring on June 30, 2001. Thereafter, the terms
19 of office of persons appointed by the Governor as members of the
20 Commission shall be for four years or until their successors are
21 appointed and qualify. Any appointment to fill a vacancy on the
22 Commission created by the resignation, removal, death or
23 disability of a full-time member shall be for the balance of the
24 unexpired term only.

25 The Governor shall have the authority to remove any member of
26 the Commission from office for misfeasance, malfeasance or
27 nonfeasance, pursuant to the provisions of G.S. 143B-13. The
28 Governor shall designate a full-time member of the Commission to
29 serve as chairman of the Commission at the pleasure of the
30 Governor.

31 ~~With regard to the transaction of the business of the~~
32 ~~Commission the following procedure shall be followed: The~~
33 ~~chairman shall designate panels of two voting Commission members~~
34 ~~and shall designate a third commissioner to serve as an alternate~~
35 ~~member of a panel. Insofar as practicable, the chairman shall~~
36 ~~assign the members to panels in such fashion that each~~
37 ~~commissioner sits a substantially equal number of times with each~~
38 ~~other commissioner. Whenever any matter of business, such as the~~
39 ~~granting, denying, revoking or rescinding of parole, or the~~

~~1 authorization of work-release privileges to a prisoner, shall
2 come before the Commission for consideration and action, the
3 chairman shall refer such matter to a panel. Action may be taken
4 by concurring vote of the two sitting panel members. If there is
5 not a concurring vote of the two panel members, the matter will
6 be referred to the alternate member who shall cast the deciding
7 vote. However, no person serving a sentence of life imprisonment
8 shall be granted parole or work-release privileges except by
9 majority vote of the full Commission.~~

10 The full-time members of the Commission shall receive the
11 salary fixed by the General Assembly in the Current Operations
12 Appropriations Act and shall receive necessary travel and
13 subsistence expenses in accordance with the provisions of G.S.
14 138-6.

15 All clerical and other services required by the Commission
16 shall be supplied by the Secretary of Correction."

17 (b) This section becomes effective June 30, 1997.

CODE NO. 97CORR-H022

Requested by: Representatives Justus, Kiser, and Thompson

IMPACT DEFENDANTS IN DOC FACILITIES

1 Section @. G.S. 15A-1343(b1)(2a) reads as rewritten:
2 "(2a) Submit to a period of imprisonment confinement in
3 a facility for youthful offenders operated by the
4 Department of Correction for a minimum of 90 days
5 or a maximum of 120 days under special probation,
6 reference G.S. 15A-1351(a) or G.S. 15A-1344(e),
7 and abide by all rules and regulations as provided
8 in conjunction with the Intensive Motivational
9 Program of Alternative Correctional Treatment
10 (IMPACT), which provides an atmosphere for
11 learning personal confidence, personal
12 responsibility, self-respect, and respect for
13 attitudes and value systems. This condition may
14 also include a period of supervision through the
15 Post-Boot Camp Probation Program."

CODE NO. 97CORR-H024

Requested by: Representatives Justus, Kiser, and Thompson

REPORT ON WOMEN AT RISK

1 Section @. Women at Risk shall report by December 1 and
2 May 1 of each year to the Joint Legislative Commission on
3 Governmental Operations on the expenditure of State funds and on
4 the effectiveness of the program, including information on the
5 number of clients served, the number of clients who have had
6 their probation revoked, and the number of clients who have
7 successfully completed the program.

CODE NO. 97CORR-H027

Requested by: Representatives Justus, Kiser, and Thompson

PERFORMANCE AUDIT OF DIVISION OF ADULT PROBATION AND PAROLE

1 Section @. The Department of Correction, in
2 consultation with the State Auditor, shall select an independent
3 firm recognized in performance auditing to conduct an independent
4 performance audit of the Division of Adult Probation and Parole
5 in the Department of Correction. The Department shall consult
6 with the State Auditor both in issuing the request for proposals
7 and in making the final selection of the auditing firm.

8 The Department of Correction shall provide for the
9 reporting of the audit results to the Chairs of the Senate and
10 House Appropriations Committees, the Chairs of the Senate and
11 House Appropriations Subcommittees on Justice and Public Safety,
12 the Chairs of the Joint Legislative Corrections Oversight
13 Committee, and the Joint Legislative Commission on Governmental
14 Operations by May 1, 1998.

15 The performance audit of the Division of Adult Probation
16 and Parole shall review the efficiency and effectiveness of major
17 management policies, practices, and functions, including the
18 following areas:

- 19 (1) Organization and structure;
- 20 (2) Effect of organizational relationships with other
21 community correction programs and the Post-Release
22 Supervision and Parole Commission;
- 23 (3) Current staffing patterns and workload;
- 24 (4) Personnel and patronage practices; and
- 25 (5) General effectiveness of probation and parole.

CODE NO. 97CORR-H028

Requested by: Representatives Justus, Kiser, and Thompson

CORRECTIONAL OFFICER WORKING HOURS

1 Section @. G.S. 95-28 reads as rewritten:
2 "\$ 95-28. Working hours of employees in State institutions.
3 It shall be unlawful for any person or official or foreman or
4 other person in authority in Dorothea Dix Hospital, Broughton
5 Hospital, ~~Cherry Hospital, or any penal or correctional~~
6 ~~institution of the State of North Carolina, excepting the State~~
7 ~~prison and institutions under the control of the Board of~~
8 ~~Transportation, or Cherry Hospital~~ to require any employee to
9 work for a greater number of hours than 12 during any 24-hour
10 period, or not more than 72 hours during any one week, or permit
11 the same, during which period the said employee shall be
12 permitted to take one continuous hour off duty; except in case of
13 an emergency as determined by the superintendent, in which case
14 the limitation of 12 hours in any consecutive 24 hours shall not
15 apply. Nothing in this section shall be construed to affect the
16 hours of doctors and superintendents in these hospitals. Any
17 violation of this section shall be a Class 1 misdemeanor."

CODE NO. 97CORR-H008

Requested by: Representatives Sexton, Justus, Kiser, and Thompson

TRANSFER ROCKINGHAM CORRECTIONAL CENTER

- 1 Section @. (a) The below described land and improvements
- 2 with property installed in the buildings and other movable
- 3 equipment and supplies are transferred by the State of North
- 4 Carolina to Rockingham County:
- 5 All that property lying south of N.C. Highway 65 upon which is
- 6 situated the former Rockingham County Correctional Center
- 7 building and grounds containing approximately 24 acres.
- 8 (b) The transfer made in subsection (a) of this section
- 9 shall be evidenced by a deed executed under G.S. 146-75 and
- 10 registered in accordance with G.S. 146-77.

CODE NO. 97CORR-H005A

Requested by: Representatives Justus, Kiser, and Thompson

FUNDING OF PRISON ROAD SQUADS

1 Section @. The Department of Transportation shall
2 reimburse the Department of Correction for the cost of inmate
3 road squads on a cost basis, as provided for in G.S. 148-26.5.

CODE NO. 97CORR-H001

Requested by: Representatives Justus, Kiser, Thompson

PRIVATE PRISON EXPANSION

1 Sec. @. The Department of Correction, in consultation
2 with United States Corrections Corporation, shall determine the
3 feasibility of expanding each of the two 500-bed private
4 confinement facilities presently under construction to 1,000-bed
5 facilities and the cost savings of that expansion over the
6 construction of new facilities. The Department shall report its
7 findings to the Joint Legislative Commission on Governmental
8 Operations and the Joint Legislative Corrections Oversight
9 Committee by December 1, 1997. If the report determines that
10 there would be cost savings associated with expansion to 1,000-
11 bed facilities, the Department of Correction may use funds
12 available to the Department for the 1997-98 fiscal year and the
13 1998-99 fiscal year to accomplish that expansion.

CODE NO. 97CORR-H003

Requested by: Representatives Justus, Kiser, and Thompson

TITLE VII FUNDS

1 Section @. The Department of Correction may use funds
2 available to the Department during the 1997-98 fiscal year for
3 payment to claimants as part of the settlement of the Title VII
4 lawsuit over the recruitment, hiring, and promotion of females in
5 the Department.

CODE NO. 97CORR-H004

Requested by: Representatives Justus, Kiser, and Thompson

MODULAR PRISON UNITS

1 Section @. The five modular housing units scheduled to
2 be constructed at the Warren, Craven, and Hyde prison units shall
3 instead be constructed at the Haywood, Henderson, Yadkin, Davie,
4 and Catawba prison units.

CODE NO. 97CORR-H009

Requested by: Representatives Justus, Kiser, and Thompson

REPORT ON BUNKING INMATES IN SHIFTS

1 Section @. The Department of Correction shall report to
2 the Joint Legislative Corrections Oversight Committee by November
3 1, 1997 on the Department's progress in implementing the pilot
4 program to bunk inmates in shifts at the Lincoln Correctional
5 Center.

CODE NO. 97CORR-H011

Requested by: Representatives Justus, Kiser, and Thompson

INMATE COSTS

1 Section @. The Department of Correction may use funds
2 appropriated to the Department for the 1997-99 biennium to pay
3 the cost of providing food and health care to inmates housed in
4 the Division of Prisons if:

5 (1) The prison population exceeds the December 1996
6 population projections of the North Carolina
7 Sentencing and Policy Advisory Commission; and

8 (2) The cost of providing food and health care to
9 inmates is anticipated to exceed the continuation
10 budget amounts provided for that purpose in this
11 act.

12 The Department of Correction shall report on any expenditures
13 that exceed the food and health care continuation budget to the
14 Joint Legislative Commission on Governmental Operations, the
15 Joint Legislative Corrections Oversight Committee, and the Chairs
16 of the House and Senate Appropriations Committees.

95.

CODE NO. 97CORR-H025

Requested by: Representatives Justus, Kiser, and Thompson

**INCREASE REIMBURSEMENT TO COUNTIES FOR STATE INMATES HOUSED IN
LOCAL CONFINEMENT FACILITIES**

1 Section @. Of the funds appropriated to the Department
2 of Correction in this act, the sum of three million ten thousand
3 eighty-nine dollars (\$3,010,089) for the 1997-98 fiscal year
4 shall be used to raise the per diem reimbursement to counties
5 from fourteen dollars and fifty cents (\$14.50) per day to twenty
6 dollars (\$20.00) per day for State inmates serving sentences of
7 30 days or more in local confinement facilities. This
8 reimbursement will resume at fourteen dollars and fifty cents
9 (\$14.50) per day during the 1998-99 fiscal year.

SPECIAL PROVISION ON CRIMINAL PENALTY INCREASES

This provision contains 12 bills that have been given favorable reports from a Judiciary Committee and passed the House, with the exception of HB 162, INCREASE DRUG PENALTIES, which was given a favorable report from Judiciary I. Five of the bills (HB 162, HB 141, HB 142, HB 144, HB 137) are recommendations of the NC Sentencing and Policy Advisory Commission. Those five, plus HB 27 and HB 66, were among the bills contained in the criminal penalties provision contained in the Senate budget. The remaining bills (HB 158, HB 159, HB 427, HB 770, and HB 584), have all passed the House and been sent to the Senate.

The bills contained in the provision are as follows:

Subsection (b):

INCREASE CRIMINAL PENALTY FOR SALE OF CERTAIN CONTROLLED SUBSTANCES (HB 162)

Increases the penalty for sale of a Schedule I or II controlled substance to a class G felon (*was class H*).
Increases penalty for sale of a Schedule III, IV, V, or VI controlled substance to a class H felon (*was class I*).

Subsections (c) through (o):

INCREASE CRIMINAL PENALTY FOR CERTAIN EMBEZZLEMENT OFFENSES (HB 141 2nd Ed.)

Increases penalty for embezzlement of goods & property over \$100,000 to a class C felon and of value less than \$100,000 to a class F or H felon (*was class H and F felons for all offenses*). Applies to certain embezzlement offenses including that by employees, public officers and trustees, railroad officials, charitable and religious organization treasurers, and insurance agents.

Subsection (p):

RECLASSIFY OFFENSE OF ACCESSORY AFTER THE FACT (HB 142)

Redefines accessory after the fact to be punished two classes below felony involved (*was punished as a class H felon in all cases*). Allows for more severe punishment for involvement in more serious crimes.

Subsection (q):

INCREASE PENALTY FOR VOLUNTARY MANSLAUGHTER FROM CLASS E FELONY TO CLASS D FELONY (HB 144)

Increases penalty for voluntary manslaughter to a class D felon (*was a class E*).

Subsection (r):

ADD TO LIST OF AGGRAVATING FACTORS THAT CERTAIN PEOPLE WERE SERIOUSLY INJURED AS A RESULT OF THE OFFENSE (HB 137)

Expands the scope of the aggravating factor of offense against a law enforcement officer, judicial officers, emergency rescue personnel and others to include the proximate causing of serious injury to these officials.

Subsection (s):

INCREASE PENALTY FOR ESTABLISHMENT OF PYRAMID DISTRIBUTION PLANS (HB 27 2nd Ed.)

Increases penalty for establishment or operation of a pyramid scheme to a class H felon (*was a class 2 misdemeanor*).

Subsections (t), (u), (v):

ESTABLISH OFFENSES OF TRESPASS ON PINE STRAW PRODUCTION LAND AND LARCENY OF PINE STRAW (HB 66 2nd Ed.)

Establishes crime of larceny of pine straw punishable as a class H felony and crime of trespass on pine straw production land punishable as a class I misdemeanor for the first offense and a Class I felony for subsequent offenses.

Subsection (w), (x):

INCREASE PENALTY FOR CERTAIN OFFENSES COMMITTED WHILE IN PRISON (HB 158)

Increases penalty from class I to class H felony for the following offenses: (1) possessing controlled substance on the premises of a jail or prison (GS 90-95(e)(9)) and (2) inflicting or assisting in infliction of self injury to prisoner resulting in incapacity to perform assigned duties (GS 148-46.1).

Subsections (y), (z), (aa):

RECLASSIFY CERTAIN OFFENSES RELATED TO ESCAPE FROM CORRECTIONAL FACILITIES (HB 159) Changes the classification of certain escape offenses as follows: (1) escape of a prisoner from a local confinement facility while on work assignment under GS 162-58, from class 3 to class 1 misdemeanor; (2) escape from a county or city jail by a person who has been convicted of a felony and has been committed to the jail pending transfer to a state prison or is serving a sentence imposed for a felony conviction, from class I to class H felony; (3) first offense escape from a state prison by any person serving a sentence for a misdemeanor conviction, or charged with a misdemeanor and committed to the Dep't of Correction under GS 162-39 (transfer of prisoners for safety), or convicted of a misdemeanor and committed to the Dep't of Correction for presentence diagnostic study, from class I felony to class 1 misdemeanor; and (4) escape from a state prison by any person serving a sentence for a felony conviction, or charged with a felony and committed to the Dep't of Correction under GS 162-39 (transfer of prisoners for safety), or convicted of a felony and committed to the Dep't of Correction for presentence diagnostic study, or previously has been convicted of escaping or attempting to escape from a state prison, from class I felony to class H felony.

Subsections (bb), (cc):

INCREASE THE PENALTIES FOR CERTAIN ASSAULTS ON A PROBATION OFFICER, PAROLE OFFICER, OR STATE OR COUNTY CORRECTIONS EMPLOYEE. (HB 427)

Makes assault with a firearm upon a probation or parole officer or an employee of a state or local detention facility a class E felony. Makes assault that inflicts serious bodily injury upon a probation or parole officer or an employee of a state or local detention facility a class F felony.

Subsection (dd):

LOWER MARIJUANA TRAFFICKING AMTS (HB 770) Provides that possession or sale of more than 10 (now, 50) pounds of marijuana constitutes "trafficking" in marijuana.

Subsections (ee) through (ii):

LIMIT, MODIFY AND ENHANCE ATTEMPTING TO ELUDE ARREST STATUTES (HB 584 2nd Ed.) Adds new GS 20-141.5 regarding speeding to elude arrest. Repeals current GS 20-141(j)

which punishes as a misdemeanor speeding in excess of 55 mph and at least 15 mph over the legal limit while fleeing or attempting to elude arrest or apprehension. If two listed aggravating factors are present (including speeding in excess of 15 miles over speed limit and especially reckless or dangerous driving) the offender commits a class H felony. Otherwise, the offense is a class 1 misdemeanor. A person convicted of the misdemeanor will have his or her drivers license revoked for one year; conviction of a felony results in a three year revocation. Permits limited driving privilege for a first felony conviction after 18 months of revocation.

CODE NO. 97CORR-H026-S

Requested by: Representatives Justus, Kiser, Thompson

ADDITIONAL PRISON BEDS/INCREASE THE CRIMINAL PENALTY FOR THE SALE OF CERTAIN CONTROLLED SUBSTANCES/INCREASE THE CRIMINAL PENALTY FOR CERTAIN EMBEZZLEMENT OFFENSES/RECLASSIFY OFFENSE OF ACCESSORY AFTER THE FACT/INCREASE PENALTY FOR VOLUNTARY MANSLAUGHTER FROM A CLASS E FELONY TO A CLASS D FELONY/ADD TO THE LIST OF AGGRAVATING FACTORS THAT CERTAIN PEOPLE WERE SERIOUSLY INJURED AS A RESULT OF THE OFFENSE/INCREASE THE PENALTY FOR THE ESTABLISHMENT OF PYRAMID DISTRIBUTION PLANS/ESTABLISH THE OFFENSES OF TRESPASS ON PINE STRAW PRODUCTION LAND AND LARCENY OF PINE STRAW/INCREASE THE PENALTY FOR CERTAIN OFFENSES COMMITTED WHILE IN PRISON/RECLASSIFY CERTAIN OFFENSES RELATED TO ESCAPE FROM CORRECTIONAL FACILITIES/INCREASE THE PENALTIES FOR CERTAIN ASSAULTS ON A PROBATION OFFICER, PAROLE OFFICER, OR STATE OR COUNTY CORRECTIONS EMPLOYEE/LOWER MARIJUANA TRAFFICKING AMOUNTS/LIMIT, MODIFY AND ENHANCE ATTEMPTING TO ELUDE ARREST STATUTES

1 Section @. (a) Of the funds appropriated to the
2 Department of Correction in this act for the 1998-99 fiscal year,
3 the sum of one hundred thirty-five thousand dollars (\$135,000)
4 shall be placed in a reserve to fund additional prison beds and
5 other associated costs to implement the provisions of this
6 section.

7 (b) G.S. 90-95(b) reads as rewritten:

8 "(b) Except as provided in subsections (h) and (i) of this
9 section, any person who violates G.S. 90-95(a)(1) with respect
10 to:

11 (1) A controlled substance classified in Schedule I or
12 II shall be punished as a Class H ~~felon~~, felon,
13 except that the sale of a controlled substance
14 classified in Schedule I or II shall be punished as
15 a Class G felon;

16 (2) A controlled substance classified in Schedule III,
17 IV, V, or VI shall be punished as a Class I felon,
18 except that the sale of a controlled substance
19 classified in Schedule III, IV, V, or VI shall be
20 punished as a Class H felon. but the The transfer
21 of less than 5 grams of marijuana for no
22 remuneration shall not constitute a delivery in
23 violation of G.S. 90-95(a)(1)."

24 (c) G.S. 14-74 reads as rewritten:

25 "\$ 14-74. Larceny by servants and other employees.

1 If any servant or other employee, to whom any money, goods or
 2 other chattels, or any of the articles, securities or choses in
 3 action mentioned in the following section [G.S. 14-75], by his
 4 master shall be delivered safely to be kept to the use of his
 5 master, shall withdraw himself from his master and go away with
 6 such money, goods or other chattels, or any of the articles,
 7 securities or choses in action mentioned as aforesaid, or any
 8 part thereof, with intent to steal the same and defraud his
 9 master thereof, contrary to the trust and confidence in him
 10 reposed by his said master; or if any servant, being in the
 11 service of his master, without the assent of his master, shall
 12 embezzle such money, goods or other chattels, or any of the
 13 articles, securities or choses in action mentioned as aforesaid,
 14 or any part thereof, or otherwise convert the same to his own
 15 use, with like purpose to steal them, or to defraud his master
 16 thereof, the servant so offending shall be ~~punished as a Class H~~
 17 ~~felon:~~ guilty of a felony: Provided, that nothing contained in
 18 this section shall extend to apprentices or servants within the
 19 age of 16 years. If the value of the money, goods, or other
 20 chattels, or any of the articles, securities, or choses in action
 21 mentioned in G.S. 14-75, is one hundred thousand dollars
 22 (\$100,000) or more, the person is guilty of a Class C felony. If
 23 the value of the money, goods, or other chattels, or any of the
 24 articles, securities, or choses in action mentioned in G.S. 14-
 25 75, is less than one hundred thousand dollars (\$100,000), the
 26 person is guilty of a Class H felony."

27 (d) G.S. 14-90 reads as rewritten:
 28 "§ 14-90. Embezzlement of property received by virtue of office
 29 or employment.

30 If any person exercising a public trust or holding a public
 31 office, or any guardian, administrator, executor, trustee, or any
 32 receiver, or any other fiduciary, or any officer or agent of a
 33 corporation, or any agent, consignee, clerk, bailee or servant,
 34 except persons under the age of 16 years, of any person, shall
 35 embezzle or fraudulently or knowingly and willfully misapply or
 36 convert to his own use, or shall take, make away with or secrete,
 37 with intent to embezzle or fraudulently or knowingly and
 38 willfully misapply or convert to his own use any money, goods or
 39 other chattels, bank note, check or order for the payment of
 40 money issued by or drawn on any bank or other corporation, or any
 41 treasury warrant, treasury note, bond or obligation for the
 42 payment of money issued by the United States or by any state, or
 43 any other valuable security whatsoever belonging to any other
 44 person or corporation, unincorporated association or organization

1 which shall have come into his possession or under his care, he
2 shall be ~~punished as a Class H felon~~, guilty of a felony. If the
3 value of the property is one hundred thousand dollars (\$100,000)
4 or more, the person is guilty of a Class C felony. If the value
5 of the property is less than one hundred thousand dollars
6 (\$100,000), the person is guilty of a Class H felony."

7 (e) G.S. 14-91 reads as rewritten:

8 "\$ 14-91. Embezzlement of State property by public officers and
9 employees.

10 If any officer, agent, or employee of the State, or other
11 person having or holding in trust for the same any bonds issued
12 by the State, or any security, or other property and effects of
13 the same, shall embezzle or knowingly and willfully misapply or
14 convert the same to his own use, or otherwise willfully or
15 corruptly abuse such trust, such offender and all persons
16 knowingly and willfully aiding and abetting or otherwise
17 assisting therein shall be ~~punished as a Class F felon~~, guilty of
18 a felony. If the value of the property is one hundred thousand
19 dollars (\$100,000) or more, a violation of this section is a
20 Class C felony. If the value of the property is less than one
21 hundred thousand dollars (\$100,000), a violation of this section
22 is a Class F felony."

23 (f) G.S. 14-92 reads as rewritten:

24 "\$ 14-92. Embezzlement of funds by public officers and trustees.

25 If an officer, agent, or employee of an entity listed below, or
26 a person having or holding money or property in trust for one of
27 the listed entities, shall embezzle or otherwise willfully and
28 corruptly use or misapply the same for any purpose other than
29 that for which such moneys or property is held, such person shall
30 be ~~punished as a Class F felon~~, guilty of a felony. If the value
31 of the money or property is one hundred thousand dollars
32 (\$100,000) or more, the person is guilty of a Class C felony. If
33 the value of the money or property is less than one hundred
34 thousand dollars (\$100,000), the person is guilty of a Class F
35 felony. If any clerk of the superior court or any sheriff,
36 treasurer, register of deeds or other public officer of any
37 county, unit or agency of local government, or local board of
38 education shall embezzle or wrongfully convert to his own use, or
39 corruptly use, or shall misapply for any purpose other than that
40 for which the same are held, or shall fail to pay over and
41 deliver to the proper persons entitled to receive the same when
42 lawfully required so to do, any moneys, funds, securities or
43 other property which such officer shall have received by virtue
44 or color of his office in trust for any person or corporation,

1 such officer shall be ~~punished as a Class F felon.~~ guilty of a
2 felony. If the value of the money, funds, securities, or other
3 property is one hundred thousand dollars (\$100,000) or more, the
4 person is guilty of a Class C felony. If the value of the money,
5 funds, securities, or other property is less than one hundred
6 thousand dollars (\$100,000), the person is guilty of a Class F
7 felony. The provisions of this section shall apply to all
8 persons who shall go out of office and fail or neglect to account
9 to or deliver over to their successors in office or other persons
10 lawfully entitled to receive the same all such moneys, funds and
11 securities or property aforesaid. The following entities are
12 protected by this section: a county, a city or other unit or
13 agency of local government, a local board of education, and a
14 penal, charitable, religious, or educational institution."

15 (g) G.S. 14-93 reads as rewritten:

16 "§ 14-93. Embezzlement by treasurers of charitable and religious
17 organizations.

18 If any treasurer or other financial officer of any benevolent
19 or religious institution, society or congregation shall lend any
20 of the moneys coming into his hands to any other person or
21 association without the consent of the institution, association
22 or congregation to whom such moneys belong; or, if he shall fail
23 to account for such moneys when called on, he shall be guilty of
24 a ~~Class H~~ felony. If the violation of this section involves
25 money with a value of one hundred thousand dollars (\$100,000) or
26 more, the person is guilty of a Class C felony. If the violation
27 of this section involves money with a value of less than one
28 hundred thousand dollars (\$100,000) or less, a violation of this
29 section is a Class H felony."

30 (h) G.S. 14-94 reads as rewritten:

31 "§ 14-94. Embezzlement by officers of railroad companies.

32 If any president, secretary, treasurer, director, engineer,
33 agent or other officer of any railroad company shall embezzle any
34 moneys, bonds or other valuable funds or securities, with which
35 such president, secretary, treasurer, director, engineer, agent
36 or other officer shall be charged by virtue of his office or
37 agency, or shall in any way, directly or indirectly, apply or
38 appropriate the same for the use or benefit of himself or any
39 other person, state or corporation, other than the company of
40 which he is president, secretary, treasurer, director, engineer,
41 agent or other officer, for every such offense the person so
42 offending shall be guilty of a felony, and on conviction in the
43 superior or criminal court of any county through which the
44 railroad of such company shall pass, shall be punished as a Class

1 # felon. If the value of the money, bonds, or other valuable
 2 funds or securities is one hundred thousand dollars (\$100,000) or
 3 more, a violation of this section is a Class C felony. If the
 4 value of the money, bonds, or other valuable funds or securities
 5 has value of less than one hundred thousand dollars (\$100,000), a
 6 violation of this section is a Class H felony."

7 (i) G.S. 14-97 reads as rewritten:

8 "\$ 14-97. Appropriation of partnership funds by partner to
 9 personal use.

10 Any person engaged in a partnership business in the State of
 11 North Carolina who shall, without the knowledge and consent of
 12 his copartner or copartners, take funds belonging to the
 13 partnership business and appropriate the same to his own personal
 14 use with the fraudulent intent of depriving his copartners of the
 15 use thereof, shall be guilty of a ~~Class H~~ felony. Appropriation
 16 of partnership funds with a value of one hundred thousand dollars
 17 (\$100,000) or more by a partner is a Class C felony.
 18 Appropriation of partnership funds with the value of less than
 19 one hundred thousand dollars (\$100,000) by a partner is a Class H
 20 felony."

21 (j) G.S. 14-98 reads as rewritten:

22 "\$ 14-98. Embezzlement by surviving partner.

23 If any surviving partner shall willfully and intentionally
 24 convert any of the property, money or effects belonging to the
 25 partnership to his own use, and refuse to account for the same on
 26 settlement, he shall be ~~punished as a Class H felon~~, guilty of a
 27 felony. If the property, money, or effects has a value of one
 28 hundred thousand dollars (\$100,000) or more, a violation of this
 29 section is a Class C felony. If the property, money, or effects
 30 has a value of less than one hundred thousand dollars (\$100,000),
 31 a violation of this section is a Class H felony."

32 (k) G.S. 14-99 reads as rewritten:

33 "\$ 14-99. Embezzlement of taxes by officers.

34 If any officer appropriates to his own use the State, county,
 35 school, city or town taxes, he shall be guilty of embezzlement,
 36 and shall be punished as a ~~Class F~~ felon. If the value of the
 37 taxes is one hundred thousand dollars (\$100,000) or more, a
 38 violation of this section is a Class C felony. If the value of
 39 the taxes is less than one hundred thousand dollars (\$100,000), a
 40 violation of this section is a Class F felony."

41 (l) G.S. 14-100(a) reads as rewritten:

42 "(a) If any person shall knowingly and designedly by means of
 43 any kind of false pretense whatsoever, whether the false pretense
 44 is of a past or subsisting fact or of a future fulfillment or

1 event, obtain or attempt to obtain from any person within this
 2 State any money, goods, property, services, chose in action, or
 3 other thing of value with intent to cheat or defraud any person
 4 of such money, goods, property, services, chose in action or
 5 other thing of value, such person shall be guilty of a felony,
 6 ~~and shall be punished as a Class H felon:~~ felony: Provided, that
 7 if, on the trial of anyone indicted for such crime, it shall be
 8 proved that he obtained the property in such manner as to amount
 9 to larceny or embezzlement, the jury shall have submitted to them
 10 such other felony proved; and no person tried for such felony
 11 shall be liable to be afterwards prosecuted for larceny or
 12 embezzlement upon the same facts: Provided, further, that it
 13 shall be sufficient in any indictment for obtaining or attempting
 14 to obtain any such money, goods, property, services, chose in
 15 action, or other thing of value by false pretenses to allege that
 16 the party accused did the act with intent to defraud, without
 17 alleging an intent to defraud any particular person, and without
 18 alleging any ownership of the money, goods, property, services,
 19 chose in action or other thing of value; and upon the trial of
 20 any such indictment, it shall not be necessary to prove either an
 21 intent to defraud any particular person or that the person to
 22 whom the false pretense was made was the person defrauded, but it
 23 shall be sufficient to allege and prove that the party accused
 24 made the false pretense charged with an intent to defraud. If
 25 the value of the money, goods, property, services, chose in
 26 action, or other thing of value is one hundred thousand dollars
 27 (\$100,000) or more, a violation of this section is a Class C
 28 felony. If the value of the money, goods, property, services,
 29 chose in action, or other thing of value is less than one hundred
 30 thousand dollars (\$100,000), a violation of this section is a
 31 Class H felony."

32 (m) G.S. 53-129 reads as rewritten:

33 "§ 53-129. Misapplication, embezzlement of funds, etc.

34 Whoever being an officer, employee, agent or director of a
 35 bank, with intent to defraud or injure the bank, or any person or
 36 corporation, or to deceive an officer of the bank or an agent
 37 appointed to examine the affairs of such bank, embezzles,
 38 abstracts, or misapplies any of the money, funds, credit or
 39 property of such bank, whether owned by it or held in trust, or
 40 who, with such intent, willfully and fraudulently issues or puts
 41 forth a certificate of deposit, draws an order or bill of
 42 exchange, makes an acceptance, assigns a note, bond, draft, bill
 43 of exchange, mortgage, judgment, decree or fictitiously borrows
 44 or solicits, obtains or receives money for a bank not in good

1 faith, intended to become the property of such bank; or whoever
 2 being an officer, employee, agent, or director of a bank, makes
 3 or permits the making of a false statement or certificate, as to
 4 a deposit, trust fund or contract, or makes or permits to be made
 5 a false entry in a book, report, statement or record of such
 6 bank, or conceals or permits to be concealed by any means or
 7 manner, the true and correct entries of said bank, or its true
 8 and correct transactions, who knowingly loans, or permits to be
 9 loaned, the funds or credit of any bank to any insolvent company
 10 or corporation, or corporation which has ceased to exist, or
 11 which never had any existence, or upon collateral consisting of
 12 stocks or bonds of such company or corporation, or who makes or
 13 publishes or knowingly permits to be made or published a false
 14 report, statement or certificate as to the true financial
 15 condition of such bank, shall be ~~punished as a Class H felon~~
 16 guilty of a felony. If an offense committed under this section
 17 involves money, funds, credit or property with a value of one
 18 hundred thousand dollars (\$100,000) or more, it is a Class C
 19 felony. If an offense committed under this section involves
 20 money, funds, credit or property with a value of less than one
 21 hundred thousand dollars (\$100,000), it is a Class H felony. Any
 22 other offense committed under this section is a Class H felony."

23 (n) G.S. 58-2-162 reads as rewritten:

24 "**§ 58-2-162. Embezzlement by insurance agents, brokers, or**
 25 **administrators.**

26 If any insurance agent, broker, or administrator embezzles or
 27 fraudulently converts to his own use, or, with intent to use or
 28 embezzle, takes, secretes, or otherwise disposes of, or
 29 fraudulently withholds, appropriates, lends, invests, or
 30 otherwise uses or applies any money, negotiable instrument, or
 31 other consideration received by him in his performance as an
 32 agent, broker, or administrator, he shall be ~~punished as a Class~~
 33 ~~H felon~~ guilty of a felony. If the value of the money,
 34 negotiable instrument, or other consideration is one hundred
 35 thousand dollars (\$100,000) or more, violation of this section is
 36 a Class C felony. If the value of the money, negotiable
 37 instrument, or other consideration is less than one hundred
 38 thousand dollars (\$100,000), violation of this section is a Class
 39 H felony."

40 (o) G.S. 90-210.70(a) reads as rewritten:

41 "(a) Anyone who embezzles or who fraudulently, or knowingly
 42 and willfully misapplies, or in any manner converts preneed
 43 funeral funds to his own use, or for the use of any partnership,
 44 corporation, association, or entity for any purpose other than as

1 authorized by this Article; or anyone who takes, makes away with
 2 or secretes, with intent to embezzle or fraudulently or knowingly
 3 and willfully misapply or in any manner convert preneed funeral
 4 funds for his own use or the use of any other person for any
 5 purpose other than as authorized by this Article shall be
 6 ~~punished as a Class H felon.~~ guilty of a felony. If the value of
 7 the preneed funeral funds is one hundred thousand dollars
 8 (\$100,000) or more, violation of this section is a Class C
 9 felony. If the value of the preneed funeral funds is less than
 10 one hundred thousand dollars (\$100,000), violation of this
 11 section is a Class H felony. Each such embezzlement, conversion,
 12 or misapplication shall constitute a separate offense and may be
 13 prosecuted individually. Upon conviction, all licenses issued
 14 under this Article shall be revoked."

15 (p) G.S. 14-7 reads as rewritten:
 16 "\$ 14-7. Accessories after the fact; trial and punishment.
 17 If any person shall become an accessory after the fact to any
 18 felony, whether the same be a felony at common law or by virtue
 19 of any statute made, or to be made, such person shall be guilty
 20 of a ~~felony,~~ crime, and may be indicted and convicted together
 21 with the principal felon, or after the conviction of the
 22 principal felon, or may be indicted and convicted for such ~~felony~~
 23 crime whether the principal felon shall or shall not have been
 24 previously convicted, or shall or shall not be amenable to
 25 ~~justice, and shall be punished as a Class H felon.~~ justice.
 26 Unless a different classification is expressly stated, that
 27 person shall be punished for an offense that is two classes lower
 28 than the felony the principal felon committed, except that an
 29 accessory after the fact to a Class A or Class B1 felony is a
 30 Class C felony, an accessory after the fact to a Class B2 felony
 31 is a Class D felony, an accessory after the fact to a Class H
 32 felony is a Class 1 misdemeanor, and an accessory after the fact
 33 to a Class I felony is a Class 2 misdemeanor. The offense of
 34 such person may be inquired of, tried, determined and punished by
 35 any court which shall have jurisdiction of the principal felon,
 36 in the same manner as if the act, by reason whereof such person
 37 shall have become an accessory, had been committed at the same
 38 place as the principal felony, although such act may have been
 39 committed without the limits of the State; and in case the
 40 principal felony shall have been committed within the body of any
 41 county, and the act by reason whereof any person shall have
 42 become accessory shall have been committed within the body of any
 43 other county, the offense of such person guilty of a felony as
 44 aforesaid may be inquired of, tried, determined, and punished in

1 either of said counties: Provided, that no person who shall be
2 once duly tried for such felony shall be again indicted or tried
3 for the same offense."

4 (q) G.S. 14-18 reads as rewritten:

5 "§ 14-18. Punishment for manslaughter.

6 Voluntary manslaughter shall be punishable as a Class E D
7 felony, and involuntary manslaughter shall be punishable as a
8 Class F felony."

9 (r) G.S. 15A-1340.16(d) reads as rewritten:

10 "(d) Aggravating Factors. -- The following are aggravating
11 factors:

- 12 (1) The defendant induced others to participate in the
13 commission of the offense or occupied a position of
14 leadership or dominance of other participants.
- 15 (2) The defendant joined with more than one other
16 person in committing the offense and was not
17 charged with committing a conspiracy.
- 18 (3) The offense was committed for the purpose of
19 avoiding or preventing a lawful arrest or effecting
20 an escape from custody.
- 21 (4) The defendant was hired or paid to commit the
22 offense.
- 23 (5) The offense was committed to disrupt or hinder the
24 lawful exercise of any governmental function or the
25 enforcement of laws.
- 26 (6) The offense was committed against or resulted in
27 serious injury to a present or former law
28 enforcement officer, employee of the Department of
29 Correction, jailer, fireman, emergency medical
30 technician, ambulance attendant, justice or judge,
31 clerk or assistant or deputy clerk of court,
32 magistrate, prosecutor, juror, or witness against
33 the defendant, while engaged in the performance of
34 that person's official duties or because of the
35 exercise of that person's official duties.
- 36 (7) The offense was especially heinous, atrocious, or
37 cruel.
- 38 (8) The defendant knowingly created a great risk of
39 death to more than one person by means of a weapon
40 or device which would normally be hazardous to the
41 lives of more than one person.
- 42 (9) The defendant held public office at the time of the
43 offense and the offense related to the conduct of
44 the office.

- 1 (10) The defendant was armed with or used a deadly
- 2 weapon at the time of the crime.
- 3 (11) The victim was very young, or very old, or mentally
- 4 or physically infirm, or handicapped.
- 5 (12) The defendant committed the offense while on
- 6 pretrial release on another charge.
- 7 (13) The defendant involved a person under the age of 16
- 8 in the commission of the crime.
- 9 (14) The offense involved an attempted or actual taking
- 10 of property of great monetary value or damage
- 11 causing great monetary loss, or the offense
- 12 involved an unusually large quantity of contraband.
- 13 (15) The defendant took advantage of a position of trust
- 14 or confidence to commit the offense.
- 15 (16) The offense involved the sale or delivery of a
- 16 controlled substance to a minor.
- 17 (17) The offense for which the defendant stands
- 18 convicted was committed against a victim because of
- 19 the victim's race, color, religion, nationality, or
- 20 country of origin.
- 21 (18) The defendant does not support the defendant's
- 22 family.
- 23 (18a) The defendant has previously been adjudicated
- 24 delinquent for an offense that would be a Class A,
- 25 B1, B2, C, D, or E felony if committed by an adult.
- 26 (19) The serious injury inflicted upon the victim is
- 27 permanent and debilitating.
- 28 (20) Any other aggravating factor reasonably related to
- 29 the purposes of sentencing.

30 Evidence necessary to prove an element of the offense shall not
 31 be used to prove any factor in aggravation, and the same item of
 32 evidence shall not be used to prove more than one factor in
 33 aggravation. Evidence necessary to establish that an enhanced
 34 sentence is required under G.S. 14-2.2 may not be used to prove
 35 any factor in aggravation.

36 The judge shall not consider as an aggravating factor the fact
 37 that the defendant exercised the right to a jury trial."

38 (s) G.S. 14-291.2 reads as rewritten:

39 "§ 14-291.2. Pyramid and chain schemes prohibited.

40 (a) ~~Any~~ No person ~~who~~ shall establish, ~~promote, operate or~~
 41 ~~participate in~~ operate, participate in, or otherwise promote any
 42 pyramid distribution plan, program, device or scheme whereby a
 43 participant pays a valuable consideration for the opportunity or
 44 chance to receive a fee or compensation upon the introduction of

1 other participants into the program, whether or not such
 2 opportunity or chance is received in conjunction with the
 3 purchase of merchandise, ~~shall be deemed to have participated~~
 4 ~~merchandise.~~ A person who establishes or operates a pyramid
 5 distribution plan is guilty of a Class H felony. A person who
 6 participates in or otherwise promotes a pyramid distribution plan
 7 is deemed to participate in a lottery and shall be is guilty of a
 8 Class 2 misdemeanor.

9 (b) 'Pyramid distribution plan' means any program utilizing a
 10 pyramid or chain process by which a participant gives a valuable
 11 consideration for the opportunity to receive compensation or
 12 things of value in return for inducing other persons to become
 13 participants in the program; and

14 'Compensation' does not mean payment based on sales of goods or
 15 services to persons who are not participants in the scheme, and
 16 who are not purchasing in order to participate in the ~~scheme; and~~
 17 scheme.

18 ~~'Promotes' shall mean inducing one or more other persons to~~
 19 ~~become a participant.~~

20 (c) Any judge of the superior court shall have jurisdiction,
 21 upon petition by the Attorney General of North Carolina or
 22 district attorney of the superior court, to enjoin, as an unfair
 23 or deceptive trade practice, the continuation of the scheme
 24 described in subsection (a); in such proceeding the court may
 25 assess civil penalties and attorneys' fees to the Attorney
 26 General or the District Attorney pursuant to G.S. 75-15.2 and
 27 75-16.1; and the court may appoint a receiver to secure and
 28 distribute assets obtained by any defendant through participation
 29 in any such scheme.

30 (d) Any contract hereafter created for which a part of the
 31 consideration consisted of the opportunity or chance to
 32 participate in a program described in subsection (a) is hereby
 33 declared to be contrary to public policy and therefore void and
 34 unenforceable."

35 (t) The title of Article 22A of Chapter 14 of the
 36 General Statutes reads as rewritten:

37 "ARTICLE 22A.

38 Trespassing upon 'Posted' Property to Hunt,
 39 ~~Fish or Trap~~ Fish, Trap, or Remove Pine Needles/Straw."

40 (u) G.S. 14-159.6 reads as rewritten:

41 "\$ 14-159.6. Trespass for purposes of hunting, etc., without
 42 written consent a misdemeanor.

43 (a) Any person who willfully goes on the land, waters, ponds,
 44 or a legally established waterfowl blind of another upon which

1 notices, signs or ~~posters~~, described in G.S. 14-159.7, ~~poster~~
 2 prohibiting hunting, fishing or ~~trapping~~, trapping have been
 3 placed in accordance with the provisions of G.S. 14-159.7, or
 4 upon which 'posted' notices have been placed, placed in
 5 accordance with the provisions of G.S. 14-159.7, to hunt, fish or
 6 trap without the written consent of the owner or his agent shall
 7 be guilty of a Class 2 misdemeanor. Provided, further, that no
 8 arrests under authority of this ~~section~~ subsection shall be made
 9 without the consent of the owner or owners of said land, or their
 10 duly authorized agents in the following counties: Halifax and
 11 Warren.

12 (b) Any person who willfully goes on the land of another upon
 13 which notices, signs, or posters prohibiting raking or removing
 14 pine needles or pine straw have been placed in accordance with
 15 the provisions of G.S. 14-159.7, or upon which 'posted' notices
 16 have been placed in accordance with the provisions of G.S. 14-
 17 159.7, to rake or remove pine needles or pine straw without the
 18 written consent of the owner or his agent shall be guilty of a
 19 Class 1 misdemeanor for the first offense and of a Class I felony
 20 for second or subsequent offenses."

21 (v) Article 16 of Chapter 14 of the General Statutes is
 22 amended by adding a new section to read:

23 "§ 14-79.1. Larceny of pine needles or pine straw.

24 If any person shall take and carry away, or shall aid in taking
 25 or carrying away, any pine needles or pine straw being produced
 26 on the land of another person upon which land notices, signs, or
 27 posters prohibiting the raking or removal of pine needles or pine
 28 straw have been placed in accordance with the provisions of G.S.
 29 14-159.7, or upon which posted notices have been placed in
 30 accordance with the provisions of G.S. 14-159.7, with the intent
 31 to steal the pine needles or pine straw, that person shall be
 32 guilty of a Class H felony."

33 (w) G.S. 90-95(e) reads as rewritten:

34 "(e) The prescribed punishment and degree of any offense under
 35 this Article shall be subject to the following conditions, but
 36 the punishment for an offense may be increased only by the
 37 maximum authorized under any one of the applicable conditions:

38 (1), (2) Repealed by Session Laws 1979, c. 760, s. 5.

39 (3) If any person commits a Class 1 misdemeanor under
 40 this Article and if he has previously been
 41 convicted for one or more offenses under any law of
 42 North Carolina or any law of the United States or
 43 any other state, which offenses are punishable
 44 under any provision of this Article, he shall be

- 1 punished as a Class I felon. The prior conviction
2 used to raise the current offense to a Class I
3 felony shall not be used to calculate the prior
4 record level;
- 5 (4) If any person commits a Class 2 misdemeanor, and if
6 he has previously been convicted for one or more
7 offenses under any law of North Carolina or any law
8 of the United States or any other state, which
9 offenses are punishable under any provision of this
10 Article, he shall be guilty of a Class 1
11 misdemeanor. The prior conviction used to raise
12 the current offense to a Class 1 misdemeanor shall
13 not be used to calculate the prior conviction
14 level;
- 15 (5) Any person 18 years of age or over who violates
16 G.S. 90-95(a)(1) by selling or delivering a
17 controlled substance to a person under 16 years of
18 age or a pregnant female shall be punished as a
19 Class D felon. Mistake of age is not a defense to
20 a prosecution under this section. It shall not be
21 a defense that the defendant did not know that the
22 recipient was pregnant;
- 23 (6) For the purpose of increasing punishment under G.S.
24 90-95(e)(3) and (e)(4), previous convictions for
25 offenses shall be counted by the number of separate
26 trials at which final convictions were obtained and
27 not by the number of charges at a single trial;
- 28 (7) If any person commits an offense under this Article
29 for which the prescribed punishment requires that
30 any sentence of imprisonment be suspended, and if
31 he has previously been convicted for one or more
32 offenses under any law of North Carolina or any law
33 of the United States or any other state, which
34 offenses are punishable under any provision of this
35 Article, he shall be guilty of a Class 2
36 misdemeanor;
- 37 (8) Any person 21 years of age or older who commits an
38 offense under G.S. 90-95(a)(1) on property used for
39 an elementary or secondary school or within 300
40 feet of the boundary of real property used for an
41 elementary or secondary school shall be punished as
42 a Class E felon. For purposes of this subdivision,
43 the transfer of less than five grams of marijuana

1 for no remuneration shall not constitute a delive
2 in violation of G.S. 90-95(a)(1).

3 (9) Any person who violates G.S. 90-95(a)(3) on the
4 premises of a penal institution or local
5 confinement facility shall be guilty of a Class I H
6 felony."

7 (x) G.S. 148-46.1 reads as rewritten:

8 "§ 148-46.1. Inflicting or assisting in infliction of self
9 injury to prisoner resulting in incapacity to perform assigned
10 duties.

11 Any person serving a sentence or sentences within the State
12 prison system who, during the term of such imprisonment,
13 willfully and intentionally inflicts upon himself any injury
14 resulting in a permanent or temporary incapacity to perform work
15 or duties assigned to him by the State Department of Correction,
16 or any prisoner who aids or abets any other prisoner in the
17 commission of such offense, shall be punished as a Class I H
18 felon."

19 (y) G.S. 14-255 reads as rewritten:

20 "§ 14-255. Escape of working prisoners from custody.

21 If any prisoner removed from the local confinement facility or
22 satellite jail/work release unit of a county pursuant to G.S.
23 162-58 shall escape from the person having him in custody or the
24 person supervising him, he shall be guilty of a Class 3 1
25 misdemeanor."

26 (z) G.S. 14-256 reads as rewritten:

27 "§ 14-256. Prison breach and escape from county or municipal
28 confinement facilities or officers.

29 If any person shall break any prison, jail or lockup maintained
30 by any county or municipality in North Carolina, being lawfully
31 confined therein, or shall escape from the lawful custody of any
32 superintendent, guard or officer of such prison, jail or lockup,
33 he shall be guilty of a Class 1 misdemeanor, except that the
34 person is guilty of a Class I H felony if:

35 (1) He has been convicted of a felony and has been
36 committed to the facility pending transfer to the
37 State prison system; or

38 (2) He is serving a sentence imposed upon conviction of
39 a felony."

40 (aa) G.S. 148-45 reads as rewritten:

41 "§ 148-45. Escaping or attempting escape from State prison
42 system; failure of conditionally and temporarily released
43 prisoners and certain youthful offenders to return to custody of
44 Department of Correction.

1 (a) Any person in the custody of the Department of Correction
2 in any of the classifications hereinafter set forth who shall
3 escape from the State prison system, shall for the first such
4 offense, except as provided in subsection (g) of this section, be
5 guilty of a Class ~~I~~ felony 1 misdemeanor:

6 (1) A prisoner serving a sentence imposed upon
7 conviction of a misdemeanor;

8 (2) A person who has been charged with a misdemeanor
9 and who has been committed to the custody of the
10 Department of Correction under the provisions of
11 G.S. 162-39;

12 (3) Repealed by Session Laws 1985, c. 226, s. 4.

13 (4) A person who shall have been convicted of a
14 misdemeanor and who shall have been committed to
15 the Department of Correction for presentence
16 diagnostic study under the provisions of G.S.
17 15A-1332(c).

18 (b) Any person in the custody of the Department of Correction,
19 in any of the classifications hereinafter set forth, who shall
20 escape from the State prison system, shall, except as provided in
21 subsection (g) of this section, be punished as a Class ~~I~~ H felon.

22 (1) A prisoner serving a sentence imposed upon
23 conviction of a felony;

24 (2) A person who has been charged with a felony and who
25 has been committed to the custody of the Department
26 of Correction under the provisions of G.S. 162-39;

27 (3) Repealed by Session Laws 1985, c. 226, s. 5.

28 (4) A person who shall have been convicted of a felony
29 and who shall have been committed to the Department
30 of Correction for presentence diagnostic study
31 under the provisions of G.S. 15A-1332(c); or

32 (5) Any person previously convicted of escaping or
33 attempting to escape from the State prison system.

34 (c) Repealed by Session Laws 1979, c. 760, s. 5.

35 (d) Any person who aids or assists other persons to escape or
36 attempt to escape from the State prison system shall be guilty of
37 a Class 1 misdemeanor.

38 (e) Repealed by Session Laws 1983, c. 465, s. 5.

39 (f) Any person convicted of an escape or attempt to escape
40 classified as a felony by this section shall be immediately
41 classified and treated as a convicted felon even if such person
42 has time remaining to be served in the State prison system on a
43 sentence or sentences imposed upon conviction of a misdemeanor or
44 misdemeanors.

1 (g) (1) Any person convicted and in the custody of the
 2 North Carolina Department of Correction and ordered
 3 or otherwise assigned to work under the
 4 work-release program, G.S. 148-33.1, or any
 5 convicted person in the custody of the North
 6 Carolina Department of Correction and temporarily
 7 allowed to leave a place of confinement by the
 8 Secretary of Correction or his designee or other
 9 authority of law, who shall fail to return to the
 10 custody of the North Carolina Department of
 11 Correction, shall be guilty of the crime of escape
 12 and subject to the applicable provisions of this
 13 section and shall be deemed an escapee. For the
 14 purpose of this subsection, escape is defined to
 15 include, but is not restricted to, willful failure
 16 to return to an appointed place and at an appointed
 17 time as ordered.

18 (2) If a person, who would otherwise be guilty of a
 19 first violation of G.S. 148-45(g)(1), voluntarily
 20 returns to his place of confinement within 24 hours
 21 of the time at which he was ordered to return, such
 22 person shall not be charged with an escape as
 23 provided in this section but shall be subject to
 24 such administrative action as may be deemed
 25 appropriate for an escapee by the Department of
 26 Correction; said escapee shall not be allowed to be
 27 placed on work release for a four-month period or
 28 for the balance of his term if less than four
 29 months; provided, however, that if such person
 30 commits a subsequent violation of this section then
 31 such person shall be charged with that offense and,
 32 if convicted, punished under the provisions of this
 33 section."

34 (bb) G.S. 14-34.5 reads as rewritten:
 35 "§ 14-34.5. Assault with a firearm on a law enforcement officer,
 36 enforcement, probation, or parole officer or on a person employed
 37 at a State or local detention facility.

38 (a) Any person who commits an assault with a firearm upon a law
 39 enforcement officer, probation officer, or parole officer
 40 while the law enforcement officer is in the performance of his or
 41 her duties is guilty of a Class E felony.

42 (b) Anyone who commits an assault with a firearm upon a person
 43 who is employed at a detention facility operated under the
 44 jurisdiction of the State or a local government while the

1 employee is in the performance of the employee's duties is guilty
2 of a Class E felony."

3 (cc) G.S. 14-34.7 reads as rewritten:

4 "\$ 14-34.7. Assault on a law ~~enforcement officer~~, enforcement,
5 probation, or parole officer or on a person employed at a State
6 or local detention facility.

7 (a) Unless covered under some other provision of law providing
8 greater punishment, a person is guilty of a Class F felony if the
9 person assaults a law enforcement ~~officer~~ officer, probation
10 officer, or parole officer while the law ~~enforcement~~ officer is
11 discharging or attempting to discharge his or her official duties
12 and inflicts serious bodily injury on the law ~~enforcement~~
13 officer.

14 (b) Anyone who assaults a person who is employed at a
15 detention facility operated under the jurisdiction of the State
16 or a local government while the employee is in the performance of
17 the employee's duties and inflicts serious bodily injury on the
18 employee is guilty of a Class F felony, unless the person's
19 conduct is covered under some other provision of law providing
20 greater punishment."

21 (dd) G.S. 90-95(h) reads as rewritten:

22 "(h) Notwithstanding any other provision of law, the following
23 provisions apply except as otherwise provided in this Article.

24 (1) Any person who sells, manufactures, delivers,
25 transports, or possesses in excess of ~~50~~ 10 pounds
26 (avoirdupois) of marijuana shall be guilty of a
27 felony which felony shall be known as 'trafficking
28 in marijuana' and if the quantity of such substance
29 involved:

30 a. Is in excess of ~~50~~ 10 pounds, but less than
31 100 pounds, such person shall be punished as a
32 Class H felon and shall be sentenced to a
33 minimum term of 25 months and a maximum term
34 of 30 months in the State's prison and shall
35 be fined not less than five thousand dollars
36 (\$5,000);

37 b. Is 100 pounds or more, but less than 2,000
38 pounds, such person shall be punished as a
39 Class G felon and shall be sentenced to a
40 minimum term of 35 months and a maximum term
41 of 42 months in the State's prison and shall
42 be fined not less than twenty-five thousand
43 dollars (\$25,000);

- 1 c. Is 2,000 pounds or more, but less than 10,000
2 pounds, such person shall be punished as
3 Class F felon and shall be sentenced to a
4 minimum term of 70 months and a maximum term
5 of 84 months in the State's prison and shall
6 be fined not less than fifty thousand dollars
7 (\$50,000);
- 8 d. Is 10,000 pounds or more, such person shall be
9 punished as a Class D felon and shall be
10 sentenced to a minimum term of 175 months and
11 a maximum term of 219 months in the State's
12 prison and shall be fined not less than two
13 hundred thousand dollars (\$200,000).
- 14 (2) Any person who sells, manufactures, delivers,
15 transports, or possesses 1,000 tablets, capsules or
16 other dosage units, or the equivalent quantity, or
17 more of methaqualone, or any mixture containing
18 such substance, shall be guilty of a felony which
19 felony shall be known as 'trafficking in
20 methaqualone' and if the quantity of such substance
21 or mixture involved:
- 22 a. Is 1,000 or more dosage units, or equivalent
23 quantity, but less than 5,000 dosage units, or
24 equivalent quantity, such person shall be
25 punished as a Class G felon and shall be
26 sentenced to a minimum term of 35 months and a
27 maximum term of 42 months in the State's
28 prison and shall be fined not less than
29 twenty-five thousand dollars (\$25,000);
- 30 b. Is 5,000 or more dosage units, or equivalent
31 quantity, but less than 10,000 dosage units,
32 or equivalent quantity, such person shall be
33 punished as a Class F felon and shall be
34 sentenced to a minimum term of 70 months and a
35 maximum term of 84 months in the State's
36 prison and shall be fined not less than fifty
37 thousand dollars (\$50,000);
- 38 c. Is 10,000 or more dosage units, or equivalent
39 quantity, such person shall be punished as a
40 Class D felon and shall be sentenced to a
41 minimum term of 175 months and a maximum term
42 of 219 months in the State's prison and shall
43 be fined not less than two hundred thousand
44 dollars (\$200,000).

- (3) Any person who sells, manufactures, delivers, transports, or possesses 28 grams or more of cocaine and any salt, isomer, salts of isomers, compound, derivative, or preparation thereof, or any coca leaves and any salt, isomer, salts of isomers, compound, derivative, or preparation of coca leaves, and any salt, isomer, salts of isomers, compound, derivative or preparation thereof which is chemically equivalent or identical with any of these substances (except decocainized coca leaves or any extraction of coca leaves which does not contain cocaine) or any mixture containing such substances, shall be guilty of a felony, which felony shall be known as 'trafficking in cocaine' and if the quantity of such substance or mixture involved:
- a. Is 28 grams or more, but less than 200 grams, such person shall be punished as a Class G felon and shall be sentenced to a minimum term of 35 months and a maximum term of 42 months in the State's prison and shall be fined not less than fifty thousand dollars (\$50,000);
 - b. Is 200 grams or more, but less than 400 grams, such person shall be punished as a Class F felon and shall be sentenced to a minimum term of 70 months and a maximum term of 84 months in the State's prison and shall be fined not less than one hundred thousand dollars (\$100,000);
 - c. Is 400 grams or more, such person shall be punished as a Class D felon and shall be sentenced to a minimum term of 175 months and a maximum term of 219 months in the State's prison and shall be fined at least two hundred fifty thousand dollars (\$250,000).
- (3a) Any person who sells, manufactures, delivers, transports, or possesses 1,000 tablets, capsules or other dosage units, or the equivalent quantity, or more of amphetamine, its salts, optical isomers, and salts of its optical isomers or any mixture containing such substance, shall be guilty of a felony which felony shall be known as 'trafficking in amphetamine' and if the quantity of such substance or mixture involved:

- 1 a. Is 1,000 or more dosage units, or equivalent
2 quantity, but less than 5,000 dosage units, or
3 equivalent quantity, such person shall be
4 punished as a Class G felon and shall be
5 sentenced to a minimum term of 35 months and a
6 maximum term of 42 months in the State's
7 prison and shall be fined not less than
8 twenty-five thousand dollars (\$25,000);
- 9 b. Is 5,000 or more dosage units, or equivalent
10 quantity, but less than 10,000 dosage units,
11 or equivalent quantity, such person shall be
12 punished as a Class F felon and shall be
13 sentenced to a minimum term of 70 months and a
14 maximum term of 84 months in the State's
15 prison and shall be fined not less than fifty
16 thousand dollars (\$50,000);
- 17 c. Is 10,000 or more dosage units, or equivalent
18 quantity, such person shall be punished as a
19 Class D felon and shall be sentenced to a
20 minimum term of 175 months and a maximum term
21 of 219 months in the State's prison and shall
22 be fined not less than two hundred thousand
23 dollars (\$200,000).
- 24 (3b) Any person who sells, manufactures, delivers,
25 transports, or possesses 28 grams or more of
26 methamphetamine shall be guilty of a felony which
27 felony shall be known as 'trafficking in
28 methamphetamine' and if the quantity of such
29 substance or mixture involved:
- 30 a. Is 28 grams or more, but less than 200 grams,
31 such person shall be punished as a Class G
32 felon and shall be sentenced to a minimum term
33 of 35 months and a maximum term of 42 months
34 in the State's prison and shall be fined not
35 less than fifty thousand dollars (\$50,000);
- 36 b. Is 200 grams or more, but less than 400 grams,
37 such person shall be punished as a Class F
38 felon and shall be sentenced to a minimum term
39 of 70 months and a maximum term of 84 months
40 in the State's prison and shall be fined not
41 less than one hundred thousand dollars
42 (\$100,000);
- 43 c. Is 400 grams or more, such person shall be
44 punished as a Class D felon and shall be

- 1 sentenced to a minimum term of 175 months and
2 a maximum term of 219 months in the State's
3 prison and shall be fined at least two hundred
4 fifty thousand dollars (\$250,000).
- 5 (4) Any person who sells, manufactures, delivers,
6 transports, or possesses four grams or more of
7 opium or opiate, or any salt, compound, derivative,
8 or preparation of opium or opiate (except
9 apomorphine, nalbuphine, analoxone and naltrexone
10 and their respective salts), including heroin, or
11 any mixture containing such substance, shall be
12 guilty of a felony which felony shall be known as
13 'trafficking in opium or heroin' and if the
14 quantity of such controlled substance or mixture
15 involved:
- 16 a. Is four grams or more, but less than 14 grams,
17 such person shall be punished as a Class F
18 felon and shall be sentenced to a minimum term
19 of 70 months and a maximum term of 84 months
20 in the State's prison and shall be fined not
21 less than fifty thousand dollars (\$50,000);
- 22 b. Is 14 grams or more, but less than 28 grams,
23 such person shall be punished as a Class E
24 felon and shall be sentenced to a minimum term
25 of 90 months and a maximum term of 117 months
26 in the State's prison and shall be fined not
27 less than one hundred thousand dollars
28 (\$100,000);
- 29 c. Is 28 grams or more, such person shall be
30 punished as a Class C felon and shall be
31 sentenced to a minimum term of 225 months and
32 a maximum term of 279 months in the State's
33 prison and shall be fined not less than five
34 hundred thousand dollars (\$500,000).
- 35 (4a) Any person who sells, manufactures, delivers,
36 transports, or possesses 100 tablets, capsules, or
37 other dosage units, or the equivalent quantity, or
38 more, of Lysergic Acid Diethylamide, or any mixture
39 containing such substance, shall be guilty of a
40 felony, which felony shall be known as 'trafficking
41 in Lysergic Acid Diethylamide'. If the quantity of
42 such substance or mixture involved:
- 43 a. Is 100 or more dosage units, or equivalent
44 quantity, but less than 500 dosage units, or

- 1 equivalent quantity, such person shall
2 punished as a Class G felon and shall be
3 sentenced to a minimum term of 35 months and a
4 maximum term of 42 months in the State's
5 prison and shall be fined not less than
6 twenty-five thousand dollars (\$25,000);
- 7 b. Is 500 or more dosage units, or equivalent
8 quantity, but less than 1,000 dosage units, or
9 equivalent quantity, such person shall be
10 punished as a Class F felon and shall be
11 sentenced to a minimum term of 70 months and a
12 maximum term of 84 months in the State's
13 prison and shall be fined not less than fifty
14 thousand dollars (\$50,000);
- 15 c. Is 1,000 or more dosage units, or equivalent
16 quantity, such person shall be punished as a
17 Class D felon and shall be sentenced to a
18 minimum term of 175 months and a maximum term
19 of 219 months in the State's prison and shall
20 be fined not less than two hundred thousand
21 dollars (\$200,000).
- 22 (5) Except as provided in this subdivision, a person
23 being sentenced under this subsection may not
24 receive a suspended sentence or be placed on
25 probation. The sentencing judge may reduce the
26 fine, or impose a prison term less than the
27 applicable minimum prison term provided by this
28 subsection, or suspend the prison term imposed and
29 place a person on probation when such person has,
30 to the best of his knowledge, provided substantial
31 assistance in the identification, arrest, or
32 conviction of any accomplices, accessories, co-
33 conspirators, or principals if the sentencing judge
34 enters in the record a finding that the person to
35 be sentenced has rendered such substantial
36 assistance.
- 37 (6) Sentences imposed pursuant to this subsection shall
38 run consecutively with and shall commence at the
39 expiration of any sentence being served by the
40 person sentenced hereunder."
- 41 (ee) Chapter 20 of the General Statutes is amended by
42 adding a new section to read:
43 "§ 20-141.5. Speeding to elude arrest."

1 (a) It shall be unlawful for any person to operate a motor
2 vehicle or knowingly allow a vehicle owned by him, or under his
3 control, to be operated on a street, highway, or public vehicular
4 area while fleeing or attempting to elude a law enforcement
5 officer who is in the lawful performance of his duties.

6 (b) If two or more of the following aggravating factors are
7 present at the time the violation occurs, the person operating
8 the vehicle shall be guilty of a Class H felony.

9 (1) Speeding in excess of 15 miles per hour over the
10 legal speed limit.

11 (2) Gross impairment of the person's faculties while
12 driving due to:

13 a. Consumption of an impairing substance; or

14 b. A blood alcohol concentration of 0.14 or more
15 within a relevant time after the driving.

16 (3) Especially reckless or dangerous driving.

17 (4) Negligent driving leading to an accident causing:

18 a. Property damage in excess of one thousand
19 dollars (\$1,000); or

20 b. Personal injury.

21 (5) Driving when the person's drivers license is
22 revoked.

23 (6) Driving through a marked school zone or work zone.

24 (7) Passing a stopped school bus.

25 (8) Driving with a child under 12 years of age in the
26 vehicle.

27 Any other violation of this section shall be punished as a
28 Class 1 misdemeanor.

29 (c) Whenever evidence is presented in any court or
30 administrative hearing of the fact that a vehicle was operated in
31 violation of this section, it shall be prima facie evidence that
32 the vehicle was operated by the person in whose name the vehicle
33 was registered at the time of the violation, according to the
34 Division's records. If the vehicle is rented, then proof of that
35 rental shall be prima facie evidence that the vehicle was
36 operated by the renter of the vehicle at the time of the
37 violation.

38 (d) The Division shall revoke, for one year, the drivers
39 license of any person convicted of a misdemeanor under this
40 section. The Division shall revoke, for three years, the drivers
41 license of any person convicted of a felony under this section.
42 In the case of a first felony conviction under this section, the
43 licensee may apply to the sentencing court for a limited driving
44 privilege after a period of 18 months of revocation, provided the

1 operator's license has not also been revoked or suspended under
 2 any other provision of law. A limited driving privilege issued
 3 under this subsection shall be valid for the period of revocation
 4 remaining in the same manner and under the terms and conditions
 5 prescribed in G.S. 20-16.1(b). If the person's license is
 6 revoked under any other statute, the limited driving privilege
 7 issued pursuant to this subsection is invalid.

8 (e) When the probable cause of the law enforcement officer is
 9 based on the prima facie evidence rule set forth in subsection
 10 (c) above, the officer shall make a reasonable effort to contact
 11 the registered owner of the vehicle prior to initiating criminal
 12 process."

13 (ff) G.S. 20-141(j) and G.S. 20-17(10) are repealed.

14 (gg) G.S. 20-179(d) reads as rewritten:

15 "(d) Aggravating Factors to Be Weighed. -- The judge must
 16 determine before sentencing under subsection (f) whether any of
 17 the aggravating factors listed below apply to the defendant. The
 18 judge must weigh the seriousness of each aggravating factor in
 19 the light of the particular circumstances of the case. The
 20 factors are:

- 21 (1) Gross impairment of the defendant's faculties while
 22 driving or an alcohol concentration of 0.16 or more
 23 within a relevant time after the driving.
- 24 (2) Especially reckless or dangerous driving.
- 25 (3) Negligent driving that led to a reportable
 26 accident.
- 27 (4) Driving by the defendant while his driver's license
 28 was revoked.
- 29 (5) Two or more prior convictions of a motor vehicle
 30 offense not involving impaired driving for which at
 31 least three points are assigned under G.S. 20-16 or
 32 for which the convicted person's license is subject
 33 to revocation, if the convictions occurred within
 34 five years of the date of the offense for which the
 35 defendant is being sentenced, or one or more prior
 36 convictions of an offense involving impaired
 37 driving that occurred more than seven years before
 38 the date of the offense for which the defendant is
 39 being sentenced.
- 40 (6) Conviction under ~~G.S. 20-141(j)~~ G.S. 20-141.5 of
 41 speeding by the defendant while fleeing or
 42 attempting to elude apprehension.

- 1 (7) Conviction under G.S. 20-141 of speeding by the
 2 defendant by at least 30 miles per hour over the
 3 legal limit.
 4 (8) Passing a stopped school bus in violation of G.S.
 5 20-217.
 6 (9) Any other factor that aggravates the seriousness of
 7 the offense.

8 Except for the factor in subdivision (5) the conduct constituting
 9 the aggravating factor must occur during the same transaction or
 10 occurrence as the impaired driving offense."

11 (hh) G.S. 58-36-75(c) reads as rewritten:

12 "(c) The subclassification plan promulgated pursuant to G.S.
 13 58-36-65(b) shall provide for facility recoupment surcharges
 14 pursuant to G.S. 58-37-40(f) and G.S. 58-37-75, in addition to
 15 premium surcharges, for convictions for the following moving
 16 traffic violations:

17 General Statute	Description of Offense
18 20-12.1	Being impaired while accompanying a
19	permittee who is learning to drive
20 20-28	Driving while license is suspended
21	or revoked
22 20-138.1	Driving a vehicle while impaired
23 20-138.2	Driving a commercial vehicle while
24	impaired
25 20-138.3	Driving by provisional licensee
26	after consuming alcohol or drugs
27 20-140(a)	Driving carelessly and heedlessly in
28	willful or wanton disregard of the
29	rights of others
30 20-140(b)	Driving without due caution in a
31	manner so as to endanger other
32	people or property
33 20-141(a)	Only driving at least 11 miles per
34	hour over the posted speed limit
35 ~~20-141(j)~~	~~Driving in excess of 55 mph and at~~
36	~~least 15 mph over legal limit, while~~
37	~~fleeing or attempting to elude~~
38	~~arrest by a law enforcement officer~~
39 20-141(j1)	Driving more than 15 mph over legal
40	limit
41 20-141.1	Speeding in a school zone
42 20-141.3(a)	Engaging in prearranged speed
43	competition with another motor
44	vehicle

1 20-141.3(b) Willfully engaging in speed
2 competition with another motor
3 vehicle (not prearranged)
4 20-141.3(c) Allowing or authorizing others to
5 use one's motor vehicle in
6 prearranged speed competition or
7 placing or receiving a bet or wager
8 on a prearranged speed competition
9 20-141.4(a1) Death by vehicle (unintentionally
10 causing death of another while
11 engaged in impaired driving)
12 20-141.4(a2) Death by vehicle (unintentionally
13 causing death of another as a result
14 of a violation of motor vehicle law
15 intended to regulate traffic or used
16 to control operation of a vehicle)
17 20-141.5 Speeding while fleeing or attempting
18 to elude arrest
19 20-166(a) Failure to stop by driver who knew
20 or should have known he was involved
21 in accident and that accident caused
22 death or injury to any person
23 20-166(c) Failure of driver involved in
24 accident causing property damage or
25 personal injury or death (if driver
26 did not know of injury or death) to
27 stop at scene of accident
28 20-175.2 Failure to yield right-of-way to
29 blind person at crossings,
30 intersections, and traffic control
31 signal points
32 20-217 Failure to stop and remain stopped
33 when approaching a stopped school
34 bus engaged in receiving or
35 discharging passengers and while bus
36 has mechanical stop signal displayed
37 14-18 Voluntary manslaughter
38 14-18 Involuntary manslaughter".
39 (ii) G.S. 143-116.8(b) reads as rewritten:
40 "(b) (1) It shall be unlawful for a person to operate a
41 vehicle in the State parks and forests road system
42 at a speed in excess of twenty-five miles per hour
43 (25 mph). When the Secretary of Environment,
44 Health, and Natural Resources determines that this

- 1 speed is greater than reasonable and safe under the
2 conditions found to exist in the State parks and
3 forests road system, the Secretary may establish a
4 lower reasonable and safe speed limit. No speed
5 limit established by the Secretary pursuant to this
6 provision shall be effective until posted in the
7 part of the system sought to be affected.
- 8 (2) Any person convicted of violating this subsection
9 by operating a vehicle on the State parks and
10 forests road system ~~in excess of twenty five miles~~
11 ~~per hour (25 mph) and at least fifteen miles per~~
12 ~~hour (15 mph) over the legal limit~~ while fleeing or
13 attempting to elude arrest or apprehension by a law
14 enforcement officer with authority to enforce the
15 motor vehicle laws, shall be punished as provided
16 in ~~G.S. 20-141(jj)~~ G.S. 20-141.5.
- 17 (3) For the purposes of enforcement and administration
18 of Chapter 20, the speed limits stated and
19 authorized to be adopted by this section are speed
20 limits under Chapter 20.
- 21 (4) The Secretary may designate any part of the State
22 parks and forests road system for one-way traffic
23 and shall erect appropriate signs giving notice
24 thereof. It shall be a violation of G.S. 20-165.1
25 for any person to willfully drive or operate any
26 vehicle on any part of the State parks and forests
27 road system so designated except in the direction
28 indicated.
- 29 (5) The Secretary shall have power, equal to the power
30 of local authorities under G.S. 20-158 and G.S. 20-
31 158.1, to place vehicle control signs and signals
32 and yield-right-of-way signs in the State parks and
33 forests road system; the Secretary also shall have
34 power to post such other signs and markers and mark
35 the roads in accordance with Chapter 20 as the
36 Secretary may determine appropriate for highway
37 safety and traffic control. The failure of any
38 vehicle driver to obey any vehicle control sign or
39 signal, or any yield-right-of-way sign placed under
40 the authority of this section in the State parks
41 and forests road system shall be an infraction and
42 shall be punished as provided in G.S. 20-176."
- 43 (jj) This section becomes effective December 1, 1997,
44 and applies to offenses committed on or after that date.

125.

1 Prosecutions for offenses under Subsections (y), (z), or (aa)
2 this section committed before the effective date of those
3 subsections are not abated or affected by those subsections and
4 the statutes that would be applicable but for those subsections
5 remain applicable to those prosecutions.

CODE NO. 97CORR-H030

Requested by: Representatives Morgan, Justus, Kiser, Thompson

INTIMIDATION TO INFLUENCE LEGISLATOR

1 Section @. G.S. 120-86 is reads as rewritten:

2 "\$ 120-86. Bribery, etc.

3 (a) No person shall offer or give to a legislator or a member
4 of a legislator's immediate household, or to a business with
5 which ~~he~~ the legislator is associated, and no legislator shall
6 solicit or receive, anything of monetary value, including a gift,
7 favor or service or a promise of future employment, based on any
8 understanding that ~~such~~ the legislator's vote, official actions
9 or judgment would be influenced thereby, or where it could
10 reasonably be inferred that the thing of value would influence
11 the legislator in the discharge of ~~his~~ the legislator's duties.

12 (b) It shall be unlawful for the partner, client, customer, or
13 employer of a legislator or the agent of that partner, client,
14 customer, or ~~employer to threaten economically, directly or~~
15 ~~indirectly,~~ employer, directly or indirectly, to threaten
16 economically that legislator with the intent to influence the
17 legislator in the discharge of ~~his legislative~~ the legislator's
18 duties.

19 (b1) It shall be unlawful for any person, directly or
20 indirectly, to threaten economically another person in order to
21 compel the threatened person to attempt to influence a legislator
22 in the discharge of the legislator's duties.

23 (c) It shall be unethical for a legislator to contact the
24 partner, client, customer, or employer of another legislator if
25 the purpose of the contact is to cause the partner, client,
26 customer, or ~~employer to threaten economically, directly or~~
27 ~~indirectly,~~ employer, directly or indirectly, to threaten
28 economically that legislator with the intent to influence that
29 legislator in the discharge of ~~his legislative~~ the legislator's
30 duties.

31 (d) For the purposes of this section, the term "legislator"
32 also includes any person who has been elected or appointed to the
33 General Assembly but who has not yet taken the oath of office.

34 (e) Violation of subsection ~~(a) or (b)~~ (a), (b), or (b1) is a
35 Class F felony. Violation of subsection (c) is not a crime but
36 is punishable under G.S. 120-103."

CODE NO. 97CORR-H029

Requested by: Representatives Justus, Kiser, Thompson

**DIRECT CRIMINAL JUSTICE EDUCATION AND TRAINING STANDARDS
COMMISSION TO REVISE HIRING AND RECORDS-KEEPING PROCEDURES FOR
EMPLOYEES OF DEPARTMENT OF CORRECTION**

1 Section @. (a) No later than June 30, 1998, the Criminal
2 Justice Education and Training Standards Commission shall
3 reestablish the hiring and records-keeping procedures for the
4 employment of certified positions in the Department of
5 Correction.

CRIME CONTROL
SPECIAL PROVISIONS

CODE NO. 97CCPS-H008-S

Requested by: Representatives Justus, Kiser, and Thompson

LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER GRANTS

Section . (a) Section 1303(4) of the Omnibus Crime Control and Safe Streets Act of 1968 provides that the State application for Drug Law Enforcement Grants is subject to review by the State legislature or its designated body. Therefore, the Governor's Crime Commission of the Department of Crime Control and Public Safety shall report on the State application for grants under the State and Local Law Enforcement Assistance Act of 1986, Part M of the Omnibus Crime Control and Safe Streets Act of 1968 as enacted by Subtitle K of P.L. 99-570, the Anti-Drug Abuse Act of 1986, to the Senate and House Appropriations Subcommittees on Justice and Public Safety when the General Assembly is in session. When the General Assembly is not in session, the Governor's Crime Commission shall report on the State application to the Joint Legislative Commission on Governmental Operations.

(b) Unless a State statute provides a different forum for review, when a federal law or regulation provides that an individual State application for a grant shall be reviewed by the State legislature or its designated body and at the time of the review the General Assembly is not in session, that application shall be reviewed by the Joint Legislative Commission on Governmental Operations.

CODE NO. 97CCPS-H009-S

Requested by: Representatives Justus, Kiser, and Thompson

VICTIMS ASSISTANCE NETWORK FUNDS

Section . Of the funds appropriated in this act to the Department of Crime Control and Public Safety, the sum of one hundred fifty thousand dollars (\$150,000) for the 1997-98 fiscal year and the sum of one hundred fifty thousand dollars (\$150,000) for the 1998-99 fiscal year shall be used to support the Victims Assistance Network. These funds shall be used by the Victims Assistance Network to perform the following functions under the direction of and as required by the Department of Crime Control and Public Safety:

- (1) Conduct surveys and gather data on crime victims and their needs;
- (2) Act as a clearinghouse for crime victims services;
- (3) Provide an automated crime victims bulletin board for subscribers;
- (4) Coordinate and support the activities of other crime victims advocacy groups;
- (5) Identify training needs of crime victims services providers and criminal justice personnel and coordinate training efforts for those persons; and
- (6) Provide other services as identified by the Governor's Crime Commission or the Department of Crime Control and Public Safety.

CODE NO. 97CCPS-H010-S

Requested by: Representatives Justus, Kiser, and Thompson

REPORT ON COMMUNITY SERVICE WORKERS

Section . The Department of Crime Control and Public Safety shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by March 1 and September 1 of each fiscal year of the 1997-99 biennium on the number of community service workers who were available during each month of the time period preceding that report to perform repairs and maintenance of the parks and when and where they were available.

CODE NO. 97CCPS-H007

Requested by: Representatives Justus, Kiser, Thompson

REPORT ON CRIME VICTIMS COMPENSATION FUND

- 1 Section . The Department of Crime Control and Public
2 Safety shall report to the Chairs of the Senate and House
3 Appropriations Committees, the Chairs of the Senate and House
4 Appropriations Subcommittees on Justice and Public Safety, and
5 the Fiscal Research Division of the General Assembly by March 15
6 in odd-numbered years and May 15 in even-numbered years on the
7 North Carolina Crime Victims Compensation Fund. The report shall
8 include a statement regarding:
- 9 (1) The administrative expenses of the Fund for the
10 prior fiscal year and the current fiscal year on
11 the date of the report;
- 12 (2) The current unencumbered balance of the Fund;
- 13 (3) The amount of funds carried over from the prior
14 fiscal year;
- 15 (4) The amount of funds received in the prior fiscal
16 year from the Department of Correction and from the
17 compensation fund established pursuant to the
18 Victims Crime Act of 1984, 42 U.S.C. § 10601, et
19 seq.;
- 20 (5) The amount of funds expected to be received in the
21 current fiscal year, as well as the amount actually
22 received in the current fiscal year on the date of
23 the report, from the Department of Correction and
24 from the compensation fund established pursuant to
25 the Victims Crime Act of 1984, 42 U.S.C. § 10601,
26 et seq.; and
- 27 (6) The total amount of funds paid to victims in the
28 prior fiscal year and in the current fiscal year on
29 the date of the report.

CODE NO. 97CCPS-H001A

Requested by: Representatives Justus, Kiser, Thompson

ESTABLISH THE MOTOR VEHICLE ENFORCEMENT DIVISION OF THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, TRANSFER THE DUTIES OF THE ENFORCEMENT SECTION OF THE DIVISION OF MOTOR VEHICLES TO THE MOTOR VEHICLE ENFORCEMENT DIVISION, AND EXPAND THE AUTHORITY OF MOTOR VEHICLE ENFORCEMENT OFFICERS

1 Section e. (a) The statutory authority, powers, duties
2 and functions, records, personnel, property, unexpended balances
3 of appropriations, allocations or other funds, including the
4 functions of budgeting and purchasing, of the Enforcement Section
5 of the Division of Motor Vehicles, Department of Transportation,
6 are transferred to the Department of Crime Control and Public
7 Safety, and shall be established as the Motor Vehicle Enforcement
8 Division of the Department of Crime Control and Public Safety.

9 (b) G.S. 20-4, 20-49, and 20-381(lb) are repealed.

10 (c) Chapter 20 of the General Statutes is amended by
11 adding a new Article to read:

12 "ARTICLE 4A.

13 "Motor Vehicle Enforcement Division.

14 "§ 20-196.11. Motor Vehicle Enforcement Division established.

15 (a) The Motor Vehicle Enforcement Division of the Department
16 of Crime Control and Public Safety is established. The Secretary
17 of Crime Control and Public Safety, through Motor Vehicle
18 Enforcement, shall ensure the enforcement of all provisions of
19 Chapter 20 that assign enforcement duties to the Commissioner of
20 Motor Vehicles, the Division of Motor Vehicles, or the Secretary
21 of Crime Control and Public Safety, as specified in subsections
22 (b) and (c) of this section.

23 (b) The primary enforcement duty of Motor Vehicle Enforcement
24 is the enforcement of the vehicle weight restrictions set forth
25 in G.S. 20-118. In performing this duty, Motor Vehicle
26 Enforcement shall make maximum effective use of permanent weigh
27 stations and portable scales.

28 (c) The secondary enforcement duties of Motor Vehicle
29 Enforcement are as follows and are listed in the order of
30 importance:

31 (1) Enforcement of the motor carrier safety
32 regulations.

33 (2) Enforcement of the emissions inspection program.

34 (3) Inspection of salvage vehicles.

35 (4) Providing security at rest areas.

1 (5) Other enforcement duties assigned to the
2 Commissioner of Motor Vehicles or Motor Vehicle
3 Enforcement.

4 (d) Motor Vehicle Enforcement shall not undertake an
5 enforcement duty that is not listed in this section unless a law
6 specifically authorizes the Division of Motor Vehicles, the
7 Commissioner of Motor Vehicles, or the Secretary of Crime Control
8 and Public Safety to do so, or the duty is undertaken as a
9 condition of receiving federal funds.

10 "§ 20-196.12. Police authority of Motor Vehicle Enforcement.

11 (a) The Secretary of Crime Control and Public Safety and the
12 officers and inspectors of Motor Vehicle Enforcement, as
13 designated by the Secretary, and all members of the Highway
14 Patrol have the following powers and duties:

15 (1) Of peace officers for the purpose of enforcing the
16 provisions of this Article and of any other law
17 regulating the operation of vehicles or the use of
18 the highways.

19 (2) To make arrests upon view and without warrant for
20 any violation committed in their presence of any of
21 the provisions of this Article or other laws
22 regulating the operation of vehicles or the use of
23 the highways.

24 (3) At all times to direct all traffic in conformance
25 with law, and in the event of a fire or other
26 emergency or to expedite traffic or to insure
27 safety, to direct traffic as conditions may
28 require, notwithstanding the provisions of law.

29 (4) When on duty, upon reasonable belief that any
30 vehicle is being operated in violation of any
31 provision of this Article or of any other law
32 regulating the operation of vehicles, to require
33 the driver thereof to stop and exhibit his drivers
34 license and the registration card issued for the
35 vehicle, and submit to an inspection of the
36 vehicle, the registration plates and registration
37 card thereon or to an inspection and test of the
38 equipment of the vehicle.

39 (5) To inspect any vehicle of a type required to be
40 registered hereunder in any public garage or repair
41 shop or in any place where the vehicles are held
42 for sale or wrecking, for the purpose of locating
43 stolen vehicles and investigating the title and
44 registration thereof.

1 (6) To serve all warrants relating to the enforcement
2 of the laws regulating the operation of vehicles on
3 the use of the highways.

4 (7) To investigate traffic accidents and secure
5 testimony of witnesses or of persons involved.

6 (8) To investigate reported thefts of motor vehicles,
7 trailers, and semitrailers and make arrest for
8 thefts thereof.

9 (9) For the purpose of determining compliance with the
10 provisions of this Chapter, to inspect all files
11 and records of the persons hereinafter designated
12 and required to be kept under the provisions of
13 this Chapter or of the registrations of the
14 Division:

15 a. Persons dealing in or selling and buying new,
16 used, or junked motor vehicles and motor
17 vehicle parts; and

18 b. Persons operating garages or other places
19 where motor vehicles are repaired, dismantled,
20 or stored.

21 (b) In addition to the enforcement authority granted in
22 subsection (a) of this section, the officers and inspectors of
23 Motor Vehicle Enforcement have the authority to enforce criminal
24 laws under the following circumstances:

25 (1) When the officer or inspector has probable cause to
26 believe that a person has committed a criminal
27 offense in the officer's or inspector's presence
28 and at the time of the violation the officer or
29 inspector is engaged in the enforcement of laws
30 otherwise within the officer's or inspector's
31 jurisdiction; or

32 (2) When the officer or inspector is asked to provide
33 temporary assistance by the head of a State or
34 local law enforcement agency or that person's
35 designee and the request is within the scope of
36 that agency's subject matter jurisdiction.

37 While acting pursuant to this subsection, an officer or
38 inspector shall have the same powers invested in law enforcement
39 officers by statute or common law. When acting pursuant to
40 subdivision (2) of this subsection, an officer or inspector shall
41 not be considered an officer, employee, or agent for the State or
42 local law enforcement agency or designee asking for temporary
43 assistance. Nothing in this subsection shall be construed to
44 expand the authority of officers and inspectors to initiate or

1 conduct independent investigations into violations of criminal
 2 laws outside the scope of the subject matter jurisdiction of the
 3 operation of vehicles and the use of the highways. The primary
 4 mission of the officers and inspectors shall be enforcement of
 5 the laws regulating the operation of vehicles and the use of the
 6 highways."

7 (d) G.S. 20-4.01 is amended by adding a new subdivision
 8 to read:

9 "(23a) Motor Vehicle Enforcement. -- The Motor
 10 Vehicle Enforcement Division of the Department
 11 of Crime Control and Public Safety."

12 (e) G.S. 143-166.13(a) reads as rewritten:

13 "(a) The following persons who are subject to the Criminal
 14 Justice Training and Standards Act are entitled to benefits under
 15 this Article:

- 16 (1) State Government Security Officers, Department of
 17 Administration;
- 18 (2) State Correctional Officers, Department of
 19 Corrections;
- 20 (3) State Probation and Parole Officers, Department of
 21 Corrections;
- 22 (4) Sworn State Law-Enforcement Officers with the power
 23 of arrest, Department of Corrections;
- 24 (5) Alcohol Law-Enforcement Agents, Department of Crime
 25 Control and Public Safety;
- 26 (6) State Highway Patrol Officers, Department of Crime
 27 Control and Public Safety;
- 28 (7) State Legislative Building Special Police, General
 29 Assembly;
- 30 (8) Sworn State Law-Enforcement Officers with the power
 31 of arrest, Department of Human Resources;
- 32 (9) Youth Correctional Officers, Department of Human
 33 Resources;
- 34 (10) Insurance Investigators, Department of Insurance;
- 35 (11) State Bureau of Investigation Officers and Agents,
 36 Department of Justice;
- 37 (12) Director and Assistant Director, License and Theft
 38 Enforcement Section, Division of Motor Vehicles,
 39 Department of Transportation;
- 40 (13) ~~Members of License and Theft Enforcement Section,~~
 41 ~~Division of Motor Vehicles, Department of~~
 42 ~~Transportation, designated by the Commissioner of~~
 43 ~~Motor Vehicles as either "inspectors" or uniformed~~
 44 ~~weigh station personnel; the Motor Vehicle~~

Enforcement Division of the Department of Crime Control and Public Safety;

- (14) Utilities Commission Transportation Inspectors and Special Investigators;
- (15) North Carolina Ports Authority Police, Department of Commerce;
- (16) Sworn State Law-Enforcement Officers with the power of arrest, Department of Environment, Health, and Natural Resources;
- (17) Sworn State Law-Enforcement Officers with the power of arrest, Department of Crime Control and Public Safety."

(f) G.S. 143B-476(a) reads as rewritten:

"(a) The head of the Department of Crime Control and Public Safety is the Secretary of Crime Control and Public Safety, who shall be known as the Secretary. The Secretary shall have such powers and duties as are conferred on him by this Chapter, delegated to him by the Governor, and conferred on him by the Constitution and laws of this State. These powers and duties include:

- (1) Accepting gifts, bequests, devises, grants, matching funds and other considerations from private or governmental sources for use in promoting the work of the Governor's Crime Commission;
- (2) Making grants for use in pursuing the objectives of the Governor's Crime Commission;
- (3) Adopting rules as may be required by the federal government for federal grants-in-aid for criminal justice purposes;
- (4) Ascertaining the State's duties concerning grants to the State by the Law Enforcement Assistance Administration of the United States Department of Justice, and developing and administering a plan to ensure that the State fulfills its duties; and
- (5) Administering the Assistance Program for Victims of Rape and Sex ~~Offenses~~ Offenses; and
- (6) Ensuring enforcement of all provisions of Chapter 20 that assign enforcement duties to the Commissioner of Motor Vehicles, the Division of Motor Vehicles, or the Secretary of Crime Control and Public Safety."

(g) G.S. 20-71.3 reads as rewritten:

"§ 20-71.3. Titles and registration cards to be branded.

1 Motor Vehicle certificates of title and registration cards
2 issued pursuant to G.S. 20-57 shall be branded. As used herein
3 'branded' means that the title and registration card shall
4 contain a designation that discloses if the vehicle is classified
5 as (a) Flood Vehicle, (b) Non-U.S.A. Vehicle, (c) Reconstructed
6 Vehicle, (d) Salvage Motor Vehicle, or (e) Salvage Rebuilt
7 Vehicle or other classification authorized by law. Any motor
8 vehicle damaged by collision or other occurrence which is to be
9 retitled in this State shall be subject to preliminary and final
10 inspections by the ~~Enforcement Section of the Division~~, Motor
11 Vehicle Enforcement Division of the Department of Crime Control
12 and Public Safety and the Division shall refuse to issue a title
13 to a vehicle which has not undergone a preliminary inspection.
14 Any motor vehicle which has been branded in another state shall
15 be branded with the nearest applicable brand specified in this
16 section, except that no junk vehicle or vehicle that has been
17 branded junk in another state shall be titled or registered. A
18 motor vehicle titled in another state and damaged by collision or
19 other occurrence may be repaired and an unbranded title issued in
20 North Carolina only if the cost of repairs, including parts and
21 labor, does not exceed seventy-five percent (75%) of its fair
22 market retail value. The Commissioner shall prepare necessary
23 forms and may adopt regulations required to carry out the
24 provisions of this Part 3A. The title shall reflect the branding
25 until surrendered to or cancelled by the Commissioner."

26 (h) G.S. 20-128.1(c) reads as rewritten:

27 "(c) The provisions of this section shall be enforceable by all
28 persons designated in ~~G.S. 20-49~~; G.S. 20-196.12; by all
29 law-enforcement officers of this State within their respective
30 jurisdictions; by the personnel of local air pollution control
31 agencies within their respective jurisdictions; and by personnel
32 of State air pollution control agencies throughout the State."

33 (i) G.S. 20-383 reads as rewritten:

34 "§ 20-383. Inspectors and officers given enforcement authority.
35 Only designated inspectors and officers of ~~the Division~~ Motor
36 Vehicle Enforcement shall have the authority to enforce the
37 provisions of this Article and provisions of Chapter 62
38 applicable to motor transportation, and they are empowered to
39 make complaint for the issue of appropriate warrants,
40 informations, presentments or other lawful process for the
41 enforcement and prosecution of violations of the transportation
42 laws against all offenders, whether they be regulated motor
43 carriers or not, and to appear in court or before the North

1 Carolina Utilities Commission and offer evidence at the trial
2 pursuant to such processes."

3 (j) G.S. 20-39(g) reads as rewritten:

4 "(g) The Commissioner, notwithstanding any other provision of
5 this Chapter, may lawfully to the extent necessary provide law-
6 enforcement officers of ~~the Division~~ Motor Vehicle Enforcement on
7 special undercover assignments with motor vehicle operator's
8 licenses and motor vehicle registration plates under assumed
9 names using false or fictitious addresses. The Commissioner shall
10 be responsible for the request for issuance and use thereof. The
11 Commissioner may direct the immediate return of any operator's
12 license or registration plate issued pursuant to this section."

13 (k) The Secretary of Crime Control and Public Safety and
14 the Commissioner of Motor Vehicles shall review the enforcement
15 authority of the Commissioner and the Division and shall report
16 to the 1998 Regular Session of the 1997 General Assembly by March
17 1, 1998, on any legislative revisions necessary to implement
18 fully the transfer mandated by this section.

19 The Governor, as chief executive officer of the State, in
20 accordance with Article III of the Constitution of North Carolina
21 and subject to the Constitution and laws of this State, is
22 responsible for formulating and administering the policies of the
23 executive branch. In the event that a conflict arises in
24 connection with the enforcement of the provisions of Chapter 20
25 as a result of the provisions of this act, the conflict shall be
26 resolved by the Governor and the decision of the Governor shall
27 be final.

28 (l) This section becomes effective October 1, 1997.

29

CODE NO. 97CCPS-H005A

Requested by: Representatives Kiser, Justus, Thompson

EXTEND DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY STUDY COMMISSION

1 Section @. (a) Section 20.4(b) of Chapter 324 of the
2 1995 Session Laws reads as rewritten:

3 "(b) The Commission shall review the efficiency and
4 effectiveness of the Department of Crime Control and Public
5 Safety and determine whether the Department should be reorganized
6 or any of its divisions eliminated or transferred. The
7 Commission shall also consider whether other State law
8 enforcement agencies ~~in the State~~ should be transferred to the
9 Department. To fulfill its duties and responsibilities in a well-
10 informed manner, the Commission may conduct on-site visits of the
11 Department, the divisions of the Department, and any other State
12 law enforcement agencies. The Commission shall determine the
13 potential cost savings of any recommended reorganizations or
14 transfers."

15 (b) Section 20.4(d) of Chapter 324 of the 1995 Session
16 Laws, as amended by Section 21.1 of Chapter 18 of the Session
17 Laws of the 1996 Second Extra Session, reads as rewritten:

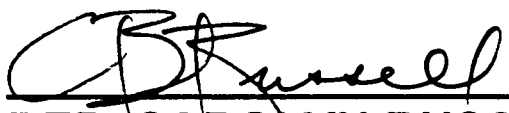
18 "(d) The Study Commission shall ~~make an interim~~ report to the
19 ~~1996 1998 Regular Session of the 1995 1997 General Assembly by~~
20 ~~May 1, 1996, May 1, 1998. and shall submit a final written report~~
21 ~~of its findings and recommendations to the 1997 General Assembly.~~
22 All reports The report shall be filed with the Speaker of the
23 House of Representatives and the President Pro Tempore of the
24 Senate. Upon filing ~~its final~~ the report, the Commission shall
25 terminate."

26 (c) There is allocated from the funds appropriated to
27 the Legislative Services Commission's studies reserve to the
28 Study Commission on the Department of Crime Control and Public
29 Safety the sum of fifty thousand dollars (\$50,000) for the 1997-
30 98 fiscal year to conduct the study directed by this section.

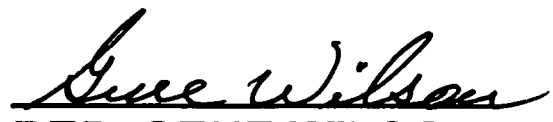
31 (d) Subsection (b) of this section becomes effective
32 January 15, 1997.

SUBCOMMITTEE ON CAPITAL AND BUDGET

MAY 30, 1997



REP. CAROLYN RUSSELL



REP. GENE WILSON

Capital**GENERAL FUND****FY 97-98****FY 98-99****Recommended Budget****Legislative Changes****Administration****1 State Government Visitor Center**

Funds to support continued planning through working drawings for a center to be located in Raleigh.

\$1,000,000 NR**Agriculture****2 Piedmont Triad Farmers Market**

Funds planning, site development, and construction of wholesale/retail building.

\$3,444,400 NR**3 Cattle and Livestock Exposition Center**

Funds to support planning of a livestock facility to be located in Iredell County.

\$600,000 NR**Cultural Resources****4 Museum of History Restaurant**

Funds to provide plumbing, electrical, mechanical, duct work, HVAC, wall/floor finishes, furnishings and rest room fittings to complete space.

\$1,800,000 NR**5 Reserve for Exhibits**

Reserve to be allocated for projects as identified by the Department as their most urgent needs: State Capitol and Visitor Center, Museum of History, Fort Fisher, Stagville Center, Tryon Palace, and CSS Neuse.

\$1,900,000 NR**Environment, Health, and Natural Resources****6 Water Resources Development Watershed Projects**

Environment, Health, and Natural Resources (projects identified in special provision)

\$6,063,100 NR**7 Amphibious Water Scooping Tanker Aircraft**

Purchase of CL-215 Aircraft to meet increased wildfire risk related to hurricane damage and other factors.

\$4,035,100 NR**State Ports Authority**

House Subcommittee on Capital and Budget

8 Wilmington Facility

Funds to replace existing warehouse necessary for storage and bulk handling operations. \$6,141,800 NR

9 Wilmington/Pier Replacement

Funds to replace deteriorating timber pier needed for import of bulk chemical products with modern steel and concrete facility. \$1,383,400 NR

10 Morehead City Facility

Adds more than 61,000 square feet to storage capacity required for bulk cargo operations. \$6,182,000 NR

UNIVERSITY SYSTEM Priority 2: Fire Safety

11 Fire Safety Improvements Student Residence Halls

Reserve to be used to address fire safety improvement projects identified through the legislative directive in House Bill 53. Sec. 16.4(c) \$5,000,000 NR

UNIVERSITY SYSTEM Priority 3A: Current Capacity

12 ECU Science Labs/Technology Building-Cont. Design

Continued funding for design of 259,000 square foot building for Chemistry and Industrial Technology Departments. \$2,000,000 NR

13 Elizabeth City Addition to Academic Computing Center.

Fund to construct 25,000 square feet addition. Advance planning was provided by 1995 Session. \$3,557,600 NR

14 NCCU Lee Biology Renovation

Funds to renovate 31,000 square foot building that houses the Department of Biology. \$1,359,200 NR

15 NCCU Repairs to 5 Academic Buildings

Reserve for renovations including the Taylor Education Building, Edmonds Classroom Building, Farris-Newton Communications Building, Fine Arts Building and five cottages. \$10,515,000 NR

16 NCSA School of Film making

Construction of 14,769 square foot facility to support the School of Film making with classrooms and offices. \$1,700,000 NR

17 NCSU Nelson Hall Renovations

Funds to support the conversion of existing 150,000 square feet into functional efficient space for new College of Management. \$6,914,900 NR

18 NCSU Toxicology Building

Planning Funds for 55,000 square foot facility for classrooms, research laboratories, and offices. \$760,600 NR

House Subcommittee on Capital and Budget

19 UNC Asheville Graduate Center. Phase II

Funds to support the completion of space on the third floor of Karpen Hall to house the Department of Mass Communications. \$792,700 NR

20 UNC Charlotte Academic Facilities

Additional funds for design and site preparation for 120,000 square foot classroom building. \$780,000 NR

21 UNC Wilmington General Classroom Building

Construction of a 51,600 square foot general classroom building. \$8,465,500 NR

22 WCU Renovate Camp Lab School, Phase II

Renovations of building interiors for university operations (75,265 square foot). \$2,226,600 NR

23 WSSU Expansion/Renovation of FL Atkins Nurse Bldg.

Renovation and construction of a 19,000 square foot addition for Nursing and Allied Health programs. \$5,198,500 NR

UNIVERSITY SYSTEM Priority 3B: Future Capacity

24 ECU Nursing/Home Economics Building

Funds to support planning for an addition to existing facility. \$500,000 NR

UNIVERSITY SYSTEM Priority 3C: Technology

25 Technology

Reserve for basic computing network installation on university campuses. \$3,000,000 NR

UNIVERSITY SYSTEM Priority 3D: Program Quality

26 NCCU B. N. Duke Auditorium Addition/Renovation

Renovation and addition to 14,316 foot facility. \$2,962,500 NR

UNIVERSITY SYSTEM Priority 3E: Special Purpose

27 NCSU Research & Teaching Feed Mill

Funds for the construction of a 10,000 square foot building to serve as a research and demonstration facility for feed manufacturing processes. \$2,604,400 NR

UNIVERSITY SYSTEM Supplemental Funds

28 ASU Convocation Center

Additional costs based on final design estimates, primarily due to infrastructure and site preparation. \$3,900,000 NR

House Subcommittee on Capital and Budget

29 UNC Greensboro Music Building Supplement

Supplement to support additional project costs related to inflation and resiting of building.

\$2,300,000 NR

30 UNC Chapel Hill Paul J. Rizzo Conference Center

Supplement to help fund self-liquidating executive residential conference center with total cost of \$15.5 million.

\$2,800,000 NR

Total Legislative Changes

\$99,887,300 NR

Position Changes

Revised Budget

\$99,887,300

\$0

Requested by: Representatives Russell and Wilson

CAPITAL IMPROVEMENT PLANNING AND BUDGETING

1 Section @. Chapter 143 of the General Statutes is
2 amended by adding a new Article to read:

3 "ARTICLE 1A.

4 "Capital Improvement Planning and Budgeting Act.

5 "§ 143-34.8. Definitions.

6 The following definitions apply in this Article:

7 (1) Capital improvement. -- The term includes land
8 acquisition, new construction, or rehabilitation of
9 existing facilities, and repairs and renovations.

10 (2) State agency. -- The term includes the Board of
11 Governors of The University of North Carolina.

12 "§ 143-34.8A. Legislative intent; purpose.

13 (a) The General Assembly recognizes the need to establish a
14 comprehensive process for capital improvement planning that is
15 fully integrated with State financial planning and debt
16 management.

17 (b) The capital improvement planning and budgeting process
18 shall include the following elements:

19 (1) An inventory of facilities owned by State agencies.

20 (2) Explicit criteria used to evaluate capital
21 improvement needs.

22 (3) A six-year capital improvement needs inventory.

23 (4) A six-year capital improvement plan.

24 (5) A two-year capital improvement budget.

25 (c) The Office of State Budget and Management has
26 responsibility for management of the capital improvement planning
27 and budgeting process. The Director of the Budget may assign to
28 any State agency or institution, such duties and responsibilities
29 as may in the Director's judgment be necessary to the successful
30 administration of the capital improvement planning and budgeting
31 process.

32 "§ 143-34.8B. Capital improvement facilities inventory.

33 The Department of Administration shall develop and maintain an
34 automated inventory of all facilities owned by State agencies
35 pursuant to G.S. 143-341(4). The inventory shall include the
36 location, occupying agency, ownership, size, description,
37 condition assessment, maintenance record, parking and employee
38 facilities and other information to determine maintenance needs
39 and prepare life-cycle cost evaluations of each facility listed

1 in the inventory. The Department of Administration shall update
2 and publish the inventory at least once every three years. The
3 Department shall also record in the inventory acquisitions of new
4 facilities and significant changes in existing facilities as they
5 occur.

6 "§ 143-34.8C. Capital improvement needs criteria.

7 The Office of State Budget and Management shall develop a
8 weighted list of factors that may be used to evaluate the need
9 for capital improvement projects. The list shall include all of
10 the following:

11 (1) Preservation of existing facilities.

12 (2) Health and safety considerations.

13 (3) Operational efficiencies.

14 (4) Increased demand for governmental services.

15 "§ 143-34.8D. Agency capital improvement needs estimates.

16 (a) On or before September 1 of each even-numbered year, each
17 State agency shall submit to the Office of State Budget and
18 Management and to the Division of Fiscal Research a six-year
19 capital improvement needs estimate. This estimate shall describe
20 the agency's anticipated capital needs for each year of the six-
21 year planning period. Capital improvement needs estimates shall
22 be shown in two parts.

23 (b) The first part of the capital improvement needs estimates
24 shall include only requirements for repairs and renovations
25 necessary to maintain the existing use of existing facilities.
26 Each proposed repair and renovation expenditure shall be
27 justified by reference to the Facilities Condition Assessment
28 Program operated by the Office of State Construction.

29 (c) The second part of the capital improvement needs estimates
30 shall include only proposals for land acquisition and projects
31 involving either construction of new facilities or rehabilitation
32 of existing facilities to accommodate uses for which the existing
33 facilities were not originally designed. Each project included
34 in this part shall be justified by reference to the needs
35 evaluation criteria established by the Office of State Budget and
36 Management pursuant to G.S. 143-34.8C.

37 "§ 143-34.8E. Six-year capital improvement plan.

38 (a) The State capital improvement plan shall address the long-
39 term capital improvement needs of all State government agencies
40 and shall incorporate all capital projects, however financed,
41 proposed to meet those needs, except that transportation
42 infrastructure projects shall be excluded. On or before December
43 31 of each even-numbered year, the Director of the Budget shall
44 prepare and transmit to the General Assembly a six-year capital

1 improvement plan. When preparing the plan, the Director of the
2 Budget shall consider the capital improvement needs estimates
3 submitted by State agencies as required in G.S. 143-34.8D. The
4 plan shall be prepared in two parts.

5 (b) The first part of the capital improvement plan shall set
6 forth repair and renovations requirements that, in the judgment
7 of the Director of the Budget, must be met to protect and
8 preserve existing capital improvement facilities. General Fund
9 expenditure levels anticipated in this part of the plan shall be
10 consistent with the formula establishing the repair and
11 renovation reserve in G.S. 143-15.3A.

12 (c) The second part of the capital improvement plan shall set
13 forth an integrated schedule for land acquisition, new
14 construction, or rehabilitation of existing facilities that, in
15 the judgment of the Director of the Budget, should be initiated
16 within each year of the six-year planning period. The plan shall
17 contain an estimated schedule for each project, along with
18 estimates of planning, design, and construction cost. General
19 Fund expenditure levels anticipated in this part of the plan
20 shall approximate two percent (2%) of General Fund tax revenues
21 for each year of the planning period.

22 "§ 143-34.8F. Biennial capital improvement budget.

23 (a) The Director of the Budget shall submit to the General
24 Assembly a biennial capital improvement budget as a separate
25 component of the budget report required by G.S. 143-11. Except
26 as provided by G.S. 116-11, the capital improvement budget shall
27 set forth a complete description of those land acquisitions, new
28 construction projects, and reconstruction projects recommended
29 for funding during each year of the succeeding biennium. The
30 capital improvement budget shall also contain the following
31 information:

32 (1) For each project recommended, a justification for
33 funding based upon the capital needs criteria set
34 forth in G.S. 143-34.8C.

35 (2) For each project recommended, a detailed account of
36 planning, design, and construction costs.

37 (3) For each new construction project, complete life-
38 cycle cost information.

39 (4) For each new construction project, the estimated
40 impact on agency operating budgets.

41 (b) To the extent that projects recommended for funding in the
42 biennial capital improvements budget differ from those identified
43 and scheduled in the first two years of the six-year capital

1 improvement plan established in G.S. 143-34.8E, the reasons for
2 that variance shall be explained."

4

CODE NO. 97GEN-H008A

Requested by: Representatives Russell, Wilson

HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS

1 Section @. (a) Funds allocated in Section _____ of this
2 act to the Office of State Budget and Management for the Repairs
3 and Renovations Fund may be used to make needed repairs and
4 renovations at the State Historic Sites.
5 (b) There is established the Historic Sites Repairs and
6 Renovations Review Committee. The Committee shall consist of the
7 following members: The three cochairs of the Senate
8 Appropriations and Base Budget Committee and the four cochairs of
9 the House of Representatives Appropriations Committee. The
10 Office of State Budget and Management shall submit its proposal
11 for the use of funds from the Repairs and Renovations Fund for
12 Historic Sites to the Committee before submitting the proposal to
13 the Joint Legislative Commission on Governmental Operations in
14 accordance with Section _____ of this act.

CODE NO. 97GEN-H009A

Requested by: Representatives Russell and Wilson

STATE CAPITAL AND VISITOR'S CENTER SITE

1 Section @. The new State Capital and Visitor's Center
2 being planned for construction shall be located at the site
3 bounded by Blount Street, Edenton Street, Person Street, and
4 Jones Street in Raleigh, unless that construction site is
5 unacceptable for structural reasons.

CODE NO. 97GEN-H011

Requested by: Representatives Russell, Wilson

RESERVE FOR ADVANCE PLANNING

1 Section @. The Office of State Budget and Management
2 shall report to the Joint Legislative Commission on Governmental
3 Operations and to the Fiscal Research Division on how it intends
4 to spend funds from the Reserve for Advance Planning at least 45
5 days before it spends the funds.

6 The Office of State Budget and Management shall also
7 report the results of any project on which it uses funds from the
8 Reserve for Advance Planning to the Joint Legislative Commission
9 on Governmental Operations and to the Fiscal Research Division.
10

CODE NO. 97GEN-H012

Requested by: Representatives Russell, Wilson

ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND

1 Section @. When each capital improvement project
2 appropriated by the 1997 General Assembly, other than those
3 projects under the Board of Governors of The University of North
4 Carolina, is placed under a construction contract, direct
5 appropriations shall be encumbered to include all costs for
6 construction, design, investigation, administration, movable
7 equipment, and a reasonable contingency. Unencumbered direct
8 appropriations remaining in the project budget shall be placed in
9 a project reserve fund credited to the Office of State Budget and
10 Management. Funds in the project reserve may be used for
11 emergency repair and renovation projects at State facilities with
12 the approval of the Director of the Budget. The project reserve
13 fund may be used, at the discretion of the Director of the
14 Budget, to allow for award of contracts where bids exceed
15 appropriated funds, if those projects supplemented were designed
16 within the scope intended by the applicable appropriation or any
17 authorized change in it, and if, in the opinion of the Director
18 of the Budget, all means to award contracts within the
19 appropriation were reasonably attempted. At the discretion of
20 the Director of the Budget, any balances in the project reserve
21 fund shall revert to the original source.

CODE NO. 97GEN-H013

Requested by: Representatives Russell, Wilson

PROJECT COST INCREASE

1 Section @. Upon the request of the administration of
2 a State agency, department, or institution, the Director of the
3 Budget may, when in the Director's opinion it is in the best
4 interest of the State to do so, increase the cost of a capital
5 improvement project. Provided, however, that if the Director of
6 the Budget increases the cost of a project, the Director shall
7 report that action to the Joint Legislative Commission on
8 Governmental Operations at its next meeting. The increase may be
9 funded from gifts, federal or private grants, special fund
10 receipts, excess patient receipts above those budgeted at
11 University of North Carolina Hospitals at Chapel Hill, or direct
12 capital improvement appropriations to that department or
13 institution.

14

CODE NO. 97GEN-H014

Requested by: Representatives Russell, Wilson

NEW PROJECT AUTHORIZATION

1 Section @. Upon the request of the administration of
2 any State agency, department, or institution, the Governor may
3 authorize the construction of a capital improvement project not
4 specifically authorized by the General Assembly if such project
5 is to be funded by gifts, federal or private grants, special fund
6 receipts, excess patient receipts above those budgeted at
7 University of North Carolina Hospitals at Chapel Hill, or self-
8 liquidating indebtedness. Provided, however, that if the
9 Director of the Budget authorizes the construction of such a
10 capital improvement project, the Director shall report that
11 action to the Joint Legislative Commission on Governmental
12 Operations at its next meeting.

13

14

CODE NO. 97GEN-H015

Requested by: Representatives Russell, Wilson

ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS

1 Section @. Funds that become available by gifts,
2 excess patient receipts above those budgeted at University of
3 North Carolina Hospitals at Chapel Hill, federal or private
4 grants, receipts becoming a part of special funds by act of the
5 General Assembly or any other funds available to a State
6 department or institution may be utilized for advance planning
7 through the working drawing phase of capital improvement
8 projects, upon approval of the Director of the Budget. The
9 Director of the Budget may make allocations from the Advance
10 Planning Fund for advance planning through the working drawing
11 phase of capital improvement projects, except that this revolving
12 fund shall not be utilized by the Board of Governors of The
13 University of North Carolina or the State Board of Community
14 Colleges.
15
16

CODE NO. 97GEN-H016

Requested by: Representatives Russell, Wilson

APPROPRIATIONS LIMITS/REVERSION OR LAPSE

1 Section @. Except as permitted in previous sections of
2 this act, the appropriations for capital improvements made by the
3 1997 General Assembly may be expended only for specific projects
4 set out by the 1997 General Assembly and for no other purpose.
5 Construction of all capital improvement projects enumerated by
6 the 1997 General Assembly shall be commenced, or self-liquidating
7 indebtedness with respect to them shall be incurred, within 12
8 months following the first day of the fiscal year in which the
9 funds are available. If construction contracts on those projects
10 have not been awarded or self-liquidating indebtedness has not
11 been incurred within that period, the direct appropriation for
12 those projects shall revert to the original source, and the self-
13 liquidating appropriation shall lapse; except that direct
14 appropriations may be placed in a reserve fund as authorized in
15 this act. This deadline with respect to both direct and self-
16 liquidating appropriations may be extended with the approval of
17 the Director of the Budget up to an additional 12 months if
18 circumstances and conditions warrant such extension.
19

CODE NO. 97GEN-H017

Requested by: Representatives Russell, Wilson

EXPENDITURE OF FUNDS FROM RESERVE FOR REPAIRS AND RENOVATIONS

1 Section 31.3. Of the funds in the Reserve for Repairs
2 and Renovations for the 1997-98 fiscal year, forty-six percent
3 (46%) shall be allocated to the Board of Governors of The
4 University of North Carolina for repairs and renovations pursuant
5 to G.S. 143-15.3A, in accordance with guidelines developed in The
6 University of North Carolina Funding Allocation Model for Reserve
7 for Repairs and Renovations, as approved by the Board of
8 Governors of The University of North Carolina, and fifty-four
9 percent (54%) shall be allocated to the Office of State Budget
10 and Management for repairs and renovations pursuant to G.S. 143-
11 15.3A.

12 Notwithstanding G.S. 143-15.3A, the Board of Governors
13 may allocate funds for the repair and renovation of facilities
14 not supported from the General Fund if the Board determines that
15 sufficient funds are not available from other sources and that
16 conditions warrant General Fund assistance. Any such finding
17 shall be included in the Board's submission to the Joint
18 Legislative Commission on Governmental Operations on the proposed
19 allocation of funds.

20 The Board of Governors and the Office of State Budget
21 and Management shall submit to the Joint Legislative Commission
22 on Governmental Operations and to the Fiscal Research Division of
23 the Legislative Services Office, for their review, the proposed
24 allocation of these funds. Subsequent changes in the proposed
25 allocations shall be reported prior to expenditure to the Joint
26 Legislative Commission on Governmental Operations and to the
27 Fiscal Research Division of the Legislative Services Office.

28

CODE NO. 97GEN-H018

Requested by: Representatives Russell, Wilson

HIGHWAY PATROL--UNDERGROUND FUEL TANK REMOVAL AND REMEDIATION
FUNDS

1 Section @. Notwithstanding any other provision of law,
2 of the unreserved credit balance in the Highway Fund available on
3 July 1, 1997, six hundred fifty thousand dollars (\$650,000) shall
4 be used for the removal and replacement of underground fuel
5 storage tanks located at various State Highway Patrol
6 installations across the state.
7

CODE NO. 97GEN-H019

Requested by: Representatives Russell, Wilson

PROCEDURES FOR DISBURSEMENT

1 Section @. The appropriations made by the 1997 General
2 Assembly for capital improvements shall be disbursed for the
3 purposes provided by this act. Expenditure of funds shall not be
4 made by any State department, institution, or agency, until an
5 allotment has been approved by the Governor as Director of the
6 Budget. The allotment shall be approved only after full
7 compliance with the Executive Budget Act, Article 1 of Chapter
8 143 of the General Statutes. Prior to the award of construction
9 contracts for projects to be financed in whole or in part with
10 self-liquidating appropriations, the Director of the Budget shall
11 approve the elements of the method of financing of those projects
12 including the source of funds, interest rate, and liquidation
13 period. Provided, however, that if the Director of the Budget
14 approves the method of financing a project, the Director shall
15 report that action to the Joint Legislative Commission on
16 Governmental Operations at its next meeting.

17 Where direct capital improvement appropriations include
18 the purpose of furnishing fixed and movable equipment for any
19 project, those funds for equipment shall not be subject to
20 transfer into construction accounts except as authorized by the
21 Director of the Budget. The expenditure of funds for fixed and
22 movable equipment and furnishings shall be reviewed and approved
23 by the Director of the Budget prior to commitment of funds.

24 Capital improvement projects authorized by the 1997
25 General Assembly shall be completed, including fixed and movable
26 equipment and furnishings, within the limits of the amounts of
27 the direct or self-liquidating appropriations provided, except as
28 otherwise provided in this act. Capital improvement projects
29 authorized by the 1997 General Assembly for the design phase only
30 shall be designed within the scope of the project as defined by
31 the approved cost estimate filed with the Director of the Budget,
32 including costs associated with site preparation, demolition, and
33 movable and fixed equipment.

CODE NO. 97GEN-H020-S31.5

Requested by: Representatives Russell and Wilson

WATER RESOURCES DEVELOPMENT PROJECTS FUNDS

1 Section @. (a) The Department of Environment, Health,
2 and Natural Resources shall allocate the funds appropriated in
3 Section 31.1 of this act for water resources development projects
4 to the following projects whose estimated costs are as indicated:
5

6 Name of Project
7

8 1.	B. Everett Jordan Water Supply Repayment	\$ 90,000
9		
10 2.	Wilmington Harbor Maintenance Dredging	455,000
11		
12 3.	Wilmington Harbor Long-Term Disposal	1,000,000
13		
14 4.	Carolina Beach Renourishment	1,148,000
15		
16 5.	Wrightsville Beach Renourishment	500,000
17		
18 6.	State - Local Water Projects	828,100
19		
20 7.	Long Beach Sea Turtle Habitat Restoration	994,000
21		
22 8.	Clinton Wastewater Treatment Plant	84,000
23	Flood Protection	
24		
25 9.	AIWW Easement Acquisition	100,000
26		
27 10.	Corp of Engineers Feasibility Studies	230,000
28		
29 11.	Emergency Flood Control Projects	134,000
30		
31 12.	Natural Resources Conservation Service-	500,000
32	Yadkin County	
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
	TOTAL	\$6,063,100

35 (b) Where the actual costs are different from the
36 estimated costs under subsection (a) of this section, the
37 Department may adjust the allocations among projects as needed.
38 If any projects listed in subsection (a) of this section are
39 delayed and the budgeted State funds cannot be used during the
40 1997-98 fiscal year, or if the projects listed in subsection (a)
41 of this section are accomplished at a lower cost, the Department
42 may use the resulting fund availability to fund any of the
43 following:

44 (1) Corps of Engineers project feasibility studies.

1 (2) Corps of Engineers projects whose schedules have
2 advanced and require State matching funds in fiscal
3 year 1997-98.
4 (3) State-local Water Resources Development Projects.
5 Funds not expended or encumbered for these purposes
6 shall revert to the General Fund at the end of the 1998-99 fiscal
7 year.
8 (c) The Department shall make quarterly reports on the
9 use of these funds to the Joint Legislative Commission on
10 Governmental Operations, the Fiscal Research Division, and the
11 Office of State Budget and Management. Each report shall include
12 all of the following:
13 (1) All projects listed in this section.
14 (2) The estimated cost of each project.
15 (3) The date that work on each project began or is
16 expected to begin.
17 (4) The date that work on each project was completed or
18 is expected to be completed.
19 (5) The actual cost of each project.
20 The quarterly reports shall also show those projects
21 advanced in schedule, those projects delayed in schedule, and an
22 estimate of the amount of funds expected to revert to the General
23 Fund.
24

CODE NO. 97GEN-H021

Requested by: Representatives Russell and Wilson

**CAPITAL IMPROVEMENT PROJECTS/SUPPLEMENTAL FUNDING
APPROVAL/REPORTING REQUIREMENT**

1 Section @. Each department receiving capital improvement
2 authorizations under this act shall report quarterly to the
3 Director of the Budget on the status of those capital projects.
4 The quarterly report shall include a full justification for any
5 project that is not under contract for construction consistent
6 with the project schedule approved by the Office of State
7 Construction. The reporting procedure to be followed shall be
8 developed by the Director of the Budget.
9 Capital improvement projects authorized in this act that have
10 not been placed under contract for construction due to
11 insufficient funds may be supplemented with funds identified by
12 the Director of the Budget, provided:
13 (1) That the project was designed and bid within the
14 scope as authorized by the General Assembly;
15 (2) That the funds to supplement the project are the
16 same source as authorized for the original project;
17 (3) That the department to which the project was
18 authorized has unsuccessfully pursued all statutory
19 authorizations to award the contract; and,
20 (4) That the action be reported to the Joint
21 Legislative Commission on Governmental Operations
22 and to the Appropriations Committees of the House
23 of Representatives and the Senate.
24

Requested by: Representatives Holmes, Creech, Esposito,
Russell, G. Wilson, Nichols Crawford

PUBLICATION OF AVAILABILITY OF STATE GRANT PROGRAMS

1 Sec. @. (a) Chapter 143 of the General Statutes is
2 amended by adding the following new section to read:

3 "§ 143-6.2. State agencies to publish availability of State
4 funds from grant programs.

5 Every State agency that administers a grant-in-aid program
6 under which State funds are allocated to non-State entities shall
7 publicize in the North Carolina Register and in the North
8 Carolina Community Resource Information System the availability
9 of State funds under the grant program. Information shall be
10 made available on the Internet and shall be updated as frequently
11 as practical. Information publicized shall include the
12 following:

- 13 (1) The name of the grant program, the purposes of the
14 program and the purposes for which funds will be
15 allocated under the program;
16 (2) General requirements for applying for and receiving
17 funds under the grant program;
18 (3) The total amount of funds appropriated to the grant
19 program, and the amount of grant funds that may be
20 awarded to each grant recipient;
21 (4) Methods that will be used for evaluating grant
22 applications and criteria for the selection of
23 grant projects; and
24 (4) The name and telephone number of the agency
25 representative who may be contacted for a grant
26 application or for additional information.

27 No State funds shall be disbursed under a grant-in-aid program
28 unless the State agency administering the grant-in-aid program
29 has publicized the grant program in accordance with this section.

30 (b) G.S. 150B-21.17(a) reads as rewritten:

31 "(a) Content. -- The Codifier of Rules must publish the North
32 Carolina Register. The North Carolina Register must be published
33 at least two times a month and must contain the following:

- 34 (1) Temporary rules entered in the North Carolina
35 Administrative Code.
36 (1a) Notices of rule-making proceedings, the text of
37 proposed rules, and the text of permanent rules
38 approved by the Commission.

- 1 (2) Notices of receipt of a petition for municipal
2 incorporation, as required by G.S. 120-165.
3 (3) Executive orders of the Governor.
4 (4) Final decision letters from the United States
5 Attorney General concerning changes in laws that
6 affect voting in a jurisdiction subject to section
7 5 of the Voting Rights Act of 1965, as required by
8 G.S. 120-30.9H.
9 (5) Orders of the Tax Review Board issued under G.S.
10 105-241.2.
11 (5a) Information on State grant programs in accordance
12 with G.S. 143-6.2.
13 (6) Other information the Codifier determines to be
14 helpful to the public."
15
16
17
18

Requested by: Representatives Russell, G. Wilson,
Holmes, Creech, Esposito, Crawford

PUBLICATION OF AVAILABILITY OF STATE GRANT-IN-AID FUNDS

1 Sec. @. (a) Chapter 143 of the General Statutes is
2 amended by adding the following new section to read:

3 "§ 143-6.2. State agencies to publish availability of State
4 grants-in-aid funds.

5 Every State agency that administers grants-in-aid to non-State
6 entities shall publicize in the North Carolina Register and in
7 the North Carolina Community Resource Information System the
8 availability of State grants-in-aid funds. Information shall be
9 made available on the Internet and shall be updated as frequently
10 as practical. Information publicized shall include the
11 following:

- 12 (1) The name of the grants-in-aid program, the purposes
13 of the program, and the purposes for which funds
14 will be allocated under the program;
- 15 (2) General requirements for applying for and receiving
16 grants-in-aid funds, including reporting
17 requirements;
- 18 (3) The total amount of funds appropriated for the
19 grants-in-aid program and the amount of grant funds
20 that may be awarded to each grant recipient;
- 21 (4) Methods that will be used by the granting agency
22 for evaluating grant applications and the criteria
23 for the selection of grant projects; and
- 24 (5) The name and telephone number of the agency
25 representative who may be contacted for a grant
26 application or for additional information.

27 The granting agency shall make available upon request a list of
28 all non-State entities awarded grants-in-aid funds by the agency
29 during the current and immediately preceding fiscal year. No
30 State grants-in-aid funds shall be disbursed unless the State
31 agency administering the grants-in-aid program has publicized the
32 information required under this section. As used in this
33 section, 'grants-in-aid funds' are funds appropriated to a State
34 agency or reserved to a State Trust Fund for discretionary
35 allocation for authorized purposes. This section does not apply
36 to non-State entities that receive direct appropriations from the
37 General Assembly.

38 The granting agency shall require each grant-in-aid recipient
39 to report to the agency at least one time during or at the close

1 of the funding cycle on the purposes for which grant funds were
2 expended and the amount expended for each purpose."

3 (b) G.S. 150B-21.17(a) reads as rewritten:

4 "(a) Content. -- The Codifier of Rules must publish the North
5 Carolina Register. The North Carolina Register must be published
6 at least two times a month and must contain the following:

7 (1) Temporary rules entered in the North Carolina
8 Administrative Code.

9 (1a) Notices of rule-making proceedings, the text of
10 proposed rules, and the text of permanent rules
11 approved by the Commission.

12 (2) Notices of receipt of a petition for municipal
13 incorporation, as required by G.S. 120-165.

14 (3) Executive orders of the Governor.

15 (4) Final decision letters from the United States
16 Attorney General concerning changes in laws that
17 affect voting in a jurisdiction subject to section
18 5 of the Voting Rights Act of 1965, as required by
19 G.S. 120-30.9H.

20 (5) Orders of the Tax Review Board issued under G.S.
21 105-241.2.

22 (5a) Information on State grant programs in accordance
23 with G.S. 143-6.2.

24 (6) Other information the Codifier determines to be
25 helpful to the public."
26
27
28
29

CODE NO. 97GEN-H002

Requested by: Representative McMahan

UNIFORM FINANCIAL ACCOUNTABILITY

1 Section @. G.S. 143-6.1 reads as rewritten:

2 **"§ 143-6.1. Report on use of State funds by non-State entities.**

3 (a) Disbursement and Use of State Funds. -- Every corporation,
4 organization, and institution that receives, uses, or expends any
5 State funds shall use or expend the funds only for the purposes
6 for which they were appropriated by the General Assembly or
7 collected by the State. State funds include federal funds that
8 flow through the State. For the purposes of this section, the
9 term "grantee" means a corporation, organization, or institution
10 that receives, uses, or expends any State funds. The State may
11 not disburse State funds appropriated by the General Assembly to
12 any grantee or collected by the State for use by any grantee if
13 that grantee has failed to provide any reports or financial
14 information previously required by this section. In addition,
15 before disbursing the funds, the Office of State Budget and
16 Management may require the grantee to supply information
17 demonstrating that the grantee is capable of managing the funds
18 in accordance with law and has established adequate financial
19 procedures and controls. All financial statements furnished to
20 the State Auditor pursuant to this section, and any audits or
21 other reports prepared by the State Auditor, are public records.

22 (b) State Agency Reports. -- A State agency that receives
23 State funds and then disburses the State funds to a grantee must
24 identify the grantee to the State Auditor, unless the funds were
25 for the purchase of goods and services. The State agency must
26 submit documents to the State Auditor in a prescribed format
27 describing standards of compliance and suggested audit procedures
28 sufficient to give adequate direction to independent auditors
29 performing audits.

30 (c) Grantee Receipt and Expenditure Reports. -- A grantee that
31 receives, uses, or expends between fifteen thousand dollars
32 (\$15,000) and ~~one hundred thousand dollars (\$100,000)~~ three
33 hundred thousand dollars (\$300,000) in State funds annually,
34 except when the funds are for the purchase of goods or services,
35 must file annually with the State agency that disbursed the funds
36 a sworn accounting of receipts and expenditures of the State
37 funds. This accounting must be attested to by the treasurer of
38 the grantee and one other authorizing officer of the grantee. The
39 accounting must be filed within six months after the end of the

#1 MacMahan 5.30.97 Carried 2/2

1 grantee's fiscal year in which the State funds were received. The
2 accounting shall be in the form required by the disbursing
3 agency. Each State agency shall develop a format for these
4 accountings and shall obtain the State Auditor's approval of the
5 format.

6 (d) Grantee Audit Reports. -- A grantee that receives, uses,
7 or expends State funds in the amount of ~~one hundred thousand~~
8 ~~dollars (\$100,000)~~ three hundred thousand dollars (\$300,000) or
9 more annually, except when the funds are for the purchase of
10 goods or services, must file annually with the State Auditor a
11 financial statement in the form and on the schedule prescribed by
12 the State Auditor. The financial statement must be audited in
13 accordance with standards prescribed by the State Auditor to
14 assure that State funds are used for the purposes provided by
15 law.

16 (e) Federal Reporting Requirements. -- Federal law may require
17 a grantee to make additional reports with respect to funds for
18 which reports are required under this section. Notwithstanding
19 the provisions of this section, a grantee may satisfy the
20 reporting requirements of subsection (c) of this section by
21 submitting a copy of the report required under federal law with
22 respect to the same funds or by submitting a copy of the report
23 described in subsection (d) of this section.

24 (f) Audit Oversight. -- The State Auditor has audit oversight,
25 pursuant to Article 5A of Chapter 147 of the General Statutes, of
26 every grantee that receives, uses, or expends State funds. Such a
27 grantee must, upon request, furnish to the State Auditor for
28 audit all books, records, and other information necessary for the
29 State Auditor to account fully for the use and expenditure of
30 State funds. The grantee must furnish any additional financial or
31 budgetary information requested by the State Auditor."

CODE NO. 97UNC-H021

Requested by: Representative Sherrill

UNC-A HIGHSMITH CENTER FUNDS

1 Section @. If private funds are acquired to supplant
2 the appropriation made in Section _____ of this act to the Board
3 of Governors of the University of North Carolina for the
4 Asheville Graduate Center Phase II, with the approval of the
5 Board of Governors of The University of North Carolina, the
6 Chancellor of the University of North Carolina at Asheville may
7 reallocate these funds to be used for renovation of and expansion
8 to the Highsmith Center at the University of North Carolina at
9 Asheville.

#2 Sherrill 5.30.97 Carried

CODE NO. 97ATTY-H015

Requested by: Representative Redwine

ATTORNEY GENERAL APPROVAL REQUIRED FOR ALL STATE SETTLEMENTS

1 Section @. Chapter 114 of the General Statutes is
2 amended by adding a new section to read:

3 "§ 114-2.4. Attorney General to approve settlement agreements.

4 To be effective against the State, a settlement agreement
5 entered into by the State, a State department, a State agency, a
6 State institution, or a State officer, involving the payment of
7 any public monies must be approved by the Attorney General. The
8 Attorney General by rule may delegate to a deputy or assistant
9 Attorney General or to another subordinate the power to approve
10 settlement agreements."

Redwine 5-30-97

CODE NO. 97DPI-H001D

Requested by: Representative Thompson, Clary, Justus,
Weatherly, Baker, G. Wilson

**ALLOCATION OF INVESTMENT EARNINGS ON SCHOOL BONDS TO SMALL COUNTY
SCHOOL SYSTEMS**

1 Sec. @. Section 5 of Chapter 631 of the 1995 Session
2 Laws reads as rewritten:

3 "Sec. 5. Uses of Bond and Note Proceeds. -- The proceeds of
4 Public School Building Bonds and notes shall be used for the
5 purpose of making grants to counties for paying the cost of
6 public school capital outlay projects.

7 Any additional moneys that may be received by means of a grant
8 or grants from the United States of America or any agency or
9 department thereof or from any other source to aid in financing
10 the cost of any public school capital outlay projects authorized
11 by this act may be placed by the State Treasurer in the Public
12 School Building Bonds Fund or in a separate account or fund and
13 shall be disbursed, to the extent permitted by the terms of the
14 grant or grants, without regard to any limitations imposed by
15 this act.

16 Moneys in the Public School Building Bonds Fund or in any
17 separate fund or account may be invested from time to time by the
18 State Treasurer in the same manner permitted for investment of
19 moneys belonging to the State or held in the State treasury
20 except with respect to grant money to the extent otherwise
21 directed by the terms of the grant, and any investment earnings
22 shall be credited to the Public School Building Bonds Fund or the
23 particular fund or account from which the investment was made.
24 When the State Budget Officer determines that uncommitted funds
25 are available, the State Board of Education shall allocate from
26 these investment earnings the sum of one million four hundred
27 forty thousand eight hundred twenty-one dollars (\$1,440,821) as a
28 grant to Avery County, the sum of one million three hundred
29 ninety-three thousand sixty-nine dollars (\$1,393,069) as a grant
30 to Alleghany County, and the sum of one million four hundred
31 seventy-one thousand nine hundred seventeen dollars (\$1,471,917)
32 as a grant to Polk County, because these counties (i) have a
33 small county school system, (ii) did not receive an allocation
34 under Section 6(b) of this act, and (iii) have school
35 construction needs that were not met by the allocations under
36 Section 6(c) of this act.

Amend to Ed by Thompson 5-30-97 carried in. 24.

1 All moneys deposited in, or accruing to the credit of, the
2 Public School Building Bonds Fund, other than moneys set aside
3 for administrative expenses, including expenses related to
4 determining compliance with applicable requirements of the
5 federal tax law and cost of issuance, shall be used to pay the
6 cost of public school capital outlay projects in the manner
7 authorized by this act.

8 The proceeds of Public School Building Bonds and notes may be
9 used with any other moneys made available by the General Assembly
10 for public school capital outlay projects, including the proceeds
11 of any other State bond issues, whether heretofore made available
12 or that may be made available at the session of the General
13 Assembly at which this act is ratified or any subsequent
14 sessions. The proceeds of Public School Building Bonds and notes
15 shall be expended and disbursed under the direction and
16 supervision of the Director of the Budget. The funds provided by
17 this act for public school capital outlay projects shall be
18 disbursed for the purposes provided in this act upon warrants
19 drawn on the State Treasurer by the State Controller, which
20 warrants shall not be drawn until requisition has been approved
21 by the Director of the Budget and which requisition shall be
22 approved only after full compliance with the Executive Budget
23 Act, Article 1 of Chapter 143 of the General Statutes.

24 The Director of the Budget shall provide quarterly reports to
25 the State Board of Education, the Superintendent of Public
26 Instruction, and the General Assembly on the expenditure of
27 moneys from the Public School Building Bonds Fund. Reports to
28 the General Assembly shall be filed with the Legislative Library,
29 the Speaker of the House of Representatives, the President Pro
30 Tempore of the Senate, and the Fiscal Research Division."

31 (b) This section is effective when this act becomes law.

**HOUSE APPROPRIATIONS
COMMITTEE**

**SALARY/BENEFITS
AND
STATEWIDE RESERVES**

MAY 30, 1997

General Fund

Statewide Reserves

FY 97-98

FY 98-99

1 Reserve for Compensation Increases

\$353,109,761 R \$353,109,761 R

Effective 7-1-97:

\$2,158,058 NR

Teachers and Instructional Support (4%-9%) \$181,020,912

Principal and Asst. Principals (6%) 12,442,374

Other Public School Employees (4%) 30,475,856

Agency Teachers (4-9%) 2,514,968

Science and Math Teachers (avg. 8%) 245,304

University EPA 33,327,312

Community College EPA 18,281,736

Other State Employees (4%) 74,801,299

Bonus for SPA Employees at Maximum 1,306,886

Bonus for Asst. and Dep. Clerks at Maximum 851,172

2 Teachers and State Employees Retirement System

(\$40,663,000) R (\$40,663,000) R

Net actuarial savings after retirement benefit increase of 4% and increase in accrual rate from 1.75 to 1.81.

3 Consolidated Judicial Retirement System

\$371,000 R \$371,000 R

Increase in contribution rate to allow transfer of service from the State, Local, and Legislative Retirement Systems.

4 Reserve for Welfare Reform

\$2,500,000 R \$3,300,000 R

Reserve to be allocated in accordance with requirements of Welfare Reform provision in Section ???.

\$4,650,000 NR

Total Reserves

\$315,317,761 R \$316,117,761 R

\$6,808,058 NR

CODE NO. 97EMP-H006B

1 Requested by: Representatives Holmes, Creech, Esposito, Crawford

2 **GOVERNOR AND COUNCIL OF STATE/SALARY INCREASES**

3 Section 30. (a) Effective July 1, 1997, G.S. 147-11(a) reads as rewritten:

4 "(a) The salary of the Governor shall be ~~one hundred three thousand twelve~~
5 ~~dollars (\$103,012)~~ one hundred seven thousand one hundred thirty-two dollars
6 (\$107,132) annually, payable monthly."

7 (b) The annual salaries for the members of the Council of State, payable
8 monthly, for the 1997-98 and 1998-99 fiscal years, beginning July 1, 1997, are:

9

10 <u>Council of State</u>	11 <u>Annual Salary</u>
12 Lieutenant Governor	13 \$94,552
14 Attorney General	15 94,552
16 Secretary of State	17 94,552
18 State Treasurer	19 94,552
20 State Auditor	21 94,552
22 Superintendent of Public Instruction	23 94,552
24 Agriculture Commissioner	25 94,552
26 Insurance Commissioner	27 94,552
28 Labor Commissioner	29 94,552.

30 Requested by: Representatives Holmes, Creech, Esposito, Crawford

31 **NONELECTED DEPARTMENT HEADS/SALARY INCREASES**

32 Section 30.1. In accordance with G.S. 143B-9, the maximum annual
33 salaries, payable monthly, for the nonelected heads of the principal State departments
34 for the 1997-98 and 1998-99 fiscal years, beginning July 1, 1997, are:

35

36 <u>Nonelected Department Heads</u>	37 <u>Annual Salary</u>
38 Secretary of Administration	39 \$92,378
40 Secretary of Correction	41 92,378
42 Secretary of Cultural Resources	43 92,378
44 Secretary of Commerce	45 92,378
46 Secretary of Environment, Health, 47 and Natural Resources	48 92,378
49 Secretary of Human Resources	50 92,378
51 Secretary of Revenue	52 92,378
53 Secretary of Transportation	54 92,378
55 Secretary of Crime Control and Public Safety	56 92,378.

57 Requested by: Representatives Holmes, Creech, Esposito, Crawford

58 **CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES**

59 Section 30.2. The annual salaries, payable monthly, for the 1997-98 and
60 1998-99 fiscal years, beginning July 1, 1997, for the following executive branch
61 officials are:

62

63 <u>Executive Branch Officials</u>	64 <u>Annual Salary</u>

1	Chairman, Alcoholic Beverage Control	
2	Commission	\$84,080
3	State Controller	117,669
4	Commissioner of Motor Vehicles	84,080
5	Commissioner of Banks	94,552
6	Chairman, Employment Security Commission	84,080
7	State Personnel Director	92,378
8	Chairman, Parole Commission	76,775
9	Members of the Parole Commission	70,881
10	Chairman, Industrial Commission	75,544
11	Members of the Industrial Commission	73,704
12	Chairman of the Utilities Commission	95,592
13	Commissioners of the Utilities Commission	94,552
14	Executive Director, Agency for Public	
15	Telecommunications	70,881
16	General Manager, Ports Railway Commission	64,005
17	Director, Museum of Art	86,155
18	Executive Director, Wildlife Resources Commission	72,569
19	Executive Director, North Carolina Housing	
20	Finance Agency	104,057
21	Executive Director, North Carolina Agricultural	
22	Finance Authority	81,839
23	Director, Office of Administrative Hearings	83,141

25 Requested by: Representatives Holmes, Creech, Esposito, Crawford, Russell

26 **SALARY OF THE CHAIRMAN OF THE EMPLOYMENT SECURITY COMMISSION**

27 Section 30.3. G.S. 96-3(c) reads as rewritten:

28 "(c) Salaries. -- The chairman of the Employment Security Commission of North
 29 Carolina, appointed by the Governor, shall be paid from the Employment Security
 30 Administration Fund a salary payable on a monthly basis, which salary shall be fixed
 31 by the ~~appointing officer in an amount no higher than the highest salary set by the~~
 32 ~~General Assembly for an executive branch official; and General Assembly in the~~
 33 Current Operations Appropriations Act; and the members of the Commission, other
 34 than the chairman, shall each receive the same amount per diem for their services as
 35 is provided for the members of other State boards, commissions, and committees who
 36 receive compensation for their services as such, including necessary time spent in
 37 traveling to and from his place of residence within the State to the place of meeting
 38 while engaged in the discharge of the duties of his office and his actual traveling
 39 expenses, the same to be paid from the aforesaid fund."

41 Requested by: Representatives Holmes, Creech, Esposito, Crawford

42 **SALARIES OF MEMBERS AND CHAIR OF THE UTILITIES COMMISSION**

43 Section 30.4. G.S. 62-10(h) reads as rewritten:

44 "(h) The salary of each commissioner ~~shall be the same as that fixed from time to~~
 45 ~~time for judges of the superior court except that the commissioner designated as the~~
 46 ~~chairman shall receive one thousand dollars (\$1,000) additional per annum; and that~~
 47 of the commissioner designated as chairman shall be set by the General Assembly in
 48 the Current Operations Appropriations Act. In lieu of merit and other increment
 49 raises paid to regular State employees, each commissioner, including the

1 commissioner designated as chairman, shall receive as longevity pay an amount equal
2 to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current
3 Operations Appropriations Act payable monthly after five years of service, and nine
4 and six-tenths percent (9.6%) after 10 years of service. "Service" means service as a
5 member of the Utilities Commission."

6
7 Requested by: Representatives Holmes, Creech, Esposito, Crawford

8 **TEMPORARY SALES TAX TRANSFER FOR WILDLIFE RESOURCES**
9 **COMMISSION SALARY INCREASES**

10 Section 30.5. For the 1997-98 and 1998-99 fiscal years, the Secretary of
11 Revenue shall transfer at the end of each quarter from the State sales and use tax net
12 collections received by the Department of Revenue under Article 5 of Chapter 105 of
13 the General Statutes to the State Treasurer for the Wildlife Resources Fund to fund
14 the cost of any legislative salary increase for employees of the Wildlife Resources
15 Commission.

16
17 Requested by: Representatives Holmes, Creech, Esposito, Crawford

18 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASES**

19 Section 30.6. (a) The annual salaries, payable monthly, for specified
20 judicial branch officials for the 1997-98 and 1998-99 fiscal years, beginning July 1,
21 1997, are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
Chief Justice, Supreme Court	\$107,132
Associate Justice, Supreme Court	104,333
Chief Judge, Court of Appeals	101,724
Judge, Court of Appeals	99,986
Judge, Senior Regular Resident Superior Court	97,269
Judge, Superior Court	94,552
Chief Judge, District Court	85,857
Judge, District Court	83,141
District Attorney	87,596
Administrative Officer of the Courts	97,269
Assistant Administrative Officer of the Courts	81,684
Public Defender	87,596

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38 (b) The district attorney or public defender of a judicial district, with the
39 approval of the Administrative Officer of the Courts, shall set the salaries of assistant
40 district attorneys or assistant public defenders, respectively, in that district such that
41 the average salaries of assistant district attorneys or assistant public defenders in that
42 district do not exceed fifty-three thousand eight hundred eighty-three dollars
43 (\$53,883) and the minimum salary of any assistant district attorney or assistant public
44 defender is at least twenty-seven thousand five hundred and nine dollars (\$27,509),
45 effective July 1, 1997.

46 (c) The salaries in effect for the 1996-97 fiscal year on June 30, 1997, for
47 permanent, full-time employees of the Judicial Department, except for those whose
48 salaries are itemized in this Part, shall be increased by four percent (4%),
49 commencing July 1, 1997.

50 (d) The salaries in effect on June 30, 1997, for all permanent, part-time
51 employees of the Judicial Department shall be increased on and after July 1, 1997, by
52 pro rata amounts of the four percent (4%).
53

1 Requested by: Representatives Holmes, Creech, Esposito, Crawford

2 **CLERKS OF SUPERIOR COURT/SALARY INCREASES**

3 Section 30.7. Effective July 1, 1997, G.S. 7A-101(a) reads as rewritten:

4 "(a) The clerk of superior court is a full-time employee of the State and shall
5 receive an annual salary, payable in equal monthly installments, based on the
6 population of the county as determined in subsection (a1) of this section, according to
7 the following schedule:

8 Population	Annual Salary
9 Less than 100,000	~~\$60,265~~ <u>\$62,676</u>
10 100,000 to 149,999	~~67,695~~ <u>70,403</u>
11 150,000 to 249,999	~~75,125~~ <u>78,130</u>
12 250,000 and above	~~82,555~~ <u>85,857</u>

13 The salary schedule in this subsection is intended to represent the following
14 percentage of the salary of a chief district court judge:

15 Less than 100,000	73%
16 100,000 to 149,999	82%
17 150,000 to 249,999	91%
18 250,000 and above	100%.

19 When a county changes from one population group to another, the salary of the
20 clerk shall be changed, on July 1 of the fiscal year for which the change is reported,
21 to the salary appropriate for the new population group, except that the salary of an
22 incumbent clerk shall not be decreased by any change in population group during his
23 continuance in office."

24
25
26 Requested by: Representatives Holmes, Creech, Esposito, Crawford, Justus, Kiser,
27 Thompson

28 **ASSISTANT CLERKS OF SUPERIOR COURT/SALARY RANGE**

29 Section 30.8. G.S. 7A-102(d) reads as rewritten:

30 "(d) Full-time assistant clerks, licensed to practice law in North Carolina, who are
31 employed in the office of superior court clerk on and after July 1, 1984, and full-time
32 assistant clerks possessing a masters degree in business administration, public
33 administration, accounting, or other similar discipline from an accredited college or
34 university who are employed in the office of superior court clerk on and after July 1,
35 1997, are authorized an annual salary of not less than three-fourths of the maximum
36 annual salary established for assistant clerks; the clerk of superior court, with the
37 approval of the Administrative Office of the Courts, may establish a higher annual
38 salary but that salary shall not be higher than the maximum annual salary established
39 for assistant clerks. Full-time assistant clerks, holding a law degree from an accredited
40 law school, who are employed in the office of superior court clerk on and after July
41 1, 1984, are authorized an annual salary of not less than two-thirds of the maximum
42 annual salary established for assistant clerks; the clerk of superior court, with the
43 approval of the Administrative Office of the Courts, may establish a higher annual
44 salary, but the entry-level salary may not be more than three-fourths of the maximum
45 annual salary established for assistant clerks, and in no event may be higher than the
46 maximum annual salary established for assistant clerks. The entry-level annual salary
47 for all other assistant and deputy clerks employed on and after July 1, 1984, shall be
48 at the minimum rates as herein established."

Requested by: Representatives Holmes, Creech, Esposito, Crawford
GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

Section 30.9. Effective July 1, 1997, G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~fifty-seven thousand five hundred fifty-nine dollars (\$57,559)~~ fifty-nine thousand eight hundred sixty-one dollars (\$59,861) payable monthly. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and Advisory Budget Commission and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

Requested by: Representatives Holmes, Creech, Esposito, Crawford
SERGEANT-AT-ARMS AND READING CLERKS

Section 30.10. Effective July 1, 1997, G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~two hundred forty-eight dollars (\$248.00) per week~~ two hundred fifty-eight dollars (\$258.00) per week plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

Requested by: Representatives Holmes, Creech, Esposito, Crawford
LEGISLATIVE EMPLOYEES/SALARY INCREASES

Section 30.11. The Legislative Administrative Officer shall increase the salaries of nonelected employees of the General Assembly in effect for fiscal year 1997-98 by four percent (4%). Nothing in this act limits any of the provisions of G.S. 120-32.

Requested by: Representatives Holmes, Creech, Esposito, Crawford
COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

Section 30.12. The Director of the Budget shall transfer from the Reserve for Salary Increases created in this act for fiscal year 1997-98 funds to the Department of Community Colleges necessary to provide an average annual salary increase of four percent (4%), including funds for the employer's retirement and social security contributions, commencing July 1, 1997, for all permanent full-time community college institutional personnel supported by State funds. The State Board of Community Colleges shall establish guidelines for providing their salary increases to community college institutional personnel to include consideration of increases based on performance. Salary funds shall be used to provide an average annual salary increase of four percent (4%) to all full-time employees and part-time employees on a pro rata basis.

Requested by: Representatives Holmes, Creech, Esposito, Crawford
UNIVERSITY OF NORTH CAROLINA SYSTEM - EPA SALARY INCREASES

Section 30.13. (a) The Director of the Budget shall transfer to the Board of Governors of The University of North Carolina sufficient funds from the Reserve for Salary Increases created in this act for fiscal year 1997-98 to provide an annual

1 average salary increase of four percent (4%), including funds for the employer's
2 retirement and social security contributions, commencing July 1, 1997, for all
3 employees of The University of North Carolina, as well as employees other than
4 teachers of the North Carolina School of Science and Mathematics, supported by
5 State funds and whose salaries are exempt from the State Personnel Act (EPA).
6 These funds shall be allocated to individuals according to the rules adopted by the
7 Board of Governors, or the Board of Trustees of the North Carolina School of
8 Science and Mathematics, as appropriate, and shall not be used for any purpose other
9 than for salary increases and necessary employer contributions provided by this
10 section. The Board of Governors shall include consideration of increases based on
11 performance in its adoption of rules for the allocation of funds for salary increases.

12 (b) The Director of the Budget shall transfer to the Board of Governors
13 of The University of North Carolina sufficient funds from the Reserve for Salary
14 Increases created in this act for fiscal year 1997-98 to provide an annual average
15 salary increase comparable to that provided in this act for public school teachers,
16 including funds for the employer's retirement and social security contributions,
17 commencing July 1, 1997, for all teaching employees of the North Carolina School of
18 Science and Mathematics, supported by State funds and whose salaries are exempt
19 from the State Personnel Act (EPA). These funds shall be allocated to individuals
20 according to the rules adopted by the Board of Trustees of the North Carolina School
21 of Science and Mathematics and shall not be used for any purpose other than for
22 salary increases and necessary employer contributions provided by this section.

23
24 Requested by: Representatives Holmes, Creech, Esposito, Crawford

25 **MOST STATE EMPLOYEES/SALARY INCREASES**

26 Section 30.14. (a) The salaries in effect June 30, 1997, of all permanent
27 full-time State employees whose salaries are set in accordance with the State
28 Personnel Act, and who are paid from the General Fund or the Highway Fund shall
29 be increased, on or after July 1, 1997, unless otherwise provided by this act, pursuant
30 to the Comprehensive Compensation System set forth in G.S. 126-7 and rules
31 adopted by the State Personnel Commission, as follows:

32 (1) Career growth recognition awards in the amount of two percent
33 (2%); and

34 (2) A cost-of-living adjustment in the amount of two percent (2%).

35 Notwithstanding G.S. 126-7(4a), any permanent full-time State employee whose
36 salary is set in accordance with the State Personnel Act and whose salary is at the top
37 of the salary range or within two percent of the top of the salary range shall receive a
38 one-time bonus of two percent (2%) less the career growth recognition award the
39 employee receives. The employee shall receive the career growth bonus at the time
40 the employee is eligible for the career growth recognition award, but not earlier than
41 July 1, 1997.

42 (b) Except as otherwise provided in this act, salaries in effect June 30,
43 1997, for permanent full-time State officials and persons in exempt positions that are
44 recommended by the Governor or the Governor and the Advisory Budget
45 Commission and set by the General Assembly shall be increased by four percent
46 (4%), commencing July 1, 1997.

47 (c) The salaries in effect June 30, 1997, for all permanent part-time State
48 employees shall be increased on and after July 1, 1997, by pro rata amounts of the
49 salary increases provided for permanent full-time employees covered under
50 subsection (a) of this section.

51 (d) The Director of the Budget may allocate out of special operating
52 funds or from other sources of the employing agency, except tax revenues, sufficient
53 funds to allow a salary increase on and after July 1, 1997, in accordance with

1 subsections (a), (b), or (c) of this section, including funds for the employer's
2 retirement and social security contributions, of the permanent full-time and part-time
3 employees of the agency.

4 (e) Within regular Executive Budget Act procedures as limited by this
5 act, all State agencies and departments may increase on an equitable basis the rate of
6 pay of temporary and permanent hourly State employees, subject to availability of
7 funds in the particular agency or department, by pro rata amounts the salary increase
8 provided for permanent full-time employees covered by the provisions of subsection
9 (a) of this section, commencing July 1, 1997.

10 (f) Except as provided by subsection (a) of this section, no person may
11 receive a salary increase under G.S. 126-7 during the 1997-98 fiscal year, and no State
12 employee or officer shall receive a merit increment during the 1997-98 fiscal year
13 except as otherwise provided by this act.

14 (g) The provisions of this section shall not apply to State employees
15 whose salaries are determined by G.S. 7A-102 or G.S. 7A-171.1. Those employees
16 who would not receive a salary increase under G.S. 7A-102 or G.S. 7A-171.1,
17 because they are at the top of their salary range, shall receive a bonus in the amount
18 of four percent (4%).

19
20 Requested by: Representatives Holmes, Creech, Esposito, Crawford

21 **ALL STATE-SUPPORTED PERSONNEL**

22 Section 30.15. (a) Salaries and related benefits for positions that are
23 funded partially from the General Fund or Highway Fund and partially from sources
24 other than the General Fund or Highway Fund shall be increased from the General
25 Fund or Highway Fund appropriation only to the extent of the proportionate part of
26 the salaries paid from the General Fund or Highway Fund.

27 (b) The granting of the salary increases under this act does not affect the
28 status of eligibility for salary increments for which employees may be eligible unless
29 otherwise required by this act.

30 (c) The salary increases provided in this Part are to be effective July 1,
31 1997, do not apply to persons separated from State service due to resignation,
32 dismissal, reduction in force, death, or retirement, whose last workday is prior to July
33 1, 1997, or to employees involved in final written disciplinary procedures. The
34 employee shall receive the increase on a current basis when the final written
35 disciplinary procedure is resolved.

36 Payroll checks issued to employees after July 1, 1997, which represent
37 payment of services provided prior to July 1, 1997, shall not be eligible for salary
38 increases provided for in this act. This subsection shall apply to all employees,
39 subject to or exempt from the State Personnel Act, paid from State funds, including
40 public schools, community colleges, and The University of North Carolina.

41 (d) The Director of the Budget shall transfer from the Reserve for Salary
42 Increases in this act for fiscal year 1997-98 all funds necessary for the salary increases
43 provided by this act, including funds for the employer's retirement and social security
44 contributions.

45 (e) Nothing in this act authorizes the transfer of funds between the
46 General Fund and the Highway Fund for salary increases.

47
48 Requested by: Representatives Holmes, Creech, Esposito, Crawford

49 **EXTEND SUNSET ON FICA SAVINGS USE**

50 Section 30.16. (a) Section 14(i) of Chapter 1044 of the 1991 Session
51 Laws, as amended by Section 42 of Chapter 561 of the 1993 Session Laws and
52 Section 7.28A of Chapter 769 of the 1993 Session Laws, reads as rewritten:

1 "(i) Subsections (a) through (d) of this section are effective January 1, 1990.
2 Subsections (e) through (h) of this section are effective January 1, 1991. Subsections
3 (a) through (h) of this section shall expire ~~December 31, 1997.~~ December 31, 1999."
4 (b) This section is effective when it becomes law.
5

6 Requested by: Representatives Holmes, Creech, Esposito, Crawford

7 **SALARY ADJUSTMENT FUND**

8 Section 30.17. Any remaining appropriations for legislative salary
9 increases not required for that purpose may be used to supplement the Salary
10 Adjustment Fund. These funds shall first be used to provide reclassifications of those
11 positions already approved by the Office of State Personnel. The Office of State
12 Budget and Management shall report to the Joint Legislative Commission on
13 Governmental Operations prior to the allocation of these funds.
14

15 Requested by: Representatives Holmes, Creech, Esposito, Crawford, Barbee

16 **ENHANCE THE RETIREMENT BENEFITS PAYABLE FROM THE TEACHERS'**
17 **AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED**
18 **JUDICIAL RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM,**
19 **AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

20 Section 30.18. (a) G.S. 135-5(b16) reads as rewritten:

21 "(b16) Service Retirement Allowance of Members Retiring on or After July 1,
22 ~~1995.~~ 1995, but Before July 1, 1997. -- Upon retirement from service in accordance
23 with subsection (a) or (a1) above, on or after July 1, 1995, but before July 1, 1997, a
24 member shall receive the following service retirement allowance:

25 (1) A member who is a law enforcement officer or an eligible former
26 law enforcement officer shall receive a service retirement
27 allowance computed as follows:

28 a. If the member's service retirement date occurs on or after
29 his 55th birthday, and completion of five years of creditable
30 service as a law enforcement officer, or after the completion
31 of 30 years of creditable service, the allowance shall be
32 equal to one and seventy-five hundredths percent (1.75%) of
33 his average final compensation, multiplied by the number of
34 years of his creditable service.

35 b. If the member's service retirement date occurs on or after
36 his 50th birthday and before his 55th birthday with 15 or
37 more years of creditable service as a law enforcement officer
38 and prior to the completion of 30 years of creditable service,
39 his retirement allowance shall be equal to the greater of:

40 1. The service retirement allowance payable under G.S.
41 135-5(b16)(1)a. reduced by one-third of one percent
42 (1/3 of 1%) thereof for each month by which his
43 retirement date precedes the first day of the month
44 coincident with or next following the month the
45 member would have attained his 55th birthday; or

46 2. The service retirement allowance as computed under
47 G.S. 135-5(b16)(1)a. reduced by five percent (5%)
48 times the difference between 30 years and his
49 creditable service at retirement.

50 (2) A member who is not a law enforcement officer or an eligible
51 former law enforcement officer shall receive a service retirement
52 allowance computed as follows:

- 1 a. If the member's service retirement date occurs on or after
2 his 65th birthday upon the completion of five years of
3 creditable service or after the completion of 30 years of
4 creditable service or on or after his 60th birthday upon the
5 completion of 25 years of creditable service, the allowance
6 shall be equal to one and seventy-five hundredths percent
7 (1.75%) of his average final compensation, multiplied by the
8 number of years of creditable service.
- 9 b. If the member's service retirement date occurs after his 60th
10 and before his 65th birthday and prior to his completion of
11 25 years or more of creditable service, his retirement
12 allowance shall be computed as in G.S. 135-5(b16)(2)a. but
13 shall be reduced by one-quarter of one percent ($1/4$ of 1%)
14 thereof for each month by which his retirement date
15 precedes the first day of the month coincident with or next
16 following his 65th birthday.
- 17 c. If the member's early service retirement date occurs on or
18 after his 50th birthday and before his 60th birthday and after
19 completion of 20 years of creditable service but prior to the
20 completion of 30 years of creditable service, his early service
21 retirement allowance shall be equal to the greater of:
- 22 1. The service retirement allowance as computed under
23 G.S. 135-5(b16)(2)a. but reduced by the sum of five-
24 twelfths of one percent ($5/12$ of 1%) thereof for each
25 month by which his retirement date precedes the first
26 day of the month coincident with or next following
27 the month the member would have attained his 60th
28 birthday, plus one-quarter of one percent ($1/4$ of 1%)
29 thereof for each month by which his 60th birthday
30 precedes the first day of the month coincident with or
31 next following his 65th birthday; or
 - 32 2. The service retirement allowance as computed under
33 G.S. 135-5(b16)(2)a. reduced by five percent (5%)
34 times the difference between 30 years and his
35 creditable service at retirement; or
 - 36 3. If the member's creditable service commenced prior
37 to July 1, 1994, the service retirement allowance
38 equal to the actuarial equivalent of the allowance
39 payable at the age of 60 years as computed in G.S.
40 135-5(b16)(2)b.
- 41 d. Notwithstanding the foregoing provisions, any member
42 whose creditable service commenced prior to July 1, 1963,
43 shall not receive less than the benefit provided by G.S. 135-
44 5(b)."

45 (b) G.S. 135-5 is amended by adding a new subsection to read:

46 "(b17) Service Retirement Allowance of Members Retiring on or After July 1,
47 1997. -- Upon retirement from service in accordance with subsection (a) or (a1)
48 above, on or after July 1, 1997, a member shall receive the following service
49 retirement allowance:

50 (1) A member who is a law enforcement officer or an eligible former
51 law enforcement officer shall receive a service retirement
52 allowance computed as follows:

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- a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and eighty-one hundredths percent (1.81%) of his average final compensation, multiplied by the number of years of his creditable service.
 - b. If the member's service retirement date occurs on or after his 50th birthday and before his 55th birthday with 15 or more years of creditable service as a law enforcement officer and prior to the completion of 30 years of creditable service, his retirement allowance shall be equal to the greater of:
 - 1. The service retirement allowance payable under G.S. 135-5(b17)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 55th birthday; or
 - 2. The service retirement allowance as computed under G.S. 135-5(b17)(1)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement.
- (2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
- a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of membership service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and eighty-one hundredths percent (1.81%) of his average final compensation, multiplied by the number of years of creditable service.
 - b. If the member's service retirement date occurs after his 60th and before his 65th birthday and prior to his completion of 25 years or more of creditable service, his retirement allowance shall be computed as in G.S. 135-5(b17)(2)a. but shall be reduced by one-quarter of one percent (1/4 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following his 65th birthday.
 - c. If the member's early service retirement date occurs on or after his 50th birthday and before his 60th birthday and after completion of 20 years of creditable service but prior to the completion of 30 years of creditable service, his early service retirement allowance shall be equal to the greater of:
 - 1. The service retirement allowance as computed under G.S. 135-5(b17)(2)a. but reduced by the sum of five-twelfths of one percent (5/12 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 60th birthday, plus one-quarter of one percent (1/4 of 1%)

thereof for each month by which his 60th birthday precedes the first day of the month coincident with or next following his 65th birthday; or

2. The service retirement allowance as computed under G.S. 135-5(b17)(2)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement; or

3. If the member's creditable service commenced prior to July 1, 1994, the service retirement allowance equal to the actuarial equivalent of the allowance payable at the age of 60 years as computed in G.S. 135-5(b17)(2)b.

d. Notwithstanding the foregoing provisions, any member whose creditable service commenced prior to July 1, 1963, shall not receive less than the benefit provided by G.S. 135-5(b)."

(c) G.S. 135-5(m) reads as rewritten:

"(m) Survivor's Alternate Benefit. -- Upon the death of a member in service, the principal beneficiary designated to receive a return of accumulated contributions shall have the right to elect to receive in lieu thereof the reduced retirement allowance provided by Option 2 of subsection (g) above computed by assuming that the member had retired on the first day of the month following the date of his death, provided that the following conditions apply:

(1) a. The member had attained such age and/or creditable service to be eligible to commence retirement with an early or service retirement allowance, or

b. The member had obtained 20 years of creditable service in which case the retirement allowance shall be computed in accordance with ~~G.S. 135-5(b16)(1)b.~~ G.S. 135-5(b17)(1)b. or ~~G.S. 135-5(b16)(2)c.,~~ G.S. 135-5(b17)(2)c., notwithstanding the requirement of obtaining age 50.

(2) The member had designated as the principal beneficiary to receive a return of his accumulated contributions one and only one person who was living at the time of his death.

(3) The member had not instructed the Board of Trustees in writing that he did not wish the provisions of this subsection to apply.

For the purpose of this benefit, a member is considered to be in service at the date of his death if his death occurs within 180 days from the last day of his actual service. The last day of actual service shall be determined as provided in subsection (l) of this section. Upon the death of a member in service, the surviving spouse may make all purchases for creditable service as provided for under this Chapter for which the member had made application in writing prior to the date of death, provided that the date of death occurred prior to or within 60 days after notification of the cost to make the purchase. The term "in service" as used in this subsection includes a member in receipt of a benefit under the Disability Income Plan as provided in Article 6 of this Chapter."

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

"(ccc) From and after July 1, 1997, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1996, shall be increased by four percent (4%) of the allowance payable on June 1, 1997, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1997, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 1996, but before June 30, 1997, shall be increased by a prorated amount

1 of four percent (4%) of the allowance payable as determined by the Board of
2 Trustees based upon the number of months that a retirement allowance was paid
3 between July 1, 1996, and June 30, 1997."

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

5 "(r) From and after July 1, 1997, the retirement allowance to or on account of
6 beneficiaries whose retirement commenced on or before July 1, 1996, shall be
7 increased by four percent (4%) of the allowance payable on June 1, 1997.
8 Furthermore, from and after July 1, 1997, the retirement allowance to or on account
9 of beneficiaries whose retirement commenced after July 1, 1996, but before June 30,
10 1997, shall be increased by a prorated amount of four percent (4%) of the allowance
11 payable as determined by the Board of Trustees based upon the number of months
12 that a retirement allowance was paid between July 1, 1996, and June 30, 1997."

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

14 "(l) In accordance with subsection (a) of this section, from and after July 1, 1997,
15 the retirement allowance to or on account of beneficiaries whose retirement
16 commenced on or before January 1, 1997, shall be increased by four percent (4%) of
17 the allowance payable on June 1, 1997. Furthermore, from and after July 1, 1997, the
18 retirement allowance to or on account of beneficiaries whose retirement commenced
19 after January 1, 1997, but before June 30, 1997, shall be increased by a prorated
20 amount of four percent (4%) of the allowance payable as determined by the Board of
21 Trustees based upon the number of months that a retirement allowance was paid
22 between January 1, 1997, and June 30, 1997."

23 (g) G.S. 128-27(b15) reads as rewritten:

24 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,
25 ~~1995~~, 1995, but before July 1, 1997. -- Upon retirement from service in accordance
26 with subsection (a) or (a1) above, on or after July 1, 1995, but before July 1, 1997, a
27 member shall receive the following service retirement allowance:

28 (1) A member who is a law enforcement officer or an eligible former
29 law enforcement officer shall receive a service retirement
30 allowance computed as follows:

31 a. If the member's service retirement date occurs on or after
32 his 55th birthday, and completion of five years of creditable
33 service as a law enforcement officer, or after the completion
34 of 30 years of creditable service, the allowance shall be
35 equal to one and seventy-two hundredths percent (1.72%) of
36 his average final compensation, multiplied by the number of
37 years of his creditable service.

38 b. If the member's service retirement date occurs on or after
39 his 50th birthday and before his 55th birthday with 15 or
40 more years of creditable service as a law enforcement officer
41 and prior to the completion of 30 years of creditable service,
42 his retirement allowance shall be equal to the greater of:

- 43 1. The service retirement allowance payable under G.S.
44 128-27(b15)(1)a. reduced by one-third of one percent
45 (1/3 of 1%) thereof for each month by which his
46 retirement date precedes the first day of the month
47 coincident with or next following the month the
48 member would have attained his 55th birthday; or
- 49 2. The service retirement allowance as computed under
50 G.S. 128-27(b15)(1)a. reduced by five percent (5%)
51 times the difference between 30 years and his
52 creditable service at retirement.

1 (2) A member who is not a law enforcement officer or an eligible
2 former law enforcement officer shall receive a service retirement
3 allowance computed as follows:

4 a. If the member's service retirement date occurs on or after
5 his 65th birthday upon the completion of five years of
6 creditable service or after the completion of 30 years of
7 creditable service or on or after his 60th birthday upon the
8 completion of 25 years of creditable service, the allowance
9 shall be equal to one and seventy-two hundredths percent
10 (1.72%) of his average final compensation, multiplied by the
11 number of years of creditable service.

12 b. If the member's service retirement date occurs after his 60th
13 and before his 65th birthday and prior to his completion of
14 25 years or more of creditable service, his retirement
15 allowance shall be computed as in G.S. 128-27(b15)(2)a. but
16 shall be reduced by one-quarter of one percent ($\frac{1}{4}$ of 1%)
17 thereof for each month by which his retirement date
18 precedes the first day of the month coincident with or next
19 following his 65th birthday.

20 c. If the member's early service retirement date occurs on or
21 after his 50th birthday and before his 60th birthday and after
22 completion of 20 years of creditable service but prior to the
23 completion of 30 years of creditable service, his early service
24 retirement allowance shall be equal to the greater of:

25 1. The service retirement allowance as computed under
26 G.S. 128-27(b15)(2)a. but reduced by the sum of five-
27 twelfths of one percent ($\frac{5}{12}$ of 1%) thereof for each
28 month by which his retirement date precedes the first
29 day of the month coincident with or next following
30 the month the member would have attained his 60th
31 birthday, plus one-quarter of one percent ($\frac{1}{4}$ of 1%)
32 thereof for each month by which his 60th birthday
33 precedes the first day of the month coincident with or
34 next following his 65th birthday; or

35 2. The service retirement allowance as computed under
36 G.S. 128-27(b15)(2)a. reduced by five percent (5%)
37 times the difference between 30 years and his
38 creditable service at retirement; or

39 3. If the member's creditable service commenced prior
40 to July 1, 1995, the service retirement allowance
41 equal to the actuarial equivalent of the allowance
42 payable at the age of 60 years as computed in G.S.
43 128-27(b15)(2)b.

44 d. Notwithstanding the foregoing provisions, any member
45 whose creditable service commenced prior to July 1, 1965,
46 shall not receive less than the benefit provided by G.S. 128-
47 27(b)."

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

49 "(b16) Service Retirement Allowance of Members Retiring on or After July 1,
50 1997. -- Upon retirement from service in accordance with subsection (a) or (a1)
51 above, on or after July 1, 1997, a member shall receive the following service
52 retirement allowance:

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(1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:

a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and seventy-seven hundredths percent (1.77%) of his average final compensation, multiplied by the number of years of his creditable service.

b. If the member's service retirement date occurs on or after his 50th birthday and before his 55th birthday with 15 or more years of creditable service as a law enforcement officer and prior to the completion of 30 years of creditable service, his retirement allowance shall be equal to the greater of:

1. The service retirement allowance payable under G.S. 128-27(b16)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 55th birthday; or

2. The service retirement allowance as computed under G.S. 128-27(b16)(1)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement.

(2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:

a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of creditable service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and seventy-seven hundredths percent (1.77%) of his average final compensation, multiplied by the number of years of creditable service.

b. If the member's service retirement date occurs after his 60th and before his 65th birthday and prior to his completion of 25 years or more of creditable service, his retirement allowance shall be computed as in G.S. 128-27(b16)(2)a. but shall be reduced by one-quarter of one percent (1/4 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following his 65th birthday.

c. If the member's early service retirement date occurs on or after his 50th birthday and before his 60th birthday and after completion of 20 years of creditable service but prior to the completion of 30 years of creditable service, his early service retirement allowance shall be equal to the greater of:

1. The service retirement allowance as computed under G.S. 128-27(b16)(2)a. but reduced by the sum of five-twelfths of one percent (5/12 of 1%) thereof for each month by which his retirement date precedes the first

day of the month coincident with or next following the month the member would have attained his 60th birthday, plus one-quarter of one percent (1/4 of 1%) thereof for each month by which his 60th birthday precedes the first day of the month coincident with or next following his 65th birthday; or

2. The service retirement allowance as computed under G.S. 128-27(b16)(2)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement; or

3. If the member's creditable service commenced prior to July 1, 1995, the service retirement allowance equal to the actuarial equivalent of the allowance payable at the age of 60 years as computed in G.S. 128-27(b16)(2)b.

d. Notwithstanding the foregoing provisions, any member whose creditable service commenced prior to July 1, 1965, shall not receive less than the benefit provided by G.S. 128-27(b)."

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

"(ss) From and after July 1, 1997, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1996, shall be increased by four percent (4%) of the allowance payable on June 1, 1997, in accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1997, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 1996, but before June 30, 1997, shall be increased by a prorated amount of four percent (4%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 1996, and June 30, 1997."

(j) G.S. 128-27(m) reads as rewritten:

"(m) Survivor's Alternate Benefit. -- Upon the death of a member in service, the principal beneficiary designated to receive a return of accumulated contributions shall have the right to elect to receive in lieu thereof the reduced retirement allowance provided by Option two of subsection (g) above computed by assuming that the member had retired on the first day of the month following the date of his death, provided that all three of the following conditions apply:

(1) a. The member had attained such age and/or creditable service to be eligible to commence retirement with an early or service retirement allowance, or

b. The member had obtained 20 years of creditable service in which case the retirement allowance shall be computed in accordance with ~~G.S. 128-27(b15)(1)b.~~ G.S. 128-27(b16)(1)b. or ~~G.S. 128-27(b15)(2)c.~~ G.S. 128-27(b16)(2)c., notwithstanding the requirement of obtaining age 50.

(2) The member had designated as the principal beneficiary to receive a return of his accumulated contributions one and only one person who is living at the time of his death.

(3) The member had not instructed the Board of Trustees in writing that he did not wish the provisions of this subsection apply.

For the purpose of this benefit, a member is considered to be in service at the date of his death if his death occurs within 180 days from the last day of his actual service. The last day of actual service shall be determined as provided in subsection (l) of this section. Upon the death of a member in service, the surviving spouse may make all

1 purchases for creditable service as provided for under this Chapter for which the
2 member had made application in writing prior to the date of death, provided that the
3 date of death occurred prior to or within 60 days after notification of the cost to
4 make the purchase."

5
6 Requested by: Representatives Holmes, Creech, Esposito, Crawford, Daughtry
7 **INCREASE THE MONTHLY BENEFITS FROM THE NORTH CAROLINA**
8 **FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND**

9 Section 30.19. (a) G.S. 58-86-55 reads as rewritten:

10 "**§ 58-86-55. Monthly pensions upon retirement.**

11 Any member who has served 20 years as an 'eligible fireman' or 'eligible rescue
12 squad worker' in the State of North Carolina, as provided in G.S. 58-86-25 and G.S.
13 58-86-30, and who has attained the age of 55 years is entitled to be paid a monthly
14 pension from this fund. The monthly pension shall be in the amount of ~~one hundred~~
15 ~~thirty-five dollars (\$135.00)~~ one hundred forty-one dollars (\$141.00) per month. Any
16 retired fireman receiving a pension of ~~one hundred ten dollars (\$110.00)~~ per month
17 shall, effective July 1, 1995, 1997, receive a pension of ~~one hundred thirty-five dollars~~
18 ~~(\$135.00)~~ one hundred forty-one dollars (\$141.00) per month.

19 Members shall pay ten dollars (\$10.00) per month as required by G.S. 58-86-35
20 and G.S. 58-86-40 for a period of no longer than 20 years. No 'eligible rescue squad
21 member' shall receive a pension prior to July 1, 1983. No member shall be entitled
22 to a pension hereunder until the member's official duties as a fireman or rescue
23 squad worker for which the member is paid compensation shall have been terminated
24 and the member shall have retired as such according to standards or rules fixed by
25 the board of trustees.

26 A member who is totally and permanently disabled while in the discharge of the
27 member's official duties as a result of bodily injuries sustained or as a result of
28 extreme exercise or extreme activity experienced in the course and scope of those
29 official duties and who leaves the fire or rescue squad service because of this
30 disability shall be entitled to be paid from the fund a monthly benefit in an amount
31 of ~~one hundred thirty-five dollars (\$135.00)~~ one hundred forty-one dollars (\$141.00)
32 per month beginning the first month after the member's fifty-fifth birthday. All
33 applications for disability are subject to the approval of the board who may appoint
34 physicians to examine and evaluate the disabled member prior to approval of the
35 application, and annually thereafter. Any disabled member shall not be required to
36 make the monthly payment of ten dollars (\$10.00) as required by G.S. 58-86-35 and
37 G.S. 58-86-40.

38 A member who is totally and permanently disabled for any cause, other than line
39 of duty, who leaves the fire or rescue squad service because of this disability and who
40 has at least 10 years of service with the pension fund, may be permitted to continue
41 making a monthly contribution of ten dollars (\$10.00) to the fund until the member
42 has made contributions for a total of 240 months. The member shall upon attaining
43 the age of 55 years be entitled to receive a pension as provided by this section. All
44 applications for disability are subject to the approval of the board who may appoint
45 physicians to examine and evaluate the disabled member prior to approval of the
46 application and annually thereafter.

47 A member who, because his residence is annexed by a city under Part 2 or Part 3
48 of Article 4 of Chapter 160A of the General Statutes, or whose department is closed
49 because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter
50 160A of the General Statutes, and because of such annexation is unable to perform as
51 a fireman of any status, and if the member has at least 10 years of service with the
52 pension fund, may be permitted to continue making a monthly contribution of ten
53 dollars (\$10.00) to the fund until the member has made contributions for a total of

1 240 months. The member upon attaining the age of 55 years and completion of such
2 contributions shall be entitled to receive a pension as provided by this section. Any
3 application to make monthly contributions under this section shall be subject to a
4 finding of eligibility by the Board of Trustees upon application of the member.

5 The pensions provided shall be in addition to all other pensions or benefits under
6 any other statutes of the State of North Carolina or the United States,
7 notwithstanding any exclusionary provisions of other pensions or retirement systems
8 provided by law."

9 (b) It is the intent of the General Assembly to provide cost-of-living
10 increases to members and retirees of the Firemen's and Rescue Squad Workers'
11 Pension Fund at a rate equal to any cost-of-living increases provided to beneficiaries
12 of the Teachers' and State Employees' Retirement System, to the extent that funds
13 are available.

14
15 Requested by: Representatives Holmes, Creech, Esposito, Crawford

16 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

17 Section 30.20. (a) Required employer salary-related contributions for
18 employees whose salaries are paid from department, office, institution, or agency
19 receipts shall be paid from the same source as the source of the employees' salary. If
20 an employee's salary is paid in part from the General Fund or Highway Fund and in
21 part from department, office, institution, or agency receipts, required employer salary-
22 related contributions may be paid from the General Fund or Highway Fund only to
23 the extent of the proportionate part paid from the General Fund or Highway Fund in
24 support of the salary of the employee, and the remainder of the employer's
25 requirements shall be paid from the source that supplies the remainder of the
26 employee's salary. The requirements of this section as to source of payment are also
27 applicable to payments on behalf of the employee for hospital-medical benefits,
28 longevity pay, unemployment compensation, accumulated leave, workers'
29 compensation, severance pay, separation allowances, and applicable disability income
30 and disability salary continuation benefits.

31 (b) Effective July 1, 1997, the State's employer contribution rates
32 budgeted for retirement and related benefits as a percentage of covered salaries for
33 the 1997-98 fiscal year are (i) ten and nine hundredths percent (10.09%) - Teachers
34 and State Employees; (ii) fifteen and nine hundredths percent (15.09%) - State Law
35 Enforcement Officers; (iii) nine and forty hundredths percent (9.40%) - University
36 Employees' Optional Retirement Program; (iv) twenty-three and sixty hundredths
37 percent (23.60%) - Consolidated Judicial Retirement System; and (v) twenty-four and
38 fifty-eight hundredths percent (24.58%) - Legislative Retirement System. Each of the
39 foregoing contribution rates includes two percent (2%) for hospital and medical
40 benefits. The rate for State Law Enforcement Officers includes five percent (5%) for
41 the Supplemental Retirement Income Plan. The rates for Teachers and State
42 Employees, State Law Enforcement Officers, and for the University Employees'
43 Optional Retirement Program include fifty-two hundredths percent (0.52%) for the
44 Disability Income Plan.

45 (c) The maximum annual employer contributions, payable monthly, by
46 the State for each covered employee or retiree for the 1997-98 fiscal year and for the
47 1998-99 fiscal year to the Teachers' and State Employees' Comprehensive Major
48 Medical Plan are: (i) Medicare-eligible employees and retirees - one thousand three
49 hundred twenty-one dollars (\$1,321); and (ii) Non-Medicare-eligible employees and
50 retirees - one thousand seven hundred thirty-six dollars (\$1,736).

51
52 Requested by: Representatives Holmes, Creech, Esposito, Crawford, Miner

1 **LOCAL EMPLOYEES PURCHASE STATE TIME/STATE EMPLOYEES PURCHASE**
2 **LOCAL TIME**

3 Section 30.21. (a) G.S. 128-26(p)(1) reads as rewritten:

4 "(1) Notwithstanding any other provision of this Chapter, upon
5 completion of five years of membership service, any member may
6 purchase service previously rendered as a part-time employee of a
7 participating employer as defined in G.S. 128-21(11), G.S. 128-
8 21(11) or G.S. 135-1(11), except for temporary or part-time service
9 rendered while a full-time student in pursuit of a degree or
10 diploma in a degree-granting program. Payment shall be made in a
11 single lump sum in an amount equal to the full actuarial cost of
12 providing credit for the service, together with interest and an
13 administrative fee, as determined by the Board of Trustees on the
14 advice of the Retirement System's actuary. Notwithstanding the
15 provisions of G.S. 128-26(b), the Board of Trustees shall fix and
16 determine by appropriate rules and regulations how much service
17 in any year, as based on compensation, is equivalent to one year of
18 service in proportion to 'earnable compensation', but in no case
19 shall more than one year of service be creditable for all service in
20 one year. Notwithstanding the foregoing provisions of this
21 subdivision that provide for the purchase of service credits, the
22 terms 'full cost', 'full liability', and 'full actuarial cost' include
23 assumed annual post-retirement allowance increases, as determined
24 by the Board of Trustees, from the earliest age at which a member
25 could retire on an unreduced service allowance."

26 (b) G.S. 128-26(r) reads as rewritten:

27 "(r) Credit at Full Cost for Temporary ~~Local~~ Government Employment. --
28 Notwithstanding any other provisions of this Chapter, any member may purchase
29 creditable service for ~~local~~ government employment when classified as a temporary
30 employee subject to the conditions that:

- 31 (1) The member was employed by an employer as defined in G.S.
32 128-21(11), G.S. 128-21(11) or G.S. 135-1(11);
- 33 (2) The member's temporary employment met all other requirements
34 of G.S. 128-21(10), G.S. 128-21(10) or G.S. 135-1(10) or (25);
- 35 (3) The member has completed five years or more of membership
36 service;
- 37 (4) The member acquires from the employer such certifications of
38 temporary employment as are required by the Board of Trustees;
39 and
- 40 (5) The member makes a lump sum payment into the Annuity Savings
41 Fund equal to the full liability of the service credits calculated on
42 the basis of the assumptions used for purposes of the actuarial
43 valuation of the retirement system's liabilities, and the calculation
44 of the amount payable shall take into account the retirement
45 allowance arising on account of the additional service credit
46 commencing at the earliest age at which the member could retire
47 on an unreduced retirement allowance, as determined by the
48 Board of Trustees upon the advice of the actuary, plus an
49 administrative fee to be determined by the Board of Trustees.
50 Notwithstanding the foregoing provisions of this subdivision that
51 provide for the purchase of service credits, the terms 'full cost',
52 'full liability', and 'full actuarial cost' include assumed annual
53 post-retirement allowance increases, as determined by the Board of

Trustees, from the earliest age at which a member could retire on an unreduced service allowance."

(c) G.S. 135-4(p1)(1) reads as rewritten:

(1) Notwithstanding any other provision of this Chapter, upon completion of five years of membership service, any member may purchase service previously rendered as a part-time teacher or employee of ~~the State~~, an employer as defined in G.S. 135-1(11) or G.S. 128-21(11), except for temporary or part-time service rendered while a full-time student in pursuit of a degree or diploma in a degree-granting program. Payment shall be made in a single lump sum in an amount equal to the full actuarial cost of providing credit for the service, together with interest and an administrative fee, as determined by the Board of Trustees on the advice of the Retirement System's actuary. Notwithstanding the provisions of G.S. 135-4(b), the Board of Trustees shall fix and determine by appropriate rules and regulations how much service in any year, as based on compensation, is equivalent to one year of service in proportion to 'earnable compensation', but in no case shall more than one year of service be creditable for all service in one year. Service rendered for the regular school year in any district shall be equivalent to one year's service. Notwithstanding the foregoing provisions of this subdivision that provide for the purchase of service credits, the terms 'full cost', 'full liability', and 'full actuarial cost' include assumed annual post-retirement allowance increases, as determined by the Board of Trustees, from the earliest age at which a member could retire on an unreduced service allowance."

(d) G.S. 135-4(s) reads as rewritten:

"(s) Credit at Full Cost for Temporary ~~State~~ Employment. -- In addition to the provisions of subsection (p) above, any member may purchase creditable service for ~~State~~ employment when classified as a temporary teacher or employee subject to the conditions that the:

- (1) Member was employed by an employer as defined in ~~G.S. 135-1(11)~~; G.S. 135-1(11) or G.S. 128-21(11);
- (2) Member's temporary employment met all other requirements of G.S. 135-1(10) ~~or (25)~~; or (25), or G.S. 128-21(10);
- (3) Member has completed five years or more of membership service;
- (4) Member acquires from the employer such certifications of temporary employment as are required by the Board of Trustees; and
- (5) Member makes a lump sum payment into the Annuity Savings Fund equal to the full liability of the service credits calculated on the basis of the assumptions used for purposes of the actuarial valuation of the Retirement System's liabilities and shall take into account the retirement allowance arising on account of the additional service credit commencing at the earliest age at which the member could retire on an unreduced retirement allowance, as determined by the Board of Trustees upon the advice of the actuary, plus an administrative expense fee to be determined by the Board of Trustees. Notwithstanding the foregoing provisions of this subdivision that provide for the purchase of service credits, the terms 'full cost', 'full liability', and 'full actuarial cost' include assumed annual post-retirement allowance increases, as determined

1 by the Board of Trustees, from the earliest age at which a member
2 could retire on an unreduced service allowance.
3 The provisions of this subsection shall also apply to the purchase of creditable service
4 for State employment when classified as a permanent hourly employee in accordance
5 with G.S. 126-5(c4)."
6

7 Requested by: Representatives Holmes, Creech, Esposito, Crawford, Hardy
8 **RETIREMENT SYSTEM TRANSFER/PROVIDE FOR MEMBERS OF THE**
9 **CONSOLIDATED JUDICIAL RETIREMENT SYSTEM TO TRANSFER CREDITABLE**
10 **SERVICE FROM THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT**
11 **SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, OR THE LOCAL**
12 **GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO THE**
13 **CONSOLIDATED JUDICIAL RETIREMENT SYSTEM.**

14 Section 30.22. (a) G.S. 128-34 is amended by adding a new subsection to
15 read:

16 "(d) The accumulated contributions and creditable service of any member whose
17 service as an employee has been or is terminated other than by retirement or death
18 and who, while still a member of this Retirement System, became or becomes a
19 member, as defined in G.S. 135-53(11), of the Consolidated Judicial Retirement
20 System, shall be transferred from this Retirement System to the Consolidated Judicial
21 Retirement System. In order to effect the transfer of a member's creditable service
22 from the Local Governmental Employees' Retirement System to the Consolidated
23 Judicial Retirement System, there shall be transferred from the Local Governmental
24 Employees' Retirement System to the Consolidated Judicial Retirement System the
25 sum of (i) the accumulated contributions of the member credited in the annuity
26 savings fund; and (ii) the amount of reserve held in the Local Governmental
27 Employees' Retirement System as a result of previous contributions by the employer
28 on behalf of the transferring member."

29 (b) G.S. 135-28.1 is amended by adding a new subsection to read:

30 "(f) Notwithstanding the provisions of subsections (a), (b), (c), (d), and (e) of this
31 section, the accumulated contributions and creditable service of any member whose
32 service as a teacher or employee has been or is terminated other than by retirement
33 or death and who, while still a member of this Retirement System, became or
34 becomes a member, as defined in G.S. 135-53(11), of the Consolidated Judicial
35 Retirement System, shall be transferred from this Retirement System to the
36 Consolidated Judicial Retirement System. In order to effect the transfer of a
37 member's creditable service from the Teachers' and State Employees' Retirement
38 System to the Consolidated Judicial Retirement System, there shall be transferred
39 from the Teachers' and State Employees' Retirement System to the Consolidated
40 Judicial Retirement System the sum of (i) the accumulated contributions of the
41 member credited in the annuity savings fund; and (ii) the amount of reserve held in
42 the Teachers' and State Employees' Retirement System as a result of previous
43 contributions by the employer on behalf of the transferring member."

44 (c) Article 1A of Chapter 120 of the General Statutes is amended by
45 adding a new subsection to read:

46 **"§ 120-4.32. Transfer of members.**

47 The accumulated contributions and creditable service of any member whose
48 service as a member of the General Assembly has been or is terminated other than by
49 retirement or death and who, while still a member of this Retirement System, became
50 or becomes a member, as defined in G.S. 135-53(11), of the Consolidated Judicial
51 Retirement System, shall be transferred from this Retirement System to the
52 Consolidated Judicial Retirement System. In order to effect the transfer of a
53 member's creditable service from the Legislative Retirement System to the

1 Consolidated Judicial Retirement System, there shall be transferred from the
2 Legislative Retirement System to the Consolidated Judicial Retirement System the
3 sum of (i) the accumulated contributions of the member credited in the annuity
4 savings fund; and (ii) the amount of reserve held in the Legislative Retirement
5 System as a result of previous contributions by the General Assembly on behalf of the
6 transferring member."

7 (d) G.S. 135-56 is amended by adding a new subsection to read:

8 "(f) The creditable service of a member who was a member of the Legislative
9 Retirement System, Local Governmental Retirement System, or Teachers' and State
10 Employees' Retirement System and whose accumulated contributions and reserves
11 are transferred from that System to this System, includes service that was creditable
12 in the Legislative Retirement System, the Local Governmental Employees'
13 Retirement System, or Teachers' and State Employees' Retirement System, and
14 membership service with those Retirement Systems is membership service with this
15 Retirement System."

16 (e) G.S. 135-56.2 is repealed.

17 (f) G.S. 135-58(a1) reads as rewritten:

18 "(a1) Any member who retires under the provisions of subsection (a) or
19 subsection (c) of G.S. 135-57 on or after July 1, 1990, but before July 1, 1997, after he
20 either has attained his 65th birthday or has completed 24 years or more of creditable
21 service shall receive an annual retirement allowance, payable monthly, which shall
22 commence on the effective date of his retirement and shall be continued on the first
23 day of each month thereafter during his lifetime, the amount of which shall be
24 computed as the sum of (1), (2), and (3) following, provided that in no event shall the
25 annual allowance payable to any member be greater than an amount which, when
26 added to the allowance, if any, to which he is entitled under the Teachers' and State
27 Employees' Retirement System, the Legislative Retirement System or the North
28 Carolina Local Governmental Employees' Retirement System (prior in any case to
29 any reduction for early retirement or for an optional mode of payment) would total
30 three-fourths of his final compensation:

31 (1) Four and two-hundredths percent (4.02%) of his final
32 compensation, multiplied by the number of years of his creditable
33 service rendered as a justice of the Supreme Court or judge of the
34 Court of Appeals;

35 (2) Three and fifty-two hundredths percent (3.52%) of his final
36 compensation, multiplied by the number of years of his creditable
37 service rendered as a judge of the superior court or as
38 administrative officer of the courts;

39 (3) Three and two-hundredths percent (3.02%) of his final
40 compensation, multiplied by the number of years of his creditable
41 service rendered as a judge of the district court, district attorney,
42 or clerk of superior court."

43 (g) G.S. 135-58 is amended by adding a new subsection to read:

44 "(a2) Any member who retires under the provisions of subsection (a) or
45 subsection (c) of G.S. 135-57 on or after July 1, 1997, after he either has attained his
46 65th birthday or has completed 24 years or more of creditable service, shall receive
47 an annual retirement allowance, payable monthly, which shall commence on the
48 effective date of his retirement and shall be continued on the first day of each month
49 thereafter during his lifetime, the amount of which shall be computed as the sum of
50 the amounts in subdivisions (1), (2), (3), (4), (5), and (6) following, provided that in
51 no event shall the annual allowance payable to any member be greater than an
52 amount which, prior in any case to any reduction for early retirement or for an
53 optional mode of payment, would total three-fourths of his final compensation:

- 1 (1) Four and two-hundredths percent (4.02%) of his final
2 compensation, multiplied by the number of years of his creditable
3 service rendered as a justice of the Supreme Court or judge of the
4 Court of Appeals;
5 (2) Three and fifty-two hundredths percent (3.52%) of his final
6 compensation, multiplied by the number of years of his creditable
7 service rendered as a judge of the superior court or as
8 administrative officer of the courts;
9 (3) Three and two-hundredths percent (3.02%) of his final
10 compensation, multiplied by the number of years of his creditable
11 service, rendered as a judge of the district court, district attorney,
12 or clerk of superior court;
13 (4) A service retirement allowance computed in accordance with the
14 service retirement provisions of Article 1A of Chapter 120 of the
15 General Statutes using final compensation and creditable service
16 equal to the number of years of the member's creditable service
17 that was transferred from the Legislative Retirement System to this
18 System as provided in G.S. 135-56;
19 (5) A service retirement allowance computed in accordance with the
20 service retirement provisions of Article 3 of Chapter 128 of the
21 General Statutes using average final compensation as defined in
22 G.S. 128-21(5) and creditable service equal to the number of years
23 of the member's creditable service that was transferred from the
24 Local Governmental Employees' Retirement System to this System
25 as provided in G.S. 135-56; and
26 (6) A service retirement allowance computed in accordance with the
27 service retirement provisions of Article 1 of Chapter 135 of the
28 General Statutes using average final compensation as defined in
29 G.S. 135-53(2a) and creditable service equal to the number of
30 years of the member's creditable service that was transferred from
31 the Teachers' and State Employees' Retirement System to this
32 System as provided in G.S. 135-56."

33 (h) G.S. 135-60(a) reads as rewritten:

34 "(a) Upon retirement for disability in accordance with G.S. 135-59, a member
35 shall receive a disability retirement allowance computed and payable as provided for
36 service retirement in G.S. ~~135-58(a)~~ 135-58(a2) except that the member's creditable
37 service shall be taken as the creditable service he would have had had he continued
38 in service to the earliest date he could have retired on an unreduced service
39 retirement allowance as a member in the same division of the General Court of
40 Justice in which he was serving on his disability retirement date."

41 (i) Chapter 135 of the General Statutes is amended by adding a new
42 section to read:

43 "**§ 135-70A. Transfer of members from the Legislative Retirement System, Local**
44 **Governmental Employees' Retirement System, or Teachers' and State Employees'**
45 **Retirement System.**

46 (a) The accumulated contributions, creditable service, and reserves, if any, of a
47 former teacher, employee, or member of the General Assembly, as defined in G.S.
48 135-1(25), 135-1(10), 120-4.8(9), 120-4.8(12), and 128-21(10), respectively, who is a
49 member of the Consolidated Judicial Retirement System, shall be transferred from
50 the Teachers' and State Employees' Retirement System, the Legislative Retirement
51 System, or the Local Governmental Employees' Retirement System to the
52 Consolidated Judicial Retirement System. The accumulated contributions, creditable
53 service, and reserves of any member whose service as a teacher, employee, or

1 member of the General Assembly is terminated other than by retirement or death
2 and who becomes a member of the Consolidated Judicial Retirement System, shall be
3 transferred from the Teachers' and State Employees' Retirement System, the
4 Legislative Retirement System, or the Local Governmental Employees' Retirement
5 System to the Consolidated Judicial Retirement System. In order to effect the
6 transfer of a member's creditable service from the Teachers' and State Employees'
7 Retirement System, the Legislative Retirement System, or the Local Governmental
8 Employees' Retirement System to the Consolidated Judicial Retirement System, the
9 accumulated contributions of each member credited in the annuity savings fund in
10 the Teachers' and State Employees' Retirement System, the Legislative Retirement
11 System, or the Local Governmental Employees' Retirement System shall be
12 transferred and credited to the annuity savings fund in the Consolidated Judicial
13 Retirement System.

14 (b) The Board of Trustees shall effect such rules as it may deem necessary to
15 administer the preceding subsection and to prevent any duplication of service credits
16 or benefits that might otherwise occur."

17 (j) This section becomes effective July 1, 1997.

18
19 Requested by: Representatives Holmes, Creech, Esposito, Crawford, Grady, Preston,
20 Arnold

21 **PROVIDE A RETIREMENT INCENTIVE BY GRANTING A SEPARATION**
22 **ALLOWANCE FOR ALL ELIGIBLE MEMBERS OF THE TEACHERS' AND STATE**
23 **EMPLOYEES' RETIREMENT SYSTEM**

24 Section 30.23. (a) The catch line of Article 12D of Chapter 143 of the
25 General Statutes reads as rewritten:

26 "~~Separation Allowances for Law Enforcement Officers.~~ Allowances."

27 (b) Article 12D of Chapter 143 of the General Statutes is amended by
28 adding a new section to read:

29 **"§ 143-166.43. Special separation allowance.**

30 (a) Notwithstanding any other provision of law, any member of the Teachers' and
31 State Employees' Retirement System who is not eligible for a special separation
32 allowance under G.S. 143-166.41 and who qualifies under this section shall receive,
33 beginning on the last day of the month in which the member retires on a service
34 retirement under the provisions of G.S. 135-5(a) an annual separation allowance
35 equal to eighty-five-hundredths percent (0.85%) of the annual equivalent of the base
36 rate of compensation, excluding shift or holiday premium pay, overtime, annual
37 leave, or longevity, most recently applicable to the member for each year of
38 creditable service. The annual allowance shall be paid in 12 equal installments on the
39 last day of each month. To qualify for the allowance the member shall:

40 (1) Have (i) completed 30 or more years of creditable service, or (ii)
41 have attained 60 years of age and completed 25 or more years of
42 creditable service; and

43 (2) Not have attained 62 years of age.

44 (b) As used in this section, 'creditable service' means the service for which credit
45 is allowed under the Teachers' and State Employees' Retirement System.

46 (c) Payment to a retired member under the provisions of this section shall cease at
47 the death of the retired member or on the last day of the month in which the retired
48 member attains 62 years of age or upon the first day of reemployment, contractual or
49 otherwise, by any employer as defined in G.S. 135-1(11).

50 (d) This section does not affect the benefits to which a retired member may be
51 entitled from State, federal, or private retirement systems. The benefits payable under
52 this section shall not be subject to any increases in salary or retirement allowances
53 that may be authorized by the General Assembly.

1 (e) Each employer as defined in G.S. 135-1(11) shall determine the eligibility of
2 employees for the benefits provided herein.

3 (f) The Director of the Budget may authorize from time to time the transfer of
4 funds within the budgets of each employer necessary to carry out the purposes of this
5 section. These funds shall be taken from those appropriated to the employer for
6 salaries and related fringe benefits.

7 (g) The employer shall make the payments set forth in subsection (a) to those
8 persons certified under subsection (e) from funds available under subsection (f) of
9 this section."

10 (c) This section is effective when it becomes law and applies to persons
11 who:

- 12 (1) Are eligible to retire under the provisions of G.S. 143-166.43(a)(1)
13 between July 1, 1997 and January 1, 1998;
- 14 (2) Notify their employer in writing their intentions to retire and have
15 a mutually agreed upon date of retirement; and
- 16 (3) Retire with an effective date of retirement no later than August 1,
17 1998.

**HOUSE APPROPRIATIONS
COMMITTEE**

GENERAL PROVISIONS

MAY 30, 1997

CODE NO. 97GEN-H003C

Requested by: Representatives Holmes, Creech, Esposito, and Crawford

GENERAL FUND CREDIT BALANCE/PRIORITY USES

1 Section @. (a) G.S. 143-15.2 reads as rewritten:
2 "§ 143-15.2. Use of General Fund credit balance. balance;
3 priority uses.

4 ~~The State Controller shall reserve up to one-fourth of any~~
5 ~~unreserved credit balance, as determined on a cash basis,~~
6 ~~remaining in the General Fund at the end of each fiscal year to~~
7 ~~the Savings Reserve Account as provided in G.S. 143-15.3, unless~~
8 ~~that would result in the Savings Reserve Account having funds in~~
9 ~~excess of five percent (5%) of the amount appropriated the~~
10 ~~preceding year for the General Fund operating budget, including~~
11 ~~local government tax-sharing funds if directly appropriated; in~~
12 ~~that case, only funds sufficient to reach the five percent (5%)~~
13 ~~level shall be reserved. The State Controller shall also reserve~~
14 ~~from the unreserved credit balance, as determined on a cash~~
15 ~~basis, remaining in the General Fund three percent (3%) of the~~
16 ~~replacement value of all State buildings supported from the~~
17 ~~General Fund, at the end of each fiscal year to the Repairs and~~
18 ~~Renovations Reserve Account as provided in G.S. 143-15.3A. The~~
19 ~~General Assembly may appropriate that part of the anticipated~~
20 ~~General Fund credit balance not expected to be reserved to the~~
21 ~~Savings Reserve Account or the Repairs and Renovations Reserve~~
22 ~~Account only for capital improvements or other one-time~~
23 ~~expenditures. As used in this section, the term 'unreserved~~
24 ~~credit balance' means the credit balance amount, as determined on~~
25 ~~a cash basis, before funds are reserved by the Controller to the~~
26 ~~Savings Reserve Account or the Repairs and Renovations Reserve~~
27 ~~Account pursuant to G.S. 143-15.3 and G.S. 143-15.3A.~~

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

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

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

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

7 (e) If insufficient funds are available in the unreserved
8 credit balance to fulfill the requirements of G.S. 143-15.3(a),
9 143-15.3A(a), and 143-15.3B(a), the State Controller shall
10 transfer funds based on the following priorities:

11 (1) The Savings Reserve account has first priority.

12 (2) The Repairs and Renovation Reserve Account has
13 second priority.

14 (3) The Clean Water Management Trust Fund has third
15 priority.

16 (f) The General Assembly may appropriate that part of the
17 anticipated General Fund credit balance not expected to be
18 reserved only for capital improvements or other one-time
19 expenditures."

20 (b) G.S. 143-15.3 reads as rewritten:

21 "§ 143-15.3. Savings Reserve Account.

22 (a) There is established a Savings Reserve Account as a
23 restricted reserve in the General Fund. The State Controller
24 shall reserve to the Savings Reserve Account one-fourth of any
25 unreserved credit balance remaining in the General Fund at the
26 end of each fiscal year until the account contains funds equal to
27 five percent (5%) of the amount appropriated the preceding year
28 for the General Fund operating budget, including local government
29 tax-sharing funds- funds, that were directly appropriated. In
30 the event that the one-fourth exceeds the amount necessary to
31 reach the five percent (5%) level, only funds necessary to reach
32 that level shall be reserved.

33 (a1) If the balance in the Savings Reserve Account falls below
34 this the five percent (5%) level during a fiscal year, the State
35 Controller shall shall, in accordance with subsection (a) of this
36 section, reserve to the Savings Reserve Account for the following
37 fiscal years up to one-fourth of any unreserved credit balance
38 remaining in the General Fund at the end of each fiscal year
39 until the account again equals the five percent (5%) of the
40 amount appropriated the preceding year for the General Fund
41 operating budget, including local government tax-sharing funds-
42 level set out in subsection (a) of this section. As used in this
43 section, the term "unreserved credit balance" means the credit
44 balance amount, as determined on a cash basis, before funds are

1 ~~reserved by the Controller to the Savings Reserve Account or the~~
2 ~~Repairs and Renovations Reserve Account pursuant to this section~~
3 ~~and G.S. 143-15.3A.~~

4 (b) The Director may not use funds in the Savings Reserve
5 Account unless the use has been approved by an act of the General
6 Assembly."

7 (c) G.S. 143-15.3A reads as rewritten:

8 "**§ 143-15.3A. Repairs and Renovations Reserve Account.**

9 (a) There is established a Repairs and Renovations Reserve
10 Account as a restricted reserve in the General Fund. The State
11 Controller shall reserve to the Repairs and Renovations Reserve
12 Account three percent (3%) of the replacement value of all State
13 buildings supported from the General Fund, at the end of each
14 fiscal year. ~~As used in this section, the term 'unreserved credit~~
15 ~~balance' means the credit balance amount, as determined on a cash~~
16 ~~basis, before funds are reserved by the Controller to the Savings~~
17 ~~Reserve Account or the Repairs and Renovations Reserve Account~~
18 ~~pursuant to this section and G.S. 143-15.3.~~

19 (b) The funds in the Repairs and Renovations Reserve Account
20 shall be used only for the repair and renovation of State
21 facilities and related infrastructure that are supported from the
22 General Fund. Funds from the Repairs and Renovations Reserve
23 Account shall be used only for the following types of projects:

- 24 (1) Roof repairs and replacements;
- 25 (2) Structural repairs;
- 26 (3) Repairs and renovations to meet federal and State
27 standards;
- 28 (4) Repairs to electrical, plumbing, and heating,
29 ventilating, and air-conditioning systems;
- 30 (5) Improvements to meet the requirements of the
31 Americans with Disabilities Act, 42 U.S.C. § 12101
32 et seq., as amended;
- 33 (6) Improvements to meet fire safety needs;
- 34 (7) Improvements to existing facilities for energy
35 efficiency;
- 36 (8) Improvements to remove asbestos, lead paint, and
37 other contaminants, including the removal and
38 replacement of underground storage tanks;
- 39 (9) Improvements and renovations to improve use of
40 existing space;
- 41 (10) Historical restoration;
- 42 (11) Improvements to roads, walks, drives, utilities
43 infrastructure; and
- 44 (12) Drainage and landscape improvements.

1 Funds from the Repairs and Renovations Reserve Account shall not
2 be used for new construction or the expansion of the footprint of
3 an existing facility unless required in order to comply with
4 federal or State codes or standards.

5 The Director of the Budget shall not use funds in the Repairs
6 and Renovations Reserve Account unless the use has been approved
7 by an act of the General Assembly or, if the General Assembly is
8 not in session, the Director of the Budget has first consulted
9 with the Joint Legislative Commission on Governmental Operations
10 under G.S. 143-15.3A(c).

11 (c) The Governor shall consult with the Joint Legislative
12 Commission on Governmental Operations before making allocations
13 from the Repairs and Renovations Reserve Account.

14 Notwithstanding this subsection, whenever an expenditure is
15 required because of an emergency that poses an imminent threat to
16 public health or public safety, and is either the result of a
17 natural event, such as a hurricane or a flood, or an accident,
18 such as an explosion or a wreck, the Governor may take action
19 under this subsection without consulting the Commission if the
20 action is determined by the Governor to be related to the
21 emergency. The Governor shall report to the Commission on any
22 expenditures made under this paragraph no later than 30 days
23 after making the expenditure and shall identify in the report the
24 emergency, the type of action taken, and how it was related to
25 the emergency.

26 (d) G.S. 143-15.3B reads as rewritten:

27 "**§ 143-15.3B. The Clean Water Management Trust Fund.**

28 (a) The Clean Water Management Trust Fund is established in
29 G.S. 113-145.3. The State Controller shall reserve to the Clean
30 Water Management Trust Fund six and one-half percent (6.5%) of
31 any unreserved credit balance remaining in the General Fund at
32 the end of each fiscal year. year, until the Clean Water
33 Management Trust Fund equals fifty million dollars (\$50,000,000).
34 In the event that six and one-half percent (6.5%) exceeds the
35 amount necessary to equal the fifty million dollar (\$50,000,000)
36 level, only funds necessary to equal fifty million dollars
37 (\$50,000,000) shall be reserved. As used in this section, the
38 term "unreserved credit balance" means the credit balance amount,
39 as determined on a cash basis, before funds are reserved by the
40 State Controller to the Savings Reserve Account, the Repairs and
41 Renovations Reserve Account, or the Clean Water Management Trust
42 Fund pursuant to this section, G.S. 143-15.3, and G.S. 143-15.3A.

1 (b) The funds in the Clean Water Management Trust Fund shall
2 be used only in accordance with Article 13A of Chapter 113 of the
3 General Statutes."

4

CODE NO. 97GEN-H010A

Requested by: Representatives Holmes, Creech, Esposito, and
Crawford

EXECUTIVE BUDGET ACT EXCEPTION

1 Section @. (a) G.S. 143-16.3 reads as rewritten:
2 "§ 143-16.3. No expenditures for purposes for which the General
3 Assembly has considered but not enacted an appropriation.

4 Notwithstanding any other provision of law, no funds from any
5 source, except for gifts, grants, funds allocated from the
6 Repairs and Renovations Reserve Account in accordance with G.S.
7 143-15.3A, and funds allocated from the Contingency and Emergency
8 Fund in accordance with G.S. 143-12(b), may be expended for any
9 purpose, position, or other expenditure for which the General
10 Assembly has considered but not enacted an appropriation of funds
11 for the current fiscal period. For the purpose of this section,
12 the General Assembly has considered a purpose, position, or other
13 expenditure when that purpose is included in a bill, amendment,
14 or petition and when any committee of the Senate or the House of
15 Representatives deliberates on that purpose.

16 (b) G.S. 143-16.3 does not apply to the following projects:

17 (1) The acquisition of gamelands in the South Mountains
18 (House Bill 610).

19

20 (2) Blue Ridge Parkway - Scenic Vistas

Requested by: Representatives Holmes, Creech, Esposito, and Crawford

TRANSFERS FOR OVEREXPENDITURES OF A PURPOSE OR PROGRAM

- 1 Section @. G.S. 143-23(a1) reads as rewritten:
2 "(a1) Notwithstanding the provisions of subsection (a) of this
3 section, a department, institution, or other spending agency may,
4 with approval of the Director of the Budget, spend more than was
5 appropriated for:
- 6 (1) An object or line item within a purpose or program
7 so long as the total amount expended for the
8 purpose or program is no more than was appropriated
9 from all sources for the purpose or program for the
10 fiscal period;
- 11 (2) A purpose or program, without consultation with the
12 Joint Legislative Commission on Governmental
13 Operations, if the overexpenditure of the purpose
14 or program is:
- 15 a. Required by a court, Industrial Commission, or
16 administrative hearing officer's order;
- 17 b. Required to respond to an unanticipated
18 disaster such as a fire, hurricane, or
19 tornado; or
- 20 c. Required to call out the National Guard.
- 21 The Director of the Budget shall report on a
22 quarterly basis to the Joint Legislative Commission
23 on Governmental Operations on any overexpenditures
24 under this subdivision; or
- 25 (3) A purpose or program, after consultation with the
26 Joint Legislative Commission on Governmental
27 Operations in accordance with G.S. 120-76(8), and
28 only if: (i) the overexpenditure is required to
29 continue the purpose or programs due to
30 complications or changes in circumstances that
31 could not have been foreseen when the budget for
32 the fiscal period was enacted and (ii) the scope of
33 the purpose or program is not increased. ~~Total~~
34 ~~overexpenditures of a purpose or program for a~~
35 ~~fiscal year under this subdivision shall be limited~~
36 ~~to the lesser of five hundred thousand dollars~~
37 ~~(\$500,000) or ten percent (10%) of the amount~~
38 ~~appropriated from all sources for the purpose or~~

1
2
3

~~program, unless such overexpenditures are necessary
to provide matching funds for federal entitlement
programs."~~

8

CODE NO. 97GEN-H004

Requested by: Representatives Holmes, Creech, Esposito, and Crawford

DISASTER RELIEF FUNDS/REPORTING REQUIREMENTS

1 Section @. (a) The Department of Crime Control and
2 Public Safety shall report to the 1997 General Assembly, 1998
3 Regular Session regarding the status of the federal disaster
4 relief funds. The report shall include the purpose for which the
5 funds were spent, the total amount of the expenditure, and the
6 total funds remaining for disaster relief. A copy of the report
7 shall also be provided to the Fiscal Research Division of the
8 General Assembly.

9 (b) State funds that are designated to match federal funds for
10 disaster relief, but that are not needed as matching funds shall
11 revert to the General Fund.

Requested by: Representatives Holmes, Creech, Esposito,
Crawford, Justus, Thompson, Kiser and Redwine

ANALYSIS OF STATE ADMINISTRATIVE SPAN OF GOVERNMENT CONTROL

1 Section @. The Office of State Budget and Management
2 shall continue to review and analyze the administrative span of
3 control of State agencies. That study was authorized by the
4 General Assembly in Section 10.1 of Chapter 324 of the 1995
5 Session Laws. The starting point for the continued review shall
6 be the recommendations in the May 1996 study report, "Study of
7 State Agency Spans of Control and Organizational Layers." In its
8 review, the Office of State Budget and Management shall focus on
9 four major areas: (i) excessively narrow spans of control goals
10 (supervisors with few employees to supervise); (ii) excessive
11 layers of management between top management and employees; (iii)
12 one-to-one reporting relationships; and (iv) work units with
13 small numbers of staff.

14 The study goals shall be fewer management layers; realistic
15 supervisor to employee ratios; proper classification of
16 supervisors; cost savings by eliminating unnecessary positions;
17 and, improved policies and procedures for reviewing and
18 monitoring organizational layers and supervisor to employee
19 ratios.

20 The review shall be conducted as a joint effort between the
21 Office of State Budget and Management, the Office of State
22 Personnel and State agencies to further review the number of
23 organizational levels and the average span of control in each
24 State agency and determine the appropriate span of control and
25 management levels for the agency and for each major division and
26 section within that agency. This review shall use the statewide
27 benchmarks in the 1996 Span of Control study as a starting point
28 for analysis, not as the required goal for each department.
29 However, the study shall highlight the reasons for any deviation
30 from the statewide benchmarks recommended in the 1996 study.

31 In its study, the Office of State Budget and Management shall:

- 32 (1) Document any cost savings available from
33 eliminating positions. These cost savings must be
34 based on a reduced number of organizational layers
35 and positions or a reduced number of supervisors
36 due to increasing employee to supervisor ratios.
37 (2) Highlight classifications that appear to be
38 improperly classified as supervisors and,

1 conversely, those non-supervisory classifications
2 that should be designated as supervisors.
3 Potential costs or cost savings for
4 reclassification of positions should be documented
5 where possible.

6 (3) Recommend new policies and procedures to be
7 implemented by the Office of State Budget and
8 Management and the Office of State Personnel for
9 reviewing and monitoring agency organizational and
10 supervisory changes. State Personnel should
11 specifically review possible modifications to the
12 State Personnel Management Information System that
13 would allow for easy access and monitoring of
14 agency organizational layers and supervisor to
15 employee ratios.

16 (4) Expand its scope to include the State University
17 system and Community College system.

18 (5) Include a timetable for completing implementation
19 of the study recommendations.

20 The Office of State Budget and Management shall report its
21 findings and recommendations to the 1997 General Assembly by
22 April 1, 1998. A progress report shall be provided quarterly by
23 the Office of State Budget and Management to the Joint Commission
24 on Governmental Operations, the Chairs of the Senate and House
25 Appropriations Committees, and the Fiscal Research Division.

CODE NO. 97REV-H001B

Requested by: Representatives Gray, Holmes, Creech, Esposito,
Crawford

INTANGIBLES TAX REMEDY

1 Section @. (a) Of the unreserved credit balance as of
2 June 30, 1997, the sum of one hundred fifty-six million dollars
3 (\$156,000,000) is reserved for the costs of intangibles tax
4 refunds required by G.S. 105-267, including interest, and the
5 Department of Revenue's additional costs of administering the
6 refunds. If this sum is not sufficient, the Department of
7 Revenue may draw additional funds from collections under Division
8 II of Article 4 of Chapter 105 of the General Statutes, as
9 necessary, but in no case may the Department of Revenue receive
10 pursuant to this subsection more than a total of five hundred
11 thousand dollars (\$500,000) for its additional costs of
12 administering the refunds.

13 (b) This section becomes effective only if legislation
14 directing the Secretary of Revenue to make intangibles tax
15 refunds required by G.S. 105-267 is enacted by the 1997 General
16 Assembly and becomes law.

17

CODE NO. 97GEN-H022A

Requested by: Representatives Justus, Kiser, Thompson, Holmes,
Creech, Esposito, and Crawford

**AUTHORIZATION OF PRIVATE LICENSE TAGS ON STATE-OWNED MOTOR
VEHICLES**

1 Section . (a) Pursuant to the provisions of G.S. 14-
2 250, for the 1997-99 fiscal biennium, the General Assembly
3 authorizes the use of private license tags on State-owned motor
4 vehicles only for the State Highway Patrol and for the following:
5 Department Exemption Category Number
6 Motor Vehicles License and Theft 97
7 Justice SBI Agents 301
8 Correction Probation/Parole Surveillance
9 Officers (intensive
10 probation) 25
11 Crime Control and
12 Public Safety ALE Officers 160
13 Revenue 3
14 Capital Area
15 Police 2
16 (b) The 160 ALE vehicles authorized by this section to
17 use private license tags shall be distributed as follows:
18 (1) 114 license tags for line vehicles;
19 (2) 14 license tags for spare vehicles;
20 (3) 12 license tags for surveillance vehicles; and
21 (4) 20 license tags for undercover vehicles.
22 (c) Except as provided in this section, all State-owned
23 motor vehicles shall bear permanent registration plates issued
24 under G.S. 20-84.
25

CODE NO. 97GEN-H025

Requested by: Representative Arnold

NO STATE AGENCY CONTRACT LOBBYING

1 Section @. No state agency may retain any person who
2 would be required to register as a lobbyist under Article 9A of
3 Chapter 120 the General Statutes in order to carry out the task
4 for which that person is retained.

ROLL CALL VOTE

Rep. Morgan's Motion for a favorable report
44 1 = 45 (TOTAL)
 YES NO

HB# _____
 SB# _____

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

DATE _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
☒	☐	HOLMES, Co-Chair	☒	☐	DECKER
☒	☐	ESPOSITO, Co-Chair	☒	☐	DOCKHAM
☐	☐	CREECH, Co-Chair	☐	☐	EARLE
☒	☐	CRAWFORD, Co-Chair	☒	☐	EASTERLING
☐	☐	ADAMS	☒	☐	ELLIS
☐	☐	ALDRIDGE	☒	☐	FOX
☒	☐	ALEXANDER	☒	☐	GARDNER
☒	☐	ARNOLD	☒	☐	GRADY
☒	☐	BAKER	☒	☐	GULLEY
☒	☐	BARBEE	☐	☐	HALL
☒	☐	BERRY	☒	☐	HARDAWAY
☐	☐	BLACK	☐	☒	HARDY
☐	☐	BLUE	☐	☒	HIATT
☒	☐	BONNER	☐	☐	HUNTER
☒	☐	BOWIE	☒	☐	HURLEY
☐	☐	BRASWELL	☒	☐	INSKO
☒	☐	CANSLER	☒	☐	IVES
☒	☐	CARPENTER	☒	☐	JEFFUS
☐	☐	CHURCH	☒	☐	JUSTUS
☒	☐	CLARY	☒	☐	KINNEY
☒	☐	CULP	☒	☐	KISER
☒	☐	CULPEPPER	☒	☐	McALLISTER
☒	☐	DAVIS	☐	☐	McCOMBS
					McCRARY

ROLL CALL VOTE

PAGE 2

HB#
SB#

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
☒	☐	McMAHAN	☐	☐	WAINWRIGHT
☒	☐	MICHAUX	☒	☐	WARNER
☒	☐	MITCHELL	☒	☐	WARWICK
☒	☐	MOORE	☒	☐	WATSON
☒	☐	MORGAN	☐	☐	WEATHERLY
☐	☐	MOSLEY	☒	☐	WILKINS
☒	☐	NEELY	☒	☐	WILSON
☒	☐	NYE	☐	☐	YONGUE
☐	☐	OLDHAM			
☒	☐	OWENS			
☒	☐	PRESTON			Ex officio Members
☐	☐	REDWINE	☐	☐	Speaker Pro Tem WOOD
☒	☐	REYNOLDS	☒	☐	Majority Leader DAUGHTRY
☒	☐	ROGERS	☒	☐	Majority Whip HOWARD
☒	☐	RUSSELL	44	1	
☐	☐	SAUNDERS			
☒	☐	SEXTON			
☒	☐	SHERRILL			
☐	☐	SHUBERT			
☐	☐	SMITH			
☐	☐	SUTTON			
☐	☐	THOMPSON			
☐	☐	TOLSON			

VISITOR REGISTRATION SHEET

APPROPRIATIONS

May 30, 1997

Name of Committee

Date *a m*

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Alie Sharpe</i>	<i>State Construction Office</i>
<i>P. Perry</i>	<i>DMX</i>
<i>B. Craker</i>	<i>STHL</i>
<i>J. (Perry)</i>	<i>DVRS</i>
<i>D. Jackson</i>	<i>DSB</i>
<i>J. Craig Jones</i>	<i>OSD/AH</i>
<i>Bill Coy</i>	<i>DHR/DIRM</i>
<i>Jane Smith</i>	<i>DEHNR</i>
<i>Richardson</i>	<i>OSPL</i>
<i>Kathie Austin PADGETT</i>	<i>OSPL</i>
<i>Adam Searing</i>	<i>NCIAC</i>
<i>Keith Ernst</i>	<i>NC JCTDC</i>
<i>Paula A. Wolf</i>	<i>Covenant w/NC's Children</i>
<i>Roslyn Sawitt</i>	<i>nc child care coal. / coal. Against DV</i>
<i>Jeff Davien</i>	<i>UNC</i>
<i>Lawrence Harris</i>	<i>Health Information Outsourcing Services</i>
<i>Bernard Allen</i>	<i>SOS</i>
<i>Peggy Maynard</i>	<i>GIN</i>
<i>Talen Walsh</i>	<i>DHK - Kenal Kuhl</i>
<i>Carl Hawkin</i>	<i>OSD</i>
<i>Thomas Vance Bennett</i>	<i>NCCFTF</i>
<i>Jim Brown</i>	<i>N.C. State Ports</i>
<i>Patricia - Rescher</i>	<i>NCACC</i>
<i>LELBITON POPOL</i>	<i>ZDA, PA</i>
<i>Tommy Wirth</i>	<i>Carolina's Health Care Systz</i>
<i>John V. Hodge</i>	<i>N.C. Pub. Emp'd</i>
<i>Theresa Rose</i>	<i>Bone & Assoc - LTC</i>
<i>Lois Wilson</i>	<i>NCA LTC7.</i>

VISITOR REGISTRATION SHEET

APPROPRIATIONS

05-30

May 30, 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tim McInerney	McAICU
Lt. Kelly Flynn	U.S. Air Force
Willie R. Dicks	DOR
Gene Causey	E - EBC
Dan Kinnel	E 67 HDS
Ann Bertram	SBE
ADRIENE HILL	SBE
Al Peagow	OSBM
DAVE BRISTON	OTHR
Jim S. S. for	OTHR
Lee K. King	OTHR
Mary L. L. L.	ADT
CLIFTON RUDIN	DOA / INTRAM AFFAIRS
Joe Stewart	CCPS
Wayne Williams	OSBM
Byron K. Harris	OSBM
Jim Newell	OSBM
A. McKenna	DHR
Chuck F. F.	STEAN/C
R. Rogers	DEANK

VISITOR REGISTRATION SHEET

APPROPRIATIONS

May 30, 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) **Holmes, Esposito, Creech and Crawford** for the Committee on
APPROPRIATIONS.

☒ Committee Substitute for

S.B. 352 A BILL TO BE ENTITLED AN ACT TO MAKE APPROPRIATIONS FOR
CURRENT OPERATIONS AND FOR CAPITAL IMPROVEMENTS FOR STATE
DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

☐ 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

MINUTES
HOUSE COMMITTEE ON APPROPRIATIONS
JUNE 12, 1997

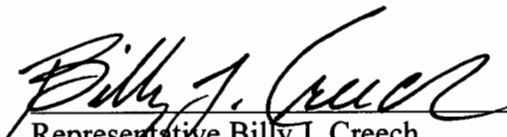
The House Appropriations Committee met on Thursday, June 12, 1997, in Room 643 of the Legislative Office Building at 8:40 p.m. Representative Billy Creech, Cochair, presided. Of the members enrolled, there were 56 present.

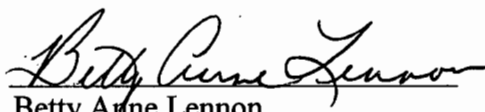
Representative Creech called on Representative Lyons Gray to explain Senate Bill 833; UNC Nonappropriated Capital Projects (attached). Representative Gray said each year the University System asks the General Assembly to authorize the construction of facilities financed through sources of revenue other than State Appropriations. Those sources of revenue include the issuance of revenue bonds, bank borrowing, and gifts and grants from foundations, private individuals and corporations.

The bill was discussed at length. There was concern among Committee members that the bill needed clarification. Representative Holmes made a motion to bring the bill back before the Committee. The motion was accepted without objection. Representative Creech told members the bill would be before the Committee at a date to be announced on the House floor.

The meeting adjourned at 9:30 a.m.

Respectfully submitted,


Representative Billy J. Creech
Presiding Cochair


Betty Anne Lennon
Committee Clerk

Representative George M. Holmes, Cochair
Representative Theresa Esposito, Cochair
Representative James W. Crawford, Cochair

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

2

SENATE BILL 833*
Finance Committee Substitute Adopted 4/28/97

Short Title: UNC Nonappropriated Capital Projects.

(Public)

Sponsors:

Referred to:

April 14, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING,
3 WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN
4 CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT
5 INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

6 The General Assembly of North Carolina enacts:

7 Section 1. The purpose of this act is (i) to authorize the construction by
8 certain constituent institutions of The University of North Carolina and the University
9 of North Carolina - General Administration, of the capital improvements projects
10 listed in the act for the respective institutions, and (ii) to authorize the financing of
11 these projects with funds available to the institutions from gifts, grants, receipts, self-
12 liquidating indebtedness, or other funds, or any combination of these funds, but not
13 including funds appropriated from the General Fund of the State.

14 Section 2. The capital improvements projects authorized by this act to be
15 constructed and financed as provided in Section 1 of this act are as follows:

16
17 1. Appalachian State University
18 Small Group Housing \$10,748,300
19 Bookstore Renovation and Expansion 3,710,200
20 2. East Carolina University
21 Renovations to Jarvis Residence Hall 4,644,800
22 Life Safety Improvements in Nonacademic Facilities 3,550,500
23 Repairs to Dowdy-Ficklen Stadium 3,467,100

1	3.	North Carolina A & T State University	
2		Parking Deck	6,528,000
3	4.	North Carolina State University	
4		Installation of Air Conditioning and Sprinkler	
5		Systems - Five Residence Halls	14,187,000
6		Partners Building IV	16,200,000
7		Centennial Campus Infrastructure	8,164,000
8	5.	The University of North Carolina at Chapel Hill	
9		Replace Coal Silos at the Cogeneration Facility	7,358,200
10		Residence Hall Video Network & Communications	
11		Wiring	6,646,800
12		Renovation of Graham Memorial (Center for	
13		Undergraduate Excellence)	5,208,400
14		Building for the Institute for the Arts and	
15		Humanities	4,096,700
16		Paul J. Rizzo Conference Center	15,507,700
17	6.	The University of North Carolina at Charlotte	
18		Student Housing Phase VII Apartments	18,851,000
19		Student Recreation Fields	1,355,700
20	7.	The University of North Carolina at Wilmington	
21		200-Bed Housing	6,351,100
22		Parking Deck	7,069,500
23	8.	The University of North Carolina - General	
24		Administration	
25		Systemwide Sprinkler and Fire Detection Systems	18,402,000.

27 Section 3. With respect to three projects at the University of North
 28 Carolina at Chapel Hill among those identified in Section 2 of this act, the institution
 29 is authorized, in addition to those means of construction and financing authorized
 30 under Section 2 of this act, to accomplish construction and financing through lease
 31 arrangements to and from nonprofit corporations, as follows:

- 32 1. Renovation of Graham Memorial through lease with the University of North
 33 Carolina at Chapel Hill Arts and Sciences Foundation, Incorporated
- 34 2. Building for the Institute for Arts and Humanities through lease with the J.R.
 35 Hyde, III Family Foundation
- 36 3. Renovation and buildings for the Paul J. Rizzo Conference Center through
 37 lease with the Kenan-Flagler Business School Foundation.

38 The term of each lease may be for such duration as the parties agree, not to exceed
 39 the longer of the period of capital improvement, and, if the nonprofit corporation
 40 incurs indebtedness to finance construction, the period required to retire the
 41 indebtedness. For the purposes of contracting for the design, construction, and
 42 equipping of these facilities, the University of North Carolina at Chapel Hill may
 43 enter into an agreement that provides for the leasing nonprofit corporation to serve as
 44 the construction management agent, having general supervision of the construction

1 and equipping of the facility. Each leasing nonprofit corporation and the University
2 of North Carolina at Chapel Hill may enter into combined contracts for project
3 design, construction, and construction management. For purposes of financing
4 construction, the University of North Carolina at Chapel Hill may enter into a long-
5 term lease from the leasing nonprofit corporation. When a lease to a nonprofit
6 corporation authorized by this section ends, the University of North Carolina at
7 Chapel Hill shall have the option (i) to receive the premises as improved,
8 unencumbered facilities of the institution if the premises as improved meet all
9 applicable standards for possession and use by the institution as a State facility, or (ii)
10 to receive the premises and to remove or demolish the improvements made under the
11 prior lease.

12 Section 4. At the request of The University of North Carolina Board of
13 Governors and upon determining that it is in the best interest of the State to do so,
14 the Director of the Budget may authorize an increase or decrease in the scope of, or
15 a change in the method of funding, the project authorized by this act. In determining
16 whether to authorize a change in scope or funding, the Director of the Budget may
17 consult with the Joint Legislative Commission on Governmental Operations. In no
18 event may appropriations from the General Fund be used for a project authorized by
19 this act.

20 Section 5. This act is effective when it becomes law.

VISITOR REGISTRATION SHEET

APPROPRIATIONS

June 12, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Jerry Davis	unc
William McCoy	unc
Roslyn Sawett	lollys
Milton G. Alfani	OSBM
Shelle Watson	OSBM
JW Reel	OSBM
Johnny Gray	OSBM
Peter Daniel	NCOA
Willie Denny	NCPA
Rich Davis	Rmt Chamber of Com
Thyrt Wilhelm	OSBM
W E McNe	Mr. Hone Co
616 Hiron Pope	ZDA PA
David Brown	OSBM
K. ROGERS	EHNR
D. S. Nelson	OSBM
D. Kirk Gannon	Former Employee to Rep Creech
Jim Stuchlik	Food bank + NCPA
Brian Klayke	State Court office
Clifford Brantley	CDP
DB Martin	UNC
VM Bridges	NCPA
Hal Miller	NACACT
John Wilson	NIAE
Paul McCartney	London
RON A. Zerk	NCAAC
Bernard Allen	SOS

MINUTES
HOUSE APPROPRIATIONS COMMITTEE
June 30, 1997

The House Appropriations Committee met in Room 643 of the Legislative Office Building at 3 PM on Monday, the 30th of June 1997. Representative George Holmes presided at the meeting with 57 House members present as reflected in the attendance record.

The following bills were before the Committee:

Senate Bill 473, entitled Continuing Budget Authority, was explained by Rep. George Holmes. Representative Holmes stated that June 30, 1997 was the last day of the fiscal year and the bill was necessary to continue funding of State government.

Representative Creech moved for a favorable report for Senate Bill 473, and the motion carried by voice vote.

Senate Bill 833, entitled UNC Receipt-Supported Capital Proj., was explained by Representative Lyons Gray. Representative Gray reported that the bill would authorize the construction and financing of certain capital improvements projects of the constituent institutions of the University of North Carolina. Representative Gray asked that Jim Newland of the Fiscal staff further explain the bill.

Representative Jim Crawford moved for a favorable report for Senate Bill 833, and the motion carried by voice vote.

Representative Holmes stated that without objection Senate Bill 714, Reconstructive Surgery/Coverage/2, would take the place of House Bill 813. The bill was explained by Representative Martha Alexander. Representative Alexander reported that the bill would require health and accident insurance policies, hospital or medical service plans, HMO plans, and the Teachers' and State Employees' Comprehensive Major medical plan to provide coverage for reconstructive breast surgery resulting from mastectomy. Representative Carolyn Russell also spoke on the bill.

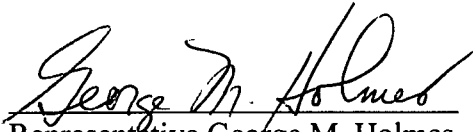
Representative Blue moved for a favorable report for Senate Bill 714. The motion carried by voice vote.

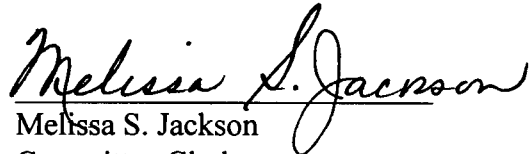
House Bill 752, Stolen Licenses, was explained by Representative Gene Arnold. Representative Arnold reported that the bill would authorize State agencies to issue duplicate licenses without charge when the original licenses are destroyed or stolen during the commission of a crime. Representative Arnold stated that there would be no fiscal impact.

After discussion on the bill, Representative Creech made a motion that House Bill 752 be re-referred to the Finance Committee. The motion carried by voice vote and House Bill 752 was re-referred to the Finance Committee.

The meeting was adjourned at 4 PM.

Respectfully submitted,


Representative George M. Holmes
Presiding Chair


Melissa S. Jackson
Committee Clerk

Representative Theresa H. Esposito, Cochair
Representative Billy Creech, Cochair
Representative James W. Crawford, Jr., Cochair

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

Approved

S

2

SENATE BILL 473
Appropriations Committee Substitute Adopted 6/26/97

Short Title: Continuing Budget Authority.

(Public)

Sponsors:

Referred to:

March 24, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE DIRECTOR OF THE BUDGET TO CONTINUE
3 EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE
4 LEVEL IN EFFECT ON JUNE 30, 1997, AND TO EXTEND EXPIRING
5 PROVISIONS OF LAW.

6 The General Assembly of North Carolina enacts:

7

8 BUDGET CONTINUATION

9 Section 1. The Director of the Budget may continue to allocate funds for
10 expenditure for current operations by State departments, institutions, and agencies at
11 a level not to exceed the level at which those operations were authorized by the
12 General Assembly as of June 30, 1997. The Director of the Budget shall not allocate
13 funds for any of the purposes set out in the base budget reductions contained in
14 Senate Bill 352, 3rd edition, and Senate Bill 352, 5th edition, that are not in
15 controversy.

16 To the extent necessary to implement this authorization, there is
17 appropriated from the appropriate State funds and cash balances, federal receipts,
18 and departmental receipts for the 1997-98 fiscal year, funds necessary to carry out this
19 section.

20 This appropriation and this authorization to allocate and spend funds
21 shall remain in effect until ratification of the Current Operations and Capital
22 Improvements Appropriations Act of 1997, at which time that act shall become
23 effective and shall govern appropriations and expenditures. Upon ratification of the

1 Current Operations and Capital Improvements Appropriations Act of 1997, the
2 Director of the Budget shall adjust allocations to give effect to that act from July 1,
3 1997.

4 Except as otherwise provided by this act, the limitations and directions
5 for the 1996-97 fiscal year in Chapters 324 and 507 of the 1995 Session Laws and
6 Chapter 18 of the Session Laws of the 1996 Second Extra Session remain in effect.
7 Session laws that applied to appropriations to particular agencies or for particular
8 purposes apply to the funds appropriated and authorized for expenditure under this
9 section.

11 **EMPLOYEE SALARIES**

12 Section 2. The salary schedules and specific salaries established for fiscal
13 year 1996-97 by or under Chapters 324 and 507 of the 1995 Session Laws and
14 Chapter 18 of the Session Laws of the 1996 Second Extra Session for offices and
15 positions shall remain in effect until the effective date of the Current Operations and
16 Capital Improvements Appropriations Act of 1997.

17 Teachers and other employees shall not move up on these salary
18 schedules or receive automatic, annual, performance, merit, or other increments until
19 authorized by the General Assembly.

21 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

22 Section 3. The State's employer contribution rates budgeted for
23 retirement and related benefits for the 1997-98 fiscal year shall remain the same as
24 they are on June 30, 1997.

26 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS**

27 Section 4. The General Assembly authorizes and certifies anticipated
28 revenues of the Highway Fund as follows:

29 FY 1999-2000	\$1,182.2 million
30 FY 2000-2001	\$1,211.2 million
31 FY 2001-2002	\$1,241.2 million
32 FY 2002-2003	\$1,271.9 million.

33 The General Assembly authorizes and certifies anticipated revenues of
34 the Highway Trust Fund as follows:

35 FY 1999-2000	\$861.7 million
36 FY 2000-2001	\$891.0 million
37 FY 2001-2002	\$921.6 million
38 FY 2002-2003	\$953.3 million.

40 **FUNDS SHALL NOT REVERT**

41 Section 5. If the provisions of Senate Bill 352, 3rd edition, Senate Bill
42 352, 5th edition, or both, direct that funds shall not revert, the funds shall not revert
43 on June 30, 1997. Unless these funds are encumbered on or before June 30, 1997,
44 these funds shall not be expended after June 30, 1997, except as provided by a statute

1 that becomes effective after June 30, 1997. If no such statute is enacted prior to
2 August 1, 1997, these funds shall revert to the appropriate fund on that date.

3

4 **EXTEND SENTENCING COMMISSION**

5 Section 6. Section 8 of Chapter 1076 of the 1989 Session Laws, as
6 amended by Chapters 812 and 816 of the 1991 Session Laws, Chapters 253, 321, and
7 591 of the 1993 Session Laws, and Chapter 236 of the 1995 Session Laws, reads as
8 rewritten:

9 "Sec. 8. This act is effective upon ratification, and shall expire ~~July 1, 1997.~~ July
10 31, 1997."

11

12 **EXTEND MORATORIUM ON FISHING LICENSES**

13 Section 7. Subsection (a) of Section 3 of Chapter 675 of the 1993 Session
14 Laws, Regular Session 1994, as amended by subsection (a) of Section 26.5 of Chapter
15 507 of the 1995 Session Laws, reads as rewritten:

16 "(a) Except as provided in subsections (b), (c), (c1), or (c2) of this section, the
17 Department shall not issue any new licenses for a period beginning July 1, 1994, and
18 ending ~~June 30, 1997,~~ July 31, 1997, under the following statutes:

- 19 (1) G.S. 113-152. Vessel licenses.
- 20 (2) G.S. 113-153.1. Crab license.
- 21 (3) G.S. 113-154. Shellfish license
- 22 (4) G.S. 113-154.1. Nonvessel endorsements to sell fish."

23

24 **AUTHORIZATION OF FICTITIOUS LICENSES AND REGISTRATION PLATES ON** 25 **PUBLICLY OWNED MOTOR VEHICLES**

26 Section 8. Section 23(c) of Chapter 18 of the Session Laws of the 1996
27 Second Extra Session reads as rewritten:

28 "(c) Subsection (a) of this section expires ~~June 30, 1997.~~ July 31, 1997."

29

30 **LOWER NEUSE RIVER BASIN ASSOCIATION FUNDS**

31 Section 9. Section 27.8(a) of Chapter 18 of the Session Laws of the 1996
32 Second Extra Session reads as rewritten:

33 "(a) Of the funds appropriated by this act to the Lower Neuse River Basin
34 Association for the 1996-97 fiscal year, the sum of two million dollars (\$2,000,000)
35 shall be allocated as grants to local government units in the Neuse River Basin to
36 assist those local government units in fulfilling their obligations under the Neuse
37 River Nutrient Sensitive Waters Management Strategy plan adopted by the
38 Environmental Management Commission. The funds are contingent upon the
39 adoption of the plan by the Environmental Management Commission. If the
40 Environmental Management Commission fails to adopt the plan by ~~June 30, 1997,~~
41 July 31, 1997, then the funds shall revert to the General Fund."

42

43 **BEAVER DAMAGE CONTROL FUNDS**

1 Section 10. Subsection (h) of Section 69 of Chapter 1044 of the 1991
2 Session Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws,
3 Section 27.3 of Chapter 769 of the 1993 Session Laws, Section 26.6 of Chapter 507 of
4 the 1995 Session Laws, and Section 27.15(c) of Chapter 18 of the Session Laws of the
5 1996 Second Extra Session reads as rewritten:

6 "(h) Subsections (a) through (d) of this section expire ~~June 30, 1997.~~ July 31,
7 1997."

8 9 **CHANGES IN THE EXECUTION OF THE BUDGET**

10 Section 11. The amendments to G.S. 143-27 that were enacted in Section
11 7.4(h)(2) of Chapter 18 of the Session Laws of the 1996 Second Extra Session shall
12 become effective August 1, 1997.

13 14 **CORE SOUND/DESCRIPTION OF AREA A FOR SHELLFISH LEASE** 15 **MORATORIUM**

16 Section 12. Section 3 of Chapter 547 of the 1995 Session Laws (1996
17 Regular Session) as amended by Section 1 of Chapter 633 of the 1995 Session Laws
18 (1996 Regular Session) and as rewritten by Section 27.33 of Chapter 18 of the Session
19 Laws of the 1996 Second Extra Session reads as rewritten:

20 "Sec. 3. Notwithstanding G.S. 113-202, a moratorium on new shellfish cultivation
21 leases shall be imposed in the remaining area of Core Sound not described in Section
22 1 of this act. During the moratorium, a comprehensive study of the shellfish lease
23 program shall be conducted. The moratorium established under this section covers
24 that part of Core Sound bounded by a line beginning at a point on Cedar Island at
25 35°00'39"N - 76°17'48"W, thence 109°(M) to a point in Core Sound 35°00'00"N -
26 76°12'42"W, thence 229°(M) to Marker No. 37 located 0.9 miles off Bells Point at
27 34°43'30"N - 76°29'00"W, thence 207°(M) to the Cape Lookout Lighthouse at
28 34°37'24"N - 76°31'30"W, thence 12°(M) to a point at Marshallberg at 34°43'07"N -
29 76°31'12"W, thence following the shoreline in a northerly direction to the point of
30 beginning except that the highway bridges at Salters Creek, Thorofare Bay, and the
31 Rumley Bay ditch shall be considered shoreline. The moratorium shall expire ~~July 1,~~
32 ~~1997.~~ August 1, 1997."

33 34 **EFFECTIVE DATE**

35 Section 13. This act becomes effective July 1, 1997, except that Sections
36 5 through 10 of this act become effective June 30, 1997. This act expires August 1,
37 1997.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative(s) **Holmes, Esposito, Creech and Crawford** for the Committee on
APPROPRIATIONS.

☒ Committee Substitute for

S.B. 473 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIRECTOR OF
THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF
GOVERNMENT AT THE LEVEL IN EFFECT ON JUNE 30, 1997, AND TO EXTEND
EXPIRING PROVISIONS OF LAW.

☒ 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

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

2

SENATE BILL 833*
Finance Committee Substitute Adopted 4/28/97

Short Title: UNC Nonappropriated Capital Projects.

(Public)

Sponsors:

Referred to:

April 14, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING,
3 WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN
4 CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT
5 INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

6 The General Assembly of North Carolina enacts:

7 Section 1. The purpose of this act is (i) to authorize the construction by
8 certain constituent institutions of The University of North Carolina and the University
9 of North Carolina - General Administration, of the capital improvements projects
10 listed in the act for the respective institutions, and (ii) to authorize the financing of
11 these projects with funds available to the institutions from gifts, grants, receipts, self-
12 liquidating indebtedness, or other funds, or any combination of these funds, but not
13 including funds appropriated from the General Fund of the State.

14 Section 2. The capital improvements projects authorized by this act to be
15 constructed and financed as provided in Section 1 of this act are as follows:

16
17 1. Appalachian State University
18 Small Group Housing \$10,748,300
19 Bookstore Renovation and Expansion 3,710,200
20 2. East Carolina University
21 Renovations to Jarvis Residence Hall 4,644,800
22 Life Safety Improvements in Nonacademic Facilities 3,550,500
23 Repairs to Dowdy-Ficklen Stadium 3,467,100

1	3.	North Carolina A & T State University	
2		Parking Deck	6,528,000
3	4.	North Carolina State University	
4		Installation of Air Conditioning and Sprinkler	
5		Systems - Five Residence Halls	14,187,000
6		Partners Building IV	16,200,000
7		Centennial Campus Infrastructure	8,164,000
8	5.	The University of North Carolina at Chapel Hill	
9		Replace Coal Silos at the Cogeneration Facility	7,358,200
10		Residence Hall Video Network & Communications	
11		Wiring	6,646,800
12		Renovation of Graham Memorial (Center for	
13		Undergraduate Excellence)	5,208,400
14		Building for the Institute for the Arts and	
15		Humanities	4,096,700
16		Paul J. Rizzo Conference Center	15,507,700
17	6.	The University of North Carolina at Charlotte	
18		Student Housing Phase VII Apartments	18,851,000
19		Student Recreation Fields	1,355,700
20	7.	The University of North Carolina at Wilmington	
21		200-Bed Housing	6,351,100
22		Parking Deck	7,069,500
23	8.	The University of North Carolina - General	
24		Administration	
25		Systemwide Sprinkler and Fire Detection Systems	18,402,000.

26
27 Section 3. With respect to three projects at the University of North
28 Carolina at Chapel Hill among those identified in Section 2 of this act, the institution
29 is authorized, in addition to those means of construction and financing authorized
30 under Section 2 of this act, to accomplish construction and financing through lease
31 arrangements to and from nonprofit corporations, as follows:

- 32 1. Renovation of Graham Memorial through lease with the University of North
33 Carolina at Chapel Hill Arts and Sciences Foundation, Incorporated
- 34 2. Building for the Institute for Arts and Humanities through lease with the J.R.
35 Hyde, III Family Foundation
- 36 3. Renovation and buildings for the Paul J. Rizzo Conference Center through
37 lease with the Kenan-Flagler Business School Foundation.

38 The term of each lease may be for such duration as the parties agree, not to exceed
39 the longer of the period of capital improvement, and, if the nonprofit corporation
40 incurs indebtedness to finance construction, the period required to retire the
41 indebtedness. For the purposes of contracting for the design, construction, and
42 equipping of these facilities, the University of North Carolina at Chapel Hill may
43 enter into an agreement that provides for the leasing nonprofit corporation to serve as
44 the construction management agent, having general supervision of the construction

1 and equipping of the facility. Each leasing nonprofit corporation and the University
2 of North Carolina at Chapel Hill may enter into combined contracts for project
3 design, construction, and construction management. For purposes of financing
4 construction, the University of North Carolina at Chapel Hill may enter into a long-
5 term lease from the leasing nonprofit corporation. When a lease to a nonprofit
6 corporation authorized by this section ends, the University of North Carolina at
7 Chapel Hill shall have the option (i) to receive the premises as improved,
8 unencumbered facilities of the institution if the premises as improved meet all
9 applicable standards for possession and use by the institution as a State facility, or (ii)
10 to receive the premises and to remove or demolish the improvements made under the
11 prior lease.

12 Section 4. At the request of The University of North Carolina Board of
13 Governors and upon determining that it is in the best interest of the State to do so,
14 the Director of the Budget may authorize an increase or decrease in the scope of, or
15 a change in the method of funding, the project authorized by this act. In determining
16 whether to authorize a change in scope or funding, the Director of the Budget may
17 consult with the Joint Legislative Commission on Governmental Operations. In no
18 event may appropriations from the General Fund be used for a project authorized by
19 this act.

20 Section 5. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative(s) **Holmes, Esposito, Creech and Crawford** for the Committee on
APPROPRIATIONS.

☒ Committee Substitute for

S.B. 833 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING, WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

- ☐ 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)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

Approved
(substitute
HB 3 813)

S

SENATE BILL 714

Pensions & Retirement and Insurance Committee Substitute Adopted 4/29/97
House Committee Substitute Favorable 5/15/97

Short Title: Coverage for Reconstr. Surgery.

(Public)

Sponsors:

Referred to:

April 7, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE HEALTH AND ACCIDENT INSURANCE POLICIES,
3 HOSPITAL OR MEDICAL SERVICE PLANS, HMO PLANS, AND THE
4 TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR
5 MEDICAL PLAN TO PROVIDE COVERAGE FOR RECONSTRUCTIVE
6 BREAST SURGERY RESULTING FROM MASTECTOMY.
7 The General Assembly of North Carolina enacts:
8 Section 1. Article 51 of Chapter 58 of the General Statutes is amended
9 by adding the following new section to read:
10 "§ 58-51-61. Coverage for reconstructive breast surgery resulting from mastectomy.
11 (a) Every policy or contract of accident and health insurance, and every preferred
12 provider contract, policy, or plan as defined and regulated under G.S. 58-50-50 and
13 G.S. 58-50-55, that is issued, renewed, or amended on or after January 1, 1998, and
14 that provides coverage for mastectomy shall provide coverage for reconstructive
15 breast surgery resulting from a mastectomy. The coverage shall include coverage for
16 all stages and revisions of reconstructive breast surgery performed on a nondiseased
17 breast to establish symmetry when reconstructive surgery on a diseased breast is
18 performed. The same deductibles, coinsurance, and other limitations as apply to
19 similar services covered under the policy, contract, or plan shall apply to coverage for
20 reconstructive breast surgery. Reconstruction of the nipple/areolar complex following
21 a mastectomy is covered without regard to the lapse of time between the mastectomy
22 and the reconstruction, subject to the approval of the treating physician.

(b) As used in this section, the following terms have the meanings indicated:

- (1) 'Mastectomy' means the surgical removal of all or part of a breast as a result of breast cancer or breast disease.
- (2) 'Reconstructive breast surgery' means surgery performed as a result of a mastectomy to reestablish symmetry between the two breasts, and includes reconstruction of the mastectomy site, creation of a new breast mound, and creation of a new nipple/areolar complex. 'Reconstructive breast surgery' also includes augmentation mammoplasty, reduction mammoplasty, and mastopexy of the nondiseased breast.

(c) A policy, contract, or plan subject to this section shall not:

- (1) Deny coverage described in subsection (a) of this section on the basis that the coverage is for cosmetic surgery;
- (2) Deny to a woman eligibility or continued eligibility to enroll or to renew coverage under the terms of the contract, policy, or plan, solely for the purpose of avoiding the requirements of this section;
- (3) Provide monetary payments or rebates to a woman to encourage her to accept less than the minimum protections available under this section;
- (4) Penalize or otherwise reduce or limit the reimbursement of an attending provider because the provider provided care to an individual participant or beneficiary in accordance with this section; or
- (5) Provide incentives, monetary or otherwise, to an attending provider to induce the provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section."

Section 2. Article 65 of Chapter 58 of the General Statutes is amended by adding the following new section to read:

"§ 58-65-96. Coverage for reconstructive breast surgery following mastectomy.

(a) Every insurance certificate or subscriber contract under any hospital service plan or medical service plan governed by this Article and Article 66 of this Chapter, and every preferred provider contract, policy, or plan as defined and regulated under G.S. 58-50-50 and G.S. 58-50-55, that is issued, renewed, or amended on or after January 1, 1998, that provides coverage for mastectomy shall provide coverage for reconstructive breast surgery resulting from a mastectomy. The coverage shall include coverage for all stages and revisions of reconstructive breast surgery performed on a nondiseased breast to establish symmetry when reconstructive surgery on a diseased breast is performed. The same deductibles, coinsurance, and other limitations as apply to similar services covered under the policy, contract, or plan shall apply to coverage for reconstructive breast surgery. Reconstruction of the nipple/areolar complex following a mastectomy is covered without regard to the lapse of time between the mastectomy and the

1 reconstruction, subject to the approval of the treating
2 physician.

3 (b) As used in this section, the following terms have the meanings indicated:

- 4 (1) 'Mastectomy' means the surgical removal of all or part of a breast
5 as a result of breast cancer or breast disease.
6 (2) 'Reconstructive breast surgery' means surgery performed as a
7 result of a mastectomy to reestablish symmetry between the two
8 breasts, and includes reconstruction of the mastectomy site,
9 creation of a new breast mound, and creation of a new
10 nipple/areolar complex. 'Reconstructive breast surgery' also
11 includes augmentation mammoplasty, reduction mammoplasty, and
12 mastopexy of the nondiseased breast.

13 (c) A policy, contract, or plan subject to this section shall not:

- 14 (1) Deny coverage described in subsection (a) of this section on the
15 basis that the coverage is for cosmetic surgery;
16 (2) Deny to a woman eligibility or continued eligibility to enroll or to
17 renew coverage under the terms of the contract, policy, or plan,
18 solely for the purpose of avoiding the requirements of this section;
19 (3) Provide monetary payments or rebates to a woman to encourage
20 her to accept less than the minimum protections available under
21 this section;
22 (4) Penalize or otherwise reduce or limit the reimbursement of an
23 attending provider because the provider provided care to an
24 individual participant or beneficiary in accordance with this
25 section; or
26 (5) Provide incentives, monetary or otherwise, to an attending
27 provider to induce the provider to provide care to an individual
28 participant or beneficiary in a manner inconsistent with this
29 section."

30 Section 3. Article 67 of Chapter 58 of the General Statutes is amended
31 by adding the following new section to read:

32 **"§ 58-67-79. Coverage for reconstructive breast surgery following mastectomy.**

33 (a) Every health care plan written by a health maintenance organization and in
34 force, issued, renewed, or amended on or after January 1, 1998, that is subject to this
35 Article and that provides coverage for mastectomy shall provide coverage for
36 reconstructive breast surgery resulting from a mastectomy. The coverage shall
37 include coverage for all stages and revisions of reconstructive breast surgery
38 performed on a nondiseased breast to establish symmetry when reconstructive surgery
39 on a diseased breast is performed. The same deductibles, coinsurance, and other
40 limitations as apply to similar services covered under the policy, contract, or plan
41 shall apply to coverage for reconstructive breast surgery. Reconstruction of the
42 nipple/areolar complex following a mastectomy is covered without regard to the lapse
43 of time between the mastectomy and the reconstruction, subject to the approval of
44 the treating physician.

(b) As used in this section, the following terms have the meanings indicated:

(1) 'Mastectomy' means the surgical removal of all or part of a breast as a result of breast cancer or breast disease.

(2) 'Reconstructive breast surgery' means surgery performed as a result of a mastectomy to reestablish symmetry between the two breasts, and includes reconstruction of the mastectomy site, creation of a new breast mound, and creation of a new nipple/areolar complex. 'Reconstructive breast surgery' also includes augmentation mammoplasty, reduction mammoplasty, and mastopexy of the nondiseased breast.

(c) A policy, contract, or plan subject to this section shall not:

(1) Deny coverage described in subsection (a) of this section on the basis that the coverage is for cosmetic surgery;

(2) Deny to a woman eligibility or continued eligibility to enroll or to renew coverage under the terms of the contract, policy, or plan, solely for the purpose of avoiding the requirements of this section;

(3) Provide monetary payments or rebates to a woman to encourage her to accept less than the minimum protections available under this section;

(4) Penalize or otherwise reduce or limit the reimbursement of an attending provider because the provider provided care to an individual participant or beneficiary in accordance with this section; or

(5) Provide incentives, monetary or otherwise, to an attending provider to induce the provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section."

Section 4. Effective January 1, 1998, G.S. 58-50-155 reads as rewritten:

"§ 58-50-155. Standard and basic health care plan coverages.

(a) Notwithstanding G.S. 58-50-125(c), the standard health plan developed and approved under G.S. 58-50-125 shall provide coverage for mammograms and pap smears at least equal to the coverage required by G.S. 58-51-57.

(a1) Notwithstanding G.S. 58-50-125(c), the standard health plan developed and approved under G.S. 58-50-125 shall provide coverage for prostate-specific antigen (PSA) tests or equivalent tests for the presence of prostate cancer at least equal to the coverage required by G.S. 58-51-58.

(a2) Notwithstanding G.S. 58-50-125(c), the standard health plan developed and approved under G.S. 58-50-125 shall provide coverage for reconstructive breast surgery resulting from a mastectomy at least equal to the coverage required by G.S. 58-51-61.

(b) Notwithstanding G.S. 58-50-125(c), in developing and approving the plans under G.S. 58-50-125, the Committee and Commissioner shall give due consideration to cost-effective and life-saving health care services and to cost-effective health care providers. This section shall be effective after July 10, 1991."

1 Section 5. Effective January 1, 1998, G.S. 135-40.6(5) is amended by
2 adding the following new sub-subdivision to read:

3 "h. Reconstructive Breast Surgery: Reconstructive breast
4 surgery resulting from a mastectomy. The coverage shall
5 include all stages and revisions of reconstructive breast
6 surgery performed on a nondiseased breast to establish
7 symmetry when reconstructive surgery on a diseased breast
8 is performed. As used in this sub-subdivision, (i)
9 'mastectomy' means the surgical removal of all or part of a
10 breast as a result of breast cancer or breast disease; (ii)
11 'reconstructive breast surgery' means surgery performed as a
12 result of a mastectomy to reestablish symmetry between the
13 two breasts, and includes reconstruction of the mastectomy
14 site, creation of a new breast mound, and creation of a new
15 nipple/areolar complex. 'Reconstructive breast surgery' also
16 includes augmentation mammoplasty, reduction
17 mammoplasty, and mastopexy of the nondiseased breast.
18 Coverage described under this sub-subdivision shall not be
19 denied on the basis that the coverage is for cosmetic surgery.
20 Reconstruction of the nipple/areolar complex following a
21 mastectomy is covered without regard to the lapse of time
22 between the mastectomy and the reconstruction, subject to
23 the approval of the treating physician."

24 Section 6. Nothing in this act shall apply to specified accident, specified
25 disease, hospital indemnity, or long-term care health insurance policies.

26 Section 7. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 813

Short Title: Reconstructive Surgery/Coverage.

(Public)

Sponsors: Representatives Alexander, Bowie, Neely; Allred, Arnold, Baddour, Baker, Barbee, Beall, Berry, Black, Blue, Bonner, Boyd-McIntyre, Brawley, Brown, Buchanan, Cansler, Capps, Church, Clary, Cole, Creech, Culpepper, Daughtry, Dedmon, Dickson, Earle, Easterling, Esposito, Fitch, Fox, Gardner, Goodwin, Grady, Gray, Gulley, Hiatt, Hill, Howard, H. Hunter, R. Hunter, Hurley, Insko, Ives, Jarrell, Jeffus, Justus, Kinney, Kiser, Luebke, McAllister, McComas, McCrary, Mercer, Michaux, Miller, Miner, Mosley, Nesbitt, Nichols, Nye, Oldham, Owens, Preston, Ramsey, Rayfield, Redwine, Reynolds, Rogers, Russell, Saunders, Sexton, Sherrill, Shubert, Smith, Tallent, Tolson, Wainwright, Warwick, Watson, Weatherly, Wilkins, and G. Wilson.

Referred to: Insurance.

April 7, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE HEALTH AND ACCIDENT INSURANCE POLICIES,
3 HOSPITAL OR MEDICAL SERVICE PLANS, HMO PLANS, AND THE
4 TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR
5 MEDICAL PLAN TO PROVIDE COVERAGE FOR RECONSTRUCTIVE
6 BREAST SURGERY RESULTING FROM MASTECTOMY.
7 The General Assembly of North Carolina enacts:
8 Section 1. Article 51 of Chapter 58 of the General Statutes is amended
9 by adding the following new section to read:
10 "§ 58-51-61. Coverage for reconstructive breast surgery resulting from mastectomy.
11 (a) Every policy or contract of accident and health insurance, and every preferred
12 provider contract, policy, or plan as defined and regulated under G.S. 58-50-50 and
13 G.S. 58-50-55, that is issued, renewed, or amended on or after January 1, 1998, and
14 that provides coverage for mastectomy shall provide coverage for reconstructive
15 breast surgery resulting from mastectomy. The coverage shall include coverage for all

1 stages of reconstructive breast surgery performed on a nondiseased breast to establish
2 symmetry with the diseased breast when reconstructive surgery on the diseased breast
3 is performed. The same deductibles, coinsurance, and other limitations as apply to
4 similar services covered under the policy, contract, or plan shall apply to coverage for
5 reconstructive breast surgery.

6 (b) As used in this section, the following terms have the meanings indicated:

7 (1) 'Mastectomy' means the surgical removal of all or part of a breast
8 as a result of breast cancer.

9 (2) 'Reconstructive breast surgery' means surgery performed as a
10 result of a mastectomy to reestablish symmetry between the two
11 breasts. 'Reconstructive breast surgery' includes augmentation
12 mammoplasty, reduction mammoplasty, and mastopexy.

13 (c) A policy, contract, or plan subject to this section shall not:

14 (1) Deny coverage described in subsection (a) of this section on the
15 basis that the coverage is for cosmetic surgery;

16 (2) Deny to a woman eligibility or continued eligibility to enroll or to
17 renew coverage under the terms of the contract, policy, or plan,
18 solely for the purpose of avoiding the requirements of this section;

19 (3) Provide monetary payments or rebates to a woman to encourage
20 her to accept less than the minimum protections available under
21 this section;

22 (4) Penalize or otherwise reduce or limit the reimbursement of an
23 attending provider because the provider provided care to an
24 individual participant or beneficiary in accordance with this
25 section; or

26 (5) Provide incentives, monetary or otherwise, to an attending
27 provider to induce the provider to provide care to an individual
28 participant or beneficiary in a manner inconsistent with this
29 section."

30 Section 2. Article 65 of Chapter 58 of the General Statutes is amended
31 by adding the following new section to read:

32 **"§ 58-65-96. Coverage for reconstructive breast surgery following mastectomy.**

33 (a) Every insurance certificate or subscriber contract under any hospital service
34 plan or medical service plan governed by this Article and Article 66 of this Chapter,
35 and every preferred provider contract, policy, or plan as defined and regulated under
36 G.S. 58-50-50 and G.S. 58-50-55, that is issued, renewed, or amended on or after
37 January 1, 1998, that provides coverage for mastectomy shall provide coverage for
38 reconstructive breast surgery resulting from a mastectomy. The coverage shall include
39 coverage for all stages of reconstructive breast surgery performed on a nondiseased
40 breast to establish symmetry with the diseased breast when reconstructive surgery on
41 the diseased breast is performed. The same deductibles, coinsurance, and other
42 limitations as apply to similar services covered under the policy, contract, or plan
43 shall apply to coverage for reconstructive breast surgery.

44 (b) As used in this section, the following terms have the meanings indicated:

- 1 (1) 'Mastectomy' means the surgical removal of all or part of a breast
2 as a result of breast cancer.
- 3 (2) 'Reconstructive breast surgery' means surgery performed as a
4 result of a mastectomy to reestablish symmetry between the two
5 breasts. 'Reconstructive breast surgery' includes augmentation
6 mammoplasty, reduction mammoplasty, and mastopexy.
- 7 (c) A policy, contract, or plan subject to this section shall not:
- 8 (1) Deny coverage described in subsection (a) of this section on the
9 basis that the coverage is for cosmetic surgery;
- 10 (2) Deny to a woman eligibility or continued eligibility to enroll or to
11 renew coverage under the terms of the contract, policy, or plan,
12 solely for the purpose of avoiding the requirements of this section;
- 13 (3) Provide monetary payments or rebates to a woman to encourage
14 her to accept less than the minimum protections available under
15 this section;
- 16 (4) Penalize or otherwise reduce or limit the reimbursement of an
17 attending provider because the provider provided care to an
18 individual participant or beneficiary in accordance with this
19 section; or
- 20 (5) Provide incentives, monetary or otherwise, to an attending
21 provider to induce the provider to provide care to an individual
22 participant or beneficiary in a manner inconsistent with this
23 section."

24 Section 3, Article 67 of Chapter 58 of the General Statutes is amended
25 by adding the following new section to read:

26 **"§ 58-67-79. Coverage for reconstructive breast surgery following mastectomy.**

27 (a) Every health care plan written by a health maintenance organization and in
28 force, issued, renewed, or amended on or after January 1, 1998, that is subject to this
29 Article and that provides coverage for mastectomy shall provide coverage for
30 reconstructive breast surgery resulting from a mastectomy. The coverage shall include
31 coverage for all stages of reconstructive breast surgery performed on a nondiseased
32 breast to establish symmetry with the diseased breast when reconstructive surgery on
33 the diseased breast is performed. The same deductibles, coinsurance, and other
34 limitations as apply to similar services covered under the policy, contract, or plan
35 shall apply to coverage for reconstructive breast surgery.

36 (b) As used in this section, the following terms have the meanings indicated:

- 37 (1) 'Mastectomy' means the surgical removal of all or part of a breast
38 as a result of breast cancer.
- 39 (2) 'Reconstructive breast surgery' means surgery performed as a
40 result of a mastectomy to reestablish symmetry between the two
41 breasts. 'Reconstructive breast surgery' includes augmentation
42 mammoplasty, reduction mammoplasty, and mastopexy.
- 43 (c) A policy, contract, or plan subject to this section shall not:

- (1) Deny coverage described in subsection (a) of this section on the basis that the coverage is for cosmetic surgery;
- (2) Deny to a woman eligibility or continued eligibility to enroll or to renew coverage under the terms of the contract, policy, or plan, solely for the purpose of avoiding the requirements of this section;
- (3) Provide monetary payments or rebates to a woman to encourage her to accept less than the minimum protections available under this section;
- (4) Penalize or otherwise reduce or limit the reimbursement of an attending provider because the provider provided care to an individual participant or beneficiary in accordance with this section; or
- (5) Provide incentives, monetary or otherwise, to an attending provider to induce the provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section."

Section 4. G.S. 58-50-155 reads as rewritten:

"§ 58-50-155. Standard and basic health care plan coverages.

(a) Notwithstanding G.S. 58-50-125(c), the standard health plan developed and approved under G.S. 58-50-125 shall provide coverage for mammograms and pap smears at least equal to the coverage required by G.S. 58-51-57.

(a1) Notwithstanding G.S. 58-50-125(c), the standard health plan developed and approved under G.S. 58-50-125 shall provide coverage for prostate-specific antigen (PSA) tests or equivalent tests for the presence of prostate cancer at least equal to the coverage required by G.S. 58-51-58.

(a2) Notwithstanding G.S. 58-50-125(c), the standard health plan developed and approved under G.S. 58-50-125 shall provide coverage for reconstructive breast surgery resulting from a mastectomy to the same extent as required under G.S. 58-51-61.

(b) Notwithstanding G.S. 58-50-125(c), in developing and approving the plans under G.S. 58-50-125, the Committee and Commissioner shall give due consideration to cost-effective and life-saving health care services and to cost-effective health care providers. This section shall be effective after July 10, 1991."

Section 5. Effective January 1, 1998, G.S. 135-40.6(5) is amended by adding the following new sub-subdivision to read:

"h. Reconstructive Breast Surgery: Reconstructive breast surgery resulting from a mastectomy. The coverage shall include all stages of reconstructive breast surgery performed on a nondiseased breast to establish symmetry when reconstructive surgery on a diseased breast is performed. As used in this sub-subdivision, (i) 'mastectomy' means the surgical removal of all or part of a breast as a result of breast cancer; (ii) 'reconstructive breast surgery' means surgery performed as a result of a mastectomy to reestablish symmetry between the two breasts. 'Reconstructive

1 breast surgery' includes augmentation mammoplasty, reduction
2 mammoplasty, and mastopexy. Coverage described in this sub-
3 subdivision shall not be denied on the basis that the coverage is for
4 cosmetic surgery."

5 Section 6. Nothing in this act shall apply to specified accident, specified
6 disease, hospital indemnity, or long-term care health insurance policies.

7 Section 7. For purposes of this act, renewal of a health benefit plan,
8 policy, or contract is presumed to occur on each anniversary of the date on which
9 coverage was first effective on the person or persons covered by the health benefit
10 plan, policy, or contract.

11 Section 8. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative(s) **Holmes, Esposito, Creech and Crawford** for the Committee on
APPROPRIATIONS.

- ☒ House Committee Substitute for
S.B. 714 A BILL TO BE ENTITLED AN ACT TO REQUIRE HEALTH AND ACCIDENT
INSURANCE POLICIES, HOSPITAL OR MEDICAL SERVICE PLANS, HMO PLANS,
AND THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR
MEDICAL PLAN TO PROVIDE COVERAGE FOR RECONSTRUCTIVE BREAST
SURGERY RESULTING FROM MASTECTOMY.
- ☒ 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)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 752

Short Title: Stolen Licenses.

(Public)

Sponsors: Representative Arnold.

Referred to: State Government, if favorable, Appropriations.

April 2, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE STATE AGENCIES TO ISSUE DUPLICATE
3 LICENSES WITHOUT CHARGE WHEN THE ORIGINAL LICENSES ARE
4 DESTROYED OR STOLEN DURING THE COMMISSION OF A CRIME.
5 The General Assembly of North Carolina enacts:
6 Section 1. Chapter 14 of the General Statutes is amended by adding a
7 new Article to read:
8 "ARTICLE 61.
9 "Stolen Licenses.
10 "§ 14-460. Licenses issued by the State.
11 (a) If a license, permit, certificate, or registration issued by a State agency is
12 destroyed or stolen during the commission of a crime against the holder of the
13 license, permit, certificate, or registration, the holder may apply to the agency for a
14 duplicate for which no fee shall be charged. The application for a duplicate shall be
15 accompanied by a copy of an official police report indicating that the license, permit,
16 certificate, or registration was destroyed or stolen during the commission of a crime.
17 (b) Any person who files a false claim under this section is guilty of a Class 3
18 misdemeanor. The clerk of court shall promptly transmit a copy of the judgment to
19 the agency that issued the license, permit, certificate, or registration. Upon receipt of
20 the judgment, the agency shall suspend the person's license, permit, certificate, or
21 registration for a period of 90 days in addition to any other penalties authorized by
22 law."
23 Section 2. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative(s) **Holmes, Esposito, Creech and Crawford** for the Committee on
APPROPRIATIONS.

☐ Committee Substitute for

H.B. 752 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE STATE AGENCIES TO
ISSUE DUPLICATE LICENSES WITHOUT CHARGE WHEN THE ORIGINAL
LICENSES ARE DESTROYED OR STOLEN DURING THE COMMISSION OF A
CRIME.

☐ With a favorable report.

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

VISITOR REGISTRATION SHEET

APPROPRIATIONS

June 30, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Michelle Gussler RNSS	NCMS Raleigh, NC
Lucia Dell	NCMS
Doug Blum	UNITED WAY OF NORTH CAROLINA / COVENANT w/ NC'S CHILDREN
Adriene Hile	SBE
Christina Carpenter	SBE
Angie Harris	Commerce
Chris Fitzsimon	Common Sense Foundation
Will [unclear]	DHR - Budget Analysis
John [unclear]	
Tim McQuinn	NCAICU
LEIGHAN ROPEZ	ZDA, PA
Brenda Summers	NC Equality
Karen Adams	Counsel to the Governor
James K. Bolt	WINTON NC
David [unclear]	Shawboro, NC / Bell's Associates
Spencer Dwyer	State Court Office
Heather Ford	OSA
Martha Glass	DOA
Tom Hunt	NCCCS
Hal Miller	NCACET
Ruth Sappie	NC DOT
David Brown	OSBM
D. M. [unclear]	UNC
H.A. Holmes	UNC
Jeff Davis	UNC
Joel McClees	TDA
John [unclear]	TDA

VISITOR REGISTRATION SHEET

APPROPRIATIONS

June 30, 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Edward Allen	SOS
Wm J. Bain	Smith Anderson
Roger Bone	Bone & Assoc -
W. Butler	NCCBT
W. Case	NCHS
Henry Jones	Attorney - Raleigh
L. A. Gancey	APPCNC/SCSL
Johnny Gray	OSBM
J. W. Reed	OSBM
Shelly Attenui	OSBM
W. R. R. R.	OSBM