

1998

**HOUSE
APPROPRIATIONS**

MINUTES

HOUSE APPROPRIATIONS COMMITTEE

1998 SHORT 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
Luci Johnson
Linda Winstead

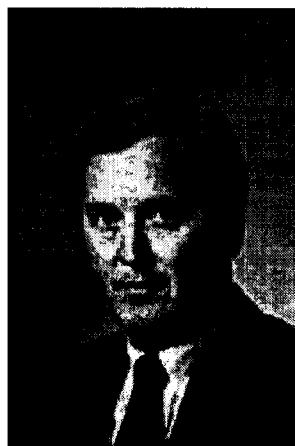
1997 - 1998
APPROPRIATIONS COMMITTEE



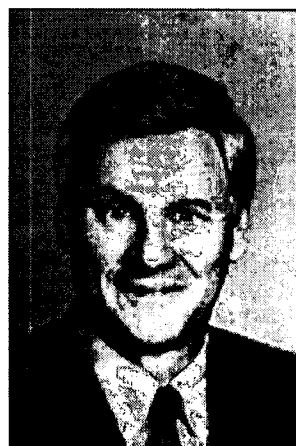
George M. Holmes
Co-Chair
Senior Ranking Member



**Theresa Harlow
Esposito**
Co-Chair



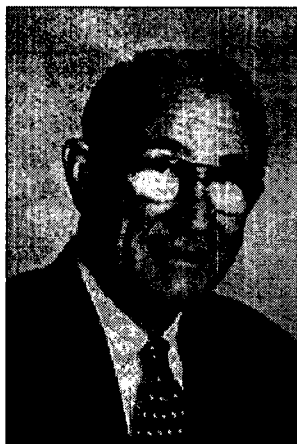
Billy James Creech
Co-Chair



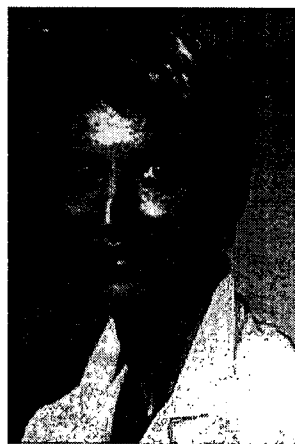
James W. Crawford
Co-Chair



Alma S. Adams



M. W. Aldridge



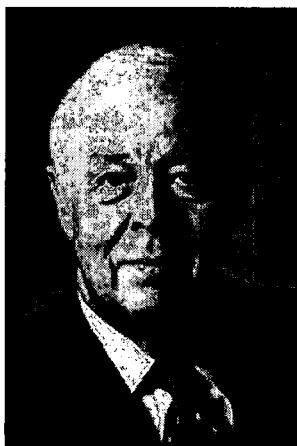
Martha Alexander

Picture
not
available

Gordon P. Allen



Gene G. Arnold



Rex L. Baker



Bobby Harold Barbee



Cherie Killian Berry



James B. Black



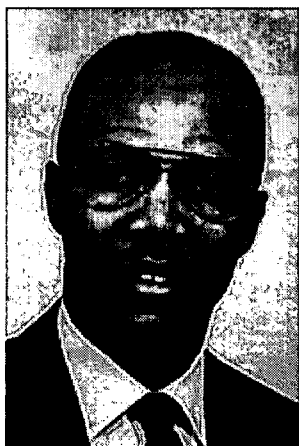
Daniel T. Blue, Jr.



Donald A. Bonner



Joanne W. Bowie



Jerry Braswell



Lanier Cansler



James C. Carpenter



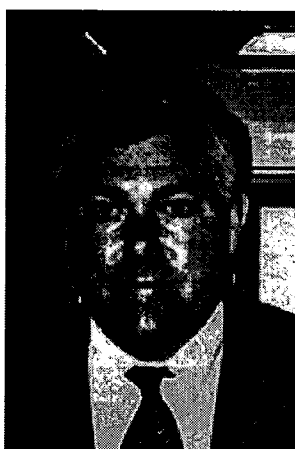
Walter Church, Sr.



Debbie Clary



Arlie F. Culp



Bill Culpepper



Don Davis



Michael Decker



Jerry C. Dockham



Bevely M. Earle



Ruth M. Easterling



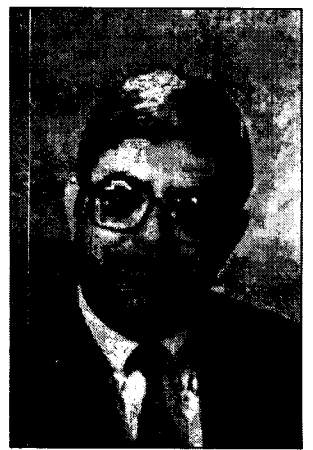
J. Sam Ellis



Stan Fox



Charlotte A. Gardner



Robert Grady



Jim Gulley



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



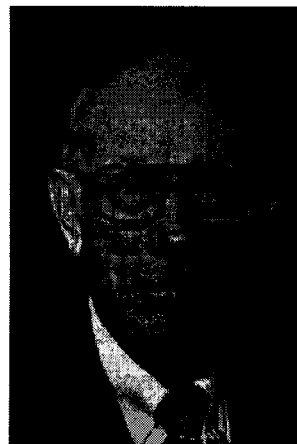
Theodore J. Kinney



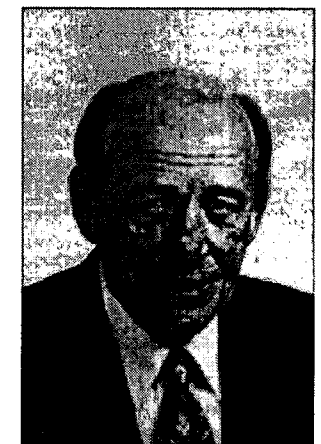
Joe Kiser



Mary E. McAllister



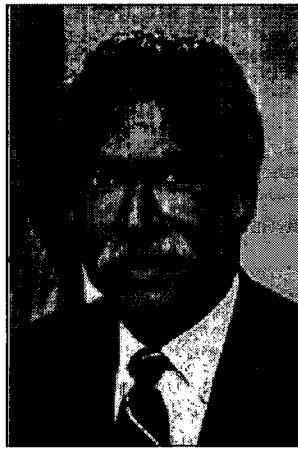
Eugene McCombs



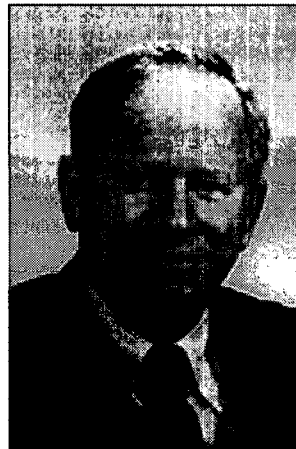
Paul R. McCrary



W. Edwin McMahan



H. M. Michaux, Jr.



Frank Mitchell



Richard L. Moore



Richard T. Morgan



Jane H. Mosley



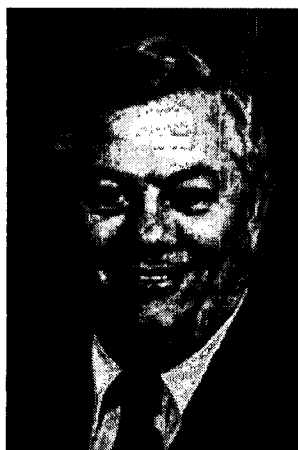
Charles B. Neely, Jr.



Edd Nye



Warren C. Oldham



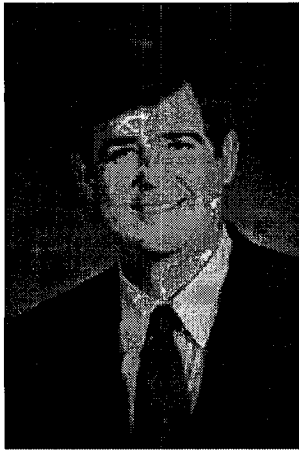
William C. Owens, Jr.



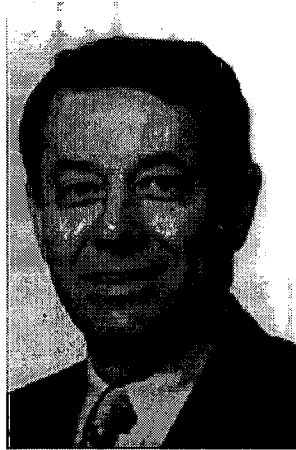
Jean R. Preston



E. David Redwine



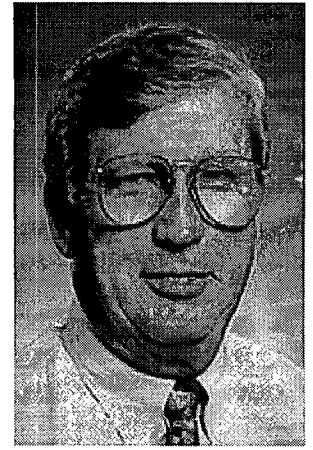
Dennis Reynolds



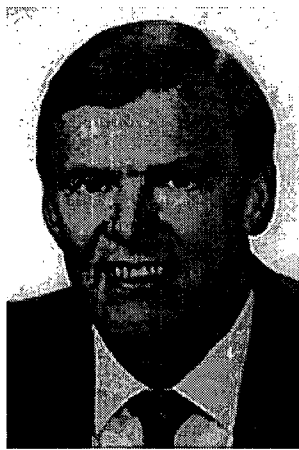
Gene Rogers



Carolyn B. Russell



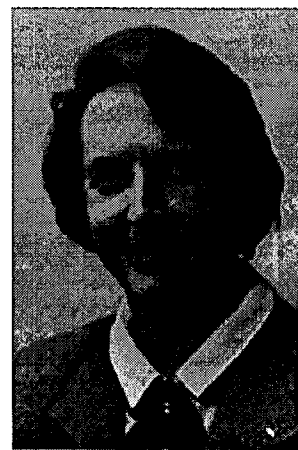
Drew P. Saunders



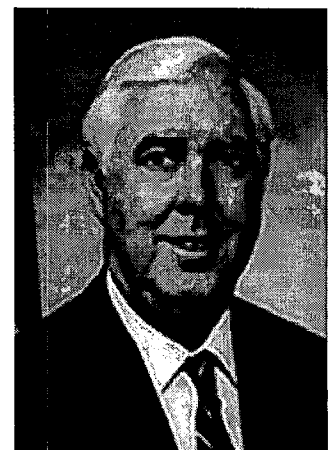
P. Wayne Sexton



Wilma M. Sherrill



Fern Shubert



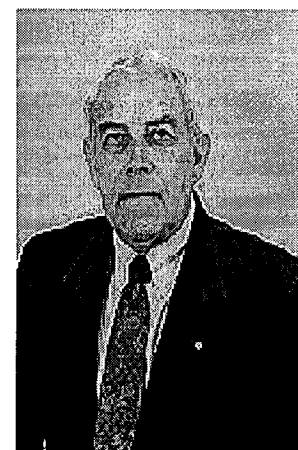
Ronald L. Smith



Ronnie Sutton



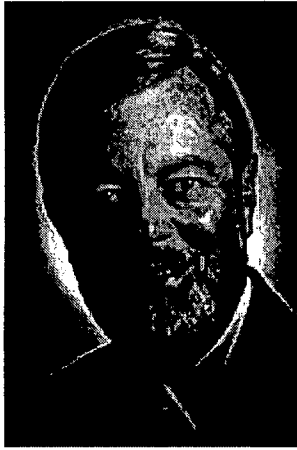
Gregg Thompson



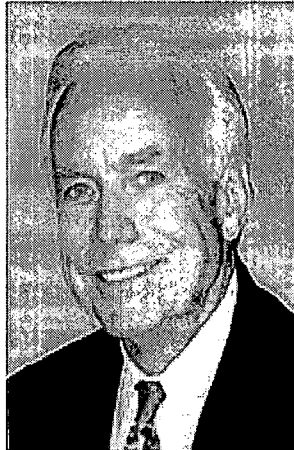
Joe P. Tolson



William L. Wainwright



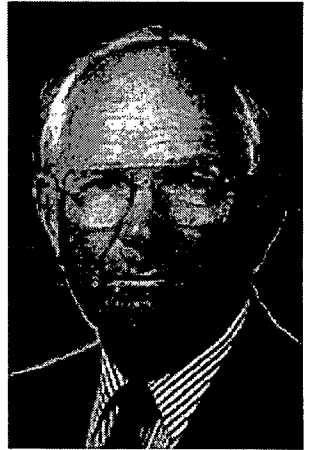
Alex Warner



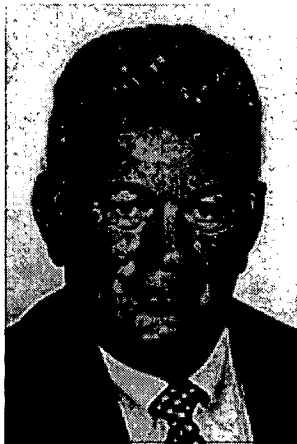
Nurham O. Warwick



Cynthia Bailey Watson



John Hugh Weatherly



Gene Wilson



Douglas Y. Yongue

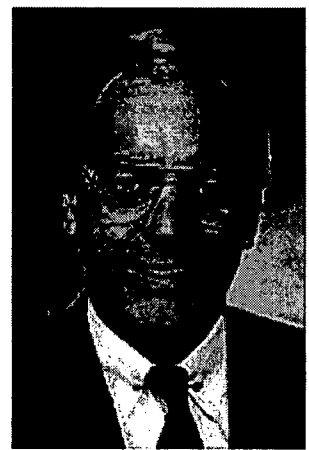
Ex-Officio Members



N. Leo Daughtry



Julia C. Howard



Steve Wood

HOUSE COMMITTEE ON APPROPRIATIONS
1998 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 Luci Johnson, 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. ALLEN Lillie Pearce	3-5746	1220	32
REP. ARNOLD Carolyn Popson	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

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. BLUE Lin Threatt	5-2528	1227	80
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

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. EASTERLING Judy Willis	3-5786	606	79
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

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. JEFFUS Mary Lee Robinson	3-5191	1013	108
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

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. NYE Jo Bobbitt	3-5477	639	23
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

MEMBER (Clerk)	TEL.	OFFICE	SEAT
REP. THOMPSON Edna Sykes	3-5828	1002	15
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. G. WILSON Rebecca Jones	3-7727	1109	52
REP. YONGUE Jenny Umstead	3-5823	1305	94

ATTENDANCE

1998 SHORT SESSION

APPROPRIATIONS COMMITTEE

DATES	6/30			1 PM 7/20	8 PM 7/20			10/26							
Holmes, Co-Chair	✓			✓	✓			✓							
Esposito, Co-Chair	✓			✓	✓			✓							
Creech, Co-Chair	✓			✓	✓			✓							
Crawford, Co-Chair	✓			✓	✓			✓							
Adams	✓			E	E			✓							
Aldridge				✓	✓										
Alexander	✓			✓	✓			✓							
Allen				✓	✓			✓							
Arnold	✓			✓	✓										
Baker	✓			✓	✓			✓							
Barbee	✓			✓	✓			✓							
Berry	✓			✓	✓										
Black															
Blue								✓							
Bonner	✓			✓	✓			✓							
Bowie	✓			✓	✓			✓							
Braswell															
Cansler	✓			✓	✓			✓							
Carpenter				✓	✓			✓							
Church	✓			✓	✓			✓							
Clary	✓			✓	✓			✓							
Culp	✓			✓	✓			✓							
Culpepper	✓			✓	✓										
Daughtery	✓			✓	✓			✓							
Davis	✓			✓	✓			✓							

ATTENDANCE - Page 2

1998 SHORT SESSION

APPROPRIATIONS COMMITTEE

DATES	6/30			1 PM 7/20	8 PM 7/20			10/ 26						
Decker	✓				✓									
Dockham	✓			✓	✓			✓						
Earle	✓							✓						
Easterling				✓	✓			✓						
Ellis	✓			✓	✓									
Fox	✓			✓	✓									
Gardner	✓			✓	✓			✓						
Grady	✓			✓				✓						
Gulley	✓			✓	✓			✓						
Hall					✓			✓						
Hardaway	✓													
Hardy	✓			✓				✓						
Hiatt	✓			✓	✓			✓						
Howard	✓			✓	✓									
Hunter, H.	✓							✓						
Hurley	✓			✓	✓			✓						
Insko	✓			✓	✓									
Ives	✓			✓	✓			✓						
Jeffus	✓			✓	✓			✓						
Justus	✓			✓	✓			✓						
Kinney				✓										
Kiser	✓			✓	✓									
McAllister				✓				✓						
McCombs	✓			✓	✓			✓						
McCrary	✓			✓	✓			✓						
McMahan	✓			✓	✓			✓						

1998 SHORT SESSION

APPROPRIATIONS COMMITTEE[illegible]

APPROPRIATIONS COMMITTEE[illegible]

NORTH CAROLINA GENERAL ASSEMBLY
COMMITTEE SUMMARY REPORT
HOUSE: APPROPRIATIONS

1997-98 Regular Session	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	Valid Through 30-OCT-1998
BILL				IN DATE OUT DATE
H 18=	HOWARD	JOB TRAINING STUDY	HF-POSTPONED INDEFINITELY	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	HF-POSTPONED INDEFINITELY	02-04-97
H 33	BOYD-MCINTYRE	NC A&T LAND ACQUISITION FUNDS	HF-POSTPONED INDEFINITELY	02-04-97
H 43=	DAVIS D	MAIN STREET INCENTIVE FUND	HF-POSTPONED INDEFINITELY	02-05-97
H 60=	BROWN	AG/FORESTRY STUDY FUNDS	HF-POSTPONED INDEFINITELY	02-05-97
H 73=	GOODWIN	REDUCE COUNTY SHARE PAYMENTS	*HF-POSTPONED INDEFINITELY	04-03-97
H 74=	CANSLER	PSO MEDICARE LICENSING	*H -PRES. TO GOV. 10-28	06-09-97
H 80=	CLARY	ADULT DAY CARE FUNDS	HF-POSTPONED INDEFINITELY	02-10-97
H 91	CANSLER	NONBETTERMENT RELOCATION COSTS	HF-POSTPONED INDEFINITELY	02-20-97
H 104	BRAWLEY	MOORESVILLE LIBRARY FUNDS	HF-POSTPONED INDEFINITELY	02-11-97
H 106=	NEELY	INTERSTATE AUDITORS/REGULATORY FUNDS	H -ASSIGNED TO APP-GGOV	03-04-97
H 108=	EARLE	ALZHEIMER'S ASSOCIATION FUNDS	HF-POSTPONED INDEFINITELY	02-12-97
H 109=	EARLE	IN-HOME FUNDS	HF-POSTPONED INDEFINITELY	02-12-97
H 111=	BROWN	FOREST FIRE AIRCRAFT FUNDS	HF-POSTPONED INDEFINITELY	02-12-97
H 117	BUCHANAN	ENERGY STUDY RECOMMENDATIONS	HF-POSTPONED INDEFINITELY	04-15-97
H 121	HALL	ERWIN TEXTILE MUSEUM FUNDS	HF-POSTPONED INDEFINITELY	02-12-97
H 126	DAUGHTRY	INCREASE PENSION BENEFITS	*HF-POSTPONED INDEFINITELY	03-06-97
H 127=	THOMPSON	UP STATE EMPLOYEE TRAVEL RATES	*HF-POSTPONED INDEFINITELY	03-26-97
H 131=	JUSTUS	EXTEND HEART DISEASE TASK FORCE	H -ASSIGNED TO APP-HRES	03-06-97
H 132=	BEALL	FOLKMOT USA FUNDS	HF-POSTPONED INDEFINITELY	02-13-97
H 140	JUSTUS	EXTEND CRIME CONTROL STUDY	H -ASSIGNED TO APP-JPS	03-06-97
H 154=	EASTERLING	MATERNAL OUTREACH FUNDS	HF-POSTPONED INDEFINITELY	02-13-97
H 155	EASTERLING	GRASSROOTS SCIENCE MUSEUM FUNDS	HF-POSTPONED INDEFINITELY	02-13-97
H 156=	EASTERLING	CHILD MEDICAL EVALUATION FUNDS	HF-POSTPONED INDEFINITELY	02-13-97
H 157=	WARNER	COMM. COLLEGE SCHOLARSHIP PROGRAM	*HF-POSTPONED INDEFINITELY	04-21-97
H 161	CRAWFORD	MODEL TEACHER CONSORTIUM FUNDS	HF-POSTPONED INDEFINITELY	02-13-97
H 162=	CRAWFORD	INCREASE DRUG PENALTIES	HF-POSTPONED INDEFINITELY	03-03-97
H 166=	ALDRIDGE	PHYSICAL FITNESS ACT FUNDS	*H -ASSIGNED TO APP-HRES	05-07-97
H 167=	ALDRIDGE	HEART DISEASE DATA FUNDS	H -ASSIGNED TO APP-HRES	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.

BOLD LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

NORTH CAROLINA GENERAL ASSEMBLY
COMMITTEE SUMMARY REPORT
HOUSE: APPROPRIATIONS

1997-98	Regular Session	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	Valid Through 30-OCT-1998
BILL					IN DATE OUT DATE
H 169=	JUSTUS		CONTINUE SENTENCING COMMISSION	H -ASSIGNED TO APP-JPS	03-06-97
H 170	BERRY		NO SALES TAX ON FUNERALS	*H -RE-REF COM ON FINANCE	06-23-97
H 171=	EARLE		STRIKE OUT STROKE FUNDS	HF-POSTPONED INDEFINITELY	05-06-97
H 179=	JUSTUS		PROBATION/PAROLE PERFORMANCE AUDIT	HF-POSTPONED INDEFINITELY	02-17-97
H 180=	CULP		DRY HYDRANT FUNDS	HF-POSTPONED INDEFINITELY	02-17-97
H 181	CULP		RANDOLPH FOREST RANGER FUNDS	HF-POSTPONED INDEFINITELY	02-17-97
H 183	BOWIE		DWI/FELONY PRIOR RECORD LEVEL	*R -CH. SL 97-0486	04-01-97
H 190	RAMSEY		MADISON FORESTRY FUNDS	HF-POSTPONED INDEFINITELY	02-17-97
H 209	BOWIE		MOTOR VEHICLE SALVAGE CHANGES-2	HF-POSTPONED INDEFINITELY	10-14-98
H 218	MCCRARY		CONFORM WITNESS TRAVEL FEES	*H -ASSIGNED TO APP-JPS	03-04-97
H 223	OLDHAM		WSSU CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	02-17-97
H 230	JEFFUS		WOMEN'S MEMORIAL FUNDS-2	HF-POSTPONED INDEFINITELY	02-17-97
H 232	HIATT		DMV MEDICAL EVALUATION FUNDS	HF-POSTPONED INDEFINITELY	02-17-97
H 241=	MITCHELL		CONSERVATION EASEMENTS FUND	HF-POSTPONED INDEFINITELY	02-17-97
H 242=	MITCHELL		SCRAP TIRE DISPOSAL TAX AMENDMENTS	*H -RE-REF COM ON FINANCE	03-26-97
H 243=	MITCHELL		DAM SAFETY FUNDS	HF-POSTPONED INDEFINITELY	02-17-97
H 244=	MITCHELL		ENVIRONMENTAL EDUCATION TRUST FUND	HF-POSTPONED INDEFINITELY	02-17-97
H 245=	MITCHELL		WETLANDS RESTORATION FUNDS	*HF-POSTPONED INDEFINITELY	03-27-97
H 246=	MITCHELL		AMEND NATURAL HERITAGE TRUST FUND	HF-POSTPONED INDEFINITELY	02-17-97
H 249=	CULP		NATURAL RESOURCES LEADERSHIP FUNDS	HF-POSTPONED INDEFINITELY	02-17-97
H 250	MCMAHAN		CHANGE TAG AGENT COMPENSATION	H -ASSIGNED TO APP-TRAN	03-18-97
H 252	PRESTON		CORE SOUND USE MAPPING	H -RE-ASSIGNED TO APP-NTEC	02-17-97
H 254	PRESTON		SHELLFISH REHABILITATION FUND	H -RE-ASSIGNED TO APP-NTEC	02-17-97
H 255=	PRESTON		PORTS CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	02-17-97
H 256	PRESTON		SCHOOL BUDGET ACCOUNTABILITY	*HF-POSTPONED INDEFINITELY	03-17-97
H 259=	WATSON		CAPE FEAR RIVER FUNDS	HF-POSTPONED INDEFINITELY	02-17-97
H 264	REDWINE		FIRE/RESCUE OPEN ENROLLMENT	HF-POSTPONED INDEFINITELY	03-12-97
H 273=	RAYFIELD		TEXTILE CENTER CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	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	HF-POSTPONED INDEFINITELY	02-19-97

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NORTH CAROLINA GENERAL ASSEMBLY

COMMITTEE SUMMARY REPORT

HOUSE: APPROPRIATIONS

1997-98 Regular Session
BILL INTRODUCER

Valid Through 30-OCT-1998
IN DATE OUT DATE

SHORT TITLE

LATEST ACTION ON BILL

H 279	HUNTER H	NORTHAMPTON WELCOME CENTER FUNDS	HF-POSTPONED INDEFINITELY	02-19-97
H 285	MCCOMBS	HIGHWAY PATROL PLANNING FUNDS	HF-POSTPONED INDEFINITELY	02-20-97
H 287	BRAWLEY	AUTO RACING HALL OF FAME FUNDS	HF-POSTPONED INDEFINITELY	02-20-97
H 289=	GRAY	MUSEUM OF NATURAL SCIENCES FUNDS	HF-POSTPONED INDEFINITELY	02-20-97
H 300	PRESTON	BEAUFORT HISTORICAL FUNDS	HF-POSTPONED INDEFINITELY	02-24-97
H 304	ROGERS	BERTIE BEAVER FUNDS	HF-POSTPONED INDEFINITELY	02-24-97
H 308=	FITCH	REPEAL SUNSET ON FICA SAVINGS USE	HF-POSTPONED INDEFINITELY	03-05-97
H 318=	DICKSON	CANCER CONTROL FUNDS	HF-POSTPONED INDEFINITELY	02-25-97
H 329=	BROWN	SMALL FARMS ASSISTANCE FUNDS	HF-POSTPONED INDEFINITELY	02-26-97
H 330	BROWN	FARMERS MARKET CAPITAL FUNDS-2	HF-POSTPONED INDEFINITELY	02-26-97
H 331	BROWN	ROLLINS LAB FUNDS-2	HF-POSTPONED INDEFINITELY	02-26-97
H 332	BROWN	FFA CAPITAL IMPROVEMENT FUNDS	HF-POSTPONED INDEFINITELY	02-26-97
H 334	CULP	NC TECHNOLOGICAL DEV. AUTH FUNDS-2	H - ASSIGNED TO APP-NTEC	02-26-97
H 341=	ALEXANDER	GATLING DETENTION CENTER FUNDS	HF-POSTPONED INDEFINITELY	02-26-97
H 345=	SHERRILL	DOMESTIC VIOLENCE FUNDS	H - ASSIGNED TO APP-GGOV	02-26-97
H 351=	BRUBAKER	EXCELLENT SCHOOLS ACT	*H -CAL PURSUANT RULE 36 (A)	04-17-97
H 352	WILKINS	HYDRILLA ERADICATION FUNDS	HF-POSTPONED INDEFINITELY	02-27-97
H 359	HILL	SOIL/WATER ANALYSIS FUNDS	H - ASSIGNED TO APP-NTEC	02-27-97
H 360	HILL	AGRONOMIC ADVISORY FUNDS-2	H - ASSIGNED TO APP-NTEC	02-27-97
H 361	CULP	FORESTRY CLASSIFICATION FUNDS	H - ASSIGNED TO APP-NTEC	03-03-97
H 362=	SUTTON	S. E. FARMERS' MARKET FUNDS	HF-POSTPONED INDEFINITELY	03-03-97
H 364	BROWN	ENVIRONMENTAL FARMING CAP FUNDS	HF-POSTPONED INDEFINITELY	03-03-97
H 365	BROWN	ENVIRONMENTAL FARMING FUNDS	H - ASSIGNED TO APP-NTEC	03-03-97
H 366	BROWN	PESTICIDE PROTECTION FUNDS	H - ASSIGNED TO APP-NTEC	03-03-97
H 369=	WEATHERLY	NC BIOTECHNOLOGY CENTER FUNDS	H - ASSIGNED TO APP-NTEC	03-03-97
H 377=	HILL	SE COMMUNITY COLLEGE FUNDS	HF-POSTPONED INDEFINITELY	03-03-97
H 381=	WOOD	CHARTER SCHOOL START-UP FUNDS	HF-POSTPONED INDEFINITELY	03-04-97
H 383	MOSLEY	MORRISVILLE LIBRARY FUNDS	HF-POSTPONED INDEFINITELY	03-04-97
H 384	MOSLEY	CARY MUSEUM FUNDS	HF-POSTPONED INDEFINITELY	03-04-97
H 385=	YONGUE	SALMONELLA TESTING FUNDS	H - ASSIGNED TO APP-NTEC	03-04-97

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H 386	YONGUE	AGRIC. INFO./TECH. NEEDS FUNDS	H - ASSIGNED TO APP-NTEC		03-04-97	
H 392	CRAWFORD	1997 CURRENT OPERATIONS BUDGET	HF-POSTPONED INDEFINITELY		03-04-97	
H 399=	INSKO	ENGLISH AS A SECOND LANGUAGE FUNDS	HF-POSTPONED INDEFINITELY		03-05-97	
H 449	HACKNEY	DART CONTINUING CARE FUNDS	H - ASSIGNED TO APP-JPS		03-10-97	
H 454=	GRADY	LOW-WEALTH SCHOOL SUPP. FUNDS	HF-POSTPONED INDEFINITELY		03-10-97	
H 462	SMITH	NONCERTIFIED SCHOOL EMPLOYEE FUNDS	HF-POSTPONED INDEFINITELY		03-10-97	
H 472	MINER	DORTON ARENA FUNDS	HF-POSTPONED INDEFINITELY		03-10-97	
H 479	ADAMS	NC A&T AGRICULTURAL RESEARCH FUNDS	HF-POSTPONED INDEFINITELY		03-10-97	
H 480=	ADAMS	WOMENWORK FUND	*HF-POSTPONED INDEFINITELY		07-14-97	
H 489	SHERRILL	MOUNTAIN STATE FAIR FUNDS-2	HF-POSTPONED INDEFINITELY		03-10-97	
H 490	EASTERLING	SMART START FUNDS	H - ASSIGNED TO APP-HRES		03-10-97	
H 492=	HOLMES	CAPITAL IMPROVEMENTS APPROP. ACT	HF-POSTPONED INDEFINITELY		03-10-97	
H 493=	HOLMES	CURRENT OPERATIONS APPROPRIATIONS	HF-POSTPONED INDEFINITELY		03-10-97	
H 494=	GRAY	INSTITUTE OF GOVERNMENT FUNDS	HF-POSTPONED INDEFINITELY		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	HF-POSTPONED INDEFINITELY		03-13-97	
H 512	PRESTON	SCHOOL SAFETY ACT	*HF-POSTPONED INDEFINITELY		03-24-97	
H 521	BUCHANAN	AMERICAN LEGION BLDG. FUNDS	HF-POSTPONED INDEFINITELY		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 - ASSIGNED TO APP-NTEC		03-19-97	
H 543=	INSKO	COCHLEAR IMPLANT FUNDS	HF-POSTPONED INDEFINITELY		03-19-97	
H 551=	WRIGHT	AIDS PREVENTION FUNDS	HF-POSTPONED INDEFINITELY		03-19-97	
H 552=	WRIGHT	1898 WILMINGTON HISTORIC FUNDS	HF-POSTPONED INDEFINITELY		03-19-97	
H 553=	WRIGHT	PINE FOREST CEMETERY FUNDS	HF-POSTPONED INDEFINITELY		03-19-97	
H 555	WATSON	SCHOOL NURSE FUNDS	HF-POSTPONED INDEFINITELY		03-20-97	
H 556=	WATSON	AUTISM OPERATING FUNDS	HF-POSTPONED INDEFINITELY		03-20-97	
H 557=	WATSON	AUTISM FOUNDATION CAPITAL FUNDS	H - ASSIGNED TO APP-HRES		03-20-97	
H 558	CHURCH	DREXEL FAIR FACILITIES FUNDS	HF-POSTPONED INDEFINITELY		03-20-97	
H 560	ALEXANDER	DIVORCE EDUCATION	*H - ASSIGNED TO APP-JPS		04-14-97	
H 561=	ALEXANDER	COALITION 2001 FUNDS	H - ASSIGNED TO APP-HRES		03-20-97	

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BILL INTRODUCER

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	Valid Through	IN DATE	OUT DATE
H 565	ELLIS	WAKE LOCAL ACT	*S - REF TO COM ON RULES &	04-29-97	04-29-97	07-14-97
H 573	THOMPSON	PROJECT CHALLENGE FUNDS	H - ASSIGNED TO APP-JPS	03-20-97	03-20-97	
H 575=	ALDRIDGE	CRANIOFACIAL ANOMOLIES FUNDS	H - RE-ASSIGNED TO APP-NTEC	03-20-97	03-20-97	
H 582	TOLSON	EASTERN NC LIVESTOCK ARENA FUNDS	HF-POSTPONED INDEFINITELY	03-24-97	03-24-97	
H 592=	CRAWFORD	NC HIGH SCHOOL AA CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	03-24-97	03-24-97	
H 593=	SMITH	NORTH CAROLINA AQUARIUMS FUNDS	HF-POSTPONED INDEFINITELY	03-24-97	03-24-97	
H 610=	WEATHERLY	SOUTH MOUNTAINS GAMELANDS FUNDS	HF-POSTPONED INDEFINITELY	03-25-97	03-25-97	
H 620=	RAMSEY	WCU ARTS CENTER FUNDS	HF-POSTPONED INDEFINITELY	03-26-97	03-26-97	
H 635=	IVES	ADDITION TO STATE PARKS SYSTEM	*HF-POSTPONED INDEFINITELY	04-24-97	04-24-97	
H 639=	WATSON	AGRICULTURAL LOAN FUNDS	HF-POSTPONED INDEFINITELY	03-27-97	03-27-97	
H 641	CANSLER	AFFORDABLE HOUSING ASSIST. FUNDS	HF-POSTPONED INDEFINITELY	03-27-97	03-27-97	
H 642	BARBEE	1997 RETIREMENT BENEFITS ACT	HF-POSTPONED INDEFINITELY	04-16-97	04-16-97	
H 645	RAMSEY	JACKSON COURTHOUSE FUNDS	HF-POSTPONED INDEFINITELY	03-27-97	03-27-97	
H 654	SEXTON	TRANSFER ROCKINGHAM CORR. CENTER	H - ASSIGNED TO APP-JPS	03-27-97	03-27-97	
H 662	TALLENT	ADULT DAY CARE FUNDS-3	H - ASSIGNED TO APP-HRES	03-27-97	03-27-97	
H 665=	EDDINS	CRIME VICTIMS' RIGHTS ACT	*H - ASSIGNED TO APP-JPS	06-30-98	06-30-98	08-19-98
H 665=	EDDINS	CRIME VICTIMS' RIGHTS ACT	*H - ASSIGNED TO APP-JPS	07-10-97	07-10-97	06-18-98
H 667=	WATSON	ADVP FUNDS	H - ASSIGNED TO APP-HRES	03-31-97	03-31-97	
H 677	STARNES	PATTERSON SCHOOL CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	03-31-97	03-31-97	
H 679=	DAUGHTRY	EXPAND TECHNOLOGY IN SCHOOLS	HF-POSTPONED INDEFINITELY	03-31-97	03-31-97	
H 680=	WILKINS	PERSON MUSEUM OF HISTORY FUNDS	HF-POSTPONED INDEFINITELY	03-31-97	03-31-97	
H 688	CULP	DRY HYDRANT PILOT FUNDS	HF-POSTPONED INDEFINITELY	03-31-97	03-31-97	
H 705	WILKINS	PERSON CO. COUNSELING CTR. FUNDS	HF-POSTPONED INDEFINITELY	03-31-97	03-31-97	
H 706=	WILKINS	PERSON MUSEUM OF HISTORY FUNDS	H - REF TO COM ON APPROP	03-31-97	03-31-97	
H 711	MOSLEY	STATE GOVT. MODEL CHILD CARE FUNDS	HF-POSTPONED INDEFINITELY	03-31-97	03-31-97	
H 716	CLARY	ADULT DAY CARE FUNDS-4	HF-POSTPONED INDEFINITELY	04-01-97	04-01-97	
H 717	CLARY	SENIOR CENTER FUNDS-2	HF-POSTPONED INDEFINITELY	04-01-97	04-01-97	
H 738	DICKSON	EQUINE INFECTIOUS ANEMIA FUNDS	H - ASSIGNED TO APP-NTEC	04-01-97	04-01-97	
H 743	MORRIS	JUVENILE ASSESSMENT PROJECT FUNDS	H - ASSIGNED TO APP-JPS	04-01-97	04-01-97	
H 745	IVES	ELECTION NOTICES/ONE STOP	*H - RE-REF COM ON ELE-LAW	04-23-97	04-23-97	07-16-97

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BILL				IN DATE	OUT DATE
H 749=	SMITH	ONSLOW EMERGENCY CTR. FUNDS	HF-POSTPONED INDEFINITELY	04-02-97	
H 752	ARNOLD	STOLEN LICENSES	S - REF TO COM ON ST GVT	04-23-97	06-30-97
H 763=	HILL	MUSEUM OF FORESTRY FUNDS	HF-POSTPONED INDEFINITELY	04-02-97	
H 764=	BRASWELL	DUPLIN AGRI. CENTER FUNDS	HF-POSTPONED INDEFINITELY	04-02-97	
H 767	MCALLISTER	UNC EDUCATIONAL CONSORTIUM FUNDS	HF-POSTPONED INDEFINITELY	04-03-97	
H 769	SHERRILL	DROPOUT PREVENTION/ DRIVERS LICENSE	*R -CH. SL 97-0507	05-07-97	05-21-97
H 774=	RAMSEY	HAYWOOD AGRICULTURE CTR. FUNDS	HF-POSTPONED INDEFINITELY	04-03-97	
H 775=	HILL	COLUMBUS ECONOMIC DEV. FUNDS	H -ASSIGNED TO APP-NTEC	04-03-97	
H 802=	WATSON	DUPLIN AGRI. CENTER FUNDS	HF-POSTPONED INDEFINITELY	04-03-97	
H 805=	HUNTER H	BATTERERS' PROGRAM FUNDS	HF-POSTPONED INDEFINITELY	04-03-97	
H 813	ALEXANDER	RECONSTRUCTIVE SURGERY/COVERAGE	HF-POSTPONED INDEFINITELY	04-29-97	
H 822	CULPEPPER	SCHOOL RESOURCE OFFICER/TYRRELL HS	HF-POSTPONED INDEFINITELY	04-07-97	
H 827=	HUNTER H	HEALTHY CAROLINIANS FUND	HF-POSTPONED INDEFINITELY	04-07-97	
H 842	YONGUE	PEMBROKE FIRE TRUCK FUNDS	HF-POSTPONED INDEFINITELY	04-07-97	
H 848	BOWIE	GUILFORD DETENTION CENTER FUNDS	*HF-POSTPONED INDEFINITELY	05-21-97	
H 849	BOWIE	PT CAM FUNDS	H -ASSIGNED TO APP-HRES	04-07-97	
H 857=	ALEXANDER	AT-RISK CHILDRENS FUNDS	H -ASSIGNED TO APP-HRES	04-07-97	
H 858=	ALEXANDER	ADDICTION RESEARCH AUTHORITY	H -ASSIGNED TO APP-HRES	04-07-97	
H 863	MCALLISTER	CUMBERLAND SHELTERED WORKSHOP FUNDS	HF-POSTPONED INDEFINITELY	04-07-97	
H 864	PRESTON	CLASS-SIZE REDUCTION IN GRADE 3	H -ASSIGNED TO APP-NTEC	04-07-97	
H 878=	MCCOMAS	NC'S SOUTHEAST FUNDS	HF-POSTPONED INDEFINITELY	04-07-97	
H 880=	MILLER G	MUSEUM OF LIFE & SCIENCE FUNDS	HF-POSTPONED INDEFINITELY	04-07-97	
H 883	BOYD-MCINTYRE	PT CAM FUNDS	HF-POSTPONED INDEFINITELY	04-10-97	
H 906	WAINWRIGHT	ADOPTION FUNDS	H -ASSIGNED TO APP-HRES	04-10-97	
H 910	NYE	TOUCHING FAMILIES' LIVES FUNDS	HF-POSTPONED INDEFINITELY	04-10-97	
H 911=	JEFFUS	NC COUNCIL FOR WOMENS FUNDS	HF-POSTPONED INDEFINITELY	04-10-97	
H 912=	BERRY	HICKORY LIBRARY FUNDS	H -ASSIGNED TO APP-HRES	04-10-97	
H 913=	RUSSELL	OSTEOPOROSIS TASK FORCE	HF-POSTPONED INDEFINITELY	04-10-97	
H 917=	HACKNEY	CHATHAM FUNDS FOR SITING COSTS	*HF-POSTPONED INDEFINITELY	06-26-97	06-22-98
H 919	WILKINS	BOAT FUEL TAX FOR BOATS			

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H 920	DECKER	NC POSTAL HISTORY COMMISSION	*H -ASSIGNED TO APP-GGOV		04-28-97	
H 922=	INSKO	CARRBORO MUSIC FESTIVAL FUNDS	HF-POSTPONED INDEFINITELY		04-10-97	
H 924=	WAINWRIGHT	JONES CO. CIVIC CTR. FUNDS	HF-POSTPONED INDEFINITELY		04-10-97	
H 931=	CANSLER	CHILD CARING INST. FUNDS	HF-POSTPONED INDEFINITELY		04-14-97	
H 932=	CANSLER	MENTAL HEALTH DRUG FUNDS	HF-POSTPONED INDEFINITELY		04-14-97	
H 937=	TOLSON	FOUNTAIN LIBRARY FUNDS	HF-POSTPONED INDEFINITELY		04-14-97	
H 938	PRESTON	ACCIDENT VICTIM I.D./FUNDS	H -ASSIGNED TO APP-JPS		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 -ASSIGNED TO APP-HRES		04-14-97	
H 943=	CLARY	FOSTER CARE/ADOPTION FUNDS	HF-POSTPONED INDEFINITELY		04-15-97	
H 947	HUNTER R	MOBILE PRESCHOOL PROGRAM FUNDS	HF-POSTPONED INDEFINITELY		04-15-97	
H 949=	GARDNER	IMPROVE CHILD PROTECTION/RECORDS	*R -CH. SL 97-0459		07-21-97	08-04-97
H 950=	GARDNER	NC TRANSPORTATION MUSEUM FUNDS	HF-POSTPONED INDEFINITELY		04-15-97	
H 953	WAINWRIGHT	HURRICANE DEBRIS REMOVAL FUNDS	HF-POSTPONED INDEFINITELY		04-15-97	
H 957=	ALDRIDGE	PITT CC INDUSTRIAL BLDG. FUNDS	HF-POSTPONED INDEFINITELY		04-16-97	
H 960	MOSLEY	VISITING ARTISTS FUNDS	HF-POSTPONED INDEFINITELY		04-16-97	
H 961	BEALL	EXPAND COMMUNITY LINK FUNDS	HF-POSTPONED INDEFINITELY		04-16-97	
H 962	BEALL	SWAIN COUNTY JAIL FUNDS	HF-POSTPONED INDEFINITELY		04-16-97	
H 963=	KINNEY	FSU FINE ARTS CTR. FUNDS	HF-POSTPONED INDEFINITELY		04-16-97	
H 971	WAINWRIGHT	JONES FORESTRY BUILDING FUNDS	HF-POSTPONED INDEFINITELY		04-16-97	
H 973	REYNOLDS	ON-LINE VEHICLE REGISTRATION PILOT	HF-POSTPONED INDEFINITELY		04-16-97	
H 975	SEXTON	N.C.N.G. LENGTHY SERVICE BONUS	*H -ASSIGNED TO APP-TRAN		05-12-97	
H 979	JEFFUS	SUBSTITUTE TEACHER PAY RAISE	H -ASSIGNED TO APP-JPS		04-23-97	
H 983	BOWIE	NC RAILROAD ACQUISITION	*HF-POSTPONED INDEFINITELY		05-14-97	
H 984	CULP	S&W SUPERVISOR HEALTH BENEFITS	HF-POSTPONED INDEFINITELY		04-17-97	
H 986	KISER	RAISE REIMBURSEMENT TO COUNTIES	H -ASSIGNED TO APP-NTEC		04-28-97	
H 991=	GRAY	U.S.S. NC BATTLESHIP FUNDS	H -ASSIGNED TO APP-JPS		04-17-97	
H 992=	GRAY	UNC NONAPPROPRIATED CAP. PROJECTS	HF-POSTPONED INDEFINITELY		04-17-97	
H 998=	BROWN	FEDERAL MATCH REQUIRED-9/30/98	*HF-POSTPONED INDEFINITELY		05-27-97	06-11-97
H1000	MERCER	FORESTRY FIRE PROTECTION FUNDS	H -ASSIGNED TO APP-NTEC		04-17-97	

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H1003	RUSSELL	CAPITOL PLANNING & BUDGETING ACT	HF-POSTPONED INDEFINITELY	04-17-97	
H1011=	CAPPS	LOW PRESSURE PIPE EMERG. FUND	*S -RE-REF COM ON AGRICUL&	04-21-97	07-15-97
H1019	PRESTON	RIGOROUS ACADEMIC CONTROL STANDARDS	HF-POSTPONED INDEFINITELY	04-29-97	
H1022	HARDY	RETIREMENT SERVICE TRANSFERS	HF-POSTPONED INDEFINITELY	04-23-97	
H1031	GRADY	RETIREMENT INCENTIVE	*HF-POSTPONED INDEFINITELY	04-30-97	
H1043=	BROWN	FARM ENVIRONMENTAL COMPLIANCE FUND	H -ASSIGNED TO APP-NTEC	04-29-97	
H1060=	HUNTER H	CENTRAL CHILDREN'S HOME FUNDS	HF-POSTPONED INDEFINITELY	04-21-97	
H1081	ALLRED	CONDEMNATION AWARDS	*HF-POSTPONED INDEFINITELY	07-01-97	
H1089=	KINNEY	UNC MILITARY TUITION	*HF-POSTPONED INDEFINITELY	04-28-97	
H1093	NESBITT	HP HELICOPTER TO ASHEVILLE	H -ASSIGNED TO APP-JPS	04-30-97	
H1103	BRAWLEY	LAKE NORMAN/WILDLIFE OFFICER FUNDS	HF-POSTPONED INDEFINITELY	04-21-97	
H1128=	MINER	CPA EDUCATION REQUIREMENTS	H -RE-REF COM ON FINANCE	05-01-97	06-22-98
H1139	HUNTER R	CLEAN WATER REVOLVING LOAN FUNDS	*HF-POSTPONED INDEFINITELY	04-21-97	08-21-97
H1147	INSKO	AREA 3 SOIL & WATER FUNDS	H -ASSIGNED TO APP-NTEC	04-22-97	
H1148	DECKER	TEEN COURT FUNDS/GUIDELINES	H -ASSIGNED TO APP-JPS	04-22-97	
H1149=	MITCHELL	HOME OWNERSHIP FUNDS	H -ASSIGNED TO APP-NTEC	04-22-97	
H1150	BROWN	FOOD BANK OF NORTHWEST NC FUNDS	H -ASSIGNED TO APP-HRES	04-22-97	
H1151	ARNOLD	EASTERN NC LIVESTOCK ARENA FUNDS-2	HF-POSTPONED INDEFINITELY	05-14-97	
H1154	BLACK	SAFE SCHOOL PLANS/ACCOUNTABILITY	*HF-POSTPONED INDEFINITELY	05-14-97	
H1159=	SMITH	MOSQUITO CONTROL FUNDS	H -ASSIGNED TO APP-HRES	04-24-97	
H1161	97 HSE ENVIRON	FISHERIES REFORM ACT APPROP.	H -ASSIGNED TO APP-NTEC	04-24-97	
H1163=	HENSLEY	WAKE'S DOTF FUNDS	H -ASSIGNED TO APP-JPS	04-28-97	
H1164=	LUEBKE	OSHA ERGONOMIC STANDARDS FUND	H -ASSIGNED TO APP-NTEC	04-28-97	
H1167	ADAMS	MAKING IT UPSTREAM FUNDS	HF-POSTPONED INDEFINITELY	04-28-97	
H1168	SUTTON	INDIAN COMN. & CTR. FUNDS	HF-POSTPONED INDEFINITELY	04-29-97	
H1169	SUTTON	PEMBROKE LIBRARY FUNDS	HF-POSTPONED INDEFINITELY	04-29-97	
H1171	SHERRILL	BLUE RIDGE DESTINATION CTR. FUNDS	HF-POSTPONED INDEFINITELY	04-29-97	
H1172	BOYD-MCINTYRE	HINES HALL CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	04-29-97	
H1174	FITCH	WILSON FARMER MARKET FUNDS	HF-POSTPONED INDEFINITELY	04-29-97	
H1176	CRAWFORD	GRANVILLE CEMETERY FUNDS	HF-POSTPONED INDEFINITELY	04-29-97	

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NORTH CAROLINA GENERAL ASSEMBLY
COMMITTEE SUMMARY REPORT
HOUSE: APPROPRIATIONS

1997-98	Regular Session	HOUSE: APPROPRIATIONS			Valid Through 30-OCT-1998
BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H1178	HUNTER H	WINTON MUSEUM FUNDS	HF-POSTPONED INDEFINITELY	04-29-97	
H1179	HUNTER H	ECONOMIC DEVELOPMENT FUNDS-2	HF-POSTPONED INDEFINITELY	04-29-97	
H1181	STARNES	HIDDENITE CENTER FUNDS	HF-POSTPONED INDEFINITELY	04-29-97	
H1183	MOORE	CIVIC EDUCATION PROGRAM FUNDS	HF-POSTPONED INDEFINITELY	05-12-97	
H1184	HENSLEY	RESTORE YATES MILL FUNDS	HF-POSTPONED INDEFINITELY	04-29-97	
H1185	INSKO	ORANGE TEEN COURT FUNDS	H -ASSIGNED TO APP-JPS	04-30-97	
H1186	EARLE	IN-HOME ASSISTANCE PROJECT/FUNDS	HF-POSTPONED INDEFINITELY	04-30-97	
H1190	NYE	VOC. REHAB. FACILITIES FUNDS	H -ASSIGNED TO APP-HRES	05-01-97	
H1193	BROWN	AGRICULTURAL FAIRS COMMITTEE/FUNDS	H -ASSIGNED TO APP-NTEC	05-13-97	
H1196	IVES	TRANSLYVANIA VOCATIONAL FUNDS	HF-POSTPONED INDEFINITELY	05-01-97	
H1198	REYNOLDS	SAVINGS RESERVE/SCHOOL TECH. FUND	HF-POSTPONED INDEFINITELY	05-12-97	
H1199	SHUBERT	MONETARY INCENTIVE/ACAD. EXCELLENCE	*HF-POSTPONED INDEFINITELY	05-22-97	
H1200=	SMITH	CMAST CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	05-05-97	
H1208	CULPEPPER	BLACKBEARD'S FLAGSHIP FUNDS	HF-POSTPONED INDEFINITELY	05-05-97	
H1209	BOYD-MCINTYRE	RESEARCH STUDIES/WOMEN/FUNDS	HF-POSTPONED INDEFINITELY	05-05-97	
H1211	WILSON G	UNC CONSTRUCTION FUNDS	HF-POSTPONED INDEFINITELY	05-05-97	
H1212	REYNOLDS	TECHNOLOGY & TRAINING FUNDS	HF-POSTPONED INDEFINITELY	05-08-97	
H1213	NESBITT	POLICE/JUVENILE CENTER FUNDS	HF-POSTPONED INDEFINITELY	05-05-97	
H1214	HUNTER R	HOUSE DISTRICT 49 FUNDS	HF-POSTPONED INDEFINITELY	05-05-97	
H1215	MICHAUX	OAH INJUNCTIVE RELIEF/FUNDS	HF-POSTPONED INDEFINITELY	05-05-97	
H1216	HIGHTOWER	ANSON CHILD SUPPORT OFFICE FUNDS	HF-POSTPONED INDEFINITELY	05-05-97	
H1217	MINER	UNITED ARTS COUNCIL FUNDS	HF-POSTPONED INDEFINITELY	05-05-97	
H1218	BLACK	ADULT/STUDENT RATIO REDUCTIONS	HF-POSTPONED INDEFINITELY	05-05-97	
H1229	CULPEPPER	DARKER VEHICLE WINDOW FOR LUPUS	*H -RE-REF COM ON FINANCE	06-25-97	08-12-98
H1249=	SMITH	JACKSONVILLE-ONSLOW MARKET FUNDS	HF-POSTPONED INDEFINITELY	05-12-98	
H1250	SMITH	EXPAND MARINE FISHERIES COMMISSION	HF-POSTPONED INDEFINITELY	05-12-98	
H1260	IVES	FLOODPLAIN MANAGEMENT	*R -CH. SL 98-0172	06-02-98	06-03-98
H1262	BROWN	SCHOOL UTILITY COSTS PAID BY STATE	HF-POSTPONED INDEFINITELY	05-13-98	
H1263=	HOWARD	COOLEEMEE HISTORIC SITE FUNDS	HF-POSTPONED INDEFINITELY	05-13-98	
H1265	BONNER	ROWLAND RECREATION PARK FUNDS	HF-POSTPONED INDEFINITELY	05-13-98	

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NORTH CAROLINA GENERAL ASSEMBLY
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1997-98	Regular Session	INTRODUCER	HOUSE: APPROPRIATIONS	Valid Through 30-OCT-1998
BILL			SHORT TITLE	LATEST ACTION ON BILL
H1266	BONNER		FAIRMONT RECREATION PARK FUNDS	HF-POSTPONED INDEFINITELY
H1267	BONNER		MAXTON RECREATION CENTER FUNDS	HF-POSTPONED INDEFINITELY
H1269	BAKER		COMPETITIVE GOVT. INITIATIVE	*HF-POSTPONED INDEFINITELY
H1270=	RAYFIELD		CTR. APPLIED TEXTILE TECH. FUNDS	HF-POSTPONED INDEFINITELY
H1273=	ALLRED		REFUND INTANGIBLES TAX TO ALL	*H -PASSED 2ND & 3RD READING
H1282=	HILL		MUSEUM OF FORESTRY FUNDS-1	HF-POSTPONED INDEFINITELY
H1283=	HILL		MUSEUM OF FORESTRY FUNDS	HF-POSTPONED INDEFINITELY
H1286	SHERRILL		BLUE RIDGE DESTINATION CTR. FUNDS	HF-POSTPONED INDEFINITELY
H1287=	SHERRILL		WNC AGRICULTURAL CENTER FUNDS	HF-POSTPONED INDEFINITELY
H1291	BROWN		WILKES COURTHOUSE FUNDS	HF-POSTPONED INDEFINITELY
H1292=	BROWN		NCSU CAPITAL FUNDS	HF-POSTPONED INDEFINITELY
H1294	BUCHANAN		DIVISION OF AGING FUNDS	HF-POSTPONED INDEFINITELY
H1295	NYE		TOUCHING FAMILIES' LIVES FUNDS	H -ASSIGNED TO APP-HRES
H1296	NYE		TURNBULL STATE FOREST FUNDS	HF-POSTPONED INDEFINITELY
H1297=	CLARY		MEDICAID AGED AND DISABLED FUNDS	HF-POSTPONED INDEFINITELY
H1298=	CLARY		SENIOR CENTER CAPITAL FUNDS	HF-POSTPONED INDEFINITELY
H1299=	CLARY		SENIOR CENTER FUNDS-2	HF-POSTPONED INDEFINITELY
H1300=	CLARY		AREA AGING AGENCIES FUNDS	HF-POSTPONED INDEFINITELY
H1304	BOWIE		RESTRUCTURE DOT BOARD	*R -CH. SL 98-0169
H1313=	GOODWIN		SANDHILLS REGION CAPITAL FUNDS	HF-POSTPONED INDEFINITELY
H1319=	THOMPSON		EXTEND BOND MATCH DEADLINE	S -REF TO COM ON APPROP
H1321=	DAUGHTRY		FUTURE OF THE COURTS	*H -CAL PURSUANT RULE 36 (A)
H1322=	REDWINE		BEACH RENOURISH/RESERVE FUNDS	HF-POSTPONED INDEFINITELY
H1323	DICKSON		CLASS SIZE/LOW-PERFORMING SCHOOLS	HF-POSTPONED INDEFINITELY
H1331	NYE		KEYS REHABILITATION CAPITAL FUNDS	HF-POSTPONED INDEFINITELY
H1333	MORRIS		PUBLISH RULES ON INTERNET	*HF-POSTPONED INDEFINITELY
H1337=	DAUGHTRY		FIRE AND RESCUE SQUAD PENSIONS	*HF-POSTPONED INDEFINITELY
H1339=	CULP		NC TDA FUNDS	H -ASSIGNED TO APP-NTEC
H1340=	CULP		NC TDA CAPITAL FUNDS	H -ASSIGNED TO APP-NTEC
H1346	NICHOLS		CRAVEN COUNTY FUNDS	HF-POSTPONED INDEFINITELY

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BILL INTRODUCER

SHORT TITLE

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H1350=	SHUBERT	SMALL BUSINESS INFO. ASSISTANCE	*HF-POSTPONED INDEFINITELY	07-06-98
H1363	BROWN	FOOD BANK OF NORTHWEST NC FUNDS	H -ASSIGNED TO APP-HRES	05-20-98
H1364	BROWN	HISTORIC LUCAS MANSION FUNDS	HF-POSTPONED INDEFINITELY	05-20-98
H1375	SHERRILL	UNCA HIGHSMITH CENTER FUNDS-2	HF-POSTPONED INDEFINITELY	05-21-98
H1378	HILL	AG ARENA RENOVATION FUNDS	HF-POSTPONED INDEFINITELY	05-21-98
H1379	HILL	NEW HANOVER/BEAVER DAMAGE FUNDS	H -ASSIGNED TO APP-NTEC	05-21-98
H1381	CARPENTER J	JUNALUSKA CREEK DAMAGE FUNDS	H -ASSIGNED TO APP-NTEC	05-21-98
H1382	CARPENTER J	MACON CO. FAIR CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	05-21-98
H1386	CARPENTER J	EXPAND COMMUNITY LINK FUNDS	HF-POSTPONED INDEFINITELY	05-21-98
H1390=	ALLRED	FUNDS FOR LOW-INCOME HOUSING	HF-POSTPONED INDEFINITELY	05-21-98
H1395=	GRADY	PRINCIPALS INCENTIVE FUNDS	HF-POSTPONED INDEFINITELY	06-09-98
H1408=	WATSON	BEACH EROSION CONTROL FUNDS	HF-POSTPONED INDEFINITELY	05-21-98
H1411=	PRESTON	INCREASE FISHERIES GRANT ADMIN. CAP	H -ASSIGNED TO APP-NTEC	05-21-98
H1413=	WARNER	FAYETTEVILLE TECH. BUILDING FUNDS	HF-POSTPONED INDEFINITELY	05-21-98
H1414=	WARNER	SCHOOL UTIL. COSTS SHARED BY STATE	HF-POSTPONED INDEFINITELY	06-09-98
H1416=	HILL	SEDIMENTATION CONTROL FUNDS	H -ASSIGNED TO APP-NTEC	05-21-98
H1423=	BOWIE	OREGON INLET RECOMMENDATIONS	H -ASSIGNED TO APP-NTEC	05-25-98
H1425=	ARNOLD	ADDITIONAL SCHOOL DAYS PILOT	HF-POSTPONED INDEFINITELY	06-25-98
H1427=	ARNOLD	UCP COG REVOLVING LOAN FUNDS	HF-POSTPONED INDEFINITELY	05-25-98
H1428=	ARNOLD	LEP STUDENT FUNDS	HF-POSTPONED INDEFINITELY	05-25-98
H1430=	CULP	NATURAL RESOURCES LEADERSHIP FUNDS	HF-POSTPONED INDEFINITELY	05-25-98
H1435	CULP	HEALTH CARE REGISTRY	*HF-POSTPONED INDEFINITELY	06-24-98
H1436	ELLIS	PAN AMERICAN GAME FUNDS	H -ASSIGNED TO APP-NTEC	05-25-98
H1437	BRAWLEY	IREDELL/CATAWBA LOCAL FUNDS	HF-POSTPONED INDEFINITELY	05-25-98
H1440	MCCRARY	CONFORM WITNESS TRAVEL FEES	*HF-POSTPONED INDEFINITELY	06-15-98
H1444=	MITCHELL	CONSERVATION EASEMENT FUNDS	H -ASSIGNED TO APP-NTEC	05-25-98
H1458=	JUSTUS	STRIKE OUT STROKE FUNDS	H -ASSIGNED TO APP-HRES	05-25-98
H1459=	JUSTUS	BANC INITIATIVE FUNDS	H -ASSIGNED TO APP-HRES	05-25-98
H1460=	JUSTUS	CVD DATA FUNDS	H -ASSIGNED TO APP-HRES	05-25-98
H1467=	MITCHELL	SOUTHERN DAIRY COMPACT FUNDS	HF-POSTPONED INDEFINITELY	06-23-98

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H1470	BADDOUR	DISTRICT CT SETTLEMENT PROCEDURES	*HF-POSTPONED INDEFINITELY	07-15-98	
H1477=	ARNOLD	ABC'S PLAN FOR DHHS SCHOOLS	*R -CH. SL 98-0131	07-01-98	07-23-98
H1482	BOWIE	GUILFORD DETENTION CENTER FUNDS	HF-POSTPONED INDEFINITELY	05-25-98	07-02-98
H1486=	EDDINS	NEUSE MODELING PROJECT FUNDS	*HF-POSTPONED INDEFINITELY	09-03-98	
H1488=	ARNOLD	ASSISTANCE TEAMS ADD'L FUNDS	HF-POSTPONED INDEFINITELY	06-25-98	
H1492	CARPENTER J	CLEAN WATER/NATURAL GAS BONDS	*H -RE-REF COM ON FINANCE	06-17-98	07-02-98
H1500=	CANSLER	MANNA FOOD BANK FUNDS	HF-POSTPONED INDEFINITELY	05-26-98	
H1501=	CANSLER	FOOD BANK FUNDS	HF-POSTPONED INDEFINITELY	05-26-98	
H1502=	GRAY	UNC NONAPPROPRIATED CAPITAL PROJECTS	*R -CH. SL 98-0140	05-26-98	07-28-98
H1505	SUTTON	INDIAN CULTURAL CTR BOARD/FUNDS	R -CH. SL 98-0019	06-01-98	06-03-98
H1506=	SUTTON	SE AGRICULTURAL CENTER FUNDS	HF-POSTPONED INDEFINITELY	05-26-98	
H1516=	BARBEE	1998 RETIREMENT BENEFITS ACT	*HF-POSTPONED INDEFINITELY	07-20-98	
H1517	BOWIE	MOREHEAD COMMISSION FUNDS	H -ASSIGNED TO APP-GGOV	05-27-98	
H1521=	IVES	NC HUMANITIES COUNCIL FUNDS	H -ASSIGNED TO APP-GGOV	05-27-98	
H1530=	WILSON C	OAH ALJ FUNDS	H -ASSIGNED TO APP-GGOV	05-27-98	
H1531=	CANSLER	HOME/COMMUNITY PARTNERSHIP FUNDS	HF-POSTPONED INDEFINITELY	05-27-98	
H1532	CRAWFORD	MODEL TEACHER CONSORTIUM FUNDS	HF-POSTPONED INDEFINITELY	05-27-98	
H1535=	BROWN	STRUCTURAL PEST CONTROL FUNDS	H -ASSIGNED TO APP-NTEC	05-27-98	
H1536=	BROWN	PESTICIDE/FOOD LABORATORIES FUNDS	H -ASSIGNED TO APP-NTEC	05-27-98	
H1542=	MITCHELL	CTR FOR COMMUNITY SELF-HELP FUNDS	H -ASSIGNED TO APP-NTEC	05-27-98	
H1543=	MITCHELL	POULTRY/RATITE DEALERS REGISTRATION	HF-POSTPONED INDEFINITELY	06-16-98	
H1545=	WEATHERLY	BRANDED TITLE CLARIFICATION	HF-POSTPONED INDEFINITELY	10-14-98	
H1548	GOODWIN	IOG INTERN FUNDS	HF-POSTPONED INDEFINITELY	05-27-98	
H1551=	RUSSELL	BRIDGES PROJECT FUNDS	H -ASSIGNED TO APP-HRES	05-27-98	
H1553=	BROWN	EASTERN AGRICULTURE CENTER FUNDS	HF-POSTPONED INDEFINITELY	06-16-98	
H1557=	ARNOLD	LOW-WEALTH SCHOOL FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1560	MITCHELL	SMALL FAMILY FARMS FUNDS	HF-POSTPONED INDEFINITELY	06-23-98	
H1562	JEFFUS	CENTRAL SCHOOL FOR DEAF FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1563	JEFFUS	INTERNATIONAL BACCALAUREATE FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1565=	BROWN	ENVIRONMENTAL FARMING FUNDS	H -ASSIGNED TO APP-NTEC	05-28-98	

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H1566=	BROWN		GOODNESS GROWS IN NC FUNDS	H -ASSIGNED TO APP-NTEC	05-28-98	
H1580	CANSLER		GENETIC HEALTH SERVICE FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1582	HIGHTOWER		SEAT BELTS ON NEW SCHOOL BUSES	HF-POSTPONED INDEFINITELY	07-01-98	
H1584=	BARBEE		INCREASE RETIREE DEATH BENEFITS	HF-POSTPONED INDEFINITELY	06-22-98	
H1592=	BAKER		CARE TRAK SYSTEM FUNDS	H -ASSIGNED TO APP-HRES	05-28-98	07-02-98
H1598	MCCOMAS		CUED SPEECH CENTER FUNDS-3	HF-POSTPONED INDEFINITELY	05-28-98	
H1600	MCCOMAS		CFCC PUBLIC SAFETY CTR. FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1603	CANSLER		FIRST STEP FARM FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1604=	CANSLER		CHILD CARING INSTITUTION/FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1605=	CANSLER		PSYCH. HOSPITAL STUDY FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1606	SHUBERT		UNION COMMUNITY COLLEGE FUNDS	HF-POSTPONED INDEFINITELY	06-10-98	
H1614	SHERRILL		MEDIATION CENTER FUNDS-2	H -ASSIGNED TO APP-JPS	05-28-98	
H1620=	WATSON		SCHOOL NURSE FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1621	WATSON		NONLAGOON SYSTEMS DEMO FUNDS	HF-POSTPONED INDEFINITELY	06-25-98	
H1623=	ALEXANDER		INTENSIVE FAMILY PRESERVATION FUNDS	H -ASSIGNED TO APP-HRES	05-28-98	
H1627	HALL		ERWIN TEXTILE MUSEUM FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1628=	WATSON		DUPLIN MULTIPURPOSE CTR. FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1631=	MCMAHAN		WHITE OAKS MANSION FUNDS	H -ASSIGNED TO APP-NTEC	05-28-98	
H1632=	MCMAHAN		UNC-CHARLOTTE FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1634=	REYNOLDS		COMMUNITY COLLEGE EXPANSION FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1635	ROGERS		ROANOKE-CHOWAN COMM. COLL. FUNDS	HF-POSTPONED INDEFINITELY	05-28-98	
H1644=	HACKNEY		CHATHAM LLRW SITING FUNDS	HF-POSTPONED INDEFINITELY	07-06-98	
H1646	ALLRED		SEAT BELTS ON ACTIVITY BUSES	*HF-POSTPONED INDEFINITELY	06-25-98	
H1649=	CARPENTER J		PIEDMONT TRIAD FARMERS MARKET FUNDS	HF-POSTPONED INDEFINITELY	06-23-98	
H1650=	CARPENTER J		FOOD SAFETY PROGRAM FUNDS	H -ASSIGNED TO APP-NTEC	05-28-98	
H1651=	CARPENTER J		ANIMAL WASTE TESTING FUNDS	H -ASSIGNED TO APP-NTEC	05-28-98	
H1652=	CARPENTER J		MULTIFLORA ROSE CONTROL FUNDS	H -ASSIGNED TO APP-NTEC	05-28-98	
H1653=	CARPENTER J		PSEUDORABIES ERADICATION FUNDS	H -ASSIGNED TO APP-NTEC	05-28-98	
H1669	RUSSELL		IMPROVE DISABILITY INCOME PLAN	HF-POSTPONED INDEFINITELY	07-01-98	
H1670=	THOMPSON		PENLAND SCHOOL CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	

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H1671=	MOORE	TEACHER ASSISTANT SALARY FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1672	ARNOLD	PRINCIPAL SALARY FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1673	ARNOLD	TEACHER EVALUATIONS/ASSESSMENT TEAMS	HF-POSTPONED INDEFINITELY	06-01-98	
H1674	ARNOLD	PRINCIPALS IN LOW-PERFORMING SCHOOLS	HF-POSTPONED INDEFINITELY	06-01-98	
H1675	MORRIS	ADM. CHANGES SPECIAL ED. FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1676	BLACK	TEACHER COMPENSATION/EXTRA WORK DAYS	HF-POSTPONED INDEFINITELY	06-01-98	
H1678=	MINER	EXPLORIS CHILDREN'S MUSEUM FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1679=	GRAY	OLD SALEM FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1680	WARNER	MAGISTRATES' SALARY INCREASE	H - ASSIGNED TO APP-JPS	06-01-98	
H1681	REYNOLDS	INFORMATION TECHNOLOGY TRUST FUND	HF-POSTPONED INDEFINITELY	06-01-98	
H1682	MCCOMAS	UNC-WILMINGTON ED. BLDG. FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1684	MILLER G	TOBACCO MUSEUM FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1685	MILLER G	SENIOR PHARMASSIST FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1686	MILLER G	ENO RIVER STATE PARK FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1687	THOMPSON	DISASTER RELIEF TRUST FUND	HF-POSTPONED INDEFINITELY	06-01-98	
H1689=	HUNTER H	HEALTHY CAROLINIANS FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1690	ADAMS	NC A & T FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1691=	ADAMS	PARENTING PROGRAM FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1692=	ADAMS	WELFARE LAW IMPROVEMENT/FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1694	GOODWIN	HAMLET OPERA HOUSE FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1695	HURLEY	SPECIAL ED. GROUP HOME FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1697=	WAINWRIGHT	JONES ECONOMIC DEVELOPMENT FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1699	HILL	FAIR BLUFF WATER/SEWER FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1701	COLE	ALAMANCE WORK RELEASE PILOT	HF-POSTPONED INDEFINITELY	07-15-98	
H1704	HARDY	HISTORIC WATERFRONT REVITALIZATION	H - ASSIGNED TO APP-NTEC	06-01-98	
H1706	JARRELL	SEX OFFENDER MH TREATMENT/FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	
H1709=	INSKO	DOT REQUIRED TO COMPOST	H - ASSIGNED TO APP-TRAN	06-01-98	
H1710=	LUEBKE	ADULT CARE HOME STAFF RATIO/FUNDS	H - ASSIGNED TO APP-HRES	06-01-98	
H1711=	EARLE	ADULT CARE HOMES STAFFING	H - ASSIGNED TO APP-HRES	06-01-98	
H1715=	COLE	VFD/EMS DEFIBRILLATOR FUNDS	HF-POSTPONED INDEFINITELY	06-01-98	

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H1716=	BOYD-MCINTYRE		OSTEOPOROSIS TASK FORCE FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1718	HARDY		BEAUFORT/BEAVER DAMAGE FUNDS	H - ASSIGNED TO APP-NTEC	06-01-98
H1719	JEFFUS		SUBSTITUTE TEACHER PAY RAISE	HF-POSTPONED INDEFINITELY	06-23-98
H1720=	CULPEPPER		ADOPTION & SAFE FAMILIES ACT/FUNDS	*H -PRES. TO GOV. 10-28	06-01-98 08-04-98
H1721	HARDAWAY		LAKE GASTON STATE PARK STUDY	HF-POSTPONED INDEFINITELY	06-01-98
H1722	HARDAWAY		MEDOC MTN. STATE PARK FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1723	HARDAWAY		LOW-PERF. SCHOOL/SALARY FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1726	DAVIS D		MILITARY MUSEUM FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1727	DAVIS D		MILITARY ARCHIVE FUNDS	H - ASSIGNED TO APP-GGOV	06-01-98
H1729=	WARWICK		ROSEBORO RESTORATION FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1730=	WARWICK		BILINGUAL TEACHER ASSISTANT FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1731=	WARWICK		SALEMURG RESTORATION FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1732=	WARWICK		TOPSAIL ISLAND RESTORATION FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1733	EDDINS		EXPEDITE DEATH PENALTY CASES/FUNDS	H - ASSIGNED TO APP-JPS	06-01-98
H1740	TOLSON		COMM. COLL. REPAIRS AND RENOVATIONS	HF-POSTPONED INDEFINITELY	06-01-98
H1741	NESBITT		A-B TECH. CAPITAL FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1742	NESBITT		BLUE RIDGE AREA MH FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1746	WRIGHT		AIDS PREVENTION FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1750	WRIGHT		SOUTHEASTERN CONVENTION CTR FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
H1751	WOOD		LIFEBOAT SCHOLARSHIP FUNDS	HF-POSTPONED INDEFINITELY	06-01-98
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	*R -CH. SL 97-0443	04-24-97 06-02-97
S 421=	COOPER		LOCAL OPTION HOMESTEAD EXEMPTION	*HF-FAILED 2ND READING	10-15-98 10-19-98
S 473	PLYLER		CONTINUING BUDGET AUTHORITY	*R -CH. SL 97-0256	06-26-97 06-30-97
S 475=	PERDUE		FUND FOR DISPLACED HOMEOWNERS	*S -RATIFIED	08-11-97 06-04-98
S 545=	MILLER B		SALE OF NAT. SCI. MUSEUM OBJECTS	H -ASSIGNED TO APP-GGOV	07-10-97
S 620	PLYLER		CONTINUING BUDGET AUTHORITY	*R -CH. SL 98-0023	06-30-98 06-30-98
S 714	FORRESTER		RECONSTRUCTIVE SURGERY/COVERAGE-2	*R -CH. SL 97-0312	05-15-97 06-30-97

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

1997-98 Regular Session	INTRODUCER	SHORT TITLE	HOUSE: APPROPRIATIONS	LATEST ACTION ON BILL	Valid Through 30-OCT-1998
BILL					IN DATE OUT DATE
S 833=	KERR	UNC RECEIPT-SUPPORTED CAPITAL PROJ.	*R -CH. SL 97-0425		05-01-97 06-30-97
S 845	ODOM	SCHOOL BUSES FOR SPECIAL OLYMPICS	*R -CH. SL 98-0010		05-27-98 06-01-98
S 853	CONDER	REVENUE OFFICERS' POLICE POWERS	*R -CH. SL 97-0503		08-27-97 08-27-97
S1015	MARTIN W	WELFARE REFORM ACT OF 1997-2	*H -ASSIGNED TO APP-HRES		05-27-97
S1260	COOPER	JUVENILE JUSTICE REFORM ACT-2	*R -CH. SL 98-0202		08-06-98 08-12-98
S1366	PLYLER	APPROPRIATIONS ACT OF 1998	*S -PRES. TO GOV. 10-28		07-06-98 07-21-98
S1407	CARPENTER R	REG. OF DEEDS SUPP. PENSION CHANGE	R -CH. SL 98-0147		08-05-98 08-12-98

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

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

BOLDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

There were three meetings of the 1998 Short Session of the
House Appropriations Committee

June 30, 1998
July 20, 1998
October 26, 1998

MINUTES
HOUSE COMMITTEE ON APPROPRIATIONS
June 30, 1998

The House Appropriations Committee met on June 30, 1998 in Room 643 of the Legislative Office Building at 4:00 P.M. Representative George M. Holmes, Cochair, presided. There were 62 members present, and the House Majority Leader, Representative Leo Daughtry, was also present.

Representative Holmes called the meeting to order and announced that they would take up the proposed House committee substitute for Senate Bill 620: Continuing Budget Authority. There was a motion to place the bill before the committee. Representative Holmes announced that the purpose of the Continuing Budget Authority is to continue some provisions of law beyond the end of the fiscal year. He went through the bill section by section according to Attachment 1.

Representative Michaux asked for copies of the original bill and asked what were the proposed base budget cuts for Line 15 on Page 1 regarding state employee positions. Representative Holmes replied they were those proposed by the Governor. Staff added that the positions that the Governor proposed be reduced that are currently vacant could not be filled but if they are filled and they are proposed for reduction or if there is non-recurring money involved, they would require a 30-day notification; this would continue in effect until the base budget is adopted. Representative Michaux said he was concerned about employees in the proposed budget cuts. Staff responded that unless a bill was passed and the main budget bill overturned the reductions or refused to take them, the employees would be terminated. Representative Michaux responded that it sounds like they are taking the Governor's proposed budget cuts and enacting them into law with this resolution when the Appropriations Committee has not had an opportunity to discuss it. He asked how many positions were occupied and staff told him they had no bill of particulars on this matter from either the Budget Office or the Senate.

Representative Sam Ellis asked if the House subcommittees accept all of the Governor's position cuts. Representative Holmes told him they had not received the Governor's budget. Representative Ellis said he wondered if the House had disagreed with any of the position cuts and Representative Holmes said he did not know of any. Representative Ellis then asked if the committee could vote out some of the sections. Representative Holmes told him he could offer amendments.

Representative Russell asked if the Community in Schools Funds/Do not Revert for the Rocky Mount Region, Inc. (Page 7) is the only school that does not revert. Jim Johnson of Fiscal Research said this was the only one under a special grant, the rest of the Community in Schools programs are funded through a State program.

Representative Sherrill asked if Lines 8-17 in Section 1 were included in the original Senate bill. Representative Holmes told her yes.

A copy of the original Senate bill was given to the members. Representative Daughtry asked Staff to describe the substantive differences between the Senate bill and the House committee substitute. Emily Johnson addressed the issue. She listed what was deleted: The Senate bill provision regarding temporary employees of the General Assembly, two provisions regarding transfer of funds from the highway trust fund, a provision regarding the reserve on implementing welfare clarification, a provision on the teen court programs, and a provision regarding the Roanoke-Pamlico Estuary, and in the House substitute the sunset dates are tied to the date on which the new budget bill would actually become law, whereas in the Senate bill the sunset date is August 15, 1998.

Representative Michaux asked why the temporary employees of the General Assembly were not included in Section 1. He was told that the Senate bill changed their status and the House decided to leave the current system as it stands. Representative Michaux asked why the Roanoke Pamlico Estuary provision was taken out. Representative Holmes said it was felt that it was not necessary and could be addressed in the budget bill. Representative Creech said it was a volunteer monitoring group and it would go on.

Representative Moore asked if the cap of \$89 million in Section 6 will assure that no teacher will be shortchanged what they were promised in incentives under the ABC's of Public Education Program. Mr. Jim Johnson of Fiscal Staff said that if more schools meet their goals than the \$89 million, there are several courses of action that could be taken – the Board could pay less than \$1500 per teacher or the Legislature could act to appropriate additional money if they are still in Session; however, the \$89 million represents the best official estimate of the money needed.

Representative Michaux asked why they needed a continuing resolution and Representative Holmes responded that in reality they did not have to have one, the Senate sent the resolution to the House to act on and it's up to this body to act on it or disregard it.

Representative Decker said one reason the resolution has to be acted on is that some of the sunsets that were put in expire June 30th. He asked how many teen courts were falling into the situation where they were going to lose their funds, and which ones are they. Charles Peruse said that the teen courts that were funded last year that would have funds that would not revert would be Brunswick and Columbus \$2300, Buncombe \$540, Cabarrus \$2500, Durham \$1000 and Orange \$6000 which brings the total to \$35,000 statewide. Representative Decker asked about the teen courts in Forsyth and Guilford. Mr. Peruse said that Forsyth is in the same category as the previously mentioned counties but Guilford does not have money appropriated for a teen court through the administrative office of the courts at this time.

Amendment No. 1 (attached) by Representative Redwine regarding the release of personal information to marketers by the Department of Motor Vehicles. Without objection the date was changed to July 1, 1999. Passed unanimously.

Amendment No. 2 (attached) by Representative Redwine regarding teen courts. Passed.

Amendment No. 3 (attached) by Representative Arnold regarding increases for funding of educational issues. Passed.

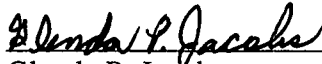
Amendment No. 4 (attached) by Representative Moore regarding the cap on incentive funding. Passed.

Amendment No. 5 (attached) by Representative Culpepper regarding the boxing commission. Passed.

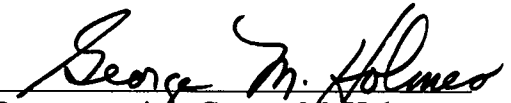
Representative Daughtry moved that the committee substitute for Senate Bill 620 as amended, unfavorable as to the original, be given a favorable report. Carried.

Representative Holmes adjourned the meeting at 3:40 P. M.

Respectfully submitted,



Glenda P. Jacobs
Committee Clerk



Representative George M. Holmes
Presiding Cochair

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

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

2

SENATE BILL 620
Appropriations Committee Substitute Adopted 6/29/98

Short Title: Continuing Budget Authority.

(Public)

Sponsors:

Referred to:

April 1, 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, 1998, AND TO EXTEND EXPIRING
5 PROVISIONS OF LAW.

6 The General Assembly of North Carolina enacts:

7 BUDGET CONTINUATION

8 Section 1. The Director of the Budget shall allocate funds for
9 expenditure for current operations by State departments, institutions, and agencies, as
10 provided in S.L. 1997-443 and as otherwise provided by law. The Director of the
11 Budget shall not allocate funds for any of the purposes set out in the proposed base
12 budget reductions submitted to the Regular 1998 Session of the General Assembly by
13 the Governor.

14 Vacant positions subject to the proposed base budget cuts shall not be
15 filled. State employees in positions subject to the proposed base budget cuts and
16 State employees in positions funded with nonrecurring funds for the 1997-98 fiscal
17 year shall be given 30 days' notice of termination.

18 There is appropriated from the appropriate State funds and cash
19 balances, federal receipts, and departmental receipts for the 1998-99 fiscal year, funds
20 necessary to carry out the provisions of this act.

21 The appropriations and the authorizations to spend funds in this section
22 shall remain in effect until ratification of the Current Operations Appropriations and
23 Capital Improvement Appropriations Act of 1998, at which time that act shall

1 become effective and shall govern appropriations and expenditures. Upon ratification
2 of the "Current Operations Appropriations and Capital Improvement
3 Appropriations Act of 1998", the Director of the Budget shall adjust allocations to
4 give effect to that act from July 1, 1998.

5

6 **NER BLOCK GRANT FUNDS**

7 Section 2. (a) Appropriations from federal block grant funds are made
8 for the fiscal year ending June 30, 1999, according to the following schedule:

9

10

11 **COMMUNITY DEVELOPMENT BLOCK GRANT**

12

13 01. State Administration \$ 980,000

14

15 02. Urgent Needs and Contingency 1,277,400

16

17 03. Community Empowerment 2,767,700

18

19 04. Economic Development 8,516,000

20

21 05. Community Revitalization 28,528,600

22

23 06. State Technical Assistance 440,000

24

25 07. Housing Development 1,490,300

26

27 **TOTAL COMMUNITY DEVELOPMENT**

28 **BLOCK GRANT - 1999 Program Year** \$ 44,000,000

29

30 (b) Decreases in Federal Fund Availability

31 Decreases in federal fund availability for the Community Development
32 Block Grants -- If federal funds are reduced below the amounts specified above after
33 the effective date of this act, then every program in each of these federal block grants
34 shall be reduced by the same percentage as the reduction in federal funds.

35

36 (c) Increases in Federal Fund Availability for Community Development

36 Block Grant

37

38 Any block grant funds appropriated by the Congress of the United States
39 in addition to the funds specified in this section shall be expended as follows: -- Each
40 program category under the Community Development Block Grant shall be increased
41 by the same percentage as the increase in federal funds.

41

42 (d) Limitations on Community Development Block Grant Funds -- Of
43 the funds appropriated in this section for the Community Development Block Grant,
44 the following shall be allocated in each category for each program year: up to nine
hundred thousand dollars (\$900,000) may be used for State administration; up to one

1 million two hundred seventy-seven thousand four hundred dollars (\$1,277,400) may be used for Urgent Needs and Contingency; up to two million seven hundred sixty-seven thousand seven hundred dollars (\$2,767,700) may be used for Community Empowerment; up to eight million five hundred sixteen thousand dollars (\$8,516,000) may be used for Economic Development; not less than twenty-eight million five hundred twenty-eight thousand six hundred dollars (\$28,528,600) shall be used for Community Revitalization; up to four hundred forty thousand dollars (\$440,000) may be used for State Technical Assistance; up to one million four hundred ninety thousand three hundred dollars (\$1,490,300) may be used for Housing Development. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

(e) Scattered Sites Program Improvements -- The Department shall implement improvements to the system for distributing Scattered Sites awards in the Community Revitalization category to maximize funding opportunities. The Department shall make changes in the funding cycle for Scattered Sites projects, shall reduce the cap on grants for these projects to three hundred fifty thousand dollars (\$350,000), and shall increase funding allocations by up to fifteen percent (15%) to address outhouses and other critical on-site water/wastewater needs. The Department may adopt temporary rules to implement these changes.

(f) This section expires August 15, 1998.

BLOCK GRANT PROVISIONS -- DHHS

Section 3. (a) The Director of the Budget shall continue to allocate federal block grant funds at the levels provided as provided in Section 5 of S.L. 1997-443 and as otherwise provided by law.

(b) This section expires August 15, 1998.

EMPLOYEE SALARIES

Section 4. The salary schedules and specific salaries established for fiscal year 1997-98 in S.L. 1997-443 for offices and positions shall remain in effect until the effective date of the Current Operations Appropriations and Capital Improvement Appropriations Act of 1998.

Teachers and other employees shall not move up on these salary schedules or receive automatic, annual, performance, merit, or other increments or bonuses until authorized by the General Assembly.

TEMPORARY EMPLOYEES OF THE GENERAL ASSEMBLY

Section 5. G.S. 120-32(1) reads as rewritten:

"(1) Determine the number, titles, classification, functions, compensation, and other conditions of employment of the joint legislative service employees of the General Assembly, including, but not limited to, the following departments:

a. Legislative Services Officer and personnel,

- b. Electronic document writing system,
- c. Proofreaders,
- d. Legislative printing,
- e. Enrolling clerk and personnel,
- f. Library,
- g. Research and bill drafting,
- h. Printed bills,
- i. Disbursing and supply;

Temporary employees of the General Assembly are exempt from the provisions of G.S. 135-3(8)c., as to compensation earned in that status."

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

Section 6. Section 32.13 of S.L. 1997-443 reads as rewritten:

"Section 32.13. The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

FY 1999-2000	~~\$1,182.2~~ <u>\$1,190.8</u> million
FY 2000-2001	~~\$1,211.2~~ <u>\$1,225.7</u> million
FY 2001-2002	~~\$1,241.2~~ <u>\$1,265.4</u> million
FY 2002-2003	~~\$1,271.9~~ <u>\$1,301.0</u> million

The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

FY 1999-2000	~~\$861.7~~ <u>\$871.4</u> million
FY 2000-2001	~~\$891.0~~ <u>\$901.8</u> million
FY 2001-2002	~~\$921.6~~ <u>\$934.7</u> million
FY 2002-2003	~~\$953.3~~ <u>\$967.2</u> million."

ALLOCATIONS FOR PUBLIC SCHOOLS

Section 7. There is allocated from unexpended 1997-98 General Fund appropriations the sum of fifty-five million twenty-seven thousand six hundred eighty dollars (\$55,027,680) which shall be used as follows:

- (1) \$17,118,003 to fulfill the State's obligations to public school employees who qualified for performance bonuses for the 1997-98 school year under the ABC's of Public Education Program;
- (2) \$9,010,274 to fulfill the State's obligations to public school teachers who qualified for longevity payments for the 1997-98 school year;
- (3) \$24,199,403 to permit the State Board of Education to order school buses needed for the 1998-99 school year; and
- (4) \$4,700,000 for the State School Technology Fund to provide additional school technology funds prior to the beginning of the 1998-99 school year.

FUNDS TO IMPLEMENT THE ABC'S OF PUBLIC EDUCATION PROGRAM

Section 8. Section 8.36(a) of S.L. 1997-443 reads as rewritten:

1 "(a) Of the funds appropriated to State Aid to Local School Administrative Units,
2 the State Board of Education ~~may use up to seventy-two million four hundred~~
3 ~~thousand dollars (\$72,400,000) for the 1997-98 fiscal year to~~ shall provide incentive
4 funding for schools that meet or exceed the projected levels of improvement in
5 student performance, in accordance with the ABC's of Public Education Program. In
6 accordance with State Board of Education policy, incentive awards in schools that
7 achieve higher than expected improvements may be up to: (i) one thousand five
8 hundred dollars (\$1,500) for each teacher and for certified personnel; and (ii) five
9 hundred dollars (\$500.00) for each teacher assistant. In accordance with State Board
10 of Education policy, incentive awards in schools that meet the expected
11 improvements may be up to: (i) seven hundred fifty dollars (\$750.00) for each teacher
12 and for certified personnel; and (ii) three hundred seventy-five dollars (\$375.00) for
13 each teacher assistant."
14

15 **OUTDOOR ADVERTISING JUST COMPENSATION SUNSET EXTENDED**

16 Section 9. Section 2 of Chapter 1147 of the 1981 Session Laws, as
17 amended by all of the following:

18 Chapter 318 of the 1983 Session Laws

19 Chapter 1024 of the 1987 Session Laws

20 Section 1 of Chapter 166 of the 1989 Session Laws

21 Section 1 of Chapter 725 of the 1993 Session Laws

22 reads as rewritten:

23 "Sec. 2. This act is effective upon ratification, but shall expire ~~June 30, 1998,~~
24 August 15, 1998, and shall have no force or effect after that date."
25

26 **DISCONTINUE DEPARTMENT OF TRANSPORTATION SALES TAX**
27 **REIMBURSEMENT FROM HIGHWAY FUND TO GENERAL FUND**

28 Section 10. G.S. 105-164.44D is suspended from July 1, 1998, to August
29 15, 1998.
30

31 **DISCONTINUE BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO**
32 **HIGHWAY TRUST FUND**

33 Section 11. G.S. 136-176(a)(4) and G.S. 136-183 are suspended from July
34 1, 1998, to August 15, 1998.
35

36 **EXTEND THE DEADLINE FOR MATCHING COMMUNITY COLLEGE BOND**
37 **FUNDS**

38 Section 12. (a) Section 6(b)IV of Chapter 542 of the 1993 Session Laws,
39 as added by Section 4 of Chapter 515 of the 1995 Session Laws, reads as rewritten:

40 "IV. If the State Board of Community Colleges determines that a community
41 college has not met the matching requirements of G.S. 115D-31(a)(1) by July 1, ~~1998,~~
42 1999, with respect to a capital improvement project for which bond proceeds are
43 allocated in subdivision I or pursuant to subdivision II of this subsection, the Board
44 shall certify that fact to the State Treasurer by October 1, ~~1998.~~ 1999. All of these

1 bond proceeds with respect to which the Board certifies that the matching
2 requirement has not been met by July 1, ~~1998~~, 1999, shall be placed by the State
3 Treasurer in a special account within the Community Colleges Bond Fund and shall
4 be used for making grants to community colleges. Bond proceeds in the special
5 account shall be allocated among the community colleges in accordance with the
6 following conditions:

7 (1) The State Board of Community Colleges shall generate, by
8 October 1, ~~1998~~, 1999, a priority ranking of legitimate community
9 college capital improvement needs using a formula based on
10 objective meaningful factors relevant to capital needs, including
11 space to population ratio, population served ratio, capacity
12 enrollment ratio, local to State and vocational education ratios,
13 type of project, and readiness to implement.

14 (2) The State Board of Community Colleges shall provide the State
15 Treasurer a projected allocation of the proceeds in the special
16 account in accordance with this priority ranking, except that:

17 a. No projected allocation shall be made for a community
18 college that the Board certified in accordance with this
19 subdivision IV had failed to meet a matching requirement.

20 b. No more than four million dollars (\$4,000,000) shall be
21 allocated to a single community college.

22 c. Funds shall not be allocated for more than one project per
23 community college.

24 (3) The proceeds of grants made from bond proceeds in the special
25 account shall be allocated and expended for paying the cost of
26 community college capital improvements in accordance with this
27 allocation by the State Board of Community Colleges, to the extent
28 and as provided in this act. The Director of the Budget is
29 empowered, when the Director of the Budget determines it is in
30 the best interest of the State and the North Carolina Community
31 College System to do so, and if the cost of a particular project is
32 less than the projected allocation, to use the excess funds to
33 increase the size of that project or increase the size of any other
34 project itemized in this section, or to increase the amount allocated
35 to a particular community college within the aggregate amount of
36 funds available under this section. The Director of the Budget
37 shall consult with the Advisory Budget Commission and the Joint
38 Legislative Commission on Governmental Operations before
39 making these changes."

40 (b) This section becomes effective June 30, 1998, and expires August 15,

41 1998.

42
43 **CONTINUE DRUG TREATMENT COURT**

1 Section 13. Section 21.6(c) of Chapter 507 of the 1995 Session Laws
2 reads as rewritten:

3 "(c) Subsection (a) of this section becomes effective July 1, 1995, and expires ~~June~~
4 ~~30, 1998.~~ August 15, 1998. The remainder of this section becomes effective October
5 1, 1995."

6
7 **TEEN COURT FUNDS DO NOT REVERT**

8 Section 14. (a) The funds appropriated in S.L. 1997-443 to the Judicial
9 Department for teen court programs throughout the State shall not revert at the end
10 of the 1997-98 fiscal year and shall remain available to the Department for the 1998-
11 99 fiscal year to be used for teen court programs.

12 (b) This section becomes effective June 30, 1998, and expires August 15,
13 1998.

14
15 **CUMBERLAND JUVENILE ASSESSMENT CENTER**

16 Section 15. (a) Section 18.21 of S.L. 1997-443 reads as rewritten:

17 "Section 18.21. (a) Of the funds appropriated in this act to the Administrative
18 Office of the Courts for the 1997-98 fiscal year, the sum of one hundred fifty
19 thousand dollars (\$150,000) shall be used to fund the Juvenile Assessment Project
20 authorized by this section. These funds shall be matched by local funds on the basis
21 of one dollar (\$1.00) of local funds for every three dollars (\$3.00) of State funds.
22 These funds shall not revert at the end of the 1997-98 fiscal year but shall remain in
23 the Department during the 1998-99 fiscal year to implement this section.

24 (b) The Administrative Office of the Courts, in collaboration with the Chief Court
25 Counselor of District Court District 12, the Cumberland County Department of
26 Social Services, and the appropriate local school administrative units, shall develop
27 and implement a Juvenile Assessment Center Project in District Court District 12 to
28 operate from the effective date of this act to ~~June 30, 1998.~~ June 30, 1999. The
29 purpose of the Project is to facilitate efficient prevention and intervention service
30 delivery to juveniles who are (i) alleged to be delinquent or undisciplined and have
31 been taken into custody or (ii) at risk of becoming delinquent or undisciplined
32 because they have behavioral problems and have committed delinquent acts even
33 though they have not been taken into custody. The Project shall assist these juveniles
34 by providing a centralized point of intake and assessment for the juveniles, by
35 addressing the educational, emotional, and physical needs of the juveniles, and by
36 providing juveniles with an atmosphere for learning personal responsibility, self-
37 respect, and respect for others. The Administrative Office of the Courts shall
38 consider the recommendations of the Juvenile Assessment Advisory Board in
39 developing and implementing the Project.

40 (c) The Project shall be modeled after the Juvenile Assessment Center in
41 Hillsborough County, Florida, and shall:

42 (1) Identify those juveniles who are alleged to be delinquent or
43 undisciplined or are at risk of becoming delinquent or
44 undisciplined;

(2) Evaluate the educational, emotional, and physical needs of the juveniles identified and determine whether the juveniles have problems related to substance abuse, depression, or other emotional conditions;

(3) Develop in-depth and comprehensive assessment plans for the juveniles identified that recommend appropriate treatment, counseling, and disposition of the juveniles; and

(4) Provide services to juveniles identified and their families through collaboration with public and private resources, including local law enforcement, parents' organizations, the Fayetteville Chamber of Commerce, and county and community programs and organizations that provide substance abuse treatment and child and family counseling.

(d) There is established the Juvenile Assessment Advisory Board to make recommendations to the Administrative Office of the Courts regarding the development and operations of the Project. The Board shall consist of 13 members, including:

(1) The director of the Department of Social Services of Cumberland County, or the director's designee.

(2) A representative from the local mental health area authority of Cumberland County.

(3) A member of the Cumberland County Board of Education.

(4) The sheriff of Cumberland County, or the sheriff's designee.

(5) The chief of police of the Fayetteville Police Department, or the designee of the chief of police.

(6) A judge of District Court District 12.

(7) A juvenile court counselor from District Court District 12.

(8) The director of the Guardian Ad Litem program in Cumberland County, or the director's designee.

(9) The director of the Health Department of Cumberland County, or the director's designee.

(10) Two public members appointed by the Fayetteville City Council.

(11) Two public members appointed by the Board of County Commissioners of Cumberland County.

The members of the Board shall, within 30 days after the initial appointment is made, meet and elect one member as chair. The Board shall meet at least once a month at the call of the chair, and a quorum of the Board shall consist of a majority of its members. The Board of County Commissioners of Cumberland County shall provide necessary clerical and professional assistance to the Board.

Initial appointments shall be made by October 1, 1997, and all terms shall expire ~~June 30, 1998.~~ June 30, 1999.

(e) The Administrative Office of the Courts, in consultation with the Department of ~~Human Resources,~~ Health and Human Services, shall evaluate the Project and report to the Chairs of the House and Senate Appropriations Committees, the Chairs

1 of the House and Senate Appropriations Subcommittees on Justice and Public Safety
2 and ~~Human Resources~~, Health and Human Services and the Fiscal Research Division
3 of the General Assembly by ~~May 1, 1998~~, May 1, 1999, on the progress of the
4 development and implementation of the Project. In the report, the Administrative
5 Office of the Courts, in consultation with the Department of ~~Human Resources~~,
6 Health and Human Services, shall evaluate the effectiveness of the Project, including
7 the number of juveniles served or expected to be served, and shall recommend
8 whether the Project should be continued. If the report recommends that the Project
9 be continued, it shall also provide a cost analysis outlining the long-term staffing and
10 operating needs of the Project."

11 (b) This section becomes effective June 30, 1998, and expires August 15,
12 1998.

13

14 **EXTEND SUNSET ON BAD CHECK PROGRAM**

15 Section 16. (a) Subsection (e) of Section 18.22 of S.L. 1997-443 reads as
16 rewritten:

17 "(e) This ~~aet~~ section becomes effective October 1, 1997, and expires June 30,
18 ~~1998~~, 1999."

19 (b) This section becomes effective June 30, 1998, and expires August 15,
20 1998.

21

22 **DRIVERS EDUCATION FUNDS DO NOT REVERT**

23 Section 17. (a) Funds appropriated for drivers education for the 1997-98
24 fiscal year but not expended for that purpose shall not revert at the end of the fiscal
25 year. The State Board of Education may use these funds during the 1998-99 fiscal
26 year for forms to implement S.L. 1997-507, AN ACT TO PROVIDE THAT
27 CERTAIN STUDENTS WHO DROP OUT OF SCHOOL OR DO NOT MAKE
28 PROGRESS TOWARD GRADUATION SHALL NOT BE ELIGIBLE FOR
29 DRIVERS PERMITS OR LICENSES.

30 (b) This section becomes effective June 30, 1998, and expires August 15,
31 1998.

32

33 **COMMUNITIES IN SCHOOLS FUNDS/DO NOT REVERT**

34 Section 18. (a) Funds allocated to Communities in Schools of the Rocky
35 Mount Region, Inc., for the 1997-98 fiscal year shall not revert at the end of the fiscal
36 year but shall remain available for expenditure during the 1998-99 fiscal year.

37 (b) This section becomes effective June 30, 1998, and expires August 15,
38 1998.

39

40 **LITIGATION RESERVE**

41 Section 19. (a) Funds in the State Board of Education's Litigation
42 Reserve that are not expended or encumbered on June 30, 1998, shall not revert on
43 July 1, 1998, but shall remain available for expenditure until June 30, 1999.

(b) Subsection (a) of this section becomes effective June 30, 1998, and expires August 15, 1998.

RESERVE TO IMPLEMENT WELFARE REFORM/CLARIFICATION

Section 20. (a) Section 12.36(a) of S.L. 1997-443 reads as rewritten:

"Section 12.36. (a) Of the funds appropriated in this act to the Office of State Budget and Management, the sum of five million seventy-five thousand two hundred two dollars (\$5,075,202) for the 1997-98 fiscal year and the sum of three million nine hundred thousand dollars (\$3,900,000) for the 1998-99 fiscal year shall be placed in a Restrictive Reserve to Implement Welfare Reform. These funds shall be allocated from the Reserve as follows:

- (1) \$275,000 for the 1997-98 fiscal year and \$400,000 for the 1998-99 fiscal year to support the establishment of a uniform system of public assistance programs as authorized under G.S. 108A-25.1, and to provide counties with workstations for biometric imaging;
- (2) \$2,500,000 in each fiscal year to fund program integrity activities in each ~~county~~; county. These funds shall be given to the counties in a lump sum and unexpended funds shall revert to the General Fund;
- (3) \$500,000 for the 1997-98 fiscal year to establish and support an Office of Inspector General in the Department of Justice;
- (4) \$300,000 in each fiscal year to establish a pilot project in the Department of Labor for creation of Individual Development Accounts;
- (5) \$1,500,202 for the 1997-98 fiscal year for the following purposes:
 - a. To establish First Stop Employment Assistance in the Department of Commerce;
 - b. To expand the Labor Market Information System in the Employment Security Commission; and
 - c. To assist the Job Service Employer Committees or the Workforce Development Boards in their completion of the study of the working poor.

Funds shall not be allocated under this subdivision unless and until the Office of State Budget and Management has certified that federal funds are not available to the Department of Commerce for these purposes; and

- (6) \$700,000 for the 1998-99 fiscal year for the continued support of the Office of Inspector General in the Department of Justice, and for the First Stop Employment Assistance in the Department of Commerce. These funds shall be allocated by the Office of State Budget and Management on the basis of need."

(b) This section becomes effective June 30, 1998, and expires August 15,

1998.

1 CORE SOUND MORATORIUM

2 Section 21. Section 3 of Chapter 547 of the 1995 Session Laws, Regular
3 Session 1996, as amended by subsection (b) of Section 1 of Chapter 633 of the 1995
4 Session Laws, Regular Session 1996; Section 27.33 of Chapter 18 of the 1996 Session
5 Laws, Second Extra Session; Section 12 of S.L. 1997-256; Section 8 of S.L. 1997-347;
6 and Section 6.14 of S.L. 1997-400, reads as rewritten:

7 "Sec. 3. Notwithstanding G.S. 113-202, a moratorium on new shellfish cultivation
8 leases shall be imposed in the remaining area of Core Sound not described in Section
9 1 of this act. During the moratorium, a comprehensive study of the shellfish lease
10 program shall be conducted. The moratorium established under this section covers
11 that part of Core Sound bounded by a line beginning at a point on Cedar Island at
12 35°00'39"N - 76°17'48"W, thence 109°(M) to a point in Core Sound 35°00'00"N -
13 76°12'42"W, thence 229°(M) to Marker No. 37 located 0.9 miles off Bells Point at
14 34°43'30"N - 76°29'00"W, thence 207°(M) to the Cape Lookout Lighthouse at
15 34°37'24"N - 76°31'30"W, thence 12°(M) to a point at Marshallberg at 34°43'07"N -
16 76°31'12"W, thence following the shoreline in a northerly direction to the point of
17 beginning except that the highway bridges at Salters Creek, Thorofare Bay, and the
18 Rumley Bay ditch shall be considered shoreline. The moratorium shall expire ~~1 July~~
19 ~~1998.~~ August 15, 1998."

20

21 BEAVER DAMAGE CONTROL FUNDS

22 Section 22. Subsection (h) of Section 69 of Chapter 1044 of the 1991
23 Session Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws,
24 Section 27.3 of Chapter 769 of the 1993 Session Laws, Section 26.6 of Chapter 507 of
25 the 1995 Session Laws, Section 27.15 of Chapter 18 of the Session Laws of the 1996
26 Second Extra Session, and Section 15.44(b) of S.L. 1997-443, reads as rewritten:

27 "(h) Subsections (a) through (d) of this section expire ~~June 30, 1998.~~ August 15,
28 1998."

29

30 ROANOKE/PAMLICO WATER QUALITY FUNDS

31 Section 23. The Department of Environment and Natural Resources shall
32 continue the water quality monitoring program for the Roanoke-Pamlico estuary
33 system, which was established in Section 15.13 of S.L. 1997-443, until August 15,
34 1998.

35

36 EFFECTIVE DATE

37 Section 24. Except as otherwise provided, this act becomes effective July
38 1, 1998.

#1
Redwine
James W. W.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 620

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

S620-ARW-001

Date _____, 1998

Comm. Sub. []
Amends Title []

Rep. Redwine

1 moves to amend the bill on page ⁹~~11~~, line ⁵~~35~~,
2 by adding on that line the following:

3
4 "DELAY RELEASE OF DMV RECORDS TO MARKETERS
5 Section ~~23-1~~^{17.1}. Notwithstanding any other provision of law, the
6 Division of Motor Vehicles shall not disclose personal information
7 in its records for purposes specified in 18 U.S.C. 2721(b)(12) prior
8 to ~~December 1, 1999~~^{July}. This section shall not expire until July 1, 1999.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

2 Redline

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. _____

DATE _____

S. B. No. 620 PCS8840-LR2

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.)

Sen.)

Redline

moves to amend the bill on page 5, line 14

by inserting a new section to read

"TEEN COURT FUNDS DO NOT REVERT."

Section 9.1. (a) The funds appropriated in S.L. 1997-443 to the Judicial Department for teen court programs throughout the State shall not revert at the end of the 1997-98 fiscal year but shall remain available to the Department for the 1998-99 fiscal year to be used for teen court programs.

(b) This section becomes effective June 30, 1998."

SIGNED

[Signature]

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

DATE _____

S. B. No. _____

Amendment No. _____

COMMITTEE SUBSTITUTE _____

(to be filled in by
Principal Clerk)

Rep.) Arnold
Sen.) _____

1 moves to amend the bill on page 9, line 5

2 () WHICH CHANGES THE TITLE

3 by adding on that line the following:

4 "Section 17A. There is appropriated
5 from the General Fund for the 1998-99
6 fiscal year the following:

7 (1) \$26,553,765 to the Dept. of Public
8 Education for increased in
9 average daily memberships in
10 public schools for 1998-99;

11 (2) \$2,000,000 to the Dept of Community
12 Colleges for FTE students in
13 the Community College System
14 for 1998-99; and

15 (3) \$13,730,338 to The UNC Board
16 of Governors for increased enrollment.
17

18

19

SIGNED Gene Arnold

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

DATE _____

S. B. No. 620

Amendment No. _____

COMMITTEE SUBSTITUTE PCS8840-LR2

(to be filled in by
Principal Clerk)

Rep.) Moore
Sen.) _____

1 moves to amend the bill on page 3, lines 11-13

2 () WHICH CHANGES THE TITLE

3 by rewriting those lines to read
4 "the State Board of Education ~~shall~~ provide
5 may use up to seventy two million
6 four hundred thousand dollars (\$72,400,000
7 for the 1997-98 fiscal year to shall
8 provide incentive funding for "

9 _____
10 _____
11 _____
12 _____
13 _____
14 _____
15 _____
16 _____
17 _____
18 _____
19 _____

SIGNED Richard Moore

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 620

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

S620-ARN-001

Date _____, 1998

Comm. Sub. ☒ [X]
Amends Title ☐ []
Proposed House Committee Substitute

Representative _____

1
2 moves to amend the bill on page 9, line 5 by inserting the
3 following:

4
5 "EXTEND SUNSET ON 1997 BOXING COMMISSION AMENDMENTS

6
7 Section 18. Section 9 of S.L. 1997-504 reads as rewritten:

8
9 'Section 9. Except as otherwise specified herein, this act is
10 effective when it becomes law. This act expires ~~August 1, 1998.~~
11 October 1, 1998.'";

12
13 and by renumbering the remaining section accordingly.

14
15

SIGNED Bill Palmer
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**1998 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

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

By Representative(s) **Holmes, Creech, Esposito and Crawford** for the Committee on
APPROPRIATIONS.

☒ Committee Substitute for

S.B. 620 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, 1998, 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, (~~#~~ *as amended*), ☐ ~~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)

3/25/98

VISITOR REGISTRATION SHEET

APPROPRIATIONS

June 30, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Mary Carmichael	Mecklenburg County
Suzanne Diller	Rep. Jim Diller
Jim Edgar	DHHS
Heather Gail	OSA
Gene Gausby	E - EBC
Tim McQuinn	NCAICU
Bill Nilters	SBE
Nirali Patel	Governor's Office
Bob D.	NCAE
Bill Wilson	NCAE
Marsha Glass	DOA
Shanese Kinsome	DSS
Ann Belam	SBE
Harriet Dier	NCAE
Chuck Stone	SEPAAC
Kevin Fitzmaurice	NC DSS.
Harold H. Webb	Local
C. Parker	Bone & Associates
John Mount	Sam
C. Ramon	NCAHA
Ballard Mount	NAMT - NC
Bill Scoggin	NC BAR Assoc.
Bernard Allen	SOS
Ron Aycock	County Comm. Assoc.

1998

**HOUSE
APPROPRIATIONS**

MINUTES

MINUTES
HOUSE COMMITTEE ON APPROPRIATIONS
July 20, 1998

The House Appropriations Committee met on July 20, 1998 in Room 643 of the Legislative Office Building at 1:00 P. M. Representative George M. Holmes, Cochair, presided. There were 66 members present and one excused absence. The House Majority Leader, Representative Leo Daughtry, and the House Majority Whip, Representative Julia Howard, were also present.

Representative Daughtry moved that the Committee consider House Committee Substitute for Senate Bill 1366: Appropriations Act of 1998. The motion passed by voice vote.

Representative Holmes asked the Sergeant-at-Arms and his staff to pass out the bill and the Report on the Continuation, Expansion and Capital Budget to the members first and then to the public. Mr. Holmes announced the ruling to be used during the process of hearing the bill: Amendments will preferably be accepted after the report of each subcommittee but also at the end of the presentations, and copies of the amendment must be provided to all committee members. An amendment that would increase expenditures must include a corresponding decrease within the House budget. An amendment is not eligible for consideration if the amendment provides that non-recurring money may be used to fund recurring items or expenses. An amendment is not eligible for consideration if the amendment would require that the bill go to the Finance Committee. No amendments will be considered that spend reversions or that transfer funds out of the Rainy Day Fund.

Mr. Holmes announced that the order of reports will be:

1. Availability
2. Transportation Subcommittee
3. General Government Subcommittee
4. Education Subcommittee
5. Natural and Economic Resources Subcommittee
6. Justice and Public Safety Subcommittee
7. Human Resources Subcommittee
8. Capital and Budget Subcommittee
9. Salary Benefits and Retirement System

Representative Holmes asked that the subcommittee cochair refer to the budget bill page number wherever possible as they make their report since they worked from the bill itself, instead of from subcommittee reports.

Representative Crawford gave the Availability Report according to *HOUSE APPROPRIATIONS COMMITTEE REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGET*, Budget Reform Statement for 1998-99, page iiiii, and on Page 18 of SB 1366.

The Subcommittee on Transportation chaired by Representatives Joanne Bowie, Ed McMahan and Jerry Dockham was next on the agenda. Evan Rodewald and Robert Weiss of the Fiscal Staff Department work with Transportation. Mr. Holmes thanked all the staff people for the long hours and excellent job that they have done. It is appreciated by the members. Representative McMahan gave the numbers according to F1 of the Report. Representative Bowie presented the special provisions according to Page 227 of the bill.

Representative Holmes recognized the cochairmen of the General Government Subcommittee, Representatives Bill Ives, Eugene McCombs and Wilma Sherrill and the staff members, Michelle Nelson, Dwayne Pinkney and Warren Plonk. Representative McCombs gave the report on the numbers beginning on Page E1 of the Report, and Representative Sherrill gave the special provisions starting on Page 219.

Representative Ellis sent forward Amendment #1 (attached) regarding the boxing commission. It was adopted by division vote 31-26.

The Subcommittee on Education, cochaired by Representatives Gene Arnold, Jean Preston and Robert Grady and staffed by Charlotte Todd, Jim Johnson and Jim Newlin, was next. Representative Preston said the order is as follows: the budget items for public education K-12, including the special provisions, then the community colleges budget and provisions, and then the university budget and provisions. She said the Education Subcommittee had three goals as they put together the budget. The first was their commitment to raise teachers' salaries to the national average as was committed in the Excellent Education Act last year; that was done. The second major goal was to fund the ABC performance pay as well as add some enhancements to the program. The third goal, not included in the Senate budget, was funding for low-wealth schools. Another new issue, different from the Senate, had to do with substitute teacher pay, which cannot be increased but attention has been brought to the need for this. She then presented the budget items beginning on Page A1 of the Report and on Page 23 of the bill. Representative Grady gave the community colleges budget items according to Page A-7 of the Report and Page 27 of the bill. Representative Arnold presented the budget items for the University System beginning on Page A4-7 of the Report.

Representative Arnold sent forward Amendment #2 (attached). The technical amendment passed by voice vote.

Representative Shubert sent forward Amendment #3 and a handout (attached) to amend Page 65, Line 7 regarding a community college in Union County. The amendment carried by voice vote.

Representative Insko sent forward Amendment #4 to amend the bill on Page 75, Line 45 regarding the whistle blower protection article at the UNC-Hospital. The amendment failed by voice vote.

Representative Insko sent forward Amendment #5 regarding Page 76, Lines 26 and 27. After discussion Representative Insko withdrew the amendment.

Representative Moore sent forward Amendment #6 regarding multi-campus funds, Page A-8, Item 53 of the Report. The amendment failed by voice vote.

Representative Holmes announced that the Cochairs of the Natural and Economic Resources, Representatives Frank Mitchell, Rex Baker and Jim Carpenter would present their report. Their staff is Jennifer Herrera, Mark Trogon, Mona Moon and Jennifer Hoffman. Representative Baker reported on the money issues according to the Report starting on Page C1 and Representative Mitchell gave the special provisions according to Page 149 of the bill.

Amendment #7 (attached) regarding Page 165, Lines 10-34 on Page 167 was sent forward by Representative Sherrill. It failed by voice vote.

Amendment #8 (attached) regarding Page 176, Line 29, sent forward by Representative Watson regarding bottled water to persons with contaminated drinking wells, failed by voice vote.

Representative Holmes announced that the Justice and Public Safety report would be presented next. The staff is Jim Mills, Charles Peruse, Elisa Wolper, and Marilyn Chism. Representative Justus presented corrections and crime control, and Representative Kiser presented justice and judicial. Representative Justus presented the money report beginning on D1 of the Report; Representative Kiser presented the report beginning on Page D7. Both representatives presented the special provisions beginning on Page 178.

Representative Holmes recessed the meeting at 6:00 P.M. for supper and Session. The committee reconvened at 7: 45 PM. There were 63 members present, as well as Representatives Daughtry and Howard. There was one excused absence. Representative Justus completed his presentation of the special provisions.

Amendment #9 (attached) was sent forth by Representative Sutton regarding injury to pregnant women on Page 203, Line 34-36. Failed by voice vote.

Amendment #10 (attached) by Representative Kiser on Page 214, Lines 33-53 regarding the settlement of reserve funds. Carried by voice vote.

Amendment #11 (attached) by Representative Kiser and Justus, Page 182, Line 35 regarding the Academy of Trial Lawyers. Carried by voice vote.

The report of the Subcommittee on Human Resources cochaired by Representatives Gardner, Cansler and Clary, was presented. The staff members are Carol Shaw, Mary Ellen Sylvester, Karen Hammonds-Blanks, and Ramona Burton. Representative Cansler reported the reductions (cuts) starting on B1 of the Report, and Representative Clary reported the expansion items according to Pages B3-5. They presented the special provisions that begin on Page 84 and the block grants which are within the provisions on Page 6, 7, 8, 9, and 11 of the bill.

Amendment #12 (attached) amends the provision on Page 90, Lines 35-40 regarding school-based health centers. Passed by 33-22 by division vote.

Amendment #13 (attached) by Representative Insko amends the bill on Page 108, Lines 25 and 42 regarding child care. Defeated by voice vote.

Amendment #14 (attached) by Representative Davis regarding parental permission slips for school-based clinics. Defeated by voice vote.

Amendment #15 (attached) by Representative Ellis regarding Smart Start, Page B3, Item 22. Defeated by division 30-27.

Amendment #16 (attached) by Representative Alexander amends the bill on Page 148, Lines 14-20. Carried by voice vote.

Amendment #17 (attached) by Representative Culp was ruled out of order because it did not meet the rules of the Committee.

Amendment #18 (attached) by Representative Berry, Page C11, Item 59 of the Report regarding the Division of Vocational Rehabilitation. Adopted by voice vote.

Representative Charlotte Gardner moved that the Committee reconsider the Ellis amendment regarding Smart Start. The motion passed 31-28 by roll call vote (attached).

The adoption of Representative Ellis' #15 amendment passed 32-30 by roll call vote (attached).

The Juvenile Justice report (attached) was given by Representative Jim Crawford.

The report of the Capital and Budget Subcommittee chaired by Representatives Carolyn Russell and Gene Wilson, was presented by Representative Russell.

The following amendments to the Capital and Budget report were offered:

Amendment #19 (attached) Page 258, Line 41 and Page 4, Line 50 of the bill regarding the Global Transpark by Representative Russell. Carried by voice vote.

Amendment #20 (attached) Page H1, Item 3 of the Report by Representative Mitchell regarding a multipurpose agricultural building. Passed by voice vote.

Amendment #21 (attached) by Representative Bonner amends the bill on Page 258, Line 7, 8 and 32 regarding U.N.C.-Charlotte, N. C. Central University and N. C. A&T University. Failed by voice vote.

Amendment #22 (attached) by Representative Carpenter regarding Jocassee Gorge. Failed 39-20 by roll call vote.

Representative Billy Creech then gave the report for Salaries and the Benefits and Retirement System. The following amendments were offered:

Amendment #23 (attached) by Representative Creech Page 240, Line 43 of the bill. Carried by voice vote.

Amendment #24 (attached) by Representatives Holmes, Esposito, Creech and Crawford, Page 258, Line 22 and Line 41 of the bill. Adopted by voice vote.

Amendment #25 (attached) by Representative Church, to amend the bill on Page 226, Line 53. Carried by voice vote.

Amendment #26 (attached) by Representative Owens, to amend the bill on Page 48, Lines 50-52. Carried by voice vote.

Amendment #27 (attached) by Representative Creech, to amend the bill on Page 84, Line 4. Carried by voice vote.

Amendment #28 (attached) by Representative McMahan to amend the bill on Page F5, Item 29 of the Report. Carried by voice vote.

Amendment #29 (attached) by Representative McMahan to amend the Report on Page iii. Carried by voice vote.

Amendment #30 (attached) by Representative McMahan to amend the bill on Page 225, Line 19. Withdrawn.

Amendment #31 (attached) by Representative Mitchell to amend the bill on Page 152, Line 25. Carried by voice vote.

Amendment #32 (attached) by Representative Insko to amend the bill on Page 255, Line 53. Failed by voice vote.

Amendment #33 (attached) by Representative Redwine to amend the bill on Page 255, Lines 49-52. Failed by division vote 24-25.

Amendment #34 (attached) by Representative Russell to amend the bill on Page 255, Line 53. Failed by voice vote.

Representative Easterling asked about the dollar amount put in the State Health Plan over the last three years. Sam Byrd of the Fiscal Staff said he would get that information for her.

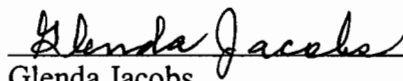
Amendment #35 (attached) by Representative Creech to amend the bill on Page 3, Line 36. Carried by voice vote.

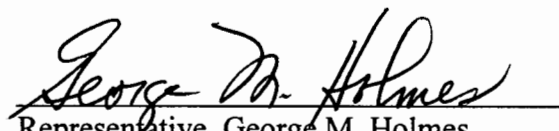
Representative Daughtry moved to give the committee substitute as amended a favorable report, unfavorable report to the original bill, and that staff be instructed to prepare a new committee substitute with the amendments engrossed and authorized to make any technical corrections that are needed.

Representative Holmes thanked the Committee members and commented that the meeting had lasted for twelve and one-half hours. He said the bill will be read in tomorrow and be on the House floor on Wednesday.

The meeting adjourned at 1:35 A.M.

Respectfully submitted,


Glenda Jacobs
Committee Clerk


Representative George M. Holmes
Presiding Cochair

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

DRAFT

HOUSE APPROPRIATIONS COMMITTEE

REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGET

JULY 20, 1998

Representative George Holmes
Senior Ranking Member

Representative Theresa Esposito
Co-Chairman

Representative Billy Creech
Co-Chairman

Representative Jim Crawford
Co-Chairman

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GENERAL FUND APPROPRIATIONS BY DEPARTMENTS FOR 1998-99

i

	Authorized per 1997 & Special Sessions	Transfers	Decreases	Increases	Net Change	Revised Appropriation
Education						
Public Education	4,493,194,418	0	(59,725,172)	186,579,755	126,854,583	4,620,049,001
Community Colleges	504,200,909	0	(272,295)	32,610,000	32,337,705	536,538,614
University	1,455,260,484	0	(6,852,138)	51,317,607	44,465,469	1,499,725,953
Subtotal Education	6,452,655,811	0	(66,849,605)	270,507,362	203,657,757	6,656,313,568
Human Resources						
Secretary's Office	33,022,064	0	(436,024)	9,264,399	8,828,375	41,850,439
Aging	23,610,127	0		8,546,044	8,546,044	32,156,171
Child Development	171,638,076	(120,270)	(1,011,184)	31,619,697	30,488,243	202,126,319
Services for Deaf/HH	27,797,823	0			0	27,797,823
Social Services	184,413,623	0	(24,032,974)	9,861,048	(14,171,926)	170,241,697
Health Services	119,718,218	0	(4,082,000)	2,394,000	(1,688,000)	118,030,218
Medical Assistance	1,403,156,335	0	(73,389,131)	26,955,790	(46,433,341)	1,356,722,994
Blind Services	15,335,955	0	0	0	0	15,335,955
Mental Health	550,619,886	0	(650,000)	44,103,003	43,453,003	594,072,889
Facility Services	8,981,543	0	0	471,034	471,034	9,452,577
Vocational Rehabilitation	32,834,876	0	0	1,200,000	1,200,000	34,034,876
Youth Services	89,415,373	0	(200,000)	2,000,000	1,800,000	91,215,373
Subtotal Human Resources	2,660,543,899	(120,270)	(103,801,313)	136,415,015	32,493,432	2,693,037,331
Natural and Economic Resources						
Agriculture/Consumer Services	49,822,632	0	(210,600)	5,547,991	5,337,391	55,160,023
Housing Finance Agency	2,300,000	0	0	2,000,000	2,000,000	4,300,000
Commerce	38,577,339	202,770	(217,678)	9,997,503	9,982,595	48,559,934
Commerce State Aid	2,000,000	0	0	8,941,400	8,941,400	10,941,400
Commerce-SIPS	271,530	0	(271,530)	6,143,160	5,871,630	6,143,160
MCNC	2,500,000	0	(2,500,000)	4,500,000	2,000,000	4,500,000
Biotechnology Center	7,664,396	0	(25,483)	0	(25,483)	7,638,913
Rural Economic Development Center	3,920,000	0	(12,662)	8,675,000	8,662,338	12,582,338
Environment/Natural Resources	134,915,353	0	(2,585,043)	6,480,302	3,895,259	138,810,612
Labor	15,828,463	0	0	220,000	220,000	16,048,463
Subtotal Natural and Economic Resources	257,799,713	202,770	(5,822,996)	52,505,356	46,885,130	304,684,843

Justice and Public Safety

GENERAL FUND APPROPRIATIONS BY DEPARTMENTS FOR 1998-99

	Authorized per 1997 & Special Sessions	Transfers	Decreases	Increases	Net Change	Revised Appropriation
Correction	867,817,472	0	(27,825,074)	6,276,115	(21,548,959)	846,268,513
Crime Control & Public Safety	33,720,830	0	(10,000)	1,482,586	1,472,586	35,193,416
Judicial	327,102,308	0	(1,545,225)	11,833,796	10,288,571	337,390,879
Justice	67,165,852	0	(157,508)	3,398,968	3,241,460	70,407,312
Subtotal Justice and Public Safety	1,295,806,462	0	(29,537,807)	22,991,465	(6,546,342)	1,289,260,120
General Government						
Administration	57,814,012	0	(937,818)	1,228,300	290,482	58,104,494
Administrative Hearings	2,357,389	0	0	277,641	277,641	2,635,030
State Auditor	10,016,613	120,270	0	1,462,988	1,583,258	11,599,871
State Controller	10,434,176	0	(85,012)	2,232,000	2,146,988	12,581,164
Cultural Resources	56,053,016	0	(424,457)	10,607,950	10,183,493	66,236,509
General Assembly	34,642,598	0	(500,000)	0	(500,000)	34,142,598
Governor's Office:						
Governor's Office	5,150,352	0	(77,255)	0	(77,255)	5,073,097
Office of State Budget	10,930,838	0	(130,297)	260,000	129,703	11,060,541
Office of State Planning	1,815,850	0	(6,118)	566,086	559,968	2,375,818
Insurance	24,086,190	0	0	0	0	24,086,190
Lt. Governor	609,390	0	0	25,000	25,000	634,390
Revenue	68,746,867	0	(326,098)	10,772,148	10,446,050	79,192,917
Rules Review	273,441	0	0	0	0	273,441
Secretary of State	5,310,680	(202,770)	0	1,035,737	832,967	6,143,647
State Board of Elections	2,135,381	0	0	745,000	745,000	2,880,381
State Treasurer	18,872,768	0	0	413,593	413,593	19,286,361
Subtotal General Government	309,249,561	(82,500)	(2,487,055)	29,626,443	27,056,888	336,306,449
Transportation	11,246,445	0	0	0	0	11,246,445
Reserves and Debt Service						
Contingency and Emergency Fund	1,125,000	0	0	0	0	1,125,000
Compensation Increase	343,409,871	0	0	386,442,966	386,442,966	729,852,837
Retirement Rate Adjustment	0	0	(44,381,870)	0	(44,381,870)	(44,381,870)
Salary Adjustment Fund	9,573,829	0	0	0	0	9,573,829
Postage Reduction	(300,000)	0	0	0	0	(300,000)

GENERAL FUND APPROPRIATIONS BY DEPARTMENTS FOR 1998-99

	Authorized per 1997 & Special Sessions	Transfers	Decreases	Increases	Net Change	Revised Appropriation
Juvenile Justice Reserve	0	0	0	6,000,000	6,000,000	6,000,000
Debt-Reimbursement to Federal Government	1,155,948	0	0	0	0	1,155,948
Debt Service	205,373,699	0	(14,179,574)	0	(14,179,574)	191,194,125
Subtotal Reserves and Debt Service	560,338,347	0	(58,561,444)	392,442,966	333,881,522	894,219,869
Grand Total for Current Operations	11,547,640,238	0	(267,060,220)	904,488,607	637,428,387	12,185,068,625
Capital	0	0	0	147,243,200	147,243,200	147,243,200
Grand Total	11,547,640,238	0	(267,060,220)	1,051,731,807	784,671,587	12,332,311,825

Budget Reform Statement for 1998-99

\$ Millions

Composition of the 1998-99 beginning availability

(a) Revenue collections unaddressed in 1997-98	121.5
(b) Revenue collections in 1997-98 in excess of authorized estimates	531.1
(c) Unexpended appropriations during 1997-98 (reversions)	100.0
(d) Adjustment for Emergency Appropriation for Year 2000 Conversion	(20.5)
(e) Transfer of 1997-98 overcollections to the Reserve for Bailey/Emory/Patton Case Refunds	(400.0)

Beginning Credit Balance **332.1**

Earmarked Transfers from Credit Balance:

(a) Transfer to Savings Reserve	(21.6)
(b) Transfer to Reserve for Repairs and Renovations	(145.0)
(c) Transfer to Clean Water Management Trust Fund	(30.0)
Total Transfers	(196.6)

Beginning Unrestricted Credit Balance **135.5**

Revenues Based on Existing Tax Structure:

(a) Tax Revenues Originally Projected	11,547.7
Additional Projected Tax Revenues for 1998-99	235.9
Total Tax Revenues	11,783.6

(b) Tax Changes:

(1) SB 1092:	
Personal Income Tax Exemption	(56.1)
Food Tax Repeal, Effective Oct. 1, 1998	(122.8)
Inheritance Tax Repeal	0.0
Homestead Exemption	0.0
(2) S. L. 1998 22 No Tax on Gas Cities	(1.3)
(3) HB 74 Long-Term Care Credit	(13.3)
(4) HB 1318 Limit Nonresident Withholding	(7.0)
(5) HB 1326 Update IRC Ref./Conform Gift Tax	(13.1)
(6) HB 1367 Sales Tax Changes	(3.3)
(7) HB 1422 Make Credits Constitutional	(0.6)
(8) SB 1569 Economic Opportunities Act of 1998	(2.2)
Subtotal Tax Bills	(219.7)
(9) Repeal Income Tax on Retired Government Employees (Bailey/Emory/Patton Case)	(128.6)
(10) Continue Earmarked Refund for Federal Retirees	(35.5)
Total Tax Changes	(383.8)

(c) Non-Tax Revenues **472.4**

Additional Non-Tax Revenues	
Treasurer's Banking/Investment Divisions Rental	0.1
Disaster Relief Fund Reversion	1.0
DHHS Certificate of Need Fees	1.5

Budget Reform Statement for 1998-99

	\$ Millions
Federal Retiree Refund Program Administration Reversion	0.7
Intangibles Tax Refund Reserve Balance Reversion	7.4
Federal Retiree Refund Reserve Balance Reversion	9.7
Transfer from Insurance Regulatory Fund	0.5
Total Non-Tax Revenues	493.3
(d) Disproportionate Share Receipts	85.0
1997-98 Reserved DSH Receipts	35.4
Total DSH Receipts	120.4
(e) Highway Trust Fund Transfer	170.0
(f) Highway Fund Sales Tax Transfer	13.4
Total General Fund Availability	12,332.4
Total 1997-98 Appropriations by 1997 and 1998 Extra Sessions	11,547.6
Remaining General Fund Availability	784.8

Public Education

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$4,493,194,418

Budget Changes

ABC Program

1 ABC Bonus Awards 1997-98

Provide additional funds to pay the projected ABC bonus awards for FY 1997-98. \$17,118,003 was earmarked from 1997-98 excess reversions.

\$0 NR

2 ABC Bonus Awards

Provide funds to pay the projected ABC bonus awards for FY 1998-99.

\$98,480,985 NR

3 ABC Accountability

Provide funds to the State Board of Education to pay for existing end-of-grade and end-of-course tests authorized by the Board and the General Assembly. To begin pilot test for alternative assessments for exceptional children as required by federal law.

\$2,000,000 NR

4 Assistance to Low Performing and At Risk Schools

Funds to assist low performing and at risk schools.

\$1,215,466 NR

Excellent Schools Act

5 Increase Teacher Salaries

Implement the second year of the new teacher salary schedules called for in the Excellent Schools Act. North Carolina's goal is to increase teacher salaries to the national average. \$192,943,537 in recurring funds are located in the Compensation Reserves for this purpose.

\$0 R

6 Teacher Longevity: 1998-99 Salary Increases

Appropriate funds to fund teacher longevity increases associated with the FY 1998-99 salary increases that are a part of the Excellent Schools Act.

\$3,254,624 R

7 Additional Pay for Extra Duties

Provide additional funds for teachers in low performing and at-risk schools. These funds will be used to pay for extra duties, student remediation and other teacher activities that lead to improved student performance. A portion of the nonrecurring funds may also be used for additional pay teachers who are a part of local assessment teams.

\$12,405,561 R

\$3,160,454 NR

House Subcommittee on Education

8 Extra Pay for Extra Duties to Improve Performance

Provide extra pay for teachers for extra duties that improve student performance. Duties must be related to activities that improve student performance. These activities may include Saturday Academies and after school tutoring, and for additional days of work outside of the 220 paid days in the school calendar. The State Board of Education shall allocate these funds based on average daily membership to schools that do not qualify for the additional funds for low performing and at-risk schools in Section 9.4 of this act.

\$5,473,776 NR

9 Extra Pay for Forfeited Vacation Days

Provide additional funds to pay for forfeited teacher vacation days if the teacher is required to work on an optional teacher workday, and did not have the opportunity to take vacation at another time.

\$4,250,000 R

Improving Student Performance

10 Low Wealth Supplemental Funding

Provide additional Low Wealth Supplemental funding.

\$10,000,000 R

11 Funds for Limited Proficiency in English Students

Provide funds to school systems with students who have limited proficiency in English.

\$5,000,000 NR

12 Substitute Teacher Pay

Increase substitute teacher pay.

\$1,000,000 R

13 A+ Schools

Provides funds to continue the A+ Schools program.

\$400,000 NR

14 Global Curriculum Funds

Provide funds to continue the Global Curriculum program.

\$150,000 NR

15 Expand Model Teacher Consortium

Expand statewide the model teacher consortium. This item is recommended by the House Budget and Capital Committee.

\$1,500,000 NR

Public Instruction

16 Additional Certification Specialists

Provide \$160,000 through receipts to increase the number of certification specialists in the Department of Public Instruction.

\$0 R

17 Student Information System

Funds to begin the replacement of the Student Information System (SIMS)

\$2,000,000 NR

House Subcommittee on Education

Teacher Development

18 Teacher Evaluation Instruments

Funds to the State Board of Education to develop and validate a new teacher performance appraisal instrument.

\$500,000 NR

Various Budget Adjustments

19 Funding for Increases in Average Daily Membership

\$26,553,765 R

Provide funding for additional increases in average daily membership in FY 1998-99.

20 Longevity Increases

Appropriate funds to fund teacher longevity increases associated with the FY 1997-98 salary increases that were a part of the Excellent Schools Act. \$9,010,274 was earmarked from 1997-98 excess reversions

\$0 NR

21 Mentor Teachers

Provide full funding for mentor teachers to first year teachers or instructional support personnel who were not previously teachers.

\$9,235,124 NR

22 Average Annual Salary Adjustment

(\$35,525,769) R

Annual adjustment in average salaries of certified personnel to reflect actual experience through December 1997.

23 School Bus Purchases

(\$24,199,403)

Purchase new school buses from nonrecurring funds. \$24,199,403 was earmarked from 1997-98 excess reversions.

Budget Changes

(\$2,261,222) R

\$129,115,805 NR

Total Position Changes

Revised Total Budget

\$4,620,049,001

	Recurring	NonRecurring
Reductions	-59,725,172	
Increases	57,463,950	129,115,805

UNC System

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$1,455,260,484

Budget Changes

A. UNC Campuses

24 Base Budget Reductions

(\$1,502,974) R

Reduce each budget code by 0.1%

25 New Facility Reserves

\$128,778 R

Adjust reserves for new buildings based on estimated completion dates.

(\$952,617) NR

26 Utilities Reductions

(\$800,938) R

Reduce utilities increases based on recent expenditures

27 Span of Control Study

(\$3,595,609) R

Board of Governors is directed to use span of control study to improve efficiency of campuses' operations.

B. Schedule of Priorities

28 Enrollment Growth

\$13,730,338 R

Provide for growth of 1,100 additional students, reduced tuition receipts because of shift to more in-state students, and to implement new formula for enrollment changes.

29 Enrollment: Distance Learning & Off-Campus Degrees

\$13,019,005 R

Provides funding for courses offered off-campus in order to increase access and to provide for increased capacity, based on projections of substantial enrollment growth.

A. Total Request \$13,636,958

B. Less Transfers from
Cooperative PhD.
Programs \$(253,929)C. Eliminate on-campus
undergraduate bonus
factors \$(364,024)

D. Net Appropriation \$13,019,005

30 Information Technology

\$4,000,000 R

Funds for Computing and Technology to improve effectiveness of teaching and learning, service, and cost effectiveness

\$4,000,000 NR

31 Libraries

\$2,000,000 NR

Improve library resources for constituent institutions.

House Subcommittee on Education

32 University Outreach to the Public Schools: A.

School Services Matching Incentive Grant Program
Funds for campuses to create partnerships with local school systems to extend UNC services to public schools.

\$975,000 NR

33 University Outreach to the Public Schools: B.

Principal Fellows Program
Increase the number of fellows in the first year class from 76 to 95.

\$380,000 R

34 University Outreach to the Public Schools: C.

Reading Together
Additional General Fund support for this pilot program at UNC-Greensboro.

\$200,000 NR

35 New Degree Programs

NC State Engineering Degree in Asheville
Funds for the BS in Engineering program to be offered in collaboration with UNC-Asheville.

\$400,000 R

36 University Outreach to the Public Schools: D

Learning Link: UNC TV Electronic Educational Community
Improvements in interactive on-line service to public schools, linking University resources of all campuses to public school teachers

\$535,500 NR

37 Graduate Education and Research

Provide additional support for graduate teaching and research assistants

\$1,000,000 R

38 Distinguished Professors Endowment Trust Fund

Additional state matching funds for program to increase endowed funding for faculty chairs.

\$2,000,000 NR

C. Agricultural Programs

39 Agricultural Enhancement

Provide increased support for non-salary operating costs in the Agricultural Research and Cooperative Extension programs at NC State. Funds of \$1,400,000 will be transferred from the Reserve for Compensation Increase.

\$0 R

40 Pfiesteria Research

Provide operating funds to establish a Center for Applied Aquatic Ecology at NC State to facilitate research on toxic microorganisms.

\$600,000 R
\$1,000,000 NR

D. Related Educational Programs

41 Aid to Students Attending Private Colleges

Provides funding for increases in Legislative Tuition Grants (from \$1,450 to \$1,600 per year) and for need-based scholarship funds (from \$750 to \$900 per NC FTE per year).

\$7,248,986 R

House Subcommittee on Education

E. Other Programs

42 Oyster Research

Funds for the Institute of Marine Science at UNC-CH for
study of sustainable oyster aquaculture.

\$100,000 NR

Budget Changes

\$34,607,586 R

\$9,857,883 NR

Total Position Changes

Revised Total Budget

\$1,499,725,953

	Recurring	NonRecurring
Reductions	-5,899,521	-952,617
Increases	40,507,107	10,810,500

Community Colleges

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$504,200,909

Budget Changes

43 Enrollment	\$2,000,000	R
Funds additional enrollment growth in the community college system.		
44 Technology	\$10,000,000	R
Provides colleges recurring funds for management information technology staff, recurring funds for the purchase and development of software, and recurring funds for Department staff to provide computer and construction technical assistance to colleges as well as SIPS charges and other computer related costs.		
45 Equipment and Books	\$9,000,000	NR
Provides the same level of equipment and book funds to the community college system as it received in the prior fiscal year.		
46 Equipment Reserve	\$8,000,000	NR
Creates a non-reverting equipment reserve fund to assist community colleges in meeting their backlog of equipment needs as documented in the Phase 3 Funding Study report to the State Board of Community Colleges.		
47 Center for Applied Textile Technology	\$100,000	R
Expands the operating budget of the Center for Applied Textile Technology.		
48 Public Radio Station Funds	\$10,000	R
Provides \$5,000 to each of the Community College System's two public radio stations.		
49 Prison Program Start-Up Funds- Mayland and Pamlico	\$500,000	NR
Provides funds to allow Mayland and Pamlico Community Colleges to start new prison education programs. The funds shall be divided equally between these two colleges.		
50 Reduction in Human Resources Development Program	(\$92,904)	R
Reduces the Human Resources Development (HRD) program as recommended by the Governor.		
51 Worker's Compensation Adjustment	(\$121,731)	R
Accepts the Governor's reduction in the Department's Worker Compensation budget.		

House Subcommittee on Education

52 Departmental Reductions

(\$57,660) R

Reduces the Department's budget as recommended by the Governor in the warehouse rent line and vacant program assistant position.

53 Union CC- Operating Support

To provide operating support for a Union county community college. This is a recommendation of the Capital and Budget Subcommittee.

\$3,000,000 NR

Budget Changes

\$11,837,705 R

\$20,500,000 NR

Total Position Changes

Revised Total Budget

\$536,538,614

	Recurring	NonRecurring
Reductions	-272,295	
Increases	12,110,000	20,500,000

Health and Human Services

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$2,660,543,899

Budget Changes

(1.0) Office of the Secretary

1 Medicaid Receipts for Rural Health

(\$226,024) R

Increases use of Medicaid receipts to support program services.

2 Eliminate Positions

(\$210,000) R

Eliminates the Deputy Secretary and the Assistant Secretary of Aging positions.

-2.00

(2.0) Division of Child Development

3 Transfer Funding to State Auditor

(\$120,270) R

Transfers funds to the Office of the State Auditor to continue supporting the auditing of the Early Childhood Education and Development Initiative Program.

4 Federal Funding for Regulatory Activities

(\$1,011,184)

Increases use of federal Child Care and Development Block Grant funds to support child care regulatory activities.

(3.0) Division of Medical Assistance

5 Medicaid Adjustments

(\$45,500,000) R

Reduces appropriations to reflect current eligibility and utilization information and a more favorable federal funds participation rate.

6 Eliminate Positions

(\$900,000) R

Reduces funding for newly created positions and associated contract costs.

-30.00

7 Adult Care Home Personal Care Services

(\$1,000,000) R

Reduces funding for Adult Care Home Personal Care Services due to lower rate.

8 Transfer Reserve Funds

(\$13,000,000) R

Budgets 10% of the total availability in the G.S. 143-23.2 reserve to support current services and to reduce appropriations.

9 Physician Rate Increase

(\$12,989,131) R

Eliminates the 10.5% physician rate increase.

House Subcommittee on Human Resources

(4.0) Division of Social Services

10 County AFDC/Child Support Reimbursements	(\$2,700,000)	R
Eliminates reimbursements to counties whose child support enforcement offices are State-operated.		
11 Caring Program for Children	(\$400,000)	R
Reduces funding for the Caring Program for Children due to implementation of the Children's Health Insurance Program.		
12 State/County Special Assistance	(\$532,974)	R
Reduces appropriation to reflect the current forecast of requirements.		
13 Work First Reserve Funding	(\$20,000,000)	R
Eliminates \$20 million in recurring appropriations for the Work First Reserve.		
14 Families for Kids Pilots	(\$400,000)	R
Reduces funding for the initial 8 counties participating in the Families for Kids Project from \$100,000 to \$50,000 each.		

(5.0) Division of Facility Services

15 Certificate of Need Fees	\$0	R
Transfers \$1.5 million in receipts from Certificate of Need fees to the Treasurer's Office as a nontax revenue.		

(6.0) Division of Health Services

16 Children's Special Health Services Program	(\$2,958,000)	R
Reduces funding in the Children's Special Health Services program due to excess funding for purchase of care services.		
17 Immunization Program	(\$178,000)	R
Reduces appropriations to reflect projected reductions in shipping and printing expenditures.		
18 Maternity Care Coordination Start-up Grants	(\$232,000)	R
Reduces appropriations for Maternity Care Coordination start-up grants due to reduced need at the local level.		
19 Adolescent Parenting Program	(\$714,000)	R
Eliminates funding for the Adolescent Parenting Program.		
	-2.00	

(7.0) Division of Youth Services

20 Detention Construction Delays	(\$200,000)	NR
Reduces operating reserve for the Richmond Boundover Unit due to delays in opening the facility.		

House Subcommittee on Human Resources

(8.0) Division of Mental Health

21 Reduce Funds for Legal Services

(\$650,000) R

Reduces funding for the legal services needed for the former Thomas S. and Willie M. court mandated programs.

(9.0) Division of Child Development

22 Smart Start

\$31,619,697 R

Provides funding for direct services statewide, including the 45 counties which received planning funds only in 1997-98.

(10.0) Division of Social Services

23 Increase Adult Care Home Staff

\$1,000,000 R

Increases the rate for State/County Special Assistance by \$16 per month and require adult care homes to increase staff on the third shift to one staff per thirty residents, effective January 1, 1999.

24 State/County Special Assistance

\$3,765,649 R

Increases rate from \$893 to \$956 per month effective October 1, 1998.

25 Work First Reserve

\$5,000,000

Provides funding to support the Work First Reserve established pursuant to G.S. 143-15.3C.

26 Adoptive Parents Criminal Records Check

\$95,399 R

Provides funding for adoptive parent criminal record checks including one clerical position to process the record checks.

1.00

(11.0) Office of the Secretary

27 ABCs Plan in DHHS Schools

\$1,200,000 NR

Provides funding for technical assistance to implement the ABCs Plan in the Governor Morehead School and the Schools for the Deaf and to redirect resources from administration into educational programs at each of the schools.

28 Long Term Care Reform Pilots

\$1,200,000 R

Provides funding to the Office of Long Term Care for grants to counties to support pilots for long term care system reform with an emphasis on multi-county systems serving both physically disabled and elderly adults.

29 Year 2000 Computer Support

\$6,864,399 NR

Supports replacement of automation equipment to ensure compliance with Year 2000 needs for the Eligibility Information and Healthquest Systems.

House Subcommittee on Human Resources

(12.0) Division of Mental Health

30 State Psychiatric Hospitals Study Continuation

Provides funding to expand on the study of the state psychiatric hospitals to include the area mental health authorities.

\$750,000 NR

31 Medicaid Match for Area Programs

Provides funding to establish a Medicaid match reserve for area mental health programs in order to continue existing services.

\$38,000,000 R

32 Violent & Assaultive Children

Provides funding to continue services to violent and assaultive children in the former Willie M class.

\$4,000,000 R
\$1,353,003 NR

(13.0) Division of Health Services

33 Sickle Cell Services

Provides support to five medical centers that provide specialized support to persons with sickle cell disease.

\$1,200,000 R

34 State Games of North Carolina

Provides funding for the Governor's Council on Physical Fitness to support the State Games.

\$200,000 NR

35 Emerging Health Issues Risk Assessment

Provides funding and positions to establish an epidemiological unit dedicated to risk assessment and evaluation of human health exposure to various emerging environmental issues, such as pfiesteria and occupational exposures.

\$714,000 R

36 Physician for Medical Evaluation Program

Provides funding from the Department of Transportation for hiring an additional physician for the Medical Evaluation Program.

\$0 R

1.00

37 Fullerton Genetics Center

Provides funding for the Fullerton Genetics Center in western North Carolina to expand genetic health care services.

\$280,000 R

(14.0) Division of Aging

38 Senior Centers

Provides funding to support existing senior centers and to assist in the development of new senior centers. Provides \$1.5 million for the construction of new senior centers.

\$1,000,000 R
\$2,500,000 NR

39 Area Agencies on Aging

Provides additional administrative funding for the 18 Area Agencies on Aging to provide information and education to consumers and better meet the data and technical assistance needs of providers, local planning committees, and local government.

\$900,000 R

House Subcommittee on Human Resources

40 Home and Community Based Services

\$4,146,044 R

Provides funding to reduce waiting lists for in-home aid and caregiver support services to individuals over 60 years old.

(15.0) Division of Vocational Rehabilitation

41 Independent Living Rehabilitation Program

\$1,000,000 R

Provides funding to alleviate the backlog of client needs at program offices statewide.

42 Assistive Technology Demonstration Centers

\$200,000 NR

Replaces expiring federal grant funds to enable the Assistive Technology Demonstration Centers to continue providing technical assistance, training, and equipment loans to individuals with disabilities and their families.

(16.0) Division of Facility Services

43 Improve Regulatory Compliance

\$471,034 NR
10.00

Provides funding for additional staff in the Construction Section and the Health Care Personnel registry.

(17.0) Division of Medical Assistance

44 Medicaid Expansion for Elderly and Disabled

\$26,955,790 R

Expands Medicaid eligibility for the elderly and disabled to 100% of the Federal Poverty Level effective January 1, 1999.

(18.0 Division of Youth Services)

45 Guilford Detention Center

\$2,000,000 NR

Provides a grant-in-aid for a new detention center in Guilford county. This item is recommended by the House Capital and Budget Subcommittee.

Budget Changes

\$12,154,996 R

\$20,338,436 NR

Total Position Changes

-22.00

Revised Total Budget

\$2,693,037,331

	Recurring	NonRecurring
Reductions	-103,721,583	-200,000
Increases	115,876,579	20,538,436

Housing Finance Agency

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$2,300,000

Budget Changes

Housing Trust Fund

1 Housing Trust Fund

Funds to support affordable housing for the elderly.

\$2,000,000 NR

Budget Changes

\$2,000,000 NR

Total Position Changes

Revised Total Budget

\$4,300,000

Recurring

NonRecurring

Reductions

Increases

2,000,000

Agriculture and Consumer Services

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$49,822,632

Budget Changes

Administrative Services

2 Automated Information and Technical Support

\$151,522 R

Funds for hardware, software, and support to provide information and access through Electronic Commerce and incorporating these efforts with other state departments.

\$155,106 NR
3.00

Agronomic Services

3 Animal Waste, Soil and Plant Testing

\$271,668 R

Funds to conduct periodic testing of waste, soil and plant samples from animal land application sites.

\$144,600 NR
4.00

Commissioner's Office

4 Local Agricultural Fairs Grant Funds

Funds for local agricultural fairs.

\$150,000

5 Small, Family Dairy Farm Grants

Provides grant funds to dairy farms for the purchase of equipment that is a component of an animal waste management system. Equipment shall be used solely for the purpose of transporting, storing, or distributing animal waste.

\$1,500,000 NR

6 Small, Family Farms - Marketing and Promotion

Funds to provide marketing and promotional assistance to small, family farms.

\$50,000 NR

Department Wide

7 Receipt Adjustments

(\$210,600) R

Adjust receipts in various operating funds within the department and reduce General Fund appropriations by an equal amount in the following divisions:

Markets	(\$8,500)
Research Stations & State Farms	(\$100,000)
Agronomic Services	(\$ 28,000)
Food and Drug Protection	(\$ 12,500)
Structural Pest	(\$ 23,600)
Veterinary Services	(\$ 6,000)
Standards (Weights and Measures)	(\$ 5,000)
Plant Industry	(\$ 27,000)
	=====

TOTAL REDUCTIONS	(\$210,600)

House Subcommittee on Natural and Economic Resources

Food and Drug Protection

8 Pesticide/Food Lab Funds

Funds for expansion of the pesticide and food laboratories.

\$442,095 R
\$290,000 NR
10.00

Markets

9 Local Farmers' Markets Funds

Funds to provide grants to local farmers' markets to promote products grown on small, family-owned farms.

\$200,000 NR

10 Goodness Grows in North Carolina

Funds to expand the Goodness Grows in North Carolina advertising program.

\$200,000 NR

Rural Rehabilitation Corporation

11 Small, Family-Owned Farms Loan Program

Provides loan funds to small, family-owned farms having difficulty in obtaining affordable conventional loans from other sources.

\$1,500,000 NR

Structural Pest

12 Structural Pest Control Program Improvements

Funds to expand compliance monitoring, establish compliance assistance programs, develop a consumer outreach program, and to develop regulatory responses to new pest control products and techniques.

\$262,650 R
\$80,350 NR
7.00

Veterinary Services

13 Pseudorabies Eradication Funds

Funds to purchase laboratory supplies for increased testing of swine for pseudorabies.

\$150,000 NR

Budget Changes

\$917,335 R

\$4,420,056 NR

Total Position Changes

24.00

Revised Total Budget

\$55,160,023

	Recurring	NonRecurring
Reductions	-210,600	
Increases	1,127,935	4,420,056

Labor

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$15,828,463

Budget Changes

Administrative Services

14 Funds for Information Highway Site

Funds the department's cost share with other state agencies to establish an information highway site in the Old Revenue Building.

\$30,000 NR

15 Purchase Furniture/Library Shelving

Provides \$190,000 in nonrecurring funds to purchase office furniture and library shelving. Purchased equipment is to be used subsequent to the relocation of selected departmental divisions to the renovated Old Revenue Building.

\$190,000 NR

Budget Changes

\$220,000 NR

Total Position Changes

Revised Total Budget

\$16,048,463

	Recurring	NonRecurring
Reductions		
Increases		220,000

Environment and Natural Resources

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$134,915,353

Budget Changes

(1.00) Controller's Office

16 Reduce Salary Reserve

(\$5,053) R

Reduce salary reserve as a result of reallocation of positions.

(1.00) Executive Offices

17 Eliminate Vacant Position

(\$82,134) R

Eliminate Business Officer III position serving as Special Assistant to the Secretary that is no longer utilized as a result of reassignment of duties.

-1.00

18 Eliminate Assistant Secretary and Staff Positions

(\$204,726) R

Eliminate the Assistant Secretary for Administration position, as well as the Special Assistant and Administrative Assistant positions reporting to the Assistant Secretary for Administration to streamline executive management staff.

-3.00

(1.00) General Services

19 Reduce Salary Reserve

(\$10,000) R

Reduce salary reserve in a position recently vacated by retirement.

(1.00) Regional Offices

20 Reduce Operating Funds

(\$31,416) R

Reduce funds that previously supported the Department of Commerce when they were co-located in DENR's Washington Regional Office (Commerce activities have since moved to Greenville).

(2.00) Forest Resources

21 Improve Efficiency and Computer Technology

(\$311,034) R

Reduce telephone line charges, the need for aerial photography and temporary services through increased use of computer technology. Also decrease use of overtime and modify fire readiness stand-by schedules.

22 Insurance for CL-215

\$116,000 NR

Provides nonrecurring funds for the purchase of hull insurance for the CL-215 aircraft (amphibious water scooping tanker).

House Subcommittee on Natural and Economic Resources

23 District 12 Helicopter Funds

Funds for the operation and maintenance of a fire control helicopter in District 12.

\$167,860 R

2.00

24 Water Quality Foresters

Funds to hire water quality foresters to inspect active logging sites to prevent and control degradation of water quality by forestry operations.

\$344,286 R

\$71,200 NR

7.00

(2.00) Marine Fisheries

25 Reduce Operating Support

Reduce funds for purchased services, supplies, equipment and other operating expenses.

(\$130,000) R

26 License Administration Funds

Funds for additional license personnel to staff district offices and to administer the Recreational Commercial Gear License program. Positions are effective January 1, 1999.

\$246,088 R

6.00

27 Fisheries Management Plans

Funds to develop state Fisheries Management Plans (FMPs) to guide coastal fisheries management and to ensure the long-term viability of the stocks. Plans are to be developed for 31 commercially and recreationally significant species and species groups.

\$540,158 R

\$142,500 NR

10.00

28 Coastal Habitat Protection Plans

Funds to conduct research on the relationship of coastal habitats, water quality and fisheries production for the development of Coastal Fisheries Habitat Protection Plans. The plans are to be used to develop strategies for protecting coastal fisheries habitat areas.

\$160,170 R

\$15,300 NR

3.00

29 Information Technology Funds

Funds to continue consolidation and modernization of existing computerized information management systems to facilitate access to licensing, permitting, commercial landings, biological and habitat data.

\$1,000,000 NR

(2.00) Museum of Natural Sciences

30 Reduce Supplies

Reduce funds for supplies due to new bulk purchasing procedures.

(\$39,513) R

31 Grassroots Science Museum

Provides additional recurring funds for the Western North Carolina Nature Center.

\$35,000 R

(2.00) North Carolina Zoological Park

32 Adjust Equipment/Vehicle Replacement Schedule

Adjust the schedule for replacement of equipment and motor vehicles at the Zoo and reduce General Fund appropriation by an equal amount.

(\$133,079) R

House Subcommittee on Natural and Economic Resources

(2.00) Office of Environmental Education

33 Environmental Education Grant Funds

Funds to provide grants to public schools K-12, public libraries and environmental education centers to purchase environmental education materials and to support school group field trips to environmental education centers.

\$200,000 NR

(2.00) Parks and Recreation

34 Increase Receipts

Increase receipts to reflect fee increase at state parks and recreation areas and reduce General Fund appropriation by an equal amount.

(\$100,000) R

35 Expand Natural Heritage Program

Funds to inventory natural areas in counties that have not been surveyed under the Natural Heritage program.

\$250,000 NR

36 Parks Biologists

Funds for four district biologists to advise and train park staff on natural resource management issues.

\$208,100 R
\$37,000 NR
4.00

(2.00) Soil and Water Conservation

37 Technical Assistance for Animal Waste Compliance

Reduce funding for technical assistance to agriculture operations seeking to obtain approved animal waste management plans. The state's 0.200 non-discharge regulations required operations to have certified plans by December 1997. This eliminates 5.50 of 11.00 positions created by the General Assembly for this purpose in the 1994 and 1995 Sessions.

(\$185,445) R
-5.50

38 Agriculture Cost Share Program

Additional funds for the Agriculture Cost Share Program for Nonpoint Source Pollution Control to reimburse farmers up to 75% of the costs of installing best management practices (BMPs) to improve and protect water quality.

\$500,000 NR

39 Agriculture Cost Share Program Database Funds

Funds to provide computer programming and maintenance support to upgrade the existing database program used to track BMP contracts under the Agriculture Cost Share Program.

\$36,000 R
\$25,000 NR

40 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 best management practices (BMPs) to improve water quality.

\$200,000 NR

House Subcommittee on Natural and Economic Resources

41 Neuse and Tar-Pam River Basin Assistance

Funds to assist local Soil and Water Conservation Districts in the Neuse and Tar-Pamlico River Basins in targeting and tracking nutrient reduction efforts of agriculture operations, as well as evaluating the cost effectiveness of best management practices.

\$150,000 NR

42 Soil and Water District Travel Funds

Funds for local Soil and Water Conservation Districts for travel and per diem expenses of district supervisors.

\$50,000 NR

43 Junaluska Creek Damage Funds

Funds to assist landowners on Junaluska Creek who have suffered property damage from the implementation of the federal emergency watershed program.

\$7,500 NR

(3.00) Air Quality

44 Reduce Operating Support

Reduce funds for purchased services, supplies, equipment and other operating expenses.

(\$14,892) R

(3.00) Coastal Management

45 Reduce Operating Support

Reduce travel, supplies, equipment, printing, and postage expenses through use of automation and a reduction in conference attendance.

(\$30,004) R

(3.00) Environmental Health

46 Reduce Staff and Operating Support

Reduce funds for an Environmental Technician III position in the Wilmington Regional Office as a result of increased federal support, extend equipment replacement schedules, and eliminate funds for a completed wastewater treatment study in Craven County.

(\$72,210) R

-0.50

47 Food Sanitation Training Funds

Funds to improve consistency of implementation and enforcement of food sanitation rules by providing training and continuing education to persons who conduct food and lodging inspections for county health departments.

\$100,000 NR

(3.00) Land Resources

48 Reduce Operating Support

Reduce inventories, supplies, travel and postage expenses, and extend the replacement schedule on equipment.

(\$42,861) R

49 Sedimentation and Erosion Control Expansion.

Funds for additional field staff to perform erosion and sediment control inspections at commercial and residential development sites to determine compliance with required management practices to minimize the impact of land disturbing activities on water quality.

\$282,140 R

\$20,000 NR

5.00

House Subcommittee on Natural and Economic Resources

(3.00) Pollution Prevention/Environmental Assistance

50 Reduce Pollution Prevention Grants

(\$24,362) R

Reduce funds to provide demonstration grants to business and industry operations developing innovative pollution technologies.

(3.00) Waste Management

51 Eliminate Computer Consultant Position

(\$45,095) R

Eliminate Computing Consultant II position and contract programming duties as needed using federal funds.

-1.00

(3.00) Water Resources

52 Real Time Stream-Gauge Data

\$10,000 R

Funds to upgrade the state's stream-gauge network to real time data access.

\$170,000 NR

53 Oregon Inlet Sand Study

Funds for the Shoreline Monitoring Program operated by the U.S. Army Corps of Engineers for the Oregon Inlet and adjacent areas.

\$100,000 NR

(4.00) Reserves and Special Funds

54 Isotope Study of Neuse and Cape Fear River Basins

Funds for the UNC Board of Governors for the Agricultural Research Service to continue an isotope study to identify sources of nitrogen in the Neuse and Cape Fear River Basins.

\$321,000 NR

55 Study Alternative Animal Waste Technologies

Funds for the UNC Board of Governors for the Animal and Poultry Waste Management Center at NCSU to study alternative methods of managing animal waste.

\$375,000 NR

56 LLRW Facility Siting Assistance Funds

Grant-in-aid to Chatham County for expenses incurred as part of their participation in the licensing and siting of a low level radioactive waste facility.

\$100,000 NR

(5.00) Department Wide

57 Reduce Funding Support - LLRW

(\$1,123,219) R

Reduce funding for personnel, contractual services and operating expenses associated with the department's regulatory responsibilities in the siting and licensing of a low level radioactive waste facility. This reduction allows the department to maintain at least six positions dedicated to the LLRW project in the event siting and licensing activities resume.

-10.00

(6.00) Wildlife Resources Commission

58 Beaver Control Program

Continues Beaver Control program with nonrecurring funds and expands coverage statewide to any county that wishes to participate.

\$500,000 NR

Budget Changes

(\$555,241) R

\$4,450,500 NR

Total Position Changes

16.00

Revised Total Budget

\$138,810,612

	Recurring	NonRecurring
Reductions	-2,585,043	
Increases	2,029,802	4,450,500

Commerce

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$38,577,339

Budget Changes

Business and Industry

59 Industrial Recruitment Competitive Fund

Provides nonrecurring support for the Industrial Recruitment Competitive Fund.

\$1,000,000 NR

60 Marketing and Trade Missions

Provides a nonrecurring increase to fund participation at additional industry trade shows and missions, and for increased general advertising media purchases for promoting economic development in the state.

\$500,000 NR

Community Assistance

61 Historic Waterfront Revitalization

Funds to provide planning grants to local units of government for historic waterfront revitalization projects in counties assigned to the Northeastern North Carolina Regional Economic Development Commission established in G.S. 158-8.2.

\$400,000 NR

62 State Development Zones

Funds for local governments for projects in certified development zones to attract businesses and job-creating investment to center city areas.

\$1,000,000 NR

Industrial Commission

63 Abolish Position/Reduce Various Operating Support

Abolishes Processing Assistant IV position (\$24,411) and reduces various operating support line-items in the continuation budget (\$68,911).

(\$93,322) R

-1.00

64 Temporary Positions

Provides nonrecurring funds to support temporary positions in the Office of Executive Secretary to manage increased workload for mediation settlements in workers' compensation cases and processing legal orders for contested cases.

\$100,000 NR

Industrial Finance Center

65 Utility Account (Industrial Development Fund)

Provides nonrecurring funding for economic development grants for water and sewer infrastructure in certain economically distressed counties designated in G.S. 143B-437.01.

\$1,000,000 NR

N.C. Alliance for Competitive Technologies

66 Reduce Program Director's Budgeted Salary

(\$24,356) R

Reduces the budgeted salary of the Program Director for the N.C. Alliance for Competitive Technologies by \$24,356; the revised salary for the position will be \$108,668.

N.C. Government Competition Commission

67 Competitive Government Initiative

\$218,000 R

Provides funding to establish the North Carolina Government Competition Commission for purposes of implementing the Competitive Government Initiative.

\$14,700 NR
3.00

Reserves and Transfers

68 Special Olympics

Provides nonrecurring funds to the 1999 Special Olympics World Games for general operating and marketing costs.

\$3,000,000 NR

State Boxing Commission

69 Transfer Boxing Commission to the Department

\$202,770 R

Transfer positions, operating support, equipment, property, and other assets of the North Carolina State Boxing Commission from the Department of Secretary of State to the Department of Commerce. The transfer has all of the elements of a Type 1 transfer as defined by G.S. 143A-6.

3.00

	FY 1998-99
Requirements	\$225,870
Receipts	(\$23,100)
	=====
Appropriations	\$202,770

Travel, Film and Sports Development

70 Reduce Printing

(\$100,000) R

Reduce printing budget to reflect privatization of the North Carolina Travel Guide.

71 General Advertising/Marketing Funds

Funds to expand advertising and marketing campaigns designed to promote North Carolina as a travel destination in domestic markets and to support a tourist information kiosk pilot project in western N.C. administered by the Western Carolina Partnership and Smoky Mountain Host.

\$835,000 NR

72 International Marketing Efforts

Funds to advertise and promote North Carolina as a travel destination in two international markets, specifically England and Germany.

\$800,000 NR

House Subcommittee on Natural and Economic Resources

73 U.S. Open Men's Golf Tournament

Funds to host travel writers, tour operators, film, sports and other industry executives during the 1999 U.S. Open and to conduct tours of selected sites across N.C. to familiarize them with the state's tourism, film and sports opportunities.

\$800,000 NR

74 Rural Tourism Development Grant Funds

Funds for the Rural Tourism Development Grant Program to encourage the development of new tourism projects and activities in the rural areas of the state.

\$100,000 NR

75 Film Office

Funds to hire a Director of Sales and Marketing to develop a full-time presence in California in an effort to recruit film production to N.C. and funds for the state's four film commissions for coordinated advertising and promotion efforts with the state film office.

\$64,803 R
\$165,000 NR
1.00

Budget Changes

\$267,895 R

\$9,714,700 NR

Total Position Changes

6.00

Revised Total Budget

\$48,559,934

	Recurring	NonRecurring
Reductions	-217,678	
Increases	485,573	9,714,700

State Aid to Non-State Entities

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$2,000,000

Budget Changes

Grants-in-Aid

76 North Carolina Minority Support Center

Funds to provide technical assistance to community-based minority credit unions.

\$375,000 NR

77 Yadkin/Pee Dee Lakes Project

Grant-in-aid to support the Yadkin/Pee Dee Lakes Project's efforts to promote tourism and economic development.

\$150,000 NR

78 Technological Development Authority

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 technology transfer and matching federal grant and loan funds.

\$3,500,000 NR

79 World Trade Center North Carolina

Provides funds to the World Trade Center North Carolina to support international trade education programs to small and medium sized businesses.

\$200,000 NR

80 Textile Museum

Grant-in-aid to the Town of Erwin for a textile museum.

\$100,000 NR

81 4-H Clubs/Eastern North Carolina Livestock Arena

Provides funds for the construction of a facility to replace the Eastern North Carolina Livestock Arena. This facility will be available for horse and swine breeding stock auctions, cattle sales, and functions associated with the Future Farmers of America and 4-H Clubs.

\$600,000 NR

82 Institute of Minority Economic Development

Funds to foster economic development within the state through policy analysis, information and technical assistance, resource expansion, and support of community-based initiatives.

\$1,000,000 NR

83 Mountain Care Trak System Pilot Program Funds

Funds to implement the Care Trak System in Davidson, Davie, Forsyth, Guilford, Iredell, Randolph, Rockingham, Stokes, Surry, Wilkes and Yadkin counties.

\$141,400 NR

House Subcommittee on Natural and Economic Resources

84 Land Loss Prevention Project

Funds to provide free legal representation to low-income, financially distressed farmers.

\$350,000 NR

85 Blue Ridge Destination Center

Funds to match a federal grant to construct the Blue Ridge Regional Destination Center. Funding is contingent upon receipt of federal funds for this purpose. This item is recommended by the House Capital and Budget Subcommittee.

\$2,500,000 NR

86 Piedmont Land Conservancy

Funds for a survey to identify critical sites. This item is recommended by the House Capital and Budget Subcommittee.

\$25,000 NR

Budget Changes

\$8,941,400 NR

Total Position Changes

Revised Total Budget

\$10,941,400

	Recurring	NonRecurring
Reductions		
Increases		8,941,400

MCNC

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$2,500,000

Budget Changes

MCNC

87 Reallocate Final Year Funding

(\$2,500,000) R

Final year funding for MCNC is reduced by \$200,000 and the remaining support is shifted from recurring to nonrecurring support.

\$2,300,000 NR

88 Additional Funds for Operating and Capital Support

Additional funds for operating and capital expenditures necessary to make MCNC self-sufficient without future state funding. This item is recommended by the House Capital and Budget Subcommittee.

\$2,200,000 NR

Budget Changes

(\$2,500,000) R

\$4,500,000 NR

Total Position Changes

Revised Total Budget

\$4,500,000

	Recurring	NonRecurring
Reductions	-2,500,000	
Increases		4,500,000

N.C. Biotechnology Center

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$7,664,396

Budget Changes

N.C. Biotechnology Center

89 Reduce Operating Support

(\$25,483) R

Reduces state funded operating support to the
N.C. Biotechnology Center by \$25,483.

(\$25,483) R

Budget Changes

Total Position Changes

Revised Total Budget

\$7,638,913

	Recurring	NonRecurring
Reductions	-25,483	
Increases		

Rural Economic Development Center

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$3,920,000

Budget Changes

Administration

90 Reduce Operating Support

(\$12,662) R

Reduces state funded operating support to the Rural Economic Development Center by \$12,662. This reflects a 1.5% reduction from the Center's administrative budget excluding grants.

91 Center Administration

\$150,000 R

Provides funds for additional general administrative support.

Grants Programs

92 Research and Demonstration Grants

\$50,000 NR

Provides nonrecurring funds for the Research and Demonstration Grants Program to support innovative projects that address economic development issues in rural areas.

93 Supplemental Funding Program

\$8,000,000 NR

Provides nonrecurring funds to support the Supplemental Funding Program for economic development projects, principally water and sewer, in rural communities.

94 Capacity Grants Program

\$200,000 NR

Provides nonrecurring support for the Capacity Grants Program. REDC will provide these grants for units of local government to assist in financing costs associated with the planning and writing of grants/loan applications that support economic development in rural communities.

N.C. Association of CDCs

95 N.C. Association of CDCs

\$275,000 NR

Provides nonrecurring funds to the N.C. Association of Community Development Corporations to provide training and technical assistance to community development corporations statewide. Funds also support grassroot economic development initiatives in distressed areas of eastern N.C. and operational and program support for the Walnut Cove Colored School, Inc.

Budget Changes	\$137,338	R
	\$8,525,000	NR
Total Position Changes		
Revised Total Budget	\$12,582,338	

	Recurring	NonRecurring
Reductions	-12,662	
Increases	150,000	8,525,000

State Information Processing Services

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$271,530

Budget Changes

State Information Processing Services

96 Shift General Fund Positions to Receipt Support

(\$271,530) R

Budget action shifts four positions designated for school technology assistance to receipt support.

-4.00

(1) Application Analyst Program Specialist II

(1) Office Assistant IV

(2) Computer Consultant IV

97 Continue and Expand N.C. Information Highway

\$6,143,160 NR

Provides nonrecurring funding for the following: 1) to purchase new equipment for certain existing information highway sites to utilize new technology that enables users to realize reduced monthly operating costs; and 2) to expand the number of sites receiving grants that subsidize monthly telecom charges incurred in accessing the information highway.

Total Requirements \$10,140,689

Receipts (3,997,529)

Appropriation \$ 6,143,160

Budget Changes

(\$271,530) R

\$6,143,160 NR

Total Position Changes

-4.00

Revised Total Budget

\$6,143,160

	Recurring	NonRecurring
Reductions	-271,530	
Increases		6,143,160

Correction

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$867,817,472

Budget Changes

1 Increase Operating Receipts / Reduce General Fund

(\$2,150,000) R

DOC estimates they will receive additional receipts in three programs, thus allowing a decrease in the General Fund budget:

(1) Federal Nutrition Programs (\$475,000)

DOC received more receipts than anticipated from the federal program that provides free breakfast and lunch to youthful offenders (<21 years of age); a similar level of receipts is anticipated in 1998-99 allowing for a decrease in the General Fund.

(2) Medical Reimbursement from Counties (\$675,000)

Counties pay the State to provide medical care for "safekeepers" that counties have requested DOC to hold in state prisons. These reimbursements have increased in 1997-98 and are anticipated to increase at the same level in 1998-99, allowing for a reduction in the General Fund.

(3) Federal Alien Reimbursement Funds (\$1,000,000)

North Carolina receives federal funds to partially fund the cost of housing illegal aliens that are inmates in the North Carolina prison system. Receipts have increased allowing a reduction in the General Fund.

2 Reduce Non Personnel Line Items

(\$1,938,000) R

Reduce non-personnel line items in the following areas:

Division of Probation and Parole:

Purchased services (\$350,000)
Supplies (\$100,000)
CJPP Contracts (\$38,000)
Phone, supplies, drug reagents
in reserve for new officers (\$150,000)

Reserve for Enhanced Criminal Penalties (\$135,000)

Division of Alcoholism & Chemical Dependency

Supplies (\$30,000)
DART-DWI (Cherry) Aftercare (\$135,000)

Departmental Management

Contractual services, office and computer
supplies and equipment (\$400,000)

Division of Prisons

Computer Equipment (\$400,000)

Reserve for New Beds

Engineering/Construction Support (\$200,000)

3 Staff Reductions--Division of Probation and Parole

(\$561,033) R

Reduce 11 positions due to Span of Control (4 Assistant
Division Chiefs, 1 Deputy Director Position), reduced
workload (2 Parole Hearing Officers) and changes in staffing
patterns (4 Pre-Parole Investigators).

-11.00

4 Increase Receipts from Correction Enterprises

(\$500,000) R

Correction Enterprises transfers a portion of the profits in
the Enterprise Special Fund to the General Fund; by
increasing the amount transferred from \$1,060,000 per year
to \$1,560,000, the General Fund can be reduced (amount level
since 1979-80 fiscal year).

5 Staff Reductions--Div of Alcoholism and Chem Depen

(\$250,000) R

Eliminate funding for 7 positions: 3 Supervisors, 1
Counselor, 1 Substance Abuse Worker and 2 Support Staff.

-7.00

6 Eliminate Matching Funds for Federal Grants

(\$325,000) R

Since the amount of State funds needed to match federal
grants fluctuates widely each year, the DOC is recommending
eliminating the remaining appropriation and using other
funding sources.

7 Staff Reduction--Department Management

(\$818,888) R

Abolish 3 support positions in Central Area Office due to
consolidation; abolish 12 mid-level managers in
departmental management, area offices and institutions.

-15.00

House Subcommittee on Justice and Public Safety

8 Reduce Staff at Parole Commission

(\$233,000) R

Reduce staff by 8 positions: 7 clerical and 1 analyst. These reductions are in response to declining workload and a study of the long-term needs of the Commission. This also reduces the supply budget to achieve a 10% reduction in the budget.

-8.00

9 Support Vocational Teachers from Welfare Fund

(\$374,103) R

DOC has gradually been funding more education related positions and costs from the Inmate Canteen/Welfare Fund. This reduction would allow DOC to decrease the General Fund by funding one academic director and 6 teachers from the Inmate Fund.

10 Increase Receipts from Work Release Fund

(\$436,500) R

Inmates on work release pay the DOC \$12.50 a day; this reduction is based on increasing that payment by \$1.50 to \$14.00 a day and reducing the General Fund.

11 Close Small Inefficient Prison Units

(\$3,825,774) R

The Government Performance Audit Committee (GPAC) recommended closing small inefficient prison units as sufficient prison beds become available. The recommended closings are based on the opening of new prisons and current prison population projections. Prisons would be closed in phases as new beds come on-line.

-280.00

The following units would close January 1, 1999:

Martin (\$432,051; 24 positions)

Alexander (\$504,232; 27 positions)

The following units would close February 1, 1999:

Mecklenburg (\$814,840; 60 positions)

Scotland (\$494,657; 42 positions)

Stanly (\$979,223; 72 positions)

Union (\$600,771; 55 positions)

12 Reduce Inmate Costs for Closed Prison Units

(\$339,070) R

The Governor's budget reduction for closing GPAC prison units did not include inmate costs (e.g. food, medical); however, further reductions can be taken since there will be funding available due to additional prisons coming on line and slower growth in the prison population.

13 Reduction from Construction Delays

(\$16,073,706) NR

Changes in anticipated completion dates for new prisons will delay the need to hire staff at the Avery/Mitchell and Albemarle facilities which are currently under construction. Also pushes back the dates when the two private prison contracts begin (new start dates are 8/98 in Pamlico and 12/98 in Avery/Mitchell).

14 Criminal Justice Partnership Program

\$500,000 R

These funds restore some of the funding reduced from the program in 1996. This funding increases the appropriation for grants to county programs to \$6.6 Million for 1998-99.

\$1,500,000 NR

House Subcommittee on Justice and Public Safety

15 Post Boot Camp Aftercare Program

The Post Boot Camp Aftercare program began as a pilot in 1996 and was continued with available funds in 1997-98. These funds will be used to continue programs in Forsyth, Mecklenburg, Nash/Edgecombe and New Hanover Counties.

\$435,782 NR

16 Program Assistant / Iredell Correctional Center

Funds add a Program Assistant I at the Iredell Unit effective December 1, 1998.

\$14,770 R

1.00

17 Medical Staff for Central Prison and NCCIW

Funding to expand medical staff at Central Prison and NCCIW (Womens Prison). This includes 39 positions at NCCIW, 11 at Central, and one new Physician III Director for the Division of Prisons.

\$1,740,563 R

51.00

18 Modular Unit/Henderson Correctional Center

Provide funds to add a modular housing unit at the Henderson Correctional Center.

\$350,000 NR

19 Women at Risk

Provide funds for the Women at Risk program to expand to Burke and Catawba counties. The program works with women on probation on substance abuse, psychological, family and employment issues.

\$35,000 NR

20 Inmate Food and Medical Costs

Provides one-time funding due to increased costs for food service delivery (\$400,000) and medical care (\$1,300,000) for inmates.

\$1,700,000

Budget Changes

(\$9,496,035) R

(\$12,052,924) NR

Total Position Changes

-269.00

Revised Total Budget

\$846,268,513

	Recurring	NonRecurring
Reductions	-11,751,368	-16,073,706
Increases	2,255,333	4,020,782

Crime Control and Public Safety

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$33,720,830

Budget Changes

21 Reduce Equipment Funds in Emergency Management	(\$10,000)	R
Reduce the line item for equipment to reflect actual funds needed.		
22 Tarheel Challenge Program		
Provide state matching funds for the National Guard Challenge program. The program will be funded on a 75% federal to 25% state match basis beginning in FY 1999.	\$400,000	NR
23 Upgrade Positions in Community Service Program	\$15,000	R
Funds to upgrade clerical positions to coordinator positions in the Community Service Work Program. The program currently has 131 coordinators.		
24 Highway Patrol Automatic Salary Increase	\$0	R
Provide \$2,787,596 in recurring funds from the Highway Fund for the portion of the Highway Patrol automatic salary increase which was inadvertently omitted from the continuation budget.		
25 CJIN Hardware / Software		
Provide \$2,406,611 of nonrecurring funds from the Highway Fund to complete the third of four phases of the Mobile Data Network project. Funds will be used to install 38 transmitters in 23 counties. The Mobile Data Network is a component of the statewide Criminal Justice Information Network.	\$0	NR
26 Additional Mobile Data Computers		
Provide \$2,249,812 in nonrecurring funds from the Highway Fund to purchase 234 additional mobile data computers for Highway Patrol cruisers. Use of the mobile data computers to access data contributes to the maximum use of the Mobile Data Network.	\$0	NR
27 Additional Highway Patrol Troopers	\$0	R
Provide \$403,900 in recurring funds and \$1,583,295 in nonrecurring funds from the Highway Fund for forty new troopers effective December 1, 1998. The department will provide the remaining \$943,325 by reallocating 5 management positions.	\$0	NR

House Subcommittee on Justice and Public Safety

28 National Guard Armory Maintenance Funds

Provide funds for repair 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.

\$750,000 NR

29 National Guard Tuition Assistance

Provide funds to increase the amount and number of educational benefits for members of the National Guard.

\$300,000 NR

30 Air National Guard Maintenance Positions

Provide funds for the 25% state matching requirement for 4 new positions at expanded Air National Guard facilities. The positions are effective December 1, 1998.

\$17,586 R

4.00

Budget Changes

\$22,586 R

\$1,450,000 NR

Total Position Changes

4.00

Revised Total Budget

\$35,193,416

	Recurring	NonRecurring
Reductions	-10,000	
Increases	32,586	1,450,000

Judicial

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$327,102,308

Budget Changes

31 Reduce Salary Reserve Funds	(\$400,000)	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.		
32 Robeson Dispute Settlement Center Funds	(\$39,166)	NR
Eliminate state funds for the Robeson Dispute Settlement Center for FY 1998-99 since the Center discontinued providing services. The General Assembly will review the viability of the Center and determine whether it should continue receiving funds next year.		
33 Reduce Funds in Magistrates and Clerks Pay Plans	(\$1,106,059)	R
Reduce funds needed to implement the magistrate (\$363,960) and clerks (\$742,099) pay plans. These reductions are possible because of updated salary figures and actions taken by the 1997 Session of the General Assembly.		
34 District Court Judges	\$677,800	R
Provide funds for 10 additional District Court Judges to be located in Districts 4, 7, 10, 12, 14, 11, 19B, 21, 25 and 29. All positions are effective December 1, 1998.		
	\$87,780	NR
	10.00	
35 Special Superior Court Judges	\$175,326	R
Provide funds for 2 additional Special Superior Court Judges effective December 1, 1998.		
	\$20,316	NR
	2.00	
36 Judges Support Staff	\$192,130	R
Provide funds for 10 additional judicial assistant I positions effective December 1, 1998.		
	\$53,460	NR
	10.00	
37 Court Reporters in Superior Court	\$218,904	R
Provide funds to establish 8 additional court reporters effective December 1, 1998.		
	\$52,512	NR
	8.00	
38 Assistant and Deputy Clerks of Court	\$2,427,057	R
Provide funding for 10 assistant clerks and 139 deputy clerks effective December 1, 1998.		
	\$569,302	NR
	149.00	
39 Assistant District Attorneys	\$121,224	R
Provide funds for additional assistant district attorney positions to be located in Districts 21 and 28. All positions are effective December 1, 1998.		
	\$3,060	NR
	3.00	

House Subcommittee on Justice and Public Safety

40 Sentencing Commission Position

Provide funding for a research and policy position to assist the Commission in meeting its additional duties. The position is effective December 1, 1998. Also provides \$50,000 in contractual service funds to assist the Commission in evaluating correctional programs.

\$37,656 R
\$59,756 NR
1.00

41 District Attorney Investigator Positions

Provide funds for district attorney investigator positions to be located in districts 13 and 19B. All positions are effective December 1, 1998.

\$55,282 R
\$3,598 NR
2.00

42 Magistrate Positions

Provide funds for 7 additional magistrate positions to be located in Avery, Brunswick, Currituck, Forsyth, Gaston, Mecklenburg, and Pitt Counties. Also provides funds for half-time magistrate in Columbus County. All positions are effective December 1, 1998.

\$144,430 R
\$32,039 NR
7.00

43 Assistant PD's from the Indigent Fund

Allows the Department to transfer up to \$134,415 in FY 1998-99 from the Indigent Persons' Attorney Fee Fund to establish 3 additional assistant public defenders. All positions are effective December 1, 1998.

\$0 R
\$0 NR
3.00

44 North Carolina Business Court

Provides recurring funds for a judicial assistant I position and associated operating expenses effective October 1, 1998. Also provides nonrecurring funds to purchase furniture and equipment, lease and renovate office space, and establish an electronic court.

\$33,213 R
\$180,000 NR
1.00

45 Public Defender Support Staff

Provides funds to establish 1 additional investigator and legal assistant effective December 1, 1998.

\$48,343 R
\$6,490 NR
2.00

46 Custody Mediation Program

Provide funds to expand the custody mediation program in district court. A portion of the funds would be used to establish two full time mediator and two 30-hour mediators effective December 1, 1998. The program currently operates in 25 of 39 districts.

\$150,000 R
3.50

47 Arbitration Program

Provides funds to expand superior court arbitration programs. A portion of the funds would be used to upgrade three existing 20-hour coordinator positions to 30-hour positions and add two new 30-hour coordinator positions effective December 1, 1998. The program currently operates in 30 of 45 superior court districts.

\$100,000 R
\$9,422 NR
2.25

House Subcommittee on Justice and Public Safety

48 Continue Drug Treatment Courts / Add 4 Programs

The Drug Treatment Court Program began as a pilot in 1995 to allow the court system to closely supervise offenders addicted to drugs or alcohol. Funds are used for case-management and substance abuse treatment services. These funds continue the existing programs in Mecklenburg, Wake, Person/Caswell, Warren, and Forsyth Counties, and add programs in Districts 13, 25, 27A, and 29.

\$888,428 NR
2.00

49 Continue Civil Case Mgt Programs / Add 2 Programs

Provides funds to continue existing programs in Districts 13, 18, and 30, and adds new programs in Districts 27B and 29. These programs assist district court judges with case management and setting of court calendars in civil cases.

\$149,621 NR
5.00

50 Continue Bad Check Pilots / Add 2 Programs

Continues existing bad check programs in Columbus, Durham, and Rockingham Counties, and establishes new programs in Wake and Lincoln Counties. These programs are designed to reduce the amount of time spent on prosecuting these cases, and to assist worthless check victims in recovering restitution.

\$272,647 NR
9.00

51 Dispute Settlement Center Funds

Provides additional funds to the Alamance (\$5,000), Albemarle (\$18,000), Blue Ridge (\$20,000), Cape Fear (\$10,000), Piedmont (\$20,000), and Transylvania (\$10,000) Centers. Also provides \$35,000 for the Mediation Network of North Carolina.

\$118,000 NR

52 Teen Court Funds

Provides funds for teen court programs in Buncombe (\$10,000), Guilford (\$20,000), Onslow (\$20,000), Duplin (\$20,000) and Wake (\$15,000) Counties. 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.

\$85,000 NR

53 Project Challenge Funds

Provide funds for Project Challenge Inc, a nonprofit organization which provides alternative dispositions to delinquent or undisciplined juveniles in Districts 24, 25, 29, and 30. A portion of the funds would be used to expand the program to additional districts.

\$200,000 NR

54 Reserve for Court Information Technology Plan

Provides \$250,000 for contractual services to assist in developing a long range technology plan for the court system.

\$250,000 NR

55 District Court Mediated Settlement Pilot

Provide funds to establish pilot programs in district court which assist in mediating equitable distribution, alimony, and child support issues.

\$50,000 NR

56 Funds for Equipment and Supplies

Provide additional funds for general office equipment and supplies to be distributed statewide based on need.

\$611,000 NR

House Subcommittee on Justice and Public Safety

57 Replace Computer Equipment / Network Upgrade

Provide funds to replace worn and outdated computer equipment for court offices statewide. Also provides funds to purchase hardware and software required to increase the capacity of the mainframe computer system.

\$100,000 R
\$3,650,000 NR

Budget Changes

\$2,975,306 R
\$7,313,265 NR

Total Position Changes

219.75

Revised Total Budget

\$337,390,879

	Recurring	NonRecurring
Reductions	-1,506,059	-39,166
Increases	4,481,365	7,352,431

Justice

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$67,165,852

Budget Changes

58 Eliminate Vacant Positions in Citizens Rights	(\$125,048)	R
Eliminate 3.5 vacant positions in the Safe Neighborhoods Initiative in the Citizens Rights Division. This leaves the program with \$93,132.	-3.50	
59 Reduce SBI Salary Equity	(\$32,460)	R
Of the \$2.7 million appropriated for salary increases for SBI agents in the 1997 Session, \$2.676 was appropriated, leaving \$32,460 for reduction.		
60 Appellate Section	\$96,020	R
Provide additional staff for the Appellate Section of the Criminal Division due to increased workload. Positions include 1 Attorney II, 1 Attorney III and a Paralegal. All positions are effective December 1, 1998.	\$14,150 3.00	NR
61 Capital Litigation Unit	\$98,006	R
Funds to add 1 Attorney III, 1 Attorney IV and a Program Assistant to the Capital Litigation Unit in the Criminal Division. All positions are effective December 1, 1998.	\$22,500 3.00	NR
62 Consumer Protection Division	\$71,558	R
Funds add 1 Consumer Protection Specialist, 1 Program Assistant and 1 Attorney II to the Consumer Protection Division due to increased number of citizen complaints and inquiries. All positions are effective December 1, 1998.	\$9,000 3.00	NR
63 Medicaid Fraud Unit	\$41,736	R
Provide state matching funds to add 2 Investigators, 2 Auditors, 1 Clerical and 1 Attorney II position to the Medicaid Fraud Division effective December 1, 1998. Federal funds cover 75% of the cost of these positions.	\$13,322 6.00	NR
64 Division of Criminal Information Staff	\$93,896	R
Provide funds for 3 computer operators which will allow the Division of Criminal Information to provide 2 person coverage on all shifts. Also adds a database specialist to maintain increasingly complex criminal information databases. All positions are effective December 1, 1998.	4.00	

House Subcommittee on Justice and Public Safety

65 Justice Academy Positions

Provide funds for 3 additional housekeeper / maintenance staff at the Justice Academy East effective December 1, 1998. Also provides \$19,000 in recurring funds and \$3,000 in nonrecurring funds to replace classroom furnishings on a rotating basis and to upgrade fire alarm systems.

\$55,316 R
\$3,000 NR
3.00

66 SBI Rent Adjustment

Funds to cover increased rental costs at District field offices located in Fayetteville, Greenville and Asheville.

\$167,341 NR

67 Environmental Division Staff

Add an Attorney II and an Attorney III to work on Marine Fisheries, groundwater, and other water quality issues. Both positions effective December 1, 1998.

\$77,138 R
\$11,000 NR
2.00

68 CJIN Coordinator Funds

The Criminal Justice Information Network has been operating without full-time staff since its inception. These funds will support a full-time Information Systems Director effective December 1, 1998. Operating costs associated with the position would come from the CJIN Reserve.

\$44,985 R
1.00

69 Criminal Justice Information Network--AFIS System

Funds to continue implementation of the Statewide Automated Fingerprint Identification System by placing live scan devices in additional counties.

\$2,350,000 NR

70 SBI Crime Lab Scientific Supplies

These funds increase the annual budget for scientific supplies for the SBI Crime Lab to reflect increased cost of new forensic technologies, including DNA analysis.

\$230,000

Budget Changes

\$651,147 R
\$2,590,313 NR

Total Position Changes

21.50

Revised Total Budget

\$70,407,312

	Recurring	NonRecurring
Reductions	-157,508	
Increases	808,655	2,590,313

Administration

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$57,814,012

Budget Changes

(1111) Office of the Secretary

1 Reduce Salary Reserve

(\$12,736) R

A quality leadership position was reduced in the Secretary's Office creating salary reserve which is reduced from the budget.

(1121) Fiscal Management

2 Reduce Data Processing Services

(\$1,563) R

Reduce data processing services and the printing of reports in Fiscal Management.

(1122) DOA Personnel

3 Reduce Salary Reserve – HR Management

(\$5,259) R

A staff development position was reduced in the Human Resources Management Office creating salary reserve which is reduced from the budget.

(1225) State Health Plan Purchasing Alliance Board

4 Eliminate Health Plan Purchasing Alliance Board

(\$480,782) R

Eliminates the General Fund Appropriation for the State Health Plan Purchasing Alliance Board, and reverts any left over balances from the Board's operating budget to the General Fund upon passage of the 1998 Modifications to the Current Operations Appropriations Act.

-4.00

Requirements	\$ 1,129,500
Receipts	(648,718)
Appropriation	480,782

The balance in the State Health Plan Purchasing Alliance Board Fund (Budget Code 24101) shall revert to the General Fund on December 31, 1998. Upon passage of the 1998 Modifications to the Current Operations Appropriations Act through December 31, 1998, funds held in Special Fund 24101 shall be used to phase out the operations of the Board. On December 31, 1998, all remaining funds for the State Health Plan Purchasing Alliance Board shall revert to the General Fund.

(1411) State Construction Office

5 Reduce Salary Reserve -- State Construction Office

(\$9,478) R

A real property agent position was reduced in the State Construction Office creating salary reserve which is reduced from the budget.

(1421) Facilities Management Division

6 Reduce line items -- Facility Management

(\$428,000) R

Reduce Operating Budget lines

-532310 Repairs to Building
 AC Systems (\$60,000)
 Electrical Systems (\$60,000)
 Plumbing (\$ 8,000)

-532210 Electrical (\$300,000)

Breakdown of \$300,000 in electrical savings

1. Historic Houses (\$15,000)
2. Various Small Buildings (\$ 5,000)
3. Garner Road Buildings #2,
 #4,12,16 (\$ 8,000)
4. Revenue Building AC System (\$15,000)
5. History Museum (\$10,000)
6. Parking Deck Lights (\$10,000)
7. Electrical Cost Parking
 Deck Lights #17,#65 (\$62,000)
8. Chillers (Reduce Opera-
 tion time) (\$175,000)

(1731) Council for Women

7 Domestic Violence Prevention Funds

\$1,000,000 NR

Appropriates \$1 million to the Department of Administration for the North Carolina Council for Women. The Council for Women shall provide grants from these funds to existing domestic violence programs, including the North Carolina Coalition Against Domestic Violence, Inc., and for the development of new domestic violence programs. The Department of Administration or the Council for Women shall not use any of the funds for operating expenses.

(1771) Veterans Affairs - Administration

8 State Veterans Nursing Home Location Study

\$25,000 NR

Provides funds to the Department of Administration's Division of Veterans Affairs to conduct a study of the need for additional veterans homes in the western and eastern regions of the State.

House Subcommittee on General Government

(1810) Ethics Board

9 North Carolina Ethics Board

\$203,300 R

The North Carolina Ethics Board was created by Executive Order to serve as the State entity to prevent conflicts of interest in the Executive Branch of State Government. Funds are recommended for staff and operations of the Board.

2.00

Budget Changes

(\$734,518) R

\$1,025,000 NR

Total Position Changes

-2.00

Revised Total Budget

\$58,104,494

	Recurring	NonRecurring
Reductions	-937,818	
Increases	203,300	1,025,000

Auditor

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$10,016,613

Budget Changes

(1210) Field Audit Division

10 Audit Resources -- Smart Start

\$649,129 R

Fund staff positions to audit the statewide and local partnerships in accordance with legislative mandate.

\$38,940 NR
6.00

11 Audit Positions and Contract Audit Funding

\$748,959 R

Funds four additional audit positions to allow the Department to increase the scope of its performance and financial audits of government agencies and to address backlogs of allegations of fraud and abuse.

\$25,960 NR
4.00

(1210) Field Audits Division

12 Audit Resources - Smart Start

\$120,270 R

Transfer from the Division of Childhood Development continuation funds to support audits of Early Childhood Development Initiatives Program.

Budget Changes

\$1,518,358 R

\$64,900 NR

Total Position Changes

10.00

Revised Total Budget

\$11,599,871

	Recurring	NonRecurring
Reductions		
Increases	1,518,358	64,900

Cultural Resources

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$56,053,016

Budget Changes

(1110) Office of the Secretary

13 Miscellaneous Contractual Services

(\$14,366) R

Reduce (532199) by eliminating funds for the North Carolina Awards.

(1120) Administrative Services

14 Computer Equipment

(\$14,884) R

Reduce funding in line item (534522).

House Subcommittee on General Government

(1210) Archives and History - Administration

15 Adjust Various Line Item Expenditures

(\$10,144) R

532199 Misc. Contractual Services	\$ 360
532210 Energy Ser. Electrical	968
532230 Energy Ser. Water and Sewer	101
532390 Repairs - Other	226
532490 Maint Agreement - Other	240
532513 Rent/Lease - Other Facilities	65
532590 Rent/Lease - Other Property	62
532714 Transp. - Ground In-State	1,265
532715 Transp. - Ground Out of State	75
532721 Lodging - In-State	131
532722 Lodging - Out of State	131
532724 Meals - In-State	145
532725 Meals - Out of State	88
532727 Misc. - In-State	65
532728 Misc. - Out of State	65
532731 Board/Non-Employee Transp.	453
532732 Board/Non-Employee Subs.	231
532811 Telephone	2,322
532821 Computer/Data Process. Serv.	26
532840 Postage, Freight, Del.	417
532850 Print, Bind, Duplicate	262
532860 Advertising	10
532911 Property - Insurance	262
532919 Other Insurance	183
532942 Other Employee Educ. Exp.	13
533110 General Office Supplies	189
533350 Motor Vehicle Repl. Parts	17
533900 Other Materials/Supplies	408
534511 Office Furniture	98
534522 Equipment - Computers	627
534539 Other Equipment	69
534630 Library and Learning Res. Coll.	151
534710 Computer Software	203
535830 Membership Dues and Sub.	216

16 Queen Anne's Revenge

Funding continues surveillance; conservation of recovered artifacts; monthly search operations; analysis and testing of retrieved artifacts; operation of technical equipment; transportation of the travelling artifact exhibit; travel, per diem, and motor vehicle costs; and operational support of the Maritime Heritage Trail.

\$250,000 NR

(1220) Historical Publications

17 Print, Binding, and Duplication

(\$10,110) R

Reduce funding allocated for publications (532850).

House Subcommittee on General Government

(1230) Archives and Records

18 Other Services

(\$17,106) R

Reduce items in the operating budget:

532390 Repairs - Other	5,000
532850 Print, Binding, Duplication	12,106

19 Leased Space for Records Storage

Appropriate funding to lease warehouse space to store a backlog of records and for shelving.

\$255,000 NR

(1241) State Historic Sites

20 Old Salem Funds

Provide funds for the restoration and development of the St. Philips Church and the construction of the North Carolina Heritage Education Center at Old Salem. This item is recommended by the House Capital and Budget Subcommittee.

\$2,000,000 NR

21 Morehead Commission Funds

Funds are appropriated for operation and maintenance of Blandwood, the home of John Motley Morehead, a National Historic Site. This item is recommended by the House Capital and Budget Subcommittee.

\$60,000 NR

22 Reduce Various Line Item Expenditures

(\$104,277) R

532210 Energy Ser. - Electrical	\$ 30,000
532220 Energy Ser. - Nat. Gas/Propane	3,000
532230 Energy Ser. - Water and Sewer	1,000
532241 Energy Ser. - Fuel Oil	1,000
532390 Repairs - Other	12,000
532714 Transp. - Ground In-State	1,000
532721 Lodging - In-State	1,000
532722 Lodging - Out of State	1,000
532724 Meals - In-State	277
532725 Meals - Out of State	1,000
533110 General Office Supplies	1,000
533350 Motor Vehicle Repl. Parts	3,000
533900 Other Materials and Supplies	10,000
534511 Office Furniture	2,000
534522 Equipment - Computers	10,000
534528 Equipment - Communications	1,000
534539 Other Equipment	10,000
534449 Other Motorized Vehicles	5,000
534610 Art and Artifacts	11,000

(1242) Tryon Palace Historic Sites & Gardens

23 Adjust Operating Expense

(\$18,961) R

532512 Rent/Lease - Buildings/Office	\$ 3,070
532840 Postage	10,491
532850 Printing	5,050
532912 Other Employee Edu. Exp.	350

House Subcommittee on General Government

(1245) NC Maritime Museum

24 Building Repairs

(\$12,606) R

Reduce funding in line item 532310.

(1250) State Historic Preservation Office

25 Personal Services and Other Costs

(\$20,768) R

Reduce salary and benefits of a Historic Preservation/Restoration Supervisor position (#2604) to 3/4 time, and adjust other items in the budget:

-0.25

531211 SPA - Reg. Salaries	\$ 15,907
531511 Social Security	1,217
531521 Retirement	1,723
532811 Telephone	961
532840 Postage	960

(1290) Western Office

26 Adjust Operating Budget

(\$5,429) R

532714 Transp. - Ground In-State	\$ 1,048
532811 Telephone	500
532850 Printing	500
532942 Other Employee Edu. Exp.	150
533110 General Office Supplies	500
533900 Other Materials and Supplies	500
534511 Office Furniture	310
534522 Equipment - Computers	208
534539 Other Equipment	1,513
535830 Membership Dues/Subscription	200

(1320) Museum of Art

27 Personal Services and Operating Expense

(\$55,338) R

Reduce salary reserve and related benefits for Administrative Assistant I position (#3147), and adjust other line items:

531211 SPA - Reg. Salaries	\$ 8,585
531511 Social Security	656
531521 Reg. Retirement	929
532199 Misc. Contractual Services	25,000
534610 Art and Artifacts	20,168

(1330) NC Arts Council

28 Charlotte Visual Art Project

Funds appropriated to Spirit Square Center for Arts and Education to be allocated to the Visual Arts Organization to establish an artist colony, consisting of working studios and an exhibition gallery. This item is recommended by the House Capital and Budget Subcommittee.

\$1,000,000 NR

House Subcommittee on General Government

29 Penland School of Crafts

Appropriate funds to the school for capital expenses incurred in constructing new iron and letter press studios, student housing facilities, and new maintenance and support services buildings. This item is recommended by the House Capital and Budget Subcommittee. \$500,000 NR

30 United Arts Council of Greensboro

Funding for construction and renovation of facilities and for production costs associated with performing arts programs. This item is recommended by the House Capital and Budget Subcommittee. \$60,000 NR

31 Grassroots Arts Program

Provides one-time increase in continuation budget for grants awarded to local arts councils. \$335,750 NR

(1340) NC Symphony

32 Telephone Service

Reduce funding in line item 532811. (\$4,948) R

(1360) Grants-in-Aid to Arts

33 NC Symphony Grant-Memorial Auditorium

Provide funds as grant-in-aid to the NC Symphony Society for acoustical enhancements. This item is recommended by the House Capital and Budget Subcommittee. \$1,500,000 NR

(1410) State Library Services

34 Personal and Other Services

531312 Temporary Salary \$ 2,562
531512 Social Security 196
534630 Library and Learning Res. Coll. 60,442 (\$63,200) R

35 Services to the Blind and Physically Handicapped

Appropriate funds to continue production of Braille and taped materials, handbooks and newsletters, and volunteer programs due to lost federal resources. \$43,700 R

(1480) Statewide Programs & Grants

36 Continue Reading Services to Children

Funding replaces lost federal resources to operate statewide reading programs for children. \$103,500 R

37 6960 Aid to Counties

Provide additional funds to support grants to public libraries based upon the formula for State-Aid to libraries. \$2,000,000 NR

House Subcommittee on General Government

(1500) NC Museum of History

38 Charlotte Museum of History

Funds appropriated to the Hezekiah Alexander Foundation for capital expenses incurred in providing space for the Charlotte Museum of History. This item is recommended by the House Capital and Budget Subcommittee.

\$500,000 NR

39 Exploris Children's Museum

Provides funding for exhibit, technology, and education program development. This item is recommended by the House Capital and Budget Subcommittee.

\$2,000,000 NR

40 Reduce Various Operating Funds

(\$72,320) R

532199 Misc. Contractual Services	\$ 10,000
532714 Transp. - Ground In-State	2,320
533900 Other Materials and Supplies	10,000
534511 Office Furniture	20,000
534610 Art and Artifacts	20,000
534710 Computer Software	10,000

Budget Changes

(\$277,257) R

\$10,460,750 NR

Total Position Changes

-0.25

Revised Total Budget

\$66,236,509

	Recurring	NonRecurring
Reductions	-424,457	
Increases	147,200	10,460,750

General Assembly

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$34,642,598

Budget Changes

(1900) Reserves and Transfers

41 Reduce Reserves and Transfers Fund

Reduces the General Assembly's Reserve and Transfer Fund.

(\$500,000) NR

Budget Changes

(\$500,000) NR

Total Position Changes

Revised Total Budget

\$34,142,598

Recurring

NonRecurring

Reductions

-500,000

Increases

Governor

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$5,150,352

Budget Changes

(1110) Administration

42 Reduce Various Operating Line items

(\$77,255)

R

Funds are reduced from the Office of the Governor
in various line items including travel, communications, data
processing and printing.

Budget Changes

(\$77,255)

R

Total Position Changes

Revised Total Budget

\$5,073,097

	Recurring	NonRecurring
Reductions	-77,255	
Increases		

Lieutenant Governor

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$609,390

Budget Changes

(1110) General Administration

43 Up-date Computer System

Funds are recommended for the Office of the Lieutenant Governor to up-date the computer system; providing for a data server, hubs, and operating software.

\$25,000 NR
0.00

Budget Changes

\$25,000 NR

Total Position Changes

0.00

Revised Total Budget

\$634,390

Recurring

NonRecurring

Reductions

Increases

25,000

Office of Administrative Hearings

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$2,357,389

Budget Changes

(1100) Administration and Operations

44 Funding for OAH Budget Deficiencies

\$101,358 R

Funding for the day-to-day operations of the office, provide resources for the hiring of temporary law judges when conflicts of interest exist, and to hire temporary hearings assistants. A decrease in federal funds is requested due to the uncertainty in the availability of federal dollars to the OAH from EEOC.

\$0 NR

0.00

a. Office Requirements \$69,358
b. Federal Funds \$32,000
Total \$101,358

45 Hearings Division Clerical Support & ALJ Training

\$54,332 R

Resources are needed to complete an integrated Hearings Program that was authorized in the 1997 Session. Provide funding for one Division clerical assistant and education seminars for Administrative Law Judges.

\$38,880 NR

1.00

46 Reduce Civil Rights Caseload Backlog

\$76,171 R

Provides funding for two positions in the Civil Rights Division to investigate and hear cases of political discrimination. One of the positions is clerical and the other is for a Civil Rights Investigator.

\$6,900 NR

2.00

Budget Changes

\$231,861 R

\$45,780 NR

Total Position Changes

3.00

Revised Total Budget

\$2,635,030

	Recurring	NonRecurring
Reductions		
Increases	231,861	45,780

Office of State Planning

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$1,815,850

Budget Changes

(1410) Administration

46 Reduce Contractual and Communication Services

(\$6,118) R

Funds are reduced from the budget of the Office of State Planning for contractual services and communication.

47 Digital Orthophotography Appropriation

\$266,086 NR

Funding is recommended to participate in a shared plan for the continued development of digital orthophotography in the State. Fifty percent of the image data layer is shared by the National Aerial Photography Program.

(1412) Miscellaneous Contractual Services

48 County Boundary Resurvey Program

\$300,000 NR

Funding is needed for the Geodetic Survey Program to reestablish and monument county boundaries to insure that the boundaries can be identified, preserved, and referenced to the North Carolina State Plane Coordinating System. It will take seven years to re-survey the county boundaries of each county in the State. A portion of the funds will support the survey of a section of the North Carolina/South Carolina boundary. This request is a recommendation of the Joint State Boundary Commission.

Budget Changes

(\$6,118) R

\$566,086 NR

Total Position Changes

Revised Total Budget

\$2,375,818

	Recurring	NonRecurring
Reductions	-6,118	
Increases		566,086

Revenue

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$68,746,867

Budget Changes

(1600) Administration

49 Reduce Contractual Services

Reduce contractual services (532140) in the Planning
Development and Technology (PDT) Division.

(\$326,098) NR

50 Develop New Remittance Processing System

Appropriates initial funding for a Data Capture
Platform which includes replacement of the remittance
processing system to comply with Year 2000 requirements, and
installation of high speed scanners to capture data directly
from tax returns for processing through the Integrated Tax
Administration System (ITAS). Funding also expands existing
Information System staff with four positions: Computer
Training Specialist III, Computer Consultant II, Computer
Consultant IV, and Telecommunications Systems Analyst II.

\$236,548 R
\$10,535,600 NR
4.00

(191A) Statewide Reserves - Availability

51 Reversion of Funds to Administer Fed Retiree Acct

Per Chapter 19, Section 3(b) of the 1996 Session Laws, \$1.2
million was authorized to administer the federal retiree
refund program. Funding was expended from a reserve in the
department's budget: 24710/2002 - Federal Retiree
Administration Account. The balance in the reserve -
\$741,902 - will revert to the General Fund, and the
department will absorb remaining cost in its operating
budget.

\$0 NR

Budget Changes

\$236,548 R

\$10,209,502 NR

Total Position Changes

4.00

Revised Total Budget

\$79,192,917

	Recurring	NonRecurring
Reductions		-326,098
Increases	236,548	10,535,600

Secretary of State

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$5,310,680

Budget Changes

(1110)

52 Cash Management & Support Positions

\$52,624 R

Funds a cash management position to help the Department centralize the cash receipts function and to comply with State policy regarding the timely deposit of State funds. Also funds a clerical support position in the Administration Division.

\$16,250 NR
2.00

(1110) General Administration

53 Technology Enhancement -- Phase II

\$134,385 R

Continues the second year of funding for a two-year technology improvement project to provide new equipment and to update computer systems and applications.

\$650,000 NR
1.00

54 Trademarks/Authentications -- Staff Expansion

\$114,831 R

Funds three additional positions in the Trademarks/Authentications Section to help with training local law enforcement in trademark fraud, to examine and review trademark registration applications, and to issue authentication certificates.

\$29,607 NR
3.00

(1120) Publications Division

55 Publications Division -- Staff Expansion

\$25,162 R

Funds a Mail Clerk II position to assist with the Department's considerable mail flow generated by receipts of checks and the Department's dissemination of corporate documents and other correspondence.

\$12,878 NR
1.00

(1500) Boxing Commission

56 Transfer Boxing Commission to Commerce

(\$202,770) R

Transfer positions, operating support, equipment, property, and other assets of the North Carolina State Boxing Commission to the Department of Commerce. The transfer has all of the elements of a Type 1 transfer as defined by G.S. 143A-6.

-3.00

	FY1998-99
Requirements	\$ 225,870
Receipts	(23,100)
Appropriation	\$ 202,770

Budget Changes	\$124,232	R
	\$708,735	NR
Total Position Changes	4.00	
Revised Total Budget	\$6,143,647	

	Recurring	NonRecurring
Reductions	-202,770	
Increases	327,002	708,735

State Board of Elections

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$2,135,381

Budget Changes

(1100) Administration

57 Computerized Voter Registration System

\$585,000 R

Provides funds for increases in costs associated with implementation and maintenance of the Statewide Elections Information Management System. Cost increases result from Third-Party Quality Assurance requirement, data communications costs, SIPS charges, and software maintenance costs.

\$160,000 NR

Budget Changes

\$585,000 R

\$160,000 NR

Total Position Changes

Revised Total Budget

\$2,880,381

	Recurring	NonRecurring
Reductions		
Increases	585,000	160,000

State Budget and Management

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$10,930,838

Budget Changes

(1022) 1998 Special Appropriations

58 N.C. Humanities Council

Provides a grant to the North Carolina Humanities Council.

\$100,000 NR

(1310) OSBM Operations

59 Reduce Travel, Communications, and Data Processing

(\$59,263) R

Funds are reduced from the budget of the Office of State Budget and Management for travel, communications, and data processing.

60 Operating Support for 1999-01 Budget Preparation

\$160,000 NR

Funds are needed to provide the Office with the necessary equipment, travel, data processing, and printing related to the preparation of the FY 1999-01 budget.

61 Reserve for Welfare Reform

(\$71,034) R

Reduce funds in the Welfare Reform Reserve in the Office of State Budget and Management.

Budget Changes

(\$130,297) R

\$260,000 NR

Total Position Changes

Revised Total Budget

\$11,060,541

	Recurring	NonRecurring
Reductions	-130,297	
Increases		260,000

State Controller

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$10,434,176

Budget Changes

(1000) Departmentwide

62 Delete Assistant State Controller Position

(\$85,012) R

As part of the Span of Control an Assistant State Controller position is eliminated.

-1.00

63 Data Processing Shortfall

One-time funding to cover the FY 98 shortfall in Data Processing (532821) costs to the NCAS.

\$732,000 NR

64 Daily Production Support

Additional funding to continue the level of support necessary for daily production of the NCAS in the following line items:

\$1,500,000 NR

532140	Outside Services	\$ 300,000
532440	Computer Hardware Maintenance	10,000
532441	Computer Software Maintenance	90,000
532522	Lease - Computer Equipment	600,000
532821	Data Processing Costs	500,000

Budget Changes

(\$85,012) R

\$2,232,000 NR

Total Position Changes

-1.00

Revised Total Budget

\$12,581,164

	Recurring	NonRecurring
Reductions	-85,012	
Increases		2,232,000

Treasurer

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$18,872,768

Budget Changes

(1110) General Administration

65 Additional Office Space in Albemarle Building

\$44,000 NR

Authorizes the Secretary of Administration to allocate additional space on the fifth and sixth floors of the Albemarle Building to the Department of the State Treasurer as the space becomes available during the 1998-99 fiscal year. Authorizes the Treasurer to expend up to \$470,750 from departmental receipts for moving to the space on the fifth and sixth floors. Appropriates \$44,000 from the General Fund to the Department of the State Treasurer for expenses associated with moving to the additional space.

Requirements	\$ 514,750
Receipts	470,750
Appropriation	44,000
Non-tax Revenue	44,000

66 Improve Disability Income Plan

\$0

Authorizes the State Treasurer to expend up to \$594,147 from departmental receipts for six additional positions and operating costs contingent upon the passage of House Bill 1669 entitled "Improve Disability Income Plan".

6.00

Requirements	\$ 594,147
Receipts	594,147
Appropriation	-

(1412) & (1413) Firemen and Rescue Squad Workers

67 Firemen's Pension and Rescue Squad Workers Funds

\$369,593 R

Provides funds to increase the monthly allowance to the Firemen's Pension Fund and to the Rescue Squad Workers Fund by five dollars.

House Subcommittee on General Government

Budget Changes	\$369,593	R
	\$44,000	NR
Total Position Changes	6.00	
Revised Total Budget	\$19,286,361	

	Recurring	NonRecurring
Reductions		
Increases	369,593	44,000

Transportation

HIGHWAY FUND

FY 98-99

Total Budget Approved 1997 Session

\$1,144,625,737

Budget Changes

Administration

(0110) Board of Transportation

1 Staff for Board of Transportation	\$500,000	R
Funding for staff for Board of Transportation (HB 1304). Includes director, administrative assistant, and three other professionals.		
	5.00	

(0160) Management Assessment

2 Increase Funds for Security Services	\$33,778	R
Provides additional funding to cover expenses associated with a new card key system. Expenses include cards, software changes to the system, and phone line charges.		

(0220) MIS

3 Increase Payments to SIPS	\$6,000,000	R
Increases payments to SIPS to cover increased computer usage and to pay arrears.		
	\$4,000,000	NR
4 Increase data communications capacity	\$800,000	R
Increases data lines to connect additional systems and provide increased data communications capacity.		
	\$500,000	NR
5 Increase Contract Services for Technical Support	\$1,000,000	R
Provides information systems technical support for DOT users statewide.		
6 Liability Tracking and Enforcement System (LITES)		
Increases budget for software development.		
	\$500,000	NR
7 Hardware and Software for New Requirements	\$500,000	R
Provides funding for routine replacement of backbone computer equipment such as servers and routers. Also provides funding for a database modeling tool to predict and avoid system failures.		

House Subcommittee on Transportation

8 Contract Security for Raney Building

\$65,000 R

Provides 24-hour security for Raney Building which was recently renovated to house the MIS Division. Security services would be contracted.

(0240) General Services

9 Increase Postage

\$710,785 R

Increases funding for postage to cover increased mail volume and increased postal rates.

10 Maintenance Funds for Raney Building

\$109,751 R

Provides funds to maintain the Raney Building, which was recently renovated to house the MIS Division.

1.00

Salaries and Benefits:	\$35,171
Janitorial:	\$41,250
Utilities:	\$21,000
Building Repairs:	\$ 5,000
Uniforms:	\$ 330
Materials and Supplies:	\$ 1,000
Shop Supplies and Tools:	\$ 5,000
Furniture and Equipment:	\$ 1,000

Construction and Maintenance

(5120) Construction, Secondary Roads

11 Technical Adjustment to Secondary Roads Allocation

(\$2,050,000) R

The allocation to secondary roads is determined by statute and is a function of gas tax revenues. Because revised gas tax revenue estimates are below the original forecasts, this technical adjustment should be made to the budget for secondary road allocations. Although the allocation for secondary roads will be less than originally projected for FY 1998-99, it represents an increase over FY 1997-98.

(5240) Maintenance - Contract Resurfacing

12 Increase Funding for Contract Resurfacing

Increases funding for contract resurfacing.

\$22,974,044 NR

(5400) Capital Improvements

13 Provide Funding for Facility Improvements

Funds 15 facility improvement projects around the State.

\$4,070,348 NR

Total Requirements:	\$9,777,398
Total Receipts:	\$5,707,050

Total Appropriation:	\$4,070,348

House Subcommittee on Transportation

(5600) Federally Aided Construction

14 Reduce Funds for Federally Aided Construction

(\$33,153,153) R

Eliminates Highway Fund match for federally aided construction projects. This amount would be replaced by funds transferred from the Highway Trust Fund to the Highway Fund.

(5910) State Aid Municipalities

15 Technical Adjustment to Aid for Municipalities

(\$2,050,000) R

The allocation to municipalities is determined by statute and is a function of gas tax revenues. Because revised gas tax revenue estimates are below the original forecasts, this technical adjustment should be made to the budget for aid to municipalities. Although the allocation for aid to municipalities will be less than originally projected for FY 1998-99, it represents an increase over FY 1997-98.

(5970) Public Transportation

16 Additional Funds for Public Transportation

Increase funding for public transit and rail programs:

\$13,400,000 NR

Public Transit: \$6,700,000
Rail: \$6,700,000

Division of Motor Vehicles

(0520) Vehicle Registration

17 License Plates and Stickers

\$227,044 R

Provides additional funding for license plates and stickers.

18 Hardware and Software for Liability Insurance Sys.

\$5,000 R

Provides computer hardware and software for new liability insurance system.

\$197,596 NR

(0530) Driver Licensing

19 Physician for Medical Evaluation Program

\$93,513 R

Provides funds for additional physician to be hired by Department of Health and Human Services for the Medical Evaluation Program.

(0550) Traffic Records

20 Equipment and Operating Costs for Crash Reporting

\$66,500 R

Provides for computer equipment and operating costs for the Crash Reporting System currently being developed.

\$385,000

Reserves

(6220) Environment and Natural Resources

21 Decrease Statutory Allocation to LUST Trust Fund (\$189,000) R

Allocation to leaking underground storage tanks is determined by statute and is a function of gasoline inspection tax revenues. Because revised gas inspection tax revenue estimates are below the original forecasts, this technical adjustment should be made to the budget for leaking underground storage tank allocations. Although the allocation will be less than originally projected for FY 1998-99, it represents an increase over FY 1997-98.

(6270) Crime Control and Public Safety

22 Correction of Error in Calculating Performance Pay \$2,787,596 R

Provides funding for performance pay increases that were approved in the 1997 Session, but that were not budgeted due to departmental error in calculating benefits.

23 Mobile Data Computers for Highway Patrol Troopers

Provides funding for 234 mobile data computers for highway patrol cars.

\$2,249,812 NR

24 Criminal Justice Information Network

Funds third of four phases for Criminal Justice Information Network. Funds would be used for 38 transmitters in 23 counties, at a cost of \$75,000 per transmitter. Roughly \$500,000 in federal funds would also be provided for Phase 3 of the project.

\$2,406,611 NR

25 Funds for Additional Troopers

Provides partial funding for 40 additional troopers to start December 1. In addition to this increased appropriation, the 40 new positions would be partially funded by \$943,325 in the existing budget of Crime Control and Public Safety generated by reallocation in the Department of 5 positions. The annualized recurring appropriation for this item is \$968,300.

\$403,900 R
\$1,583,295 NR
40.00

(6310) Dept. of Public Instruction

26 Driver Education Program (\$174,861) R

Payments from the Highway Fund to be transferred to the Department of Public Instruction for the Driver Education Program are adjusted down due to revised 9th grade ADM estimates.

(6370) Transfer to Highway Trust Fund

27 Transfer to Highway Trust Fund

Discontinues transfer to Highway Trust Fund of money required by statute. These funds were originally made available from the retirement of Highway Fund bonds. As these bonds were paid off, money equal to the debt service on the bonds was paid to the Highway Trust Fund. The transfer would be discontinued for one year only.

(\$38,000,000) NR

(6610) Employer Retirement Contribution

28 Reduce Retirement Contribution

Savings realized by a reduction of 0.73% in retirement rate contribution due to an actuarial gain.

(\$3,612,248) R

(6801) Legislative Salary Increase

29 Funds for Legislative Increase

Provides funding for a 2% cost of living adjustment, a 1% performance increase, and a 1% bonus for Highway Fund employees.

\$12,000,000 R

\$4,000,000 NR

(6803) DMV Equity Pay Adjustments

30 Reserve for Pay Equity Plan for DMV Enforcement

Provides funds to adjust salaries of DMV Enforcement Officers to achieve equity with respect to other state law enforcement agencies.

\$3,390,708

(6813) Vehicle Seizure Notification

31 Reserve for Notification of Vehicle Seizures

Creates a reserve to fund notification efforts by a state agency when vehicles are seized under HB 1496/SB 1336 (Governor's DWI amendments.)

\$152,614 R

(6814) Wastewater Management

32 Compliance with Stormwater Discharge Permit

Provides funding so that the Department of Transportation can comply with the stormwater discharge permit issued by the Department of Environment and Natural Resources.

\$500,000 R

House Subcommittee on Transportation

Budget Changes	(\$11,883,073)	R
	\$18,266,706	NR
Total Position Changes	46.00	
Revised Total Budget	\$1,151,009,370	

	Recurring	NonRecurring
Reductions	-41,229,262	-38,000,000
Increases	29,346,189	56,266,706

Statewide Reserves

FY 98-99

1 Salary Compensation Reserves		\$343,271,828	R
Public Schools			
Raise Average Teacher Salary	\$192,943,537		
Principals & Asst. Principals	\$ 18,437,996		
Other Public School Employees	\$ 24,552,564		
Subtotal	\$235,934,097		
Community Colleges	\$ 14,641,536		
University Employees			
EPA Employees	\$ 26,948,463		
School of Science & Math	\$ 212,953		
Subtotal	\$ 27,161,416		
SPA Employees			
University SPA Employees	\$ 12,368,250		
Agency & Department SPA	\$ 43,089,837		
Subtotal	\$ 55,458,087		
Other State Employees	\$ 7,912,764		
Agency Teachers	\$ 2,163,928		
2 Reserve for 1% Compensation Bonus		\$43,171,138	NR
3 Reduce Funds for Retirement Rate Adjustment		(\$42,909,070)	R
Due to Actuarial Gains in the Teacher's and State Employees' Retirement System			
4 Reduce Funds for Retirement Rate Adjustment		(\$1,472,800)	R
Due to actuarial gains in the Consolidated Judicial Retirement System			
5 Debt Service		(\$9,661,426)	R
Reduction due to revised requirements for principal and interest payments		(\$4,518,148)	NR
6 Reserve for Juvenile Justice Initiative		\$2,059,329	R
In addition to this Reserve, \$525,000 is committed by special provision from the Repairs and Renovations Reserve Account.		\$3,940,671	NR

House Reserves Report

Total Reserves

\$291,287,861 R

\$42,593,661 NR

Statewide Capital

FY 98-99**Administration****1 Reserve for Land Acquisition**

Funds to purchase land in State Government Complex.

\$500,000 NR

2 Reserve for State Veterans Nursing Home in Salisbury

Completes renovation of facility.

\$1,000,000 NR

Agriculture and Consumer Services**3 Construction of Multi-Purpose Building**

Completes design and site development.

\$5,000,000 NR

4 Cattle and Livestock Exposition Center, Iredell County

Funds for initial construction phase.

\$4,000,000 NR

5 Center for Environmental Farming

Planning and development funds for center at Cherry Hospital farm.

\$600,000 NR

Community Colleges**6 Yadkin County Satellite - Surry County Community College**

\$1,500,000 NR

7 Franklin County Satellite - Vance-Granville Community College

\$1,000,000 NR

8 Blue Ridge Community College

\$2,000,000 NR

9 Center for Applied Textile Technology

Center for Applied Textile Technology Lab and Administration Building construction.

\$2,000,000 NR

Correction

House Capital Report

10 Central Prison-Acute Care Hospital

Design of a new 90-bed facility.

\$2,500,000 NR

Cultural Resources

11 Museum of Art-Expansion and Renovation

Funds for project design.

\$2,400,000 NR

Environment and Natural Resources

12 Construction of County Headquarters

Facilities are to be constructed in Moore and Sampson counties.

\$700,000 NR

13 State Match-Water Resources Projects

Funds for the state share of federal civil works projects

\$7,000,000 NR

14 Channel Widening/Deepening-Wilmington Port

To improve navigation for shipping terminals and industries.

\$4,800,000 NR

15 Land Acquisition-Jocassee Lake-Transylvania County

Purchase land adjacent to Jocassee Lake to be preserved as a park, recreational, and scenic areas.

\$5,000,000 NR

16 Museum of Natural Science Cost Over-run

\$1,000,000 NR

Health and Human Services

17 Eastern School for the Deaf

Construction of 11,000 sq. ft. Independent Living Complex in Wilson.

\$1,040,000 NR

18 Cherry Hospital/Children and Youth Facility

Replace an existing building which no longer meets federal standards.

\$5,000,000 NR

19 New Whitaker School-Planning

Planning funds for replacement of the Whitaker School facility.

\$250,000 NR

20 Eastern Vocational Rehabilitation Facility/Goldsboro

Purchase an existing building for the expansion of the Traumatic Brain Injured Program.

\$300,000 NR

21 Dorothea Dix Hospital

Design of a new Dix Hospital and review of the other hospitals to compare new construction versus redesign costs.

\$2,000,000 NR

State Ports

22 Reserve for Continued Development of State Ports

Continued development of the state ports to be expended in accordance with priority schedule for capital needs as determined by the Ports Authority.

\$6,000,000 NR

University of North Carolina-Board of Governors

23 Land Acquisition

Reserve to acquire land for university campuses as land becomes available.

\$9,000,000 NR

24 UNC - Wilmington

School of Education Building - Planning

\$2,000,000 NR

25 East Carolina University

Science Laboratories and Technology Building-Site Development

\$4,000,000 NR

26 North Carolina Central University

Health and Safety Repairs and Renovations

\$2,000,000 NR

27 UNC-Asheville

Highsmith Center Renovation and Addition-Planning

\$1,000,000 NR

28 UNC-Chapel Hill

Completion of Knapp Building renovation.

\$6,570,600 NR

29 UNC-Charlotte

Academic Facilities-Humanities-Site Development and Construction

\$12,000,000 NR

30 Western Carolina University

Fine and Performing Arts Center-Site Development

\$2,500,000 NR

31 UNC-Public Television

Advanced Planning, Conversion to Digital TV

\$1,100,000 NR

32 North Carolina State University

Upfit and Equip Center for Marine Science and Technology Building

\$2,400,000 NR

33 North Carolina State University

Engineering Instructional Facility-Advanced Planning

\$2,500,000 NR

House Capital Report

34 North Carolina State University

College of Veterinary Medicine - Advance Planning for Main Building Addition

\$2,000,000 NR

35 North Carolina State University

Toxicology Building-Construction

\$13,806,100 NR

36 North Carolina State University

Undergraduate Teaching Laboratories - Phase I

\$4,500,000 NR

37 Appalachian State University

Renovation of Rankin Science Building.

\$6,276,500 NR

38 Technology Infrastructure

Reserve for all sixteen campuses.

\$20,000,000 NR

Total Capital Appropriation

\$147,243,200 NR

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GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

D

SENATE BILL 1366

Appropriations Committee Substitute With Amendments Adopted 6/30/98

Third Edition Engrossed 7/1/98

Proposed House Committee Substitute S1366-PCS2902-LH

Short Title: Appropriations Act of 1998.

(Public)

Sponsors:

Referred to:

May 27, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL
3 IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER
4 CHANGES IN THE BUDGET OPERATION OF THE STATE.

5 The General Assembly of North Carolina enacts:

6

7 PART I. INTRODUCTION AND TITLE OF ACT

8

9 INTRODUCTION

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

16

17 TITLE OF ACT

18

19 Section 1.1. This act shall be known as the "Current Operations

20

21 PART II. CURRENT OPERATIONS/GENERAL FUND

22

23 Section 2. Appropriations from the General Fund of the State for the
24 maintenance of the State departments, institutions, and agencies, and for other
25 purposes as enumerated are made for the fiscal year ending June 30, 1999, according
26 to the schedule that follows. Amounts set out in brackets are reductions from
General Fund appropriations for the 1998-99 fiscal year.

1	<u>Current Operations - General Fund</u>	<u>1998-99</u>
2		
3	General Assembly	\$ (500,000)
4		
5	Judicial Department	10,288,571
6		
7	Office of the Governor	
8	01. Office of the Governor	(77,255)
9	02. Office of State Budget	
10	and Management	129,703
11	03. Office of State Planning	559,968
12	04. Housing Finance Agency	2,000,000
13		
14	Office of the Lieutenant Governor	25,000
15		
16	Department of Secretary of State	832,967
17		
18	Department of State Auditor	1,583,258
19		
20	Department of State Treasurer	413,593
21		
22	Department of Public Education	126,854,583
23		
24	Department of Justice	3,241,460
25		
26	Department of Administration	290,482
27		
28	Department of Agriculture and	
29	Consumer Services	5,337,391
30		
31	Department of Labor	220,000
32		
33	Department of Insurance	-0-
34		
35	Department of Transportation	-
36		
37	Department of Environment and	
38	Natural Resources	3,895,259
39		
40	Office of Administrative Hearings	277,641
41		
42	Rules Review Commission	-
43		
44	Department of Health and Human Services	
45	01. Office of the Secretary	8,828,375
46	02. Division of Aging	8,546,044
47	03. Division of Child Development	(1,131,454)
48	04. Division of Services for the	
49	Deaf and Hard of Hearing	-0-
50	05. Division of Social Services	(14,171,926)
51	06. Division of Health Services	(1,688,000)
52	07. Division of Medical Assistance	(46,433,341)
53	08. Division of Services	

1	for the Blind	-0-
2	09. Division of Mental Health,	
3	Developmental Disabilities, and	
4	Substance Abuse Services	75,072,700
5	10. Division of Facility Services	471,034
6	11. Division of Vocational	
7	Rehabilitation Services	2,200,000
8	12. Division of Youth Services	1,800,000
9	Total Department of Health and Human Services	33,493,432
10		
11	Department of Correction	(21,548,959)
12		
13	Department of Commerce	
14	01. Commerce	8,779,825
15	02. Biotechnology Center	(25,483)
16	03. MCNC	2,000,000
17	04. Rural Economic Development	
18	Center	8,662,338
19	05. State Aid to non-State	
20	Entities	8,941,400
21	06. State Information Processing Services	5,871,630
22		
23	Department of Revenue	10,446,050
24		
25	Department of Cultural Resources	10,183,493
26		
27	Department of Crime Control	
28	and Public Safety	1,572,586
29		
30	Office of the State Controller	2,146,988
31		
32	University of North Carolina - Board	
33	of Governors	
34	01. General Administration	(38,720)
35	02. University Institutional	
36	Programs	40,365,680
37	03. Related Educational Programs	7,177,770
38	04. University of North Carolina	
39	at Chapel Hill	
40	a. Academic Affairs	(665,108)
41	b. Health Affairs	(702,514)
42	c. Area Health Education	
43	Centers	(39,753)
44	05. North Carolina State University	
45	at Raleigh	
46	a. Academic Affairs	(355,191)
47	b. Agricultural Research Service	(42,451)
48	c. Cooperative Extension Service	(33,652)
49	06. University of North Carolina at	
50	Greensboro	(232,914)
51	07. University of North Carolina at	
52	Charlotte	(111,070)
53	08. University of North Carolina at	

1	Asheville	(20,866)
2	09. University of North Carolina at	
3	Wilmington	(40,663)
4	10. East Carolina University	
5	a. Academic Affairs	(191,207)
6	b. Division of Health Affairs	(42,480)
7	11. North Carolina Agricultural and	
8	Technical State University	(51,643)
9	12. Western Carolina University	(70,087)
10	13. Appalachian State University	(151,650)
11	14. The University of North	
12	Carolina at Pembroke	(19,141)
13	15. Winston-Salem State University	(20,759)
14	16. Elizabeth City State	
15	University	(58,252)
16	17. Fayetteville State University	(24,605)
17	18. North Carolina Central	
18	University	(3,525)
19	19. North Carolina School of the	
20	Arts	(12,280)
21	20. North Carolina School of	
22	Science and Mathematics.	(9,897)
23	UNC Hospitals at Chapel Hill	(36,783)
24	Total University of North	
25	Carolina - Board of Governors	44,568,239
26		
27	Department of Community Colleges	32,337,705
28		
29	State Board of Elections	745,000
30		
31	Contingency and Emergency	-
32		
33	Reserve for Compensation Increase	386,442,966
34		
35	Retirement Rate Adjustment	(44,381,870)
36		
37	Reserve for Salary Adjustments	-
38		
39	Debt Service	(14,179,574)
40		
41	Debt Service - Federal	-
42		
43	Postage Reduction	-
44		
45	Reserve for Juvenile Justice Initiatives	6,000,000
46		
47	Reserve for Travel Rate Increase	
48	for State Employees	-0-
49		
50	Reserve for Global TransPark	3,500,000
51		
52	GRAND TOTAL CURRENT OPERATIONS --	
53	GENERAL FUND	\$640,928,387

1 PART III. CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

2 Section 3. Appropriations from the Highway Fund of the State for the
3 maintenance and operation of the Department of Transportation, and for other
4 purposes as enumerated, are made for the fiscal year ending June 30, 1999, according
5 to the schedule that follows. Amounts set out in brackets are reductions from
6 Highway Fund appropriations for the 1998-99 fiscal year.

8 Current Operations - Highway Fund**1998-99****10 Department of Transportation**

11 01. Administration	\$ 14,719,314
12 02. Operations -	
13 03. Construction and Maintenance	
14 a. Construction	
15 (01) Primary Construction	-
16 (02) Secondary Construction	(2,050,000)
17 (03) Urban Construction	-
18 (04) Access and Public	
19 Service Roads	-
20 (05) Discretionary Fund	-
21 (06) Spot Safety Construction	-
22 b. State Funds to Match Federal	
23 Highway Aid	(33,153,153)
24 c. State Maintenance	22,974,044
25 d. Ferry Operations	-
26 e. Capital Improvements	4,070,348
27 f. State Aid to Municipalities	(2,050,000)
28 g. State Aid for Public	
29 Transportation and Railroads	13,400,000
30 h. OSHA - State	-
31 04. Governor's Highway Safety Program	-
32 05. Division of Motor Vehicles	974,653
33 06. Reserves and Transfers	(12,501,573)
34 GRAND TOTAL CURRENT OPERATIONS/	
35 HIGHWAY FUND	\$ 6,383,633

37 PART IV. HIGHWAY TRUST FUND

38 Section 4. Appropriations from the Highway Trust Fund are made for
39 the fiscal year ending June 30, 1999, according to the schedule that follows.
40 Amounts set out in brackets are reductions from Highway Trust Fund appropriations
41 for the 1998-99 fiscal year.

43 Highway Trust Fund**1998-99**

45 01. Intrastate System	(\$ 20,194,558)
46 02. Secondary Roads Construction	(393,452)
47 03. Urban Loops	(8,165,838)
48 04. State Aid - Municipalities	(2,118,880)
49 05. Program Administration	143,380
50 GRAND TOTAL/HIGHWAY TRUST FUND	(\$ 30,729,348)

52 PART V. BLOCK GRANT FUNDS

53 Requested by: Representatives Gardner, Cansler, Clary, Howard, Berry

1 DHHS BLOCK GRANT PROVISIONS

2 Section 5. (a) Appropriations from federal block grant funds are made
3 for the fiscal year ending June 30, 1999, according to the following schedule:

4 COMMUNITY SERVICES BLOCK GRANT

5		
6		
7	01. Community Action Agencies	\$ 11,573,346
8		
9	02. Limited Purpose Agencies	642,964
10		
11	03. Department of Health and Human Services	
12	to administer and monitor	
13	the activities of the	
14	Community Services Block Grant	642,964
15		

16 **TOTAL COMMUNITY SERVICES BLOCK GRANT** \$ 12,859,274

17 SOCIAL SERVICES BLOCK GRANT

18		
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. Transfer to Child Care and Development	
39	Fund Block Grant for child care subsidies	10,971,241
40		
41	09. Division of Vocational Rehabilitation -	
42	United Cerebral Palsy	71,484
43		
44	10. State administration	1,954,237
45		
46	11. Child Medical Evaluation Program	238,321
47		
48	12. Adult day care services	2,255,301
49		
50	13. County departments of social services for	
51	child abuse/prevention and	
52	permanency planning	394,841
53		

1	14.	Transfer to Preventive Health	
2		Services Block Grant for	
3		emergency medical services	213,128
4			
5	15.	Transfer to Preventive Health Services	
6		Block Grant for AIDS education, counseling,	
7		and testing	66,939
8			
9	16.	Department of Administration	
10		for the N.C. Commission of Indian Affairs	
11		In-Home Services Program for the elderly	203,198
12			
13	17.	Division of Vocational Rehabilitation -	
14		Easter Seals Society	116,779
15			
16	18.	UNC-CH CARES Program for training and	
17		consultation services	247,920
18			
19	19.	Allocation to the Adolescent	
20		Pregnancy Prevention Program	239,261
21			
22	20.	Office of the Secretary - Office of Economic	
23		Opportunity for N.C. Senior Citizens'	
24		Federation for outreach services to	
25		low-income elderly persons	41,302
26			
27	21.	County departments of social services	
28		for child welfare improvements	2,211,687
29			
30	22.	Transfer from TANF - Division of	
31		Mental Health, Developmental	
32		Disabilities, and Substance Abuse	
33		Services for juvenile offenders	1,182,280
34			
35	23.	Transfer from TANF - Division of	
36		Mental Health, Developmental	
37		Disabilities, and Substance Abuse	
38		Services for services for	
39		Developmentally Disabled Waiting List	6,000,000
40			
41	24.	Transfer from TANF - Division of Social	
42		Services for Child Caring	
43		Institutions	1,500,000
44			
45	25.	Transfer from TANF - Division of Aging	
46		for Home and Community Care Block Grant	3,853,956
47			
48	TOTAL SOCIAL SERVICES BLOCK GRANT		\$ 75,437,735
49			
50	LOW-INCOME ENERGY BLOCK GRANT		
51			
52	01.	Energy Assistance Programs	\$ 6,350,240
53			

1	02. Crisis Intervention	6,461,000
2		
3	03. Administration	1,443,572
4		
5	04. Department of Commerce -	
6	Weatherization Program	4,171,960
7		
8	05. Department of Administration -	
9	N.C. Commission of Indian Affairs	33,228
10		
11	TOTAL LOW-INCOME ENERGY BLOCK GRANT	\$ 18,460,000
12		
13	MENTAL HEALTH SERVICES BLOCK GRANT	
14		
15	01. Provision of community-based	
16	services in accordance with the	
17	Mental Health Study Commission's	
18	Adult Severe and Persistently	
19	Mentally Ill Plan	\$ 3,794,179
20		
21	02. Provision of community-based	
22	services in accordance with the	
23	Mental Health Study Commission's	
24	Child Mental Health Plan	1,819,931
25		
26	03. Administration	624,231
27		
28	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$ 6,238,341
29		
30	SUBSTANCE ABUSE PREVENTION	
31	AND TREATMENT BLOCK GRANT	
32		
33	01. Provision of community-based	
34	alcohol and drug abuse services,	
35	tuberculosis services, and services	
36	provided by the Alcohol, Drug Abuse	
37	Treatment Centers	\$ 11,502,939
38		
39	02. Continuation of services for	
40	pregnant women and women	
41	with dependent children	5,065,766
42		
43	03. Continuation and expansion of	
44	services to IV drug users and others	
45	at risk for HIV	4,843,456
46		
47	04. Provision of services in accordance with	
48	the Mental Health Study Commission's	
49	Child and Adolescent Alcohol and Other	
50	Drug Abuse Plan	5,964,093
51		
52	05. Services for former SSI recipients	1,123,757
53		

1	06. Services for Work First recipients	893,811
2		
3	07. Juvenile offender services and substance	
4	abuse pilot	300,000
5		
6	08. Administration	2,171,228
7		
8	TOTAL SUBSTANCE ABUSE PREVENTION	
9	AND TREATMENT BLOCK GRANT	\$ 31,865,050
10		
11	CHILD CARE AND DEVELOPMENT BLOCK GRANT	
12		
13	01. Before and After School Child Care Programs	
14	and Early Childhood Development Programs	\$845,598
15		
16	02. Quality improvement activities	752,281
17		
18	TOTAL CHILD CARE AND DEVELOPMENT	
19	BLOCK GRANT	\$ 1,597,879
20		
21	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	
22		
23	01. Child care subsidies	\$108,625,251
24		
25	02. Quality and availability initiatives	4,774,736
26		
27	03. Administrative expenses	5,968,420
28		
29	04. Transfer from TANF Block Grant for	
30	child care subsidies	5,599,759
31		
32	05. Transfer from TANF Block Grant for	
33	three child care centers at	
34	community colleges	500,000
35		
36	TOTAL CHILD CARE AND DEVELOPMENT FUND	
37	BLOCK GRANT	\$125,468,166
38		
39	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	
40	(TANF) BLOCK GRANT	
41		
42	01. Work First Cash Assistance:	
43	Standard Counties	\$160,230,540
44		
45	02. Work First Cash Assistance/	
46	Flexible Funds:	
47	Electing Counties	55,678,913
48		
49	03. Transfer to Child Care and Development Fund	
50	Block Grant for three child care centers	
51	at community colleges	500,000
52		
53	04. Work First County Block Grants	

1	for child care, transportation, and other	
2	related TANF activities and support	
3	at county discretion	129,869,482
4		
5	05. Transfer to the Child Care and	
6	Development Fund Block Grant	
7	for child care subsidies	5,599,759
8		
9	06. Allocation to the Division of Mental	
10	Health, Developmental Disabilities, and	
11	Substance Abuse Services for Work First	
12	substance abuse support services	
13	and drug testing	2,000,000
14		
15	07. Allocation to the Division of Social	
16	Services for evaluation	400,000
17		
18	08. Allocation to the Division of Social	
19	Services for State and county	
20	staff development	500,000
21		
22	09. Reduction of out-of-wedlock births	1,600,000
23		
24	10. Allocation to the Division of Mental	
25	Health, Developmental Disabilities, and	
26	Substance Abuse Services for screening,	
27	diagnostic, and counseling services	
28	related to substance abuse services	
29	for Work First participants	2,300,000
30		
31	11. Transfer to the Social Services Block Grant	
32	for substance abuse services for juveniles	1,182,280
33		
34	12. Transfer to the Social Services Block Grant	
35	to establish the Special Children	
36	Adoption Fund	300,000
37		
38	13. Department of Commerce -	
39	First Stop/Employment Security Commission	1,100,000
40		
41	14. Allocation to Division of Mental Health,	
42	Developmental Disabilities, and Substance	
43	Abuse Services for Enhanced	
44	Employee Assistance Program	1,000,000
45		
46	15. Allocation for Employment Security	
47	Commission for the Labor Market	
48	and Common Follow Up Systems and	
49	the NC WORKS Study	500,000
50		
51	16. Transfer to Social Services Block Grant	11,353,956
52		
53	TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	

1	(TANF) BLOCK GRANT	\$374,114,930
2		
3	MATERNAL AND CHILD HEALTH BLOCK GRANT	
4		
5	01. Healthy Mother/Healthy Children	
6	Block Grants to Local Health	
7	Departments	\$ 9,838,074
8		
9	02. High Risk Maternity Clinic Services,	
10	Perinatal Education and Training,	
11	Childhood Injury Prevention,	
12	Public Information and Education, and	
13	Technical Assistance to Local Health	
14	Departments	1,722,869
15		
16	03. Services to Children With Special Health	
17	Care Needs	4,969,002
18		
19	TOTAL MATERNAL AND CHILD	
20	HEALTH BLOCK GRANT	\$ 16,529,945
21		
22	PREVENTIVE HEALTH SERVICES BLOCK GRANT	
23		
24	01. Transfer from Social Services	
25	Block Grant -	
26	Emergency Medical Services	\$ 213,128
27		
28	02. Hypertension and Statewide	
29	Health Promotion Programs	3,320,637
30		
31	03. Dental Health for Fluoridation	
32	of Water Supplies	213,308
33		
34	04. Rape Prevention and Rape	
35	Crisis Programs	190,134
36		
37	05. Rape Prevention and Rape Education	1,144,957
38		
39	06. Transfer from Social Services	
40	Block Grant -	
41	AIDS/HIV Education, Counseling,	
42	and Testing	66,939
43		
44	07. Office of Minority Health and	
45	Minority Health Council	177,442
46		
47	08. Administrative and Indirect Cost	207,210
48		
49	TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	\$ 5,533,755
50		
51	(b) Decreases in Federal Fund Availability -	
52	Decreases in federal fund availability in all block grants except the TANF Block	
53	Grant, the Social Services Block Grant, the Maternal and Child Health Block Grant,	

1 and the Preventive Health Services Block Grant shall be reduced as follows: if federal
2 funds are reduced below the amounts specified above after the effective date of this
3 act, then every program in each of the federal block grants listed above shall be
4 reduced by equal percentages to total the reduction in federal funds.

5 Decreases in federal fund availability in the Social Services Block Grant
6 shall be allocated as follows: if funds are decreased by less than ten percent (10%) of
7 the amounts appropriated in this section, then every program shall be reduced by
8 equal percentages of the total reduction in federal funds for the block grant. If funds
9 are decreased by ten percent (10%) or more of the amounts appropriated in this
10 section, then the Department of Health and Human Services shall allocate these
11 decreases giving priority first to those direct services mandated by State law, then to
12 those programs providing direct services that have demonstrated effectiveness in
13 meeting the federally mandated services goals established for the Social Services
14 Block Grant. The Department shall ensure that reductions in block grant funds
15 allocated for State administration shall be subject to all reductions. The Department
16 shall not include transfers from TANF in any calculations of reductions to the Social
17 Services Block Grant.

18 The Department of Health and Human Services shall cooperate with all
19 other State and local agencies and public and private entities (i) that are impacted by
20 the Social Services Block Grant and (ii) that will be affected by future reductions in
21 the Social Services Block Grant in the preparation of a State/local report, setting out
22 concrete plans for dealing with future cuts in the Social Services Block Grant. The
23 Department shall present this report to the members of the Senate Appropriations
24 Committee on Human Resources and the House of Representatives Appropriations
25 Subcommittee on Human Resources within a week of the convening of the 1999
26 General Assembly.

27 If the United States Congress reduces the amount of TANF funds below
28 the amounts specified above after the effective date of this act, then the Department
29 shall reduce every item in the TANF Block Grant section listed above by equal
30 percentages to the total reduction in federal funds. Any TANF funds appropriated
31 by the United States Congress in addition to the funds specified in this act shall not
32 be expended until appropriated by the General Assembly. Any TANF Block Grant
33 fund changes shall be reported to the members of the Senate Appropriations
34 Committee on Human Resources and the House of Representatives Appropriations
35 Subcommittee on Human Resources and to the Fiscal Research Division.

36 Decreases in federal fund availability shall be allocated for the Maternal
37 and Child Health and Preventive Health Services federal block grant as follows: if
38 federal funds are reduced less than ten percent (10%) below the amounts specified
39 above after the effective date of this act, then every program in the Maternal and
40 Child Health and in the Preventive Health Services Block Grants shall be reduced by
41 the same percentage as the reduction in federal funds. If federal funds are reduced by
42 ten percent (10%) or more below the amounts specified above after the effective date
43 of this act, then for the Maternal and Child Health and the Preventive Health
44 Services Block Grants the Department of Health and Human Services shall allocate
45 the decrease in funds after considering the effectiveness of the current level of
46 services.

47 (c) Increases in Federal Fund Availability -

48 Any increases in the Community Services Block Grant and the Low-Income Energy
49 Block Grant Funds Grant shall be expended as follows: any block grant funds
50 appropriated by the United States Congress in addition to the funds specified in this
51 act shall be expended by the Department of Health and Human Services, provided
52 that the resultant increases are in accordance with federal block grant requirements,

1 by allocating the additional funds for direct services only among the programs funded
2 in this section.

3 Any increases in block grant funds appropriated by the United States
4 Congress and any other additional Social Services Block Grant funds in addition to
5 the funds specified in this act shall be expended by the Department of Health and
6 Human Services, provided the resultant increases are in accordance with federal
7 block grant requirements, as follows:

8 (1) Fifty percent (50%) of the funds shall be allocated to the county
9 departments of social services for mandatory services; and

10 (2) The remaining fifty percent (50%) shall be allocated for direct
11 services only among the programs funded in this section.

12 The Child Care and Development Fund Block Grant funds appropriated
13 by the United States Congress in addition to the funds specified in this act shall be
14 expended by the Department of Health and Human Services, provided the resultant
15 increases are in accordance with federal block grant requirements and are within the
16 scope of the block grant plan approved by the General Assembly.

17 Any block grant funds appropriated by the Congress of the United States
18 for the Maternal and Child Health Block Grant and the Preventive Health Services
19 Block Grant in addition to the funds specified in this act shall be expended as
20 follows:

21 (1) For the Maternal and Child Health Block Grant -- Thirty percent
22 (30%) of these additional funds shall be allocated to services for
23 children with special health care needs and seventy percent (70%)
24 shall be allocated to local health departments to assist in the
25 reduction of infant mortality.

26 (2) For the Preventive Health Services Block Grant -- These
27 additional funds may be budgeted by the Department, with the
28 approval of the Office of State Budget and Management, after
29 considering the effectiveness of the current level of services and
30 the effectiveness of services to be funded by the increase, provided
31 the resultant increases are in accordance with federal block grant
32 requirements and are within the scope of the block grant plan
33 approved by the General Assembly.

34 (d) Changes to the budgeted allocations to the block grants appropriated
35 in this act due to decreases or increases in federal funds shall be reported to the
36 members of the Senate Appropriations Committee on Human Resources and the
37 House of Representatives Appropriations Subcommittee on Human Resources and to
38 the Fiscal Research Division.

39 (e) Limitations on Preventive Health Services Block Grant Funds

40 Twenty-five percent (25%) of funds allocated for Rape Prevention and
41 Rape Education shall be allocated as grants to nonprofit organizations to provide
42 rape prevention and education programs targeted for middle, junior high, and high
43 school students.

44 If federal funds are received under the Maternal and Child Health Block
45 Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42
46 U.S.C. § 710), for the 1998-99 fiscal year, then those funds shall be transferred to the
47 State Board of Education to be administered by the Department of Public Instruction.
48 The Department shall use the funds to establish an Abstinence Until Marriage
49 Education Program and shall delegate to one or more persons the responsibility of
50 implementing the program and G.S. 115C-81(e1)(4). The Department shall carefully
51 and strictly follow federal guidelines in implementing and administering the
52 abstinence education grant funds.

(g) The sum of one million three hundred thousand dollars (\$1,300,000) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, 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 and supervisor positions created effective 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 and supervisors 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.

(h) The sum of nine hundred eleven thousand six hundred eighty-seven dollars (\$911,687) appropriated in this section in (i) the Social Services Block Grant and (ii) in the TANF Block Grant transferred to the Social Services Block Grant to the Department of Health and Human Services, Special Children Adoption Fund, 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 Health and Human Services, 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 for adoption of children described in G.S. 108A-50 and in foster care. No local match shall be required as a condition for receipt of these funds.

The Department of Health and Human Services, Division of Social Services, shall evaluate the cost-effectiveness of county departments of social services and licensed public and private adoption agencies in placing children who are in the custody of the department of social services and report the results of this evaluation by May 1, 1999, to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources.

(i) The sum of six million dollars (\$6,000,000) appropriated in the TANF Block Grant in this section and transferred to the Social Services Block Grant to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services, for services for the Developmentally Disabled waiting list shall be used for the 1998-99 fiscal year to provide person-centered and family support services to developmentally disabled individuals who are not eligible for regular Medicaid or the Medicaid Community Alternative Program for Mentally Retarded/Developmentally Disabled persons and who are on the Department's waiting list for services.

(j) The sum of one million five hundred thousand dollars (\$1,500,000) appropriated in this act in the TANF Block Grant and transferred to the Social Services Block Grant for the Division of Social Services for Child Caring Institutions for the 1998-99 fiscal year shall be allocated to the following private nonprofit child-caring agencies as State Private Child Caring Institution Grant-in-Aid:

- (1) Agape House, Inc. (McDowell County)
- (2) Ashe Youth Services, Inc. (Ashe County)
- (3) Haven House, Inc. (Wake County)
- (4) Phoenix Group Homes, Inc. (Burke County)
- (5) Rutherford Youth Services (Rutherford County)
- (6) Watauga - Avery Youth Services, Inc. (Watauga County)
- (7) Wilkes County Group Homes, Inc. (Wilkes County)
- (8) Ebenezer Gardens Christian Childrens Home (Wilkes County)

- 1 (9) Emergency Child Care Homes of Iredell County, Inc. (Iredell
- 2 County)
- 3 (10) Family Center, Inc. (Mecklenburg County)
- 4 (11) LifeGains, Inc. (Burke County)
- 5 (12) Mountain Youth Resources, Inc. (Jackson County)
- 6 (13) The Presbyterian Home for Children, of Black Mountain, North
- 7 Carolina (Buncombe County)
- 8 (14) Rainbow Center for Wilkes, Inc. (Wilkes County)
- 9 (15) Volunteer Families for Children of NC, Inc. (Wake County)
- 10 (16) Youth Focus, Inc. (Guilford County)
- 11 (17) Youth Opportunities, Incorporated (Forsyth County)
- 12 (18) Youth Unlimited, Inc. (Guilford County).

13 Funds allocated under this section shall be used to provide
14 reimbursement for the State portion of the cost of care for the placement of certain
15 children by the county department of social services who are not eligible for IV-E or
16 other federal subsidies. Funds allocated under this subsection shall be combined with
17 all other funds allocated to the State Private Child Caring Institution Grant-in-Aid
18 Fund for payment to private child-caring institutions for the provision of care and
19 services, and the 18 agencies named in this subsection shall be added to the list of
20 agencies eligible to share proportionately in the child-caring institution grant-in-aid
21 funds in accordance with rules adopted by the Social Services Commission pertaining
22 to payments of grants-in-aid to private child-caring institutions. Any future request
23 for child-caring institution grant-in-aid to the 18 private child-caring agencies
24 designated in this subsection shall be submitted as part of the requests of other
25 eligible private child-caring institutions according to the rules adopted by the Social
26 Services Commission pertaining to payments of grants-in-aid to private child-caring
27 institutions.

28 (k) The sum of three million eight hundred fifty-three thousand nine
29 hundred fifty-six dollars (\$3,853,956) appropriated in this section in the TANF Block
30 Grant and transferred to the Social Services Block Grant for the Division of Aging
31 for the Home and Community Care Block Grant in fiscal year 1998-99 shall be
32 allocated via the Home and Community Care Block Grant for home and community
33 care services for older people who are not eligible for Medicaid and who are on the
34 waiting list for these services. These funds shall be used only for direct services.
35 Service recipients shall pay for services based on their income in accordance with
36 G.S. 143B-181.1(a)(10).

37 (l) If funds appropriated through the Child Care and Development
38 Fund, which includes the Child Care and Development Block Grant, for any
39 program cannot be obligated or spent in that program within the obligation or
40 liquidation periods allowed by the federal grants, the Department may move funds to
41 other programs, in accordance with federal requirements of the grant, in order to use
42 the federal funds fully.

43 (m) Notwithstanding the amounts specified in this section for the
44 components of the Temporary Assistance for Needy Families (TANF) Block Grant,
45 the Department may expend TANF Block Grant funds during the first quarter of the
46 1998-99 fiscal year for the same purposes for which those funds were expended
47 during the last quarter of the fiscal year ending June 30, 1998.

48 (n) The sum of one million dollars (\$1,000,000) appropriated in this
49 section in the TANF Block Grant to the Department of Health and Human Services,
50 Division of Mental Health, Developmental Disabilities, and Substance Abuse
51 Services, shall be used for the Enhanced Employee Assistance Program, to implement
52 a grant program of financial incentives for private businesses employing former and
53 current Work First recipients. These grants may supply funds to private employers

1 who agree to hire former or current Work First recipients or their spouses at entry
2 level positions and wages and to supply enhanced grant funds to private employers
3 who agree to hire former or current Work First recipients or their spouses at a level
4 higher than entry level positions, paying more than the minimum wage, including
5 fringe benefits. The Department of Health and Human Services shall report on the
6 use of these funds to the Senate Appropriations Committee on Human Resources and
7 the House of Representatives Appropriations Subcommittee on Human Resources
8 and to the Fiscal Research Division by April 1, 1999.

9 (o) The sum of five hundred thousand dollars (\$500,000) appropriated in
10 the TANF Block Grant in this section and transferred to the Child Care and
11 Development Fund Block Grant for three child care centers at community colleges
12 shall be used to continue the establishment of the three model child care programs
13 begun during the 1997-98 fiscal year. Any of these funds remaining after the
14 completed establishment of these three model programs shall be used to establish no
15 more than three additional model programs across the State. The Department of
16 Health and Human Services shall report on the use of these funds to the Senate
17 Appropriations Committee on Human Resources and the House of Representatives
18 Appropriations Subcommittee on Human Resources and to the Fiscal Research
19 Division by April 1, 1999.

20 (p) The funds appropriated in the TANF Block Grant and allocated to
21 counties as Work First County Block Grants may be (i) used directly to fund Work
22 First recipients' child care and (ii) transferred to the State's Child Care and
23 Development Fund Block Grant for child care subsidies.

24 (q) It is the intent of the General Assembly to promote State and local
25 activities that facilitate the success of the Work First Program and assist Work First
26 recipients and families in attaining self-sufficiency. It is the policy of the General
27 Assembly that the Department of Health and Human Services allow maximum
28 flexibility in the Work First Program while ensuring that counties comply with federal
29 and State law, regulations, and rules and meet the overall goals of the Work First
30 Program, including federal work participation rates. The General Assembly strongly
31 encourages counties to allocate the flexible Work First County Block Grant funds
32 made available to them through the TANF Block Grant appropriated in this section
33 for child care services needed to ensure continued success of welfare reform.

34 (r) The sum of eight hundred ninety-three thousand eight hundred eleven
35 dollars (\$893,811) appropriated in the Substance Abuse Prevention and Treatment
36 Block Grant in this section for services for Work First recipients shall be allocated to
37 TROSA Therapeutic Community, FIRST Therapeutic Community, when these
38 programs become licensed by the State, and other related licensed substance abuse
39 services for start-up and support costs for Work First recipients and their families.

40
41 Requested by: Representatives Mitchell, Baker, Carpenter
42 **NER BLOCK GRANT FUNDS**

43 Section 5.1. (a) Appropriations from federal block grant funds are made
44 for the fiscal year ending June 30, 1999, according to the following schedule:

45
46 **COMMUNITY DEVELOPMENT BLOCK GRANT**

47		
48	01. State Administration	\$ 980,000
49		
50	02. Urgent Needs and Contingency	1,277,400
51		
52	03. Community Empowerment	2,767,700
53		

1	04. Economic Development	8,516,000
2		
3	05. Community Revitalization	28,528,600
4		
5	06. State Technical Assistance	440,000
6		
7	07. Housing Development	1,490,300
8		
9	TOTAL COMMUNITY DEVELOPMENT	
10	BLOCK GRANT - 1999 Program Year	\$ 44,000,000

11
12 (b) Decreases in Federal Fund Availability
13 Decreases in federal fund availability for the Community Development
14 Block Grants -- If federal funds are reduced below the amounts specified above after
15 the effective date of this act, then every program in each of these federal block grants
16 shall be reduced by the same percentage as the reduction in federal funds.

17 (c) Increases in Federal Fund Availability for Community Development
18 Block Grant

19 Any block grant funds appropriated by the Congress of the United States
20 in addition to the funds specified in this section shall be expended as follows: -- Each
21 program category under the Community Development Block Grant shall be increased
22 by the same percentage as the increase in federal funds.

23 (d) Limitations on Community Development Block Grant Funds -- Of
24 the funds appropriated in this section for the Community Development Block Grant,
25 the following shall be allocated in each category for each program year: up to nine
26 hundred thousand dollars (\$900,000) may be used for State administration; up to one
27 million two hundred seventy-seven thousand four hundred dollars (\$1,277,400) may
28 be used for Urgent Needs and Contingency; up to two million seven hundred sixty-
29 seven thousand seven hundred dollars (\$2,767,700) may be used for Community
30 Empowerment; up to eight million five hundred sixteen thousand dollars (\$8,516,000)
31 may be used for Economic Development; not less than twenty-eight million five
32 hundred twenty-eight thousand six hundred dollars (\$28,528,600) shall be used for
33 Community Revitalization; up to four hundred forty thousand dollars (\$440,000) may
34 be used for State Technical Assistance; up to one million four hundred ninety
35 thousand three hundred dollars (\$1,490,300) may be used for Housing Development.
36 If federal block grant funds are reduced or increased by the Congress of the United
37 States after the effective date of this act, then these reductions or increases shall be
38 allocated in accordance with subsection (b) or (c) of this section, as applicable.

39 (e) Scattered Sites Program Improvements -- The Department shall
40 implement improvements to the system for distributing Scattered Sites awards in the
41 Community Revitalization category to maximize funding opportunities. The
42 Department shall make changes in the funding cycle for Scattered Sites projects, shall
43 reduce the cap on grants for these projects to three hundred fifty thousand dollars
44 (\$350,000), and shall increase funding allocations by up to fifteen percent (15%) to
45 address outhouses and other critical on-site water/wastewater needs. The Department
46 may adopt temporary rules to implement these changes.

47
48 **PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY STATEMENTS**
49 **GENERAL FUND AVAILABILITY STATEMENTS**

50
51 Section 6. The General Fund and availability used in developing the
52 1998-99 budget is shown below:

53 (\$ Millions)

1	01.	Composition of the 1998-99 beginning availability:	
2	a.	Revenue collections unaddressed in 1997-98	\$ 121.5
3	b.	Revenue collections in 1997-98 in excess of	
4		authorized estimates	531.1
5	c.	Unexpended appropriations during 1997-98 (reversions)	100.0
6	d.	Adjustment for Emergency Appro./Yr. 2000 Conversion	(20.5)
7	e.	Transfer of overcollections to the Reserve for	
8		Bailey/Emory/Patton Case Refunds	(400.0)
9		Beginning Credit Balance	332.1
10			
11	02.	Earmarked Transfers from Credit Balance:	
12	a.	Transfer to Savings Reserve	(21.6)
13	b.	Transfer for Reserve for Repairs & Renovations	(145.0)
14	c.	Transfer to Clean Water Management Reserve	(30.0)
15		Total Transfers	(196.6)
16			
17	03.	Beginning Unrestricted Fund Balance	135.5
18			
19	04.	Revenues Based on Existing Tax Structure:	
20	a.	Tax Revenues Originally Projected	11,547.7
21		Additional Projected Tax Revenue	235.9
22		Total Tax Revenues	11,783.6
23	b.	Tax Changes:	
24	01.	SB 1092:	
25	(a)	Personal Income Tax Exemption	(56.1)
26	(b)	Food Tax Repeal Effective Oct. 1	(122.8)
27	(c)	Inheritance Tax Repeal	(-)
28	(d)	Homestead Exemption	(-)
29	02.	S.L. 1998-22 No Tax on Gas Cities	(1.3)
30	03.	HB 74 Long-Term Care	(13.3)
31	04.	HB 1318 Limit Nonresident Withholding	(7.0)
32	05.	HB 1326 Update IRC Ref./Conform Gift Tax	(13.1)
33	06.	HB 1367 Sales Tax Changes	(3.3)
34	07.	HB 1422 Make Credits Constitutional	(.6)
35	08.	SB 1569 Economic Opportunities Act of 1998	(2.2)
36	09.	Repeal Income Tax on Retired Gov't. Emp. (Bailey Case)	(128.6)
37	10.	Continue Earmarked Refund for Federal Retirees	(35.5)
38		Total Tax Changes	(383.8)
39			
40	c.	Non-Tax Revenues	472.4
41		Additional Non-Tax Revenue:	
42		Treasurer's Banking Division	0.1
43		Disaster Relief Fund Reversion	1.0
44		DHHS-Certificate of Need Fees	1.5
45		Fed. Retiree Refund Program-Administration	0.7
46		Intangibles Tax Reserve Balance	7.4
47		Fed. Retiree Refund Reserve Balance	9.7
48		Transfer from Insurance Regulatory Fund	.5
49		Total Non-Tax Revenues	493.3
50			
51	d.	Disproportionate Share Receipts	85.0
52		1997-98 Reserved DSH Receipts	35.4
53		Total DSH Receipts	120.4

1	e. Highway Trust Fund Transfer	170.0
2	f. Highway Fund Sales Tax Transfer	13.4
3		
4	TOTAL GENERAL FUND AVAILABILITY	\$ 12,332.4
5		
6	TOTAL 1998-99 APPROPRIATIONS	
7	BY 1997 AND 1998 EXTRA SESSION	\$ 11,547.6
8		
9	REMAINING GENERAL FUND AVAILABILITY	\$ 784.8

10 11 **HIGHWAY FUND AVAILABILITY**

12 Section 6.1. The Highway Fund appropriations availability used in
13 developing modifications to the 1998-99 Highway Fund budget contained in this act is
14 shown below:

15		
16		1998-99
17	Beginning Credit Balance	\$ 5,159,370
18	Estimated Revenue	1,224,263
19	TOTAL HIGHWAY FUND AVAILABILITY	\$ 6,383,633

20 21 **PART VII. GENERAL PROVISIONS**

22 Requested by: Representatives Holmes, Esposito, Creech, Crawford

23 **NATURAL DISASTER ASSISTANCE**

24 Section 7.1. Of the unencumbered funds remaining in the Reserve for
25 Disaster Relief for the 1997-98 fiscal year, the sum of one million dollars (\$1,000,000)
26 shall revert to the General Fund on July 1, 1998. The balance shall remain available
27 for disaster relief including natural disasters caused by flooding, wind or tornado
28 damage, rockslides, blizzards, drought, hurricanes, and forest fires. The balance may
29 also be used to match federal funds or any other funds that may be made available
30 for disaster relief.

31 Requested by: Representative Davis

32 33 **FEDERAL AND FOUNDATION FUNDS CLEARLY SHOWN**

34 Section 7.2. G.S. 143-16.1 reads as rewritten:

35 **"§ 143-16.1. Federal and foundation funds.**

36 (a) All federal and foundation funds shall be expended and reported in
37 accordance with provisions of the Executive Budget Act, except as otherwise
38 provided by law. Proposed budgets recommended to the General Assembly by the
39 Governor and Advisory Budget Commission shall include information concerning the
40 federal and foundation expenditures in State agencies, departments and institutions in
41 the same manner as State funds. Each budgetary category shall show the total
42 received and anticipated State, federal, and foundation expenditures, along with a
43 description of the purpose for which the federal and foundation funds will be spent at
44 the program level. For the purpose of this section, 'federal and foundation funds' are
45 any financial assistance made to a State agency by the United States government or a
46 private foundation, whether a loan, grant, subsidy, augmentation, reimbursement, or
47 any other form. The Director of the Budget may adopt rules and regulations
48 establishing uniform planning, budgeting and fiscal procedures, not inconsistent with
49 federal law, that ensure that all federal funds shall be expended in a standardized
50 manner. The function of the Advisory Budget Commission under this section applies
51 only if the Director of the Budget consults with the Commission in preparation of the
52 budget.

(b) The Secretary of each State agency that receives and administers federal Block Grant funds shall prepare and submit the agency's Block Grant plans to the Fiscal Research Division of the General Assembly not later than April 20 of each fiscal year. The agency shall submit a separate Block Grant plan for each Block Grant received and administered by the agency, and each plan shall include, but not be limited to, the following:

(1) A delineation of the proposed dollar amount allocations by activity and by category, including dollar amounts to be used for administrative costs; and

(2) A comparison of the proposed funding with two prior years' program budgets.

The Director of the Budget shall review for accuracy, consistency, and uniformity each State agency's Block Grant plans prior to submission of the plans to the General Assembly."

PART VIII. RESERVES

Requested by: Representatives Holmes, Esposito, Creech, Crawford

BAILEY/EMORY/PATTON CASES REFUNDS RESERVE

Section 8. There is established in the Office of State Treasurer a Reserve Fund for the Bailey/Emory/Patton Cases Refunds.

There is transferred from General Fund overcollections for the 1997-98 fiscal year to the Office of State Treasurer, Reserve for the Bailey/Emory/Patton Cases Refunds, the sum of four hundred million dollars (\$400,000,000). These funds shall be held in reserve and allocated pursuant to the Consent Order entered in the Bailey/Emory/Patton cases, 92 CVS 10221, 94 CVS 06904, 95 CVS 06625, 95 CVS 08230, 98 CVS 00738, and 95 CVS 04346, in Wake County Superior Court on 10 June 1998.

Requested by: Representatives Holmes, Esposito, Creech, Crawford

JUVENILE JUSTICE RESERVE/JUVENILE JUSTICE INFORMATION SYSTEM/REORGANIZATION PLAN FOR THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS

Section 8.1. (a) There is established in the Office of State Budget and Management a reserve fund entitled the "Juvenile Justice Reserve Fund" to provide funds to implement recommendations of the Governor's Commission on Juvenile Crime and Justice. There is appropriated in Section 2 of this act from the General Fund to the Office of State Budget and Management the sum of six million dollars (\$6,000,000) for the 1998-99 fiscal year for the Juvenile Justice Reserve Fund. The Director of the Budget shall allocate funds from the Juvenile Justice Reserve Fund as follows:

- (1) \$750,000 nonrecurring to the Department of Health and Human Services to plan and design 208 additional training school beds and support facilities.
- (2) \$726,666 recurring and \$21,000 nonrecurring to the Department of Health and Human Services to make 32 beds at Umstead Detention Center permanent effective October 1, 1998.
- (3) \$985,165 recurring and \$383,919 nonrecurring to the Administrative Office of the Courts for court counselors and support staff (22 court counselors, effective December 1, 1998; 50 court counselors, 3 court counselor supervisors, and 10 juvenile court secretaries, effective April 1, 1999, and June 1, 1999).

- 1 (4) \$1,400,000 nonrecurring to the Department of Health and Human
2 Services to expand the Community-Based Alternatives Program.
- 3 (5) \$700,000 nonrecurring to the Department of Health and Human
4 Services to construct a new modular Eckerd Wilderness Camp.
- 5 (6) \$100,000 recurring to the Judicial Department to provide funds to
6 lease field monitoring units for electronic house arrest.
- 7 (7) \$200,000 recurring and \$575,996 nonrecurring to the Department
8 of Justice for the juvenile justice information system to provide one
9 project coordinator and two business systems analysts effective
10 October 1, 1998, and contractual funds to develop the scope and
11 design of the system.
- 12 (8) \$47,498 recurring and \$109,756 nonrecurring to the Judicial
13 Department for the North Carolina Sentencing and Policy
14 Advisory Commission to provide one research analyst to support
15 juvenile data collection needs and to contract for assistance with
16 data collection and update of the juvenile population simulation
17 model.
- 18 (b) The Director of the Budget shall allocate the sum of five hundred
19 twenty-five thousand dollars (\$525,000) for the 1998-99 fiscal year from the Repairs
20 and Renovation Reserve Account established in G.S. 143-15.3A to the Department of
21 Health and Human Services to plan and design the renovation of three 24-bed
22 detention centers at Department of Correction GPAC units.
- 23 (c) If North Carolina receives Juvenile Accountability Incentive Block
24 Grants, or a notice of funds to be awarded, the Office of State Budget and
25 Management and the Governor's Crime Commission of the Department of Crime
26 Control and Public Safety shall report to the Appropriations Committees of the
27 House of Representatives and the Senate and to the Joint Legislative Commission on
28 Governmental Operations prior to allocation of these funds. The report shall identify
29 the amount of funds to be received for the 1998-99 fiscal year, the amount of funds
30 anticipated for the 1999-2000 fiscal year, and the allocation of funds by program and
31 purpose.
- 32 (d) The Department of Health and Human Services shall report to the
33 Joint Legislative Commission on Governmental Operations prior to finalizing site
34 selection for training school beds and detention beds authorized pursuant to this
35 section.
- 36 (e) The Criminal Justice Information Network Governing Board of the
37 Department of Justice shall develop a juvenile justice information plan. The plan
38 shall ensure that the information system will enable the State to evaluate the
39 efficiency and effectiveness of the overall juvenile justice system as well as to monitor
40 and evaluate the progress of individual clients and shall specify the:
- 41 (1) Scope and purpose of the system;
42 (2) Management information that will be collected and tracked;
43 (3) General design of the system;
44 (4) Estimates of the short- and long-range cost of the system and the
45 potential sources and amounts of federal funding; and
46 (5) Estimated time required to develop the system.
- 47 The plan shall include priorities for system development, implementation,
48 and options, including cost estimates for phasing in components of the system. In
49 developing the plan, the Criminal Justice Information Network Governing Board
50 shall consult with the Information Resources Management Commission on the design
51 and estimated cost of the system. The Board shall also consult with the Sentencing
52 and Policy Advisory Commission and with all agencies likely to be part of or need
53 access to the juvenile justice information system.

1 Prior to expending more than the sum of six hundred thousand dollars
2 (\$600,000) from the Juvenile Justice Reserve Fund for the juvenile justice information
3 system, the Department of Justice shall submit the plan to the Appropriations
4 Committees of the House of Representatives and the Senate. In the report, the
5 Information Resources Management Commission shall comment on the design and
6 estimated cost of the plan.

7 (f) The Governor, in consultation with the Department of Health and
8 Human Services, the Administrative Office of the Courts, and the Department of
9 Crime Control and Public Safety, shall develop a plan of reorganization to transfer all
10 authority, powers, duties, and functions of the Division of Youth Services of the
11 Department of Health and Human Services and of the Division of Juvenile Services
12 of the Administrative Office of the Courts to the Department of Crime Control and
13 Public Safety ("Department"). The plan shall include a proposed budget for the new
14 division or divisions of the Department and shall specify that:

- 15 (1) The transfer of the authority, powers, duties, and functions of the
16 Division of Youth Services and the Division of Juvenile Services to
17 the Department shall occur as if by a Type I Transfer as defined in
18 G.S. 143A-6 and shall include a transfer of all records, personnel,
19 property, and budgeting and purchasing functions and powers.
- 20 (2) Institutions operated by the Division of Youth Services and
21 administered by the Department of Health and Human Services
22 and the present central office of the Division, including land,
23 buildings, equipment, supplies, personnel, or other properties
24 rented or controlled by the Division, shall be administered by the
25 Department.
- 26 (3) Institutions operated by the Division of Juvenile Services and
27 administered by the Administrative Office of the Courts and the
28 present central office of the Division, including land, buildings,
29 equipment, supplies, personnel, or other properties rented or
30 controlled by the Division, shall be administered by the
31 Department.
- 32 (4) The transfer of the Division of Youth Services of the Department
33 of Health and Human Services and of the Division of Juvenile
34 Services of the Administrative Office of the Courts to the
35 Department shall become effective July 1, 1999.

36 In developing the plan of reorganization, the Governor shall also review
37 all agency divisions, councils, and programs that provide services to and treatment of
38 juveniles, including other divisions of the Department of Health and Human Services,
39 the Center for the Prevention of School Violence, School Resource Officers, and the
40 Guardian ad Litem Program of the Administrative Office of the Courts, to determine
41 whether the agency divisions, councils, or programs would operate more effectively
42 and efficiently if consolidated within the Department under the plan of
43 reorganization.

44 Prior to the transfer of any funds, personnel, equipment, or supplies
45 within the Department of Health and Human Services from the Division of Youth
46 Services during the 1998-99 fiscal year, as may be authorized by other provisions of
47 law, the Department of Health and Human Services shall report the proposed
48 transfer to the Joint Legislative Commission on Governmental Operations. Prior to
49 the transfer of any funds, personnel, equipment, or supplies within the Administrative
50 Office of the Courts from the Division of Juvenile Services during the 1998-99 fiscal
51 year, as may be authorized by other provisions of law, the Administrative Office of
52 the Courts shall report the proposed transfer to the Joint Legislative Commission on
53 Governmental Operations.

On or before April 1, 1999, the Governor shall report the plan of reorganization, including any legislative proposals and funding requirements that are required to implement the plan of reorganization, to the General Assembly. The plan of reorganization developed pursuant to this subsection shall not become effective until it is approved by the General Assembly.

PART IX. PUBLIC SCHOOLS

Requested by: Representatives Arnold, Grady, Preston

ALLOCATIONS FOR PUBLIC SCHOOLS

Section 9. There is allocated from unexpended 1997-98 General Fund appropriations the sum of fifty-five million twenty-seven thousand six hundred eighty dollars (\$55,027,680) which shall not revert and shall be used as follows:

- (1) \$17,118,003 to fulfill the State's obligations to public school employees who qualified for performance bonuses for the 1997-98 school year under the ABC's of Public Education Program;
- (2) \$9,010,274 to fulfill the State's obligations to public school teachers who qualified for longevity payments for the 1997-98 school year;
- (3) \$24,199,403 to permit the State Board of Education to order school buses needed for the 1998-99 school year; and
- (4) \$4,700,000 for the State School Technology Fund to provide additional school technology funds prior to the beginning of the 1998-99 school year.

Requested by: Representatives Arnold, Grady, Preston

TEACHER SALARY SCHEDULES

Section 9.1. (a) Effective for the 1998-99 school year, the Director of the Budget may transfer from the Reserve for Compensation Increase for the 1998-99 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 July 1, 1998, 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 1998-99 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.

1998-99 Monthly Salary Schedule "A" Teachers

Years of Experience	"A" Teachers	NBPTS Certification
0	2,310	N/A
1	2,352	N/A
2	2,395	N/A
3	2,551	2,857

1	4	2,678	2,999
2	5	2,779	3,112
3	6	2,826	3,165
4	7	2,874	3,218
5	8	2,923	3,273
6	9	2,972	3,328
7	10	3,021	3,383
8	11	3,071	3,439
9	12	3,123	3,497
10	13	3,176	3,557
11	14	3,230	3,617
12	15	3,285	3,679
13	16	3,341	3,741
14	17	3,398	3,805
15	18	3,456	3,870
16	19	3,516	3,937
17	20	3,577	4,006
18	21	3,640	4,076
19	22	3,703	4,147
20	23	3,767	4,219
21	24	3,832	4,291
22	25	3,899	4,366
23	26	3,968	4,444
24	27	4,038	4,522
25	28	4,109	4,602
26	29+	4,182	4,683

1998-99 Monthly Salary Schedule
"G" Teachers

Years of Experience	"G" Teachers	NBPTS Certification
0	2,454	N/A
1	2,499	N/A
2	2,545	N/A
3	2,710	3,035
4	2,845	3,186
5	2,953	3,307
6	3,003	3,363
7	3,054	3,420
8	3,106	3,478
9	3,158	3,536
10	3,210	3,595
11	3,263	3,654
12	3,318	3,716
13	3,375	3,780
14	3,432	3,843
15	3,490	3,908
16	3,550	3,976
17	3,610	4,043
18	3,672	4,112
19	3,736	4,184

1	20	3,801	4,257
2	21	3,868	4,332
3	22	3,934	4,406
4	23	4,002	4,482
5	24	4,072	4,560
6	25	4,143	4,640
7	26	4,216	4,721
8	27	4,290	4,804
9	28	4,366	4,889
10	29 +	4,443	4,976

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

(c) Effective for the 1998-99 school year, the first step of the salary schedule for school psychologists shall be equivalent to Step 5, corresponding to five years of experience, on the salary schedule established in this section for certified personnel of the public schools who are classified as "G" teachers. Certified psychologists shall be placed on the salary schedule at an appropriate step based on their years of experience. Certified psychologists shall receive longevity payments based on years of State service in the same manner as teachers.

Certified psychologists 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 psychologists. Certified psychologists 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 certified psychologists.

(d) Effective for the 1998-99 school year, speech pathologists who are certified as speech pathologists at the masters degree level and audiologists who are certified as audiologists at the masters degree level and who are employed in the public schools as speech and language specialists and audiologists shall be paid on the school psychologist salary schedule.

Speech pathologists and audiologists 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 speech pathologists and audiologists. Speech pathologists and audiologists 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 speech pathologists and audiologists.

(e) The State Board of Education shall study the current salary schedules for nurses and other allied health professionals. The State Board shall report to the Joint Legislative Education Oversight Committee prior to December 15, 1998, on the results of its study and on any recommended modifications to the current salary schedules.

1 Requested by: Representatives Arnold, Grady, Preston

2 **FUNDS TO IMPLEMENT THE ABC'S OF PUBLIC EDUCATION PROGRAM**

3 Section 9.2. Section 8.36 of S.L. 1997-443 reads as rewritten:

4 "Section 8.36. (a) Of the funds appropriated to State Aid to Local School
5 Administrative Units, the State Board of Education ~~may use up to seventy-two~~
6 ~~million four hundred thousand dollars (\$72,400,000) for the 1997-98 fiscal year to~~
7 shall provide incentive funding for schools that meet or exceed the projected levels
8 of improvement in student performance, in accordance with the ABC's of Public
9 Education Program. In accordance with State Board of Education policy, incentive
10 awards in schools that achieve higher than expected improvements may be up to: (i)
11 one thousand five hundred dollars (\$1,500) for each teacher and for certified
12 personnel; and (ii) five hundred dollars (\$500.00) for each teacher assistant. In
13 accordance with State Board of Education policy, incentive awards in schools that
14 meet the expected improvements may be up to: (i) seven hundred fifty dollars
15 (\$750.00) for each teacher and for certified personnel; and (ii) three hundred seventy-
16 five dollars (\$375.00) for each teacher assistant.

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

19

20 Requested by: Representatives Arnold, Grady, Preston

21 **STATE BOARD STUDY MENTOR TEACHERS**

22 Section 9.3. The State Board of Education may use funds for the mentor
23 program to evaluate the program. The State Board shall report the results of its
24 evaluation to the Joint Legislative Education Oversight Committee prior to March 5,
25 2000.

26

27 Requested by: Representatives Arnold, Grady, Preston

28 **AID TO LOW-PERFORMING AND AT-RISK SCHOOLS**

29 Section 9.4. (a) Funds appropriated for the 1998-99 fiscal year for aid to
30 low-performing and at-risk schools shall be used to provide services to:

- 31 (1) Elementary schools at which fifty percent (50%) of the students are
32 below grade level on previous year's end-of-grade test, during the
33 1997-98 school year or the 1998-99 school year;
- 34 (2) Middle schools at which fifty percent (50%) of the students in the
35 sixth grade were below grade level on their end-of-grade fifth
36 grade tests during the 1997-98 school year or the 1998-99 school
37 year; and
- 38 (3) The five percent (5%) of high schools in the State that have the
39 lowest composite scores on the ABC's accountability measures.

40 (b) Funds for salary-related items in the amounts of twelve million four
41 hundred five thousand five hundred sixty-one dollars (\$12,405,561) in recurring funds
42 and three million one hundred sixty thousand four hundred fifty-four dollars
43 (\$3,160,454) in nonrecurring funds shall be used as follows:

- 44 (1) Up to fifteen percent (15%) of the nonrecurring funds on a
45 statewide basis may be used for salary supplements for teachers
46 assigned to local assessment teams.
- 47 (2) The remainder of the funds shall be used for extra pay for extra
48 duties for teachers for such activities as Saturday academies and
49 after-school tutoring, for professional development, and for
50 additional days of work outside of the 220 paid days in the school
51 calendar. These days should be cooperatively planned by the
52 principal and the faculty.

1 These funds shall be allocated by the State Board based on additional teacher days
2 based on average daily membership of the school.

3 The Director of the Budget is encouraged to include these funds in the
4 continuation budget for the 1999-2001 fiscal biennium.

5 (c) Funds for nonsalary items in the amount of one million two hundred
6 fifteen thousand four hundred sixty-six dollars (\$1,215,466) shall be used only for staff
7 development costs, and for textbooks, instructional supplies, materials, and
8 equipment.

9 (d) The principal of a low-performing or at-risk school, in consultation
10 with the faculty and the site-based management team, shall develop an initial plan for
11 improving the school. The plan shall include whole-staff training. The plan shall be
12 submitted to the local superintendent and approved by the local board prior to
13 submission to the State Board of Education. The plan shall be revised annually.

14 The plan shall be reviewed and accepted or rejected by the State Board
15 of Education within 30 days after receipt of the plan. The State Board may delegate
16 to the State Superintendent the responsibility for accepting or rejecting the plan.

17 The local board shall receive the money for each school for which a plan
18 is approved. The local board shall receive for each school for which a plan is
19 approved a minimum of ten thousand dollars (\$10,000) from the funds in subsection
20 (c) of this section; the remainder of these funds shall be allocated on the basis of
21 average daily membership.

22 (e) The State Board of Education is encouraged to use federal funds
23 such as Goals 2000 and Comprehensive School Reform Demonstration Grants to
24 assist low-performing and at-risk schools.

25 (f) Funds allocated in subsections (b) and (c) of this section shall revert
26 on August 31, 1999.

27 (g) The State Board of Education shall report to the Joint Legislative
28 Education Oversight Committee prior to December 15, 1998, on the plans and on the
29 use of funds for Aid to Low-Performing and At-Risk Schools.

30
31 Requested by: Representatives Arnold, Grady, Preston
32 **ABC'S HIGH SCHOOL ACCOUNTABILITY MODEL**

33 Section 9.5. The State Board of Education shall continue its efforts to
34 improve the standards for determining whether high schools meet or exceed their
35 projected levels of improvement in student performance in accordance with the
36 ABC's of Public Education Program. The General Assembly urges the State Board
37 to consider including in the standards (i) a measurement of improvement in
38 individual students' performance, (ii) dropout rates, and (iii) a measurement of
39 student enrollment and achievement in courses required for graduation, advanced
40 placement courses, or other upper level courses.

41
42 Requested by: Representatives Arnold, Grady, Preston
43 **SCHOOL-BASED ADMINISTRATOR SALARIES**

44 Section 9.6. (a) Funds appropriated to the Reserve for Compensation
45 Increase shall be used for the implementation of the salary schedule for school-based
46 administrators as provided in this section. These funds shall be used for State-paid
47 employees only.

48 (b) The salary schedule for school-based administrators shall apply only
49 to principals and assistant principals. The salary schedule for the 1998-99 fiscal year,
50 commencing July 1, 1998, is as follows:

Assistant Principals				Principal I		
Step	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
51						
52						
53						

1							
2							
3	4	\$2,873	\$2,902	\$2,930	--	--	--
4	5	2,983	3,013	3,043	--	--	--
5	6	3,033	3,063	3,094	--	--	--
6	7	3,085	3,116	3,147	--	--	--
7	8	3,137	3,168	3,200	\$3,137	\$3,168	\$3,200
8	9	3,190	3,222	3,254	3,190	3,222	3,254
9	10	3,242	3,274	3,307	3,242	3,274	3,307
10	11	3,296	3,329	3,362	3,296	3,329	3,362
11	12	3,351	3,385	3,418	3,351	3,385	3,418
12	13	3,409	3,443	3,477	3,409	3,443	3,477
13	14	3,466	3,501	3,535	3,466	3,501	3,535
14	15	3,525	3,560	3,596	3,525	3,560	3,596
15	16	3,586	3,622	3,658	3,586	3,622	3,658
16	17	3,646	3,682	3,719	3,646	3,682	3,719
17	18	3,709	3,746	3,783	3,709	3,746	3,783
18	19	3,773	3,811	3,848	3,773	3,811	3,848
19	20	3,839	3,877	3,916	3,839	3,877	3,916
20	21	3,907	3,946	3,985	3,907	3,946	3,985
21	22	3,973	4,013	4,052	3,973	4,013	4,052
22	23	4,042	4,082	4,123	4,042	4,082	4,123
23	24	4,113	4,154	4,195	4,113	4,154	4,195
24	25	4,184	4,226	4,268	4,184	4,226	4,268
25	26	4,258	4,301	4,343	4,258	4,301	4,343
26	27	4,333	4,376	4,420	4,333	4,376	4,420
27	28	4,410	4,454	4,498	4,410	4,454	4,498
28	29	4,487	4,532	4,577	4,487	4,532	4,577
29	30	4,577	4,623	4,669	4,577	4,623	4,669
30	31	4,669	4,716	4,762	4,669	4,716	4,762
31	32	--	--	--	4,762	4,810	4,857
32							
33							
34	Step	Base	Principal II Base + 1%	Base + 2%	Base	Principal III Base + 1%	Base + 2%
35							
36							
37	4	--	--	--	--	--	--
38	5	--	--	--	--	--	--
39	6	--	--	--	--	--	--
40	7	--	--	--	--	--	--
41	8	--	--	--	--	--	--
42	9	--	--	--	--	--	--
43	10	\$3,296	\$3,329	\$3,362	--	--	--
44	11	3,351	3,385	3,418	--	--	--
45	12	3,409	3,443	3,477	\$3,466	\$3,501	\$3,535
46	13	3,466	3,501	3,535	3,525	3,560	3,596
47	14	3,525	3,560	3,596	3,586	3,622	3,658
48	15	3,586	3,622	3,658	3,646	3,682	3,719
49	16	3,646	3,682	3,719	3,709	3,746	3,783
50	17	3,709	3,746	3,783	3,773	3,811	3,848
51	18	3,773	3,811	3,848	3,839	3,877	3,916
52	19	3,839	3,877	3,916	3,907	3,946	3,985
53	20	3,907	3,946	3,985	3,973	4,013	4,052

1	21	3,973	4,013	4,052	4,042	4,082	4,123
2	22	4,042	4,082	4,123	4,113	4,154	4,195
3	23	4,113	4,154	4,195	4,184	4,226	4,268
4	24	4,184	4,226	4,268	4,258	4,301	4,343
5	25	4,258	4,301	4,343	4,333	4,376	4,420
6	26	4,333	4,376	4,420	4,410	4,454	4,498
7	27	4,410	4,454	4,498	4,487	4,532	4,577
8	28	4,487	4,532	4,577	4,577	4,623	4,669
9	29	4,577	4,623	4,669	4,669	4,716	4,762
10	30	4,669	4,716	4,762	4,762	4,810	4,857
11	31	4,762	4,810	4,857	4,857	4,906	4,954
12	32	4,857	4,906	4,954	4,954	5,004	5,053
13	33	4,954	5,004	5,053	5,053	5,104	5,154
14	34	5,053	5,104	5,154	5,154	5,206	5,257
15	35	--	--	--	5,257	5,310	5,362
16	36	--	--	--	5,362	5,416	5,469
17							
18		Principal IV			Principal V		
19	Step	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
20							
21							
22	4	--	--	--	--	--	--
23	5	--	--	--	--	--	--
24	6	--	--	--	--	--	--
25	7	--	--	--	--	--	--
26	8	--	--	--	--	--	--
27	9	--	--	--	--	--	--
28	10	--	--	--	--	--	--
29	11	--	--	--	--	--	--
30	12	--	--	--	--	--	--
31	13	\$3,586	\$3,622	\$3,658	--	--	--
32	14	3,646	3,682	3,719	\$3,709	\$3,746	\$3,783
33	15	3,709	3,746	3,783	3,773	3,811	3,848
34	16	3,773	3,811	3,848	3,839	3,877	3,916
35	17	3,839	3,877	3,916	3,907	3,946	3,985
36	18	3,907	3,946	3,985	3,973	4,013	4,052
37	19	3,973	4,013	4,052	4,042	4,082	4,123
38	20	4,042	4,082	4,123	4,113	4,154	4,195
39	21	4,113	4,154	4,195	4,184	4,226	4,268
40	22	4,184	4,226	4,268	4,258	4,301	4,343
41	23	4,258	4,301	4,343	4,333	4,376	4,420
42	24	4,333	4,376	4,420	4,410	4,454	4,498
43	25	4,410	4,454	4,498	4,487	4,532	4,577
44	26	4,487	4,532	4,577	4,577	4,623	4,669
45	27	4,577	4,623	4,669	4,669	4,716	4,762
46	28	4,669	4,716	4,762	4,762	4,810	4,857
47	29	4,762	4,810	4,857	4,857	4,906	4,954
48	30	4,857	4,906	4,954	4,954	5,004	5,053
49	31	4,954	5,004	5,053	5,053	5,104	5,154
50	32	5,053	5,104	5,154	5,154	5,206	5,257
51	33	5,154	5,206	5,257	5,257	5,310	5,362
52	34	5,257	5,310	5,362	5,362	5,416	5,469
53	35	5,362	5,416	5,469	5,469	5,524	5,578

1	36	5,469	5,524	5,578	5,578	5,634	5,690
2	37	5,578	5,634	5,690	5,689	5,746	5,803
3	38	--	--	--	5,803	5,861	5,919
4	39	--	--	--	--	--	--
5	40	--	--	--	--	--	--
6	41	--	--	--	--	--	--
7							
8							
9	Step	Base	Principal VI Base + 1%	Base + 2%	Base	Principal VII Base + 1%	Base + 2%
10							
11							
12	4	--	--	--	--	--	--
13	5	--	--	--	--	--	--
14	6	--	--	--	--	--	--
15	7	--	--	--	--	--	--
16	8	--	--	--	--	--	--
17	9	--	--	--	--	--	--
18	10	--	--	--	--	--	--
19	11	--	--	--	--	--	--
20	12	--	--	--	--	--	--
21	13	--	--	--	--	--	--
22	14	--	--	--	--	--	--
23	15	--	--	--	--	--	--
24	16	\$3,907	\$3,946	\$3,985	--	--	--
25	17	3,973	4,013	4,052	\$4,113	\$4,154	\$4,195
26	18	4,042	4,082	4,123	4,184	4,226	4,268
27	19	4,113	4,154	4,195	4,258	4,301	4,343
28	20	4,184	4,226	4,268	4,333	4,376	4,420
29	21	4,258	4,301	4,343	4,410	4,454	4,498
30	22	4,333	4,376	4,420	4,487	4,532	4,577
31	23	4,410	4,454	4,498	4,577	4,623	4,669
32	24	4,487	4,532	4,577	4,669	4,716	4,762
33	25	4,577	4,623	4,669	4,762	4,810	4,857
34	26	4,669	4,716	4,762	4,857	4,906	4,954
35	27	4,762	4,810	4,857	4,954	5,004	5,053
36	28	4,857	4,906	4,954	5,053	5,104	5,154
37	29	4,954	5,004	5,053	5,154	5,206	5,257
38	30	5,053	5,104	5,154	5,257	5,310	5,362
39	31	5,154	5,206	5,257	5,362	5,416	5,469
40	32	5,257	5,310	5,362	5,469	5,524	5,578
41	33	5,362	5,416	5,469	5,578	5,634	5,690
42	34	5,469	5,524	5,578	5,689	5,746	5,803
43	35	5,578	5,634	5,690	5,803	5,861	5,919
44	36	5,689	5,746	5,803	5,920	5,979	6,038
45	37	5,803	5,861	5,919	6,038	6,098	6,159
46	38	5,920	5,979	6,038	6,159	6,221	6,282
47	39	6,038	6,098	6,159	6,282	6,345	6,408
48	40	6,159	6,221	6,282	6,407	6,471	6,535
49	41	--	--	--	6,536	6,601	6,667
50							
51							
52	Step	Base	Principal VIII Base + 1%	Base + 2%			
53							

1				
2	4	--	--	--
3	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	18	\$4,258	\$4,301	\$4,343
17	19	4,333	4,376	4,420
18	20	4,410	4,454	4,498
19	21	4,487	4,532	4,577
20	22	4,577	4,623	4,669
21	23	4,669	4,716	4,762
22	24	4,762	4,810	4,857
23	25	4,857	4,906	4,954
24	26	4,954	5,004	5,053
25	27	5,053	5,104	5,154
26	28	5,154	5,206	5,257
27	29	5,257	5,310	5,362
28	30	5,362	5,416	5,469
29	31	5,469	5,524	5,578
30	32	5,578	5,634	5,690
31	33	5,689	5,746	5,803
32	34	5,803	5,861	5,919
33	35	5,920	5,979	6,038
34	36	6,038	6,098	6,159
35	37	6,159	6,221	6,282
36	38	6,282	6,345	6,408
37	39	6,407	6,471	6,535
38	40	6,536	6,601	6,667
39	41	6,667	6,734	6,800

(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
44		
45	Assistant Principal	
46	Principal I	Fewer than 11 Teachers
47	Principal II	11-21 Teachers
48	Principal III	22-32 Teachers
49	Principal IV	33-43 Teachers
50	Principal V	44-54 Teachers
51	Principal VI	55-65 Teachers
52	Principal VII	66-100 Teachers
53		

Principal VIII

More than 100 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.

The beginning classification for principals in alternative schools shall be the Principal III level. Principals in alternative schools who supervise 33 or more teachers shall be classified according to 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 1998-99 fiscal year, a principal or assistant principal shall be placed on the appropriate step plus one percent (1%) if:

(1) The employee's school met or exceeded the projected levels of improvement in student performance for the 1997-98 fiscal year, in accordance with the ABCs of Public Education Program; or

(2) The local board of education found in 1997-98 that the employee's school met objectively measurable goals set by the local board of education for maintaining a safe and orderly school.

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

(f) For the 1998-99 fiscal year, a principal or assistant principal shall receive a lump-sum payment of:

(1) One percent (1%) of his or her State-paid salary if the employee's school meets or exceeds the projected levels of improvement in student performance for the 1998-99 fiscal year, in accordance with the ABCs of Public Education Program; or

(2) One percent (1%) of his or her State-paid salary if the local board of education finds that the employee's school has met the goals of the local plan for maintaining a safe and orderly school.

The principal or assistant principal shall receive a lump-sum payment of two percent (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied.

The lump sum shall be paid as determined by guidelines adopted by the State Board. Placement on the salary schedule in the following year shall be based upon these increases.

(g) 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.

(h) 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.

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

(j)(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.

- (2) If a principal is reassigned to a lower job classification because the principal is transferred to a school within a local school administrative unit with a smaller 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 lower job classification.

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

- (k) Participants in an approved full-time masters in school administration program shall receive up to a 10-month stipend at the beginning salary of an assistant principal during the internship period of the masters program. Certification of eligible full-time interns shall be supplied to the Department of Public Instruction by the Principal's Fellow Program or a school of education where the intern participates in a full-time masters in school administration.

Requested by: Representatives Arnold, Grady, Preston

PRINCIPAL SALARY STUDIES

Section 9.7. Section 8.43(d) of S.L. 1997-443 reads as rewritten:

"(d) The State Board of Education may use up to fifty thousand dollars (\$50,000) of funds appropriated by this act to State Aid to Local School Administrative Units for the ~~1997-98~~ 1998-99 fiscal year to study principals' salaries ~~including the~~ including:

- (1) The relationship of principals' salaries to the salaries of teachers and other certified school personnel; personnel;
- (2) Whether the current relationship between the teacher and principal salary schedules should be increased to a three percent (3%) differential;
- (3) Whether assistant principals should be given additional steps for years of experience; and
- (4) The appropriate relationship of principal's salary to size of school.

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

Requested by: Representatives Arnold, Grady, Preston

COMMUNITIES IN SCHOOLS FUNDS/DO NOT REVERT

Section 9.8. Section 13(b) of S.L. 1998-23 reads as rewritten:

"(b) This section becomes effective June 30, 1998, and ~~expires when the Current Operations Appropriations and Capital Improvement Appropriations Act of 1998 becomes a law: 1998.~~"

[SECTIONS 9.9, 9.10 RESERVED]

Requested by: Representatives Arnold, Grady, Preston

LITIGATION RESERVE

Section 9.11. (a) Section 14 of S.L. 1998-23 reads as rewritten:

1 "Section 14. (a) Funds in the State Board of Education's Litigation Reserve that
2 are not expended or encumbered on June 30, 1998, shall not revert on July 1, 1998,
3 but shall remain available for expenditure until ~~the Current Operations~~
4 ~~Appropriations and Capital Improvement Appropriations Act of 1998 becomes a law.~~
5 June 30, 1999.

6 (b) Subsection (a) of this section becomes effective June 30, 1998, and expires
7 ~~when the Current Operations Appropriations and Capital Improvement~~
8 ~~Appropriations Act of 1998 becomes a law.~~ 1998."

9 (b) The State Board of Education may expend up to five hundred
10 thousand dollars (\$500,000) for the 1998-99 fiscal year from unexpended funds for
11 certified employees' salaries to pay expenses related to pending litigation.

12
13 Requested by: Representatives Arnold, Grady, Preston

14 **EXCEPTIONAL CHILDREN FUNDS**

15 Section 9.12. (a) The funds appropriated for exceptional children in this
16 act shall be allocated as follows:

17 (1) Each local school administrative unit shall receive for academically
18 gifted children the sum of seven hundred forty-six dollars and
19 ninety-five cents (\$746.95) per child for four percent (4%) of the
20 1998-99 allocated average daily membership in the local school
21 administrative unit, regardless of the number of children identified
22 as academically gifted in the local school administrative unit. The
23 total number of children for which funds shall be allocated
24 pursuant to this subdivision is 49,828 for the 1998-99 school year.

25 (2) Each local school administrative unit shall receive for exceptional
26 children other than academically gifted children the sum of two
27 thousand two hundred forty-eight dollars and thirty-nine cents
28 (\$2,248.39) per child for the lesser of (i) all children who are
29 identified as exceptional children other than academically gifted
30 children or (ii) twelve and five-tenths percent (12.5%) of the 1998-
31 99 allocated average daily membership in the local school
32 administrative unit. The maximum number of children for which
33 funds shall be allocated pursuant to this subdivision is 147,334 for
34 the 1998-99 school year.

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

38 (b) To the extent that funds appropriated for exceptional children other
39 than academically gifted children are adequate to do so, the State Board of Education
40 may allocate the excess of these funds to provide services for severely disabled
41 children in school units and in group homes.

42
43 Requested by: Representatives Arnold, Grady, Preston

44 **ALTERNATIVE SCHOOLS/AT-RISK STUDENTS**

45 Section 9.13. The State Board of Education may use up to two hundred
46 thousand dollars (\$200,000) of the funds in the Alternative Schools/At-Risk Student
47 allotment for the 1998-99 fiscal year to implement G.S. 115C-12(24) and to conduct
48 studies of alternative schools.

49
50 Requested by: Representatives Arnold, Grady, Preston

51 **CHARTER SCHOOLS-1**

52 Section 9.14. (a) G.S. 115C-238.29F(d) reads as rewritten:

53 "(d) Instructional Program. --

- 1 (1) The school shall provide instruction each year for at least 180 days.
2 (2) The school shall design its programs to at least meet the student
3 performance standards adopted by the State Board of Education
4 and the student performance standards contained in the charter.
5 (3) A charter school shall ~~conduct the student assessments required for~~
6 ~~charter schools by the State Board of Education.~~ administer the
7 tests adopted by the State Board of Education under G.S. 115C-
8 174.11 that are used to implement the School-Based Management
9 and Accountability Program in other public schools.
10 (4) The school shall comply with policies adopted by the State Board
11 of Education for charter schools relating to the education of
12 children with special needs.
13 (5) The school is subject to and shall comply with Article 27 of
14 Chapter 115C of the General Statutes, except that a charter school
15 may also exclude a student from the charter school and return that
16 student to another school in the local school administrative unit in
17 accordance with the terms of its charter."
18 (b) G.S. 115C-238.29G(a) reads as rewritten:
19 "(a) The State Board of Education, or a chartering entity subject to the approval
20 of the State Board of Education, may terminate or not renew a charter upon any of
21 the following grounds:
22 (1) Failure to meet the requirements for student performance
23 contained in the ~~charter~~; charter or to meet the requirements for
24 student testing contained in G.S. 115C-238.29F(d)(3).
25 (2) Failure to meet generally accepted standards of fiscal management;
26 (3) Violations of law;
27 (4) Material violation of any of the conditions, standards, or
28 procedures set forth in the charter;
29 (5) Two-thirds of the faculty and instructional support personnel at the
30 school request that the charter be terminated or not renewed; or
31 (6) Other good cause identified."
32 (c) This section becomes effective July 1, 1998, and applies to school
33 years beginning with the 1998-99 school year.

34
35 Requested by: Representative Daughtry

36 **CHARTER SCHOOLS-2**

37 Section 9.14A. (a) G.S. 115C-238.29F(e) reads as rewritten:

38 "(e) Employees. --

- 39 (1) An employee of a charter school operated by a private nonprofit
40 corporation is not an employee of the local school administrative
41 unit in which the charter school is located. An employee of a
42 charter school operated by a local school administrative unit is an
43 employee of the local school administrative unit in which the
44 charter school is located. The charter school's board of directors
45 shall employ and contract with necessary teachers to perform the
46 particular service for which they are employed in the school; at
47 least seventy-five percent (75%) of these teachers in grades
48 kindergarten through five, at least fifty percent (50%) of these
49 teachers in grades six through eight, and at least fifty percent
50 (50%) of these teachers in grades nine through 12 shall hold
51 teacher certificates. The board also may employ necessary
52 employees who are not required to hold teacher certificates to
53 perform duties other than teaching and may contract for other

1 services. The board may discharge teachers and noncertificated
2 employees.

3 (2) No local board of education shall require any employee of the
4 local school administrative unit to be employed in a charter school.

5 (3) If a teacher employed by a local school administrative unit makes a
6 written request for an extended leave of absence to teach at a
7 charter school, school operated by a private nonprofit corporation,
8 the local school administrative unit shall grant the leave. The local
9 school administrative unit shall grant a leave for any number of
10 years requested by the teacher, shall extend the leave for any
11 number of years requested by the teacher, and shall extend the
12 leave at the teacher's request. For the initial year of a charter
13 school's operation, the local school administrative unit may require
14 that the request for a leave or extension of leave be made up to 45
15 days before the teacher would otherwise have to report for duty.
16 For subsequent years, the local school administrative unit may
17 require that the request for a leave or extension of leave be made
18 up to 90 days before the teacher would otherwise have to report
19 for duty. A teacher who has career status under G.S. 115C-325
20 prior to receiving an extended leave of absence to teach at a
21 charter school may return to a public school in the local school
22 administrative unit with career status at the end of the leave of
23 absence or upon the end of employment at the charter school if an
24 appropriate position is available. If an appropriate position is
25 unavailable, the teacher's name shall be placed on a list of
26 available teachers and that teacher shall have priority on all
27 positions for which that teacher is qualified in accordance with
28 G.S. 115C-325(e)(2).

29 (4) The employees of the charter school operated by a private
30 nonprofit corporation shall be deemed employees of the local
31 school administrative unit for purposes of providing certain State-
32 funded employee benefits, including membership in the Teachers'
33 and State Employees' Retirement System and the Teachers' and
34 State Employees' Comprehensive Major Medical Plan. The State
35 Board of Education provides funds to charter schools; schools
36 operated by private nonprofit corporations, approves the original
37 members of the boards of directors of the charter schools, has the
38 authority to grant, supervise, and revoke charters, and demands
39 full accountability from charter schools for school finances and
40 student performance. Accordingly, it is the determination of the
41 General Assembly that charter schools operated by private
42 nonprofit corporations are public schools and that the employees
43 of these charter schools are public school employees and are
44 "teachers" for purposes of membership in the North Carolina
45 Teachers' and State Employees' Retirement System and State
46 Employees' Comprehensive Major Medical Plan. employees.
47 Employees of a charter school operated by a private nonprofit
48 corporation whose board of directors elects to become a
49 participating employer under G.S. 135-5.3 are 'teachers' for the
50 purpose of membership in the North Carolina Teachers' and State
51 Employees' Retirement System. Employees of a charter school
52 operated by a private nonprofit corporation whose board of
53 directors elects to become a participating employer under G.S.

135-40.3A are 'teachers' for the purpose of membership in the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan. In no event shall anything contained in this Part require the North Carolina Teachers' and State Employees' Retirement System to accept employees of a private employer as members or participants of the System."

(b) Article 1 of Chapter 135 of the General Statutes is amended by adding the following new section:

"§ 135-5.3. Optional participation for charter schools operated by private nonprofit corporations.

(a) The board of directors of each charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing, shall be made no later than September 1, 1998, and shall be filed with the Retirement System and with the State Board of Education. For each charter school employee who is employed on or before the date the board makes the election, membership in the System is effective as of the date the board makes the election. For each charter school employee who is employed after the date the board makes the election, membership in the System is effective as of the date of that employee's entry into eligible service. This subsection applies only to charter schools that received State Board of Education approval under G.S. 115C-238.29D in 1997 or 1998.

(b) No later than 30 days after both parties have signed the written charter under G.S. 115C-238.29E, the board of directors of a charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing and filed with the Retirement System and with the State Board of Education and is effective for each charter school employee as of the date of that employee's entry into eligible service. This subsection applies to charter schools that receive State Board of Education approval under G.S. 115C-238.29D after 1998.

(c) A board's election to become a participating employer in the Retirement System under this section is irrevocable and shall require all eligible employees of the charter school to participate.

(d) No retirement benefit, death benefit, or other benefit payable under the Retirement System shall be paid by the State of North Carolina or the Board of Trustees of the Teachers' and State Employees' Retirement System with respect to any employee, or with respect to any beneficiary of an employee, of a charter school whose board of directors does not elect to become a participating employer in the Retirement System under this section.

(e) The board of directors of each charter school shall notify each of its employees as to whether the board elected to become a participating employer in the Retirement System under this section. This notification shall be in writing and shall be provided within 30 days of the board's election or at the time an initial offer for employment is made, whichever occurs last. If the board did not elect to join the Retirement System, the notice shall include a statement that the employee shall have no legal recourse against the board or the State for any possible credit or reimbursement under the Retirement System. The employee shall provide written acknowledgment of the employee's receipt of the notification under this subsection."

(c) G.S. 135-4 is amended by adding the following new subsection to read:

"(bb) Credit for Employment in Charter School Operated by a Private Nonprofit Corporation. -- Any member may purchase creditable service for any employment as an employee of a charter school operated by a private nonprofit corporation whose board of directors did not elect to participate in the Retirement System under G.S.

1 135-5.3 upon completion of five years of membership service after that charter school
2 employment by making a lump-sum payment into the Annuity Savings Fund. The
3 payment by the member shall be equal to the full liability of the service credits
4 calculated on the basis of the assumptions used for purposes of the actuarial valuation
5 of the Retirement System's liabilities, taking into account the additional retirement
6 allowance arising on account of the additional service credits commencing at the
7 earliest age at which the member could retire with an unreduced retirement
8 allowance, as determined by the Board of Trustees upon the advice of the actuary
9 plus an administrative expense fee to be determined by the Board of Trustees.
10 Notwithstanding the foregoing provisions of this subsection that provide for the
11 purchase of service credits, the terms 'full cost', 'full liability', and 'full actuarial cost'
12 include assumed annual postretirement allowance increases, as determined by the
13 Board of Trustees, from the earliest age at which a member could retire on an
14 unreduced service allowance."

15 (d) G.S. 135-40.1(6) reads as rewritten:

16 "(6) Employing Unit. -- A North Carolina School System; Community
17 College; State Department, Agency or Institution; Administrative
18 Office of the Courts; or Association or Examining Board whose
19 employees are eligible for membership in a State-Supported
20 Retirement System. An employing unit also shall mean a charter
21 school operated by a private nonprofit corporation in accordance
22 with Part 6A of Chapter 115C of the General Statutes ~~whose~~
23 ~~employees are deemed to be public employees and members of a~~
24 ~~State-Supported Retirement System; whose board of directors~~
25 ~~elects to join~~ become a participating employer in the Plan under
26 G.S. 135-40.3A."

27 (e) Part 3 of Article 3 of Chapter 135 is amended by adding the
28 following new section:

29 "§ 135-40.3A. Optional participation for charter schools operated by private
30 nonprofit corporations.

31 (a) The board of directors of each charter school operated by a private nonprofit
32 corporation shall elect whether to become a participating employer in the Plan in
33 accordance with this Article. This election shall be in writing, shall be made no later
34 than September 1, 1998, and shall be filed with the Executive Administrator and
35 Board of Trustees and with the State Board of Education. For each charter school
36 employee who is employed on or before the date the board makes the election,
37 membership in the Plan is effective as of the date the board makes the election. For
38 each charter school employee who is employed after the date the board makes the
39 election, membership in the Plan is effective as of the date of that employee's entry
40 into eligible service. This subsection applies only to charter schools that received
41 State Board of Education approval under G.S. 115C-238.29D in 1997 or 1998.

42 (b) No later than 30 days after both parties have signed the written charter under
43 G.S. 115C-238.29E, the board of directors of a charter school operated by a private
44 nonprofit corporation shall elect whether to become a participating employer in the
45 Plan in accordance with this Article. This election shall be in writing and filed with
46 the Executive Administrator, the Board of Trustees, and the State Board of
47 Education. This election is effective for each charter school employee as of the date
48 of that employee's entry into eligible service. This subsection applies to charter
49 schools that receive State Board of Education approval under G.S. 115C-238.29D
50 after 1998.

51 (c) A board's election to become a participating employer in the Plan under this
52 section is irrevocable and shall require all eligible employees of the charter school to
53 participate.

1 (d) If a charter school's board of directors does not elect to become a participating
2 employer in the Plan under this section, that school's employees and the dependents
3 of those employees are not eligible for any benefits under the Plan.

4 (e) The board of directors of each charter school shall notify each of its employees
5 as to whether the board elected to become a participating employer in the Plan under
6 this section. This notification shall be in writing and shall be provided within 30 days
7 of the board's election or at the time an initial offer for employment is made,
8 whichever occurs last. If the board did not elect to become a participating employer
9 in the Plan, the notice shall include a statement that the employee shall have no legal
10 recourse against the board or the State for any possible benefit under the Plan. The
11 employee shall provide written acknowledgment of the employee's receipt of the
12 notification under this subsection."

13 (f) G.S. 105-228.90(b) reads as rewritten:

14 "(b) Definitions. -- The following definitions apply in this Article:

15 (1) Reserved.

16 (2) Charter school board. -- A nonprofit corporation that has a charter
17 under G.S. 115D-238.29D to operate a charter school.

18 (1)(3) City. -- A city as defined by G.S. 160A-1(2). The term also
19 includes an urban service district defined by the governing board
20 of a consolidated city-county, as defined by G.S. 160B-2(1).

21 (1a)(4) Code. -- The Internal Revenue Code as enacted as of January 1,
22 1997, including any provisions enacted as of that date which
23 become effective either before or after that date.

24 (1b)(5) County. -- Any one of the counties listed in G.S. 153A-10. The
25 term also includes a consolidated city-county as defined by G.S.
26 160B-2(1).

27 (2)(6) Reserved.

28 (3)(7) Electronic Funds Transfer. -- A transfer of funds initiated by using
29 an electronic terminal, a telephone, a computer, or magnetic tape
30 to instruct or authorize a financial institution or its agent to credit
31 or debit an account.

32 (4)(8) Reserved.

33 (5)(9) Person. -- An individual, a fiduciary, a firm, an association, a
34 partnership, a limited liability company, a corporation, a unit of
35 government, or another group acting as a unit. The term includes
36 an officer or employee of a corporation, a member, a manager, or
37 an employee of a limited liability company, and a member or
38 employee of a partnership who, as officer, employee, member, or
39 manager, is under a duty to perform an act in meeting the
40 requirements of Subchapter I, V, or VIII of this Chapter or of
41 Article 3 of Chapter 119 of the General Statutes.

42 (6)(10) Secretary. -- The Secretary of Revenue.

43 (7)(11) Tax. -- A tax levied under Subchapter I, V, or VIII of this Chapter
44 or an inspection tax levied under Article 3 of Chapter 119 of the
45 General Statutes. Unless the context clearly requires otherwise, the
46 terms "tax" and "additional tax" include penalties and interest as
47 well as the principal amount.

48 (8)(12) Taxpayer. -- A person subject to the tax or reporting requirements
49 of Subchapter I, V, or VIII of this Chapter or of Article 3 of
50 Chapter 119 of the General Statutes."

51 (g) G.S. 105-449.88 reads as rewritten:

52 "§ 105-449.88. Exemptions from the excise tax.

53 The excise tax on motor fuel does not apply to the following:

- (1) Motor fuel removed, by transport truck or another means of transfer outside the terminal transfer system, from a terminal for export, if the supplier of the motor fuel collects tax on it at the rate of the motor fuel's destination state.
- (2) Motor fuel sold to the federal government.
- (3) Motor fuel sold to the State for its use.
- (4) Motor fuel sold to a local board of education for use in the public school system.
- (5) Motor fuel sold to a charter school board for use for charter school purposes."

(h) G.S. 20-84 reads as rewritten:

"§ 20-84. Vehicles owned by State, municipalities or orphanages, etc.; certain vehicles operated by the local chapters of American National Red Cross.

The Division upon proper proof being filed with it that any motor vehicle for which registration is herein required is owned by the State or any department thereof, or by any county, township, city or town, or by any board of education, or by any nonprofit corporation that has a charter under G.S. 115C-238.29D to operate a charter school, or by any orphanage or civil air patrol, or incorporated emergency rescue squad, or incorporated REACT ("Radio Emergency Association of Citizen Teams") Team, or for any motor vehicle involved exclusively in the support of a disaster relief effort, shall collect six dollars (\$6.00) for the registration of such motor vehicles, but shall not collect any fee for application for certificate of title in the name of the State or any department thereof, or by any county, township, city or town, or by any board of education or orphanage: Provided, that the term "owned" shall be construed to mean that such motor vehicle is the actual property of the State or some department thereof or of the county, township, city or town, or of the board of education, and no motor vehicle which is the property of any officer or employee of any department named herein shall be construed as being "owned" by such department. Provided, that the above exemptions from registration fees shall also apply to any church-owned bus used exclusively for transporting children and parents to Sunday school and church services and for no other purpose.

In lieu of the annual six dollars (\$6.00) registration provided for in this section, the Division may for the license year 1950 and thereafter provide for a permanent registration of the vehicles described in this section and issue permanent registration plates for such vehicles. The permanent registration plates issued pursuant to this paragraph shall be of a distinctive color and shall bear thereon the word "permanent." Such plates may be transferred as provided in G.S. 20-78 to a replacement vehicle of the same classification. For the permanent registration and issuance of permanent registration plates provided for in this paragraph, the Division shall collect a fee of six dollars (\$6.00) for each vehicle so registered and licensed.

The provisions of this section are hereby made applicable to vehicles owned by a rural fire department, agency or association.

The Division of Motor Vehicles shall issue to the North Carolina Tuberculosis Association, Incorporated, or any local chapter or association of said corporation, for a fee of six dollars (\$6.00) for each plate a permanent registration plate which need not be thereafter renewed for each motor vehicle in the form of a mobile X-ray unit which is owned by said North Carolina Tuberculosis Association, Incorporated, or any local chapter or local association thereof and operated exclusively in this State for the purpose of diagnosis, treatment and discovery of tuberculosis. The initial six dollars (\$6.00) fee required by this section and for this purpose shall be in full payment of the permanent registration plates issued for such vehicle operated as a mobile X-ray unit, and such plates need not thereafter be renewed, and such plates

1 may be transferred as provided in G.S. 20-78 to replacement vehicles to be used for
2 the purposes above described and for which the plates were originally issued.

3 The Division of Motor Vehicles shall issue to the American National Red Cross,
4 upon application of any local chapter thereof and payment of a fee of six dollars
5 (\$6.00) for each plate, a permanent registration plate, which need not be thereafter
6 renewed, for all disaster vans, bloodmobiles, handivans, and such sedans and station
7 wagons as are used for emergency or disaster work, and operated by a local chapter
8 in this State in the business of the American National Red Cross. Such plates may be
9 transferred as provided in G.S. 20-78 to a replacement vehicle to be used for the
10 purposes above described and for which the plates were originally issued. In the
11 event of transfer of ownership to any other person, firm or corporation, or transfer or
12 reassignment of any vehicle bearing such registration plate to any chapter or
13 association of the American National Red Cross in any other state, territory or
14 country, the registration plate assigned to such vehicle shall be surrendered to the
15 Division of Motor Vehicles.

16 In lieu of all other registration requirements, the Commissioner shall each year
17 assign to the State Highway Patrol, upon payment of six dollars (\$6.00) per
18 registration plate, a sufficient number of regular registration plates of the same letter
19 prefix and in numerical sequence beginning with number 100 to meet the
20 requirements of the State Highway Patrol for use on Division vehicles assigned to the
21 State Highway Patrol. The commander of the Patrol shall, when such plates are
22 assigned, issue to each member of the State Highway Patrol a registration plate for
23 use upon the Division vehicle assigned to him pursuant to G.S. 20-190 and assign a
24 registration plate to each Division service vehicle operated by the Patrol. An index of
25 such assignments of registration plates shall be kept at each State Highway Patrol
26 radio station and a copy thereof shall be furnished to the registration division of the
27 Division. Information as to the individual assignments of such registration plates shall
28 be made available to the public upon request to the same extent and in the same
29 manner as regular registration information. The commander, when necessary, may
30 reassign registration plates provided that such reassignment shall be made to appear
31 upon the index required herein within 20 days after such reassignment.

32 The Division of Motor Vehicles shall, upon appropriate certification of financial
33 responsibility, issue to sheltered workshops recognized or approved by the Division of
34 Vocational Rehabilitation Services and to public and nonprofit agencies or
35 organizations which provide transportation for or operate programs subject to and
36 approved in accordance with standards adopted by the Commission for Mental
37 Health, Developmental Disabilities, and Substance Abuse Services of the Department
38 of Health and Human Services upon application and payment of a fee of six dollars
39 (\$6.00) for each plate, a permanent registration plate for vehicles registered to and
40 operated by such agencies. The initial six dollars (\$6.00) fee required by this section
41 and for this purpose shall be in full payment of the permanent registration plate
42 issued for such vehicle operated by a sheltered workshop and such plates need not
43 thereafter be renewed, and such plates may be transferred as provided in G.S. 20-78
44 to a replacement vehicle to be used by the sheltered workshop designated on the
45 registration card.

46 On and after January 1, 1972, permanent registration plates used on all vehicles
47 owned by the State of North Carolina or a department thereof shall be of a
48 distinctive color and design which shall be readily distinguishable from all other
49 permanent registration plates issued pursuant to this section or G.S. 20-84.1. For the
50 purpose of carrying out the intent of this paragraph, all vehicles owned by the State
51 of North Carolina or a department thereof in operation as of October 1, 1971, and
52 bearing a permanent registration shall be reregistered during the months of October,

1 November and December, 1971, and upon reregistration, registration plates issued for
2 such vehicles shall be of a distinctive color and design as provided for hereinabove."

3 (i) G.S. 115C-238.29B(a) reads as rewritten:

4 "(a) Any person, group of persons, ~~or nonprofit corporation~~ corporation, or local
5 board of education seeking to establish a charter school may apply to establish a
6 charter school. If ~~the an~~ applicant other than a local board of education seeks to
7 convert a public school to a charter school, the application shall include a statement
8 signed by a majority of the teachers and instructional support personnel currently
9 employed at the school indicating that they favor the conversion and evidence that a
10 significant number of parents of children enrolled in the school favor conversion. If a
11 local board of education seeks a charter for a school, the application shall include a
12 statement that the local board understands that no employee shall be required to
13 work at the charter school and no student shall be assigned to the school except at
14 the request of the student's parent or guardian."

15 (j) G.S. 115C-238.29B(b)(3) reads as rewritten:

16 "(3) The governance structure of the ~~school~~ school, if the applicant is
17 not a local board of education, including the names of the
18 proposed initial members of the board of directors of the
19 nonprofit, tax-exempt corporation and the process to be followed
20 by the school to ensure parental involvement."

21 (k) G.S. 115C-238.29B(b)(11) reads as rewritten:

22 "(11) The procedures by which students can be excluded from the
23 charter school and returned to a public ~~school~~ school other than
24 a charter school. Notwithstanding any law to the contrary, any
25 local board may refuse to admit any student who is suspended or
26 expelled from a charter school due to actions that would lead to
27 suspension or expulsion from a public school under G.S. 115C-391
28 until the period of suspension or expulsion has expired."

29 (l) G.S. 115C-238.29B(c) reads as rewritten:

30 "(c) An applicant shall submit the application to a chartering entity for
31 preliminary approval. A chartering entity may be:

32 (1) The local board of education of the local school administrative
33 unit in which the charter school will be ~~located~~; located, unless the
34 applicant is a local board of education;

35 (2) The board of trustees of a constituent institution of The University
36 of North Carolina, so long as the constituent institution is involved
37 in the planning, operation, or evaluation of the charter school; or

38 (3) The State Board of Education.

39 Regardless of which chartering entity receives the application for preliminary
40 approval, the State Board of Education shall have final approval of the charter
41 school.

42 Notwithstanding the provisions of this subsection, if the State Board of Education
43 finds that an applicant (i) submitted an application to a local board of education and
44 received final approval from the State Board of Education, but (ii) is unable to find a
45 suitable location within that local school administrative unit to operate, the State
46 Board of Education may authorize the charter school to operate within an adjacent
47 local school administrative unit for one year only. The charter school cannot operate
48 for more than one year unless it reapplies, in accordance with subdivision (1), (2), or
49 (3) of this subsection, and receives final approval from the State Board of Education."

50 (m) G.S. 115C-238.29B(d) is repealed.

51 (n) G.S. 115C-238.29D(b) is repealed.

52 (o) G.S. 115C-238.29E reads as rewritten:

53 "§ 115C-238.29E. Charter school operation.

1 (a) A charter school that is approved by the State shall be a public school within
2 the local school administrative unit in which it is located. It shall be accountable to
3 the local board of education if the applicant for the charter is the local board of
4 education or if it applied for and received preliminary approval from that local board
5 for purposes of ensuring compliance with applicable laws and the provisions of its
6 charter. All other charter schools shall be accountable to the State Board for ensuring
7 compliance with applicable laws and the provisions of their charters, except that any
8 of these charter schools may agree to be accountable to the local board of the school
9 administrative unit in which the charter school is located rather than to the State
10 Board.

11 (b) A charter school other than a charter school for which the applicant is a local
12 board of education shall be operated by a private nonprofit corporation that shall
13 have received federal tax-exempt status no later than 24 months following final
14 approval of the application. A charter school for which the applicant is a local board
15 of education shall be operated by the local board of education.

16 (c) ~~A charter school shall operate under the written charter signed by the entity to~~
17 ~~which it is accountable under subsection (a) of this section and the applicant. A~~
18 ~~charter school is not required to enter into any other contract. The charter shall~~
19 ~~incorporate the information provided in the application, as modified during the~~
20 ~~charter approval process, and any terms and conditions imposed on the charter~~
21 ~~school by the State Board of Education. No other terms may be imposed on the~~
22 ~~charter school as a condition for receipt of local funds. The State Board shall issue~~
23 ~~the written charter no later than 30 days after the date on which the State Board~~
24 ~~grants final approval for the charter. The written charter shall incorporate the~~
25 ~~information provided in the application, as modified during the charter approval~~
26 ~~process, and any terms and conditions applicable to all charter schools under the~~
27 ~~rules of the State Board. The charter school is not required to agree to any~~
28 ~~additional terms, whether requested by the State Board, the local board where the~~
29 ~~charter school is located, or the entity to which the charter school is accountable. No~~
30 ~~additional terms may be imposed on the charter school as a condition for receipt of~~
31 ~~local funds. The charter school shall operate under the written charter signed by the~~
32 ~~entity to which it is accountable and the applicant.~~

33 (d) The board of directors of the charter school operated by a private nonprofit
34 corporation shall decide matters related to the operation of the school, including
35 budgeting, curriculum, and operating procedures. The local board of education shall
36 decide these matters for a charter school operated by a local board.

37 (e) ~~A charter school's specific location~~ The specific location of a charter school
38 operated by a private nonprofit corporation shall not be prescribed or limited by a
39 local board or other authority except a zoning authority. The school may lease space
40 from a local board of education or as is otherwise lawful in the local school
41 administrative unit in which the charter school is located. If a charter school leases
42 space from a sectarian organization, the charter school classes and students shall be
43 physically separated from any parochial students, and there shall be no religious
44 artifacts, symbols, iconography, or materials on display in the charter school's
45 entrance, classrooms, or hallways. Furthermore, if a charter school leases space from
46 a sectarian organization, the charter school shall not use the name of that
47 organization in the name of the charter school.

48 At the request of the charter school, the local board of education of the local
49 school administrative unit in which the charter school will be located shall lease or
50 may sell any available building or land to the charter school unless the board
51 demonstrates that the lease or sale is not economically or practically feasible or that
52 the local board does not have adequate classroom space to meet its enrollment needs.
53 Notwithstanding any other law, a local board of education may provide a school

1 facility to a charter school free of charge; however, the charter school is responsible
2 for the maintenance of and insurance for the school facility.

3 (f) Except as provided in this Part and pursuant to the provisions of its charter, a
4 charter school is exempt from statutes and rules applicable to a local board of
5 education or local school administrative unit. The State Board shall not adopt any
6 rules, policies, procedures, requirements, standards, terms, conditions, or regulations
7 governing charter schools unless they are authorized specifically under this Part; they
8 are applicable uniformly to all charter schools; and the Board proceeds under
9 Chapter 150B of the General Statutes. Only those rules, policies, procedures,
10 requirements, standards, terms, conditions, and regulations that are adopted by the
11 Board shall apply to charter schools and may be included in the written charter and
12 amendments to that charter. The Board may adopt guidelines to assist charter
13 schools. These guidelines are not binding on charter schools and shall not be
14 included in any written charter unless the charter school agrees to the inclusion."

15 (p) G.S. 115C-238.29F(b) reads as rewritten:

16 "(b) School Nonsectarian. -- A charter school shall be nonsectarian in its
17 programs, admission policies, employment practices, and all other operations and
18 shall not charge ~~tuition or~~ tuition, application fees, or admission fees. A charter
19 school shall not be affiliated with a nonpublic sectarian school or a religious
20 institution."

21 (q) G.S. 115C-238.29F(c) is amended by adding the following new
22 subdivision:

23 "(3) The civil liability for a charter school operated by a local school
24 administrative unit shall be the same as for any other school
25 operated by the unit."

26 (r) G.S. 115C-238.29F(h) reads as rewritten:

27 "(h) Transportation. -- The charter school may provide transportation for students
28 enrolled at the school. The charter school shall develop a transportation plan so that
29 transportation is not a barrier to any student who resides in the local school
30 administrative unit in which the school is located. The charter school is not required
31 to provide transportation to any student who lives within one and one-half miles of
32 the school. At the request of the charter school and if the local board of the local
33 school administrative unit in which the charter school is located operates a school bus
34 system, then that local board may contract with the charter school to provide
35 transportation in accordance with the charter school's transportation plan to students
36 who reside in the local school administrative unit and who reside at least one and
37 one-half miles of the charter school. A local board may charge the charter school a
38 reasonable charge that is sufficient to cover the cost of providing this transportation.
39 Furthermore, a local board may refuse to provide transportation under this subsection
40 if it demonstrates there is no available space on buses it intends to operate during the
41 term of the contract or it would not be practically feasible to provide this
42 transportation.

43 A student who attends a charter school operated by a local board of education and
44 who resides within the local school administrative unit in which the school is located
45 has the same right to school transportation as students assigned to other public
46 schools in the local school administrative unit."

47 (s) G.S. 115C-238.29F(g)(5) reads as rewritten:

48 "(5) A charter school shall not discriminate against any student on the
49 basis of ethnicity, national origin, gender, or disability. Except as
50 otherwise provided by law or the mission of the school as set out
51 in the charter, the school shall not limit admission to students on
52 the basis of intellectual ability, measures of achievement or
53 aptitude, athletic ability, disability, race, creed, gender, national

1 origin, religion, or ancestry. The charter school may give
2 enrollment priority to siblings of currently enrolled students who
3 were admitted to the charter school in a previous year and to
4 children of the school's principal, teachers, and teacher assistants.
5 In addition, and only for its first year of operation, the charter
6 school may give enrollment priority to children of the initial
7 members of the charter school's board of directors, so long as (i)
8 these children are limited to no more than ten percent (10%) of
9 the school's total enrollment or to 20 students, whichever is less,
10 and (ii) the charter school is not a former public or private school.
11 ~~Within one year after the charter school begins operation, The~~
12 ~~charter school shall make a good faith effort to attract and enroll~~
13 ~~students so that the population of the school shall reasonably~~
14 ~~reflect reflects~~ the racial and ethnic composition of the general
15 population residing within the local school administrative unit in
16 which the school is located or the racial and ethnic composition of
17 the special population that the school seeks to serve residing within
18 the local school administrative unit in which the school is located.
19 The school shall be subject to any court-ordered desegregation
20 plan in effect for the local school administrative unit."

21 (t) G.S. 115C-238.29G(c) reads as rewritten:

22 "(c) The State Board and the charter school are encouraged to make a good faith
23 attempt to resolve the differences that may arise between them. They Furthermore,
24 the local board of the local school administrative unit in which the charter school is
25 located and the charter school are encouraged to make a good faith attempt to
26 resolve any differences that may arise between them. The parties in dispute may
27 agree to jointly select a mediator. The mediator shall act as a neutral facilitator of
28 disclosures of factual information, statements of positions and contentions, and efforts
29 to negotiate an agreement settling the differences. The mediator shall, at the request
30 of either the State Board or a charter school, party, commence a mediation
31 immediately or within a reasonable period of time. The mediation shall be held in
32 accordance with rules and standards of conduct adopted under Chapter 7A of the
33 General Statutes governing mediated settlement conferences but modified as
34 appropriate and suitable to the resolution of the particular issues in disagreement.

35 Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation
36 proceedings shall be conducted in private. Evidence of statements made and conduct
37 occurring in a mediation are not subject to discovery and are inadmissible in any
38 court action. However, no evidence otherwise discoverable is inadmissible merely
39 because it is presented or discussed in a mediation. The mediator shall not be
40 compelled to testify or produce evidence concerning statements made and conduct
41 occurring in a mediation in any civil proceeding for any purpose, except disciplinary
42 hearings before the State Bar or any agency established to enforce standards of
43 conduct for mediators. The mediator may determine that an impasse exists and
44 discontinue the mediation at any time. The mediator shall not make any
45 recommendations or public statement of findings or conclusions. ~~The State Board and~~
46 ~~the charter school parties in dispute~~ shall share equally the mediator's compensation
47 and expenses. The mediator's compensation shall be determined according to rules
48 adopted under Chapter 7A of the General Statutes."

49 (u) G.S. 115C-238.29H reads as rewritten:

50 "**§ 115C-238.29H. State and local funds for a charter school.**

51 (a) The State Board of Education shall allocate to each charter school (i) an
52 amount equal to the average per pupil allocation for average daily membership from
53 the local school administrative unit allotments in which the charter school is located

1 for each child attending the charter school except for the allocation for children with
2 special needs and (ii) an additional amount for each child attending the charter
3 school who is a child with special needs. In accordance with G.S. 115C-238.29D(d),
4 the State Board shall allow for annual adjustments to the amount allocated to a
5 charter school based on its enrollment growth in school years subsequent to the initial
6 year of operation.

7 In the event a child with special needs leaves the charter school and enrolls in a
8 public school during the first 60 school days in the school year, the charter school
9 shall return a pro rata amount of funds allocated for that child to the State Board,
10 and the State Board shall reallocate those funds to the local school administrative
11 unit in which the public school is located. In the event a child with special needs
12 enrolls in a charter school during the first 60 school days in the school year, the State
13 Board shall allocate to the charter school the pro rata amount of additional funds for
14 children with special needs.

15 (a1) Funds allocated by the State Board of Education may be used to enter into
16 operational and financing leases for real property or mobile classroom units for use as
17 school facilities for charter schools and may be used for payments on loans made to
18 charter schools for facilities or equipment. However, State funds shall not be used to
19 obtain any other interest in real property or mobile classroom units. No indebtedness
20 of any kind incurred or created by the charter school shall constitute an indebtedness
21 of the State or its political subdivisions, and no indebtedness of the charter school
22 shall involve or be secured by the faith, credit, or taxing power of the State or its
23 ~~political subdivisions.~~ subdivisions, unless the charter school is operated by a local
24 board of education. Every contract or lease into which a charter school enters except
25 for contracts or leases entered into by a local board of education shall include the
26 previous sentence. The school also may own land and buildings it obtains through
27 non-State sources.

28 (b) If a student attends a charter school, the local school administrative unit in
29 which the child resides shall transfer to the charter school an amount equal to the per
30 pupil local current expense appropriation to the local school administrative unit for
31 the fiscal year. The per pupil local current expense appropriation shall be calculated
32 by dividing the total county appropriation to the local school administrative unit's
33 local current expense fund, including appropriations funded by supplemental taxes,
34 by the unit's average daily membership for the budget year as determined by and
35 certified to the unit and the board of county commissioners by the State Board. In
36 order to establish the number of children for whom these funds are to be transferred,
37 the local administrative unit may require the charter school to provide electronically
38 an invoice that identifies each child for whom these funds are to be remitted, that
39 child's address, and that child's Student Information Management System
40 identification number. The local school administrative unit shall not require any
41 other information from the charter school as a condition of the unit's remission of
42 these funds. If the local school administrative unit requires this invoice, the unit shall
43 provide to the charter school the local current expense appropriation based on the
44 number of children in the most recent invoice. If no invoice is required, the local
45 current expense appropriation shall be based on the number of children as mutually
46 agreed upon by the local school administrative unit and the charter school. The local
47 school administrative unit shall remit these funds to the charter school at times that
48 are mutually agreed upon by the unit and the charter school, but if no agreement is
49 reached, then the unit shall remit these funds to the charter school no later than one
50 week after the unit receives the funds from the board of county commissioners as
51 established under G.S. 115C-437 and upon receipt of an invoice, if required. The
52 State Board may withhold money used for payment of salaries for the superintendent

1 and school finance officer of any local school administrative unit if the Board finds
2 that the unit is not using its best efforts to remit these funds on a timely basis.

3 (c) The board of county commissioners of the county in which the charter school
4 is located may allocate to the charter school funds that may be used for capital outlay
5 purposes."

6 (v) G.S. 115C-452 reads as rewritten:

7 **"§ 115C-452. Fines and forfeitures.**

8 The clear proceeds of all penalties and forfeitures and of all fines collected in the
9 General Court of Justice in each county shall be remitted by the clerk of the superior
10 court to the county finance officer, who shall forthwith determine what portion of the
11 total is due to each local school administrative unit and to each charter school in the
12 county and remit the appropriate portion of the amount to the finance officer of each
13 local school administrative unit. unit and each charter school. Fines The first twenty-
14 five percent (25%) of fines and forfeitures shall be apportioned according to the
15 projected average daily membership of each local school administrative unit as
16 determined by and certified to the local school administrative units and the board of
17 county commissioners by the State Board of Education pursuant to G.S. 115C-430.
18 The remainder of the fines and forfeitures shall be apportioned according to the
19 projected average daily membership of each local school administrative unit and each
20 charter school as determined by and certified to the local school administrative units,
21 the charter schools, and the board of county commissioners by the State Board of
22 Education pursuant to G.S. 115C-430 or G.S. 115C-238.29H(b)."

23 (w) G.S. 115C-457.3 reads as rewritten:

24 **"§ 115C-457.3. Transfer of funds to the State School Technology Fund.**

25 The Office of State Budget and Management shall transfer funds accruing to the
26 Civil Penalty and Forfeiture Fund to the State School Technology Fund. ~~These~~ The
27 first twenty-five percent (25%) of these funds shall be allocated to local school
28 administrative units on the basis of average daily membership. The remaining funds
29 shall be allocated to local school administrative units and charter schools on the basis
30 of average daily membership. Notwithstanding any other law, the funds allocated to
31 charter schools under this section shall be used for school technology; however, in
32 accordance with G.S. 115C-238.29E(f), the charter school is not required to develop
33 or submit a school technology plan under Part 3A of Article 8 of this Chapter."

34 (x) G.S. 150B-2(8a) reads as rewritten:

35 **"(8a) 'Rule' means any agency regulation, standard, or statement of**
36 **general applicability that implements or interprets an enactment of**
37 **the General Assembly or Congress or a regulation adopted by a**
38 **federal agency or that describes the procedure or practice**
39 **requirements of an agency. The term includes the establishment of**
40 **a fee and the amendment or repeal of a prior rule. The term also**
41 **includes any State Board of Education or Department of Public**
42 **Instruction rule, policy, procedure, requirement, standard, term,**
43 **condition, or regulation that is authorized specifically under Part**
44 **6A of Article 16 of Chapter 115C of the General Statutes. The**
45 **term does not include the following:**

46 a. Statements concerning only the internal management of an
47 agency or group of agencies within the same principal office
48 or department enumerated in G.S. 143A-11 or 143B-6,
49 including policies and procedures manuals, if the statement
50 does not directly or substantially affect the procedural or
51 substantive rights or duties of a person not employed by the
52 agency or group of agencies.

- b. Budgets and budget policies and procedures issued by the Director of the Budget, by the head of a department, as defined by G.S. 143A-2 or G.S. 143B-3, by an occupational licensing board, as defined by G.S. 93B-1, or by the State Board of Elections.
- c. Nonbinding interpretative statements within the delegated authority of an agency that merely define, interpret, or explain the meaning of a statute or rule.
- d. A form, the contents or substantive requirements of which are prescribed by rule or statute.
- e. Statements of agency policy made in the context of another proceeding, including:
 1. Declaratory rulings under G.S. 150B-4.
 2. Orders of establishing or fixing rates or tariffs.
- f. Requirements, communicated to the public by the use of signs or symbols, concerning the use of public roads, bridges, ferries, buildings, or facilities.
- g. 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.
- h. Scientific, architectural, or engineering standards, forms, or procedures, including design criteria and construction standards used to construct or maintain highways, bridges, or ferries.
- i. Job classification standards, job qualifications, and salaries established for positions under the jurisdiction of the State Personnel Commission.
- j. Establishment of the interest rate that applies to tax assessments under G.S. 105-241.1 and the variable component of the excise tax on motor fuel under G.S. 105-449.80."

(y) Article 2A of Chapter 150B of the General Statutes is amended by adding the following new Part:

"Part 6. Rules Affecting Charter Schools.

"§ 150B-21.30. Procedures applicable to rules affecting charter schools.

(a) G.S. 150B-21.2(a)(1) shall not apply to proposed rules adopted by the State Board of Education if the proposed rules are authorized specifically under Part 6A of Article 16 of Chapter 115C of the General Statutes.

(b) Notwithstanding G.S. 150B-21.3(b), a permanent rule that is adopted by the State Board of Education, is approved by the Rules Review Commission, and is authorized specifically under Part 6A of Article 16 of Chapter 115C of the General Statutes, becomes effective five business days after the Commission delivers the rule to the Codifier of Rules, unless the rule specifies a later effective date. If the State Board of Education specifies a later effective date, the rule becomes effective upon that date. A permanent rule that is adopted by the State Board of Education to implement Part 6A of Article 16 of Chapter 115C of the General Statutes, but is not approved by the Rules Review Commission, shall not become effective.

(c) The rule proposed by the State Board of Education may create, amend, or repeal a rule. The State Board of Education shall indicate in the notice of proposed text that the rule is authorized specifically under Part 6A of Article 16 of Chapter

1 115C of the General Statutes and that the State Board of Education is proceeding
2 under that authority.

3 "§ 150B-21.31. Procedures applicable to charters.

4 The State Board of Education shall submit to the Commission the standard written
5 charter agreement that the State Board of Education approved and issued under Part
6 6A of Article 16 of Chapter 115C of the General Statutes to charter schools that
7 received State Board approval under G.S. 115C-238.29D in 1997 or 1998. The State
8 Board of Education also shall submit to the Commission any modifications to that
9 written charter agreement that the State Board approves after July 1, 1998, for
10 issuance to charter schools approved in subsequent years. The Commission shall
11 review each portion of the charter and each modification to that charter as if it is a
12 rule and shall follow the procedure established in Part 3 of this Article. The
13 Commission shall determine whether each portion or modification is authorized
14 specifically under Part 6A of Article 16 of Chapter 115C of the General Statutes.
15 The Commission may approve only portions and modifications of the charter that are
16 so authorized. All approved portions and modifications of the charter are binding on
17 the charter school. Each portion or modification of the charter that is not approved
18 is void and shall not apply to any charter school unless the charter school's board of
19 directors agrees to its applicability. The board of directors is not required to agree to
20 any portion or modification of the charter that the Commission does not approve.
21 This section shall not apply to information in a charter school's application, as
22 modified during the approval process, that is incorporated in each charter school's
23 charter agreement."

24 (z)(1) The State Board of Education, in collaboration with the Charter
25 School Professional Association, shall evaluate the Uniform
26 Education Reporting System to determine whether this is the
27 best way for charter schools to report information to the State
28 Board or whether there is a mutually functional alternative that
29 could be implemented. The State Board shall report the results
30 of this evaluation and its recommendations, including any
31 proposed legislative changes, to the Joint Legislative
32 Commission on Governmental Operations by December 1, 1998.
33 (2) If, at any time, a majority of charter schools present to the State
34 Board of Education an alternative reporting system that is the
35 functional equivalent of the Uniform Education Reporting
36 System and the alternative system has been benchmarked, the
37 State Board shall consider the adoption of that system for
38 charter schools.

39 (aa) G.S. 105-164.14(c) reads as rewritten:

40 "(c) Certain Governmental Entities. -- A governmental entity listed in this
41 subsection is allowed an annual refund of sales and use ~~tax~~ taxes paid by it under this
42 Article, except under G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), on direct
43 purchases of tangible personal property. Sales and use tax liability indirectly incurred
44 by a governmental entity on building materials, supplies, fixtures, and equipment that
45 become a part of or annexed to any building or structure that is owned or leased by
46 the governmental entity and is being erected, altered, or repaired for use by the
47 governmental entity is considered a sales or use tax liability incurred on direct
48 purchases by the governmental entity for the purpose of this subsection. A request for
49 a refund must be in writing and must include any information and documentation
50 required by the Secretary. A request for a refund is due within six months after the
51 end of the governmental entity's fiscal year.

52 This subsection applies only to the following governmental entities:

53 (1) A county.

- 1 (2) A city as defined in G.S. 160A-1.
- 2 (2a) A consolidated city-county as defined in G.S. 160B-2.
- 3 (2b) A local school administrative unit.
- 4 (3) A metropolitan sewerage district or a metropolitan water district
- 5 in this State.
- 6 (4) A water and sewer authority created under Chapter 162A of the
- 7 General Statutes.
- 8 (5) A lake authority created by a board of county commissioners
- 9 pursuant to an act of the General Assembly.
- 10 (6) A sanitary district.
- 11 (7) A regional solid waste management authority created pursuant
- 12 to G.S. 153A-421.
- 13 (8) An area mental health, developmental disabilities, and substance
- 14 abuse authority, other than a single-county area authority,
- 15 established pursuant to Article 4 of Chapter 122C of the
- 16 General Statutes.
- 17 (9) A district health department.
- 18 (10) A regional council of governments created pursuant to G.S.
- 19 160A-470.
- 20 (11) A regional planning and economic development commission or
- 21 a regional economic development commission created pursuant
- 22 to Chapter 158 of the General Statutes.
- 23 (12) A regional planning commission created pursuant to G.S. 153A-
- 24 391.
- 25 (13) A regional sports authority created pursuant to G.S. 160A-479.
- 26 (14) A public transportation authority created pursuant to Article 25
- 27 of Chapter 160A of the General Statutes.
- 28 (14a) A facility authority created pursuant to Part 4 of Article 20 of
- 29 Chapter 160A of the General Statutes.
- 30 (15) A regional public transportation authority created pursuant to
- 31 Article 26 of Chapter 160A of the General Statutes.
- 32 (16) A local airport authority that was created pursuant to a local act
- 33 of the General Assembly and has at least one of the following
- 34 characteristics:
- 35 a. It has all of the rights of a municipality.
- 36 b. A local act of the General Assembly declares it to be a
- 37 municipality.
- 38 c. A local act of the General Assembly specifically authorizes
- 39 it to receive a refund under this section.
- 40 (17) A joint agency created by interlocal agreement pursuant to G.S.
- 41 160A-462 to operate a public broadcasting television station.
- 42 (18) The North Carolina Low-Level Radioactive Waste Management
- 43 Authority created pursuant to Chapter 104G of the General
- 44 Statutes.
- 45 (19) The North Carolina Hazardous Waste Management Commission
- 46 created pursuant to Chapter 130B of the General Statutes.
- 47 (20) A constituent institution of The University of North Carolina,
- 48 but only with respect to sales and use tax paid by it for tangible
- 49 personal property acquired by it through the expenditure of
- 50 contract and grant funds.
- 51 (21) The University of North Carolina Hospitals at Chapel Hill."

(bb) Subsections (a) through (e) of this section become effective February 1, 1998. The remainder of this section becomes effective July 1, 1998. Subsection (aa) of this section applies to taxes paid on or after July 1, 1998.

Requested by: Representatives Arnold, Grady, Preston

TESTING

Section 9.15. (a) Of the funds appropriated for State Aid to Local School Administrative Units, the State Board of Education may use up to two million dollars (\$2,000,000) for the 1998-99 fiscal year to:

- (1) Cover cost increases in end-of-grade, end-of-course, and other tests previously authorized by the SBE and the General Assembly, that are caused by increases in average daily membership;
- (2) Reestablish high school end-of-course tests previously established by the State Board of Education in accordance with Section 8.27 of S.L. 1997-443;
- (3) Develop new end-of-course tests required for high school, in accordance with Section 8.27 of S.L. 1997-443; and
- (4) Begin the development of alternative assessments for children with special needs.

The General Assembly encourages the Director of the Budget to include these funds in the continuation budget request for the 1999-2000 fiscal year and subsequent fiscal years.

(b) G.S. 115C-174.11(c)(1) reads as rewritten:

"(1) The State Board of Education shall adopt a system of annual testing for grades three through 12. These tests shall be designed to measure progress toward reading, communication skills, and mathematics for grades three through eight, and toward competencies designated by the State Board for grades nine through 12. Notwithstanding subsection (a) of this section, the State Board shall develop and implement a study allowing selected local school administrative units that volunteer to administer a standardized test in May, 12 months prior to the third grade end-of-grade test, in order to establish a baseline that will be used to measure academic growth at the end of third grade. Initially, the State Board shall select 12 volunteer local school administrative units that are diverse in geography and size to participate in the study. If the State Board determines that a standardized test administered in May, 12 months prior to the third grade end-of-grade test, is more reliable than a standardized test administered at the beginning of third grade for the purpose of measuring academic growth, the State Board may change the test date for additional local school units. The State Board shall report the results of the study to the Joint Legislative Education Oversight Committee by October 15, 2000.

Baseline measurements administered in May, 12 months prior to the third grade end-of-grade test, are not public records as provided in Chapter 132 of the General Statutes."

Requested by: Representatives Arnold, Grady, Preston

SUBSTITUTE TEACHERS

Section 9.16. (a) G.S. 115C-12(8) reads as rewritten:

"(8) Power to Make Provisions for Sick Leave and for Substitute Teachers. -- The Board shall provide for sick leave with pay for all public school employees in accordance with the provisions of this Chapter and shall promulgate rules and regulations providing for necessary substitutes on account of sick leave and other teacher absences.

~~The pay for a substitute shall be fixed by the Board. The minimum pay for a substitute teacher who holds a teaching certificate shall be fifty-four and five-tenths percent (54.5%) of the daily pay rate of an entry-level teacher with an 'A' certificate. The minimum pay for a substitute teacher who does not hold a teaching certificate shall be thirty-eight and five-tenths percent (38.5%) of the daily pay rate of an entry-level teacher with an 'A' certificate. The pay for noncertified substitutes shall not exceed the pay of certified substitutes.~~

Local boards may use State funds allocated for substitute teachers to hire full-time substitute teachers.

If a teacher assistant acts as a substitute teacher, the salary of the teacher assistant for the day shall be the same as the daily salary of an entry-level teacher with an 'A' certificate.

~~The Board may provide to each local school administrative unit not exceeding one percent (1%) of the cost of instructional services for the purpose of providing substitute teachers for those on sick leave as authorized by law or by regulations of the Board, but not exceeding the provisions made for other State employees."~~

(b) If the average number of substitute teacher days taken by teachers in a local school administrative unit is higher than the statewide average, the local board of education shall determine the reasons unit average is high and shall develop a plan for decreasing the unit average.

Requested by: Representatives Arnold, Grady, Preston
TORT CLAIM LIABILITY/SCHOOL BUSES

Section 9.17. (a) G.S. 115C-257 reads as rewritten:

"§ 115C-257. Attorney General to pay claims.

The Attorney General is hereby authorized to pay reasonable medical expenses, not to exceed ~~six hundred dollars (\$600.00)~~, three thousand dollars (\$3,000), incurred within one year from the date of accident to or for each pupil who sustains bodily injury or death caused by accident, while boarding, riding on, or alighting from a school bus operated by any local school administrative unit."

(b) G.S. 143-300.1 reads as rewritten:

"§ 143-300.1. Claims against county and city boards of education for accidents involving school buses or school transportation service vehicles.

(a) The North Carolina Industrial Commission shall have jurisdiction to hear and determine tort claims against any county board of education or any city board of education, which claims arise as a result of any alleged mechanical defects or other defects which may affect the safe operation of a public school bus or school transportation service vehicle resulting from an alleged negligent act of maintenance personnel or as a result of any alleged negligent act or omission of the ~~driver~~ driver, transportation safety assistant, or monitor of a public school bus or school transportation service vehicle when:

(1) The salary of that driver is paid or authorized to be paid from the State Public School Fund, and the driver is an employee of the

1 county or city administrative unit of which that board is the
2 governing body,
3 (1a) The monitor was appointed and acting in accordance with G.S.
4 115C-245(d).
5 (1b) The transportation safety assistant was employed and acting in
6 accordance with G.S. 115C-245(e), or
7 (2) The driver is an unpaid school bus driver trainee under the
8 supervision of an authorized employee of the Department of
9 Transportation, Division of Motor Vehicles, or an authorized
10 employee of that board or a county or city administrative unit
11 thereof,
12 and which driver was at the time of the alleged negligent act or omission operating a
13 public school bus or school transportation service vehicle in the course of his
14 employment by or training for that administrative unit or ~~board~~ board, which
15 monitor was at the time of the alleged negligent act or omission acting as such in the
16 course of serving under G.S. 115C-245(d), or which transportation safety assistant was
17 at the time of the alleged negligent act or omission acting as such in the course of
18 serving under G.S. 115C-245(e). The liability of such county or city board of
19 education, the defenses which may be asserted against such claim by such board, the
20 amount of damages which may be awarded to the claimant, and the procedure for
21 filing, hearing and determining such claim, the right of appeal from such
22 determination, the effect of such appeal, and the procedure for taking, hearing and
23 determining such appeal shall be the same in all respects as is provided in this Article
24 with respect to tort claims against the State Board of Education except as hereinafter
25 provided. Any claim filed against any county or city board of education pursuant to
26 this section shall state the name and address of such board, the name of the employee
27 upon whose alleged negligent act or omission the claim is based, and all other
28 information required by G.S. 143-297 in the case of a claim against the State Board of
29 Education. Immediately upon the docketing of a claim, the Industrial Commission
30 shall forward one copy of the plaintiff's affidavit to the superintendent of the schools
31 of the county or city administrative unit against the governing board of which such
32 claim is made, one copy of the plaintiff's affidavit to the State Board of Education
33 and one copy of the plaintiff's affidavit to the office of the Attorney General of North
34 Carolina. All notices with respect to tort claims against any such county or city board
35 of education shall be given to the superintendent of schools of the county or city
36 administrative unit of which such board is a governing board, to the State Board of
37 Education and also to the office of the Attorney General of North Carolina.
38 (b) The Attorney General shall be charged with the duty of representing the city
39 or county board of education in connection with claims asserted against them
40 pursuant to this section where the amount of the claim, in the opinion of the
41 Attorney General, is of sufficient import to require and justify such appearance.
42 (c) In the event that the Industrial Commission shall make award of damages
43 against any county or city board of education pursuant to this section, the Attorney
44 General shall draw a voucher for the amount required to pay such award. The funds
45 necessary to cover vouchers written by the Attorney General for claims against
46 county and city boards of education for accidents involving school buses and school
47 transportation service vehicles shall be made available from funds appropriated to the
48 Department of Public Instruction. Neither the county or city boards of education, or
49 the county or city administrative unit shall be liable for the payment of any award
50 made pursuant to the provisions of this section in excess of the amount paid upon
51 such voucher by the Attorney General. Settlement and payment may be made by the
52 Attorney General as provided in G.S. 143-295.

(d) The Attorney General may defend any civil action which may be brought against the ~~driver~~ driver, transportation safety assistant, or monitor of a public school bus or school transportation service vehicle or school bus maintenance mechanic when such driver or mechanic is paid or authorized to be paid from the State Public School Fund ~~Fund~~, when the monitor is acting in accordance with G.S. 115C-245(d), when the transportation safety assistant is acting in accordance with G.S. 115C-245(e), or when the driver is an unpaid school bus driver trainee under the supervision of an authorized employee of the Department of Transportation, Division of Motor Vehicles, or an authorized employee of a county or city board of education or administrative unit thereof. The Attorney General may afford this defense through the use of a member of his staff or, in his discretion, employ private counsel. The Attorney General is authorized to pay any judgment rendered in such civil action not to exceed the limit provided under the Tort Claims Act. The Attorney General may compromise and settle any claim covered by this section to the extent that he finds the same to be valid, up to the limit provided in the Tort Claims Act, provided that the authority granted in this subsection shall be limited to only those claims which would be within the jurisdiction of the Industrial Commission under the Tort Claims Act."

(c) This section applies as to claims arising on or after July 1, 1998.

Requested by: Representatives Arnold, Grady, Preston

EXTRA PAY FOR FORFEITED VACATION DAYS

Section 9.18. (a) Of the funds appropriated to State Aid to Local School Administrative Units, the sum of four million two hundred fifty thousand dollars (\$4,250,000) for the 1998-99 fiscal year shall be used by local boards of education to pay teachers for working on, and thereby forfeiting, vacation days, in accordance with G.S. 115C-302.1(c). The State Board of Education shall make available to each local school administrative unit sufficient funds to provide pay for a maximum of six days for each teacher who is qualified to receive additional pay for forfeited vacation days under G.S. 115C-302.1(c). For the 1998-99 fiscal year, the funds allotted under this subsection shall be available for days scheduled by local boards and individual schools as follows: two for days scheduled by the local board of education under G.S. 115C-84.2(a)(4); and four for days scheduled by school principals in consultation with school improvement teams under G.S. 115C-84.2(a)(5).

(b) G.S. 115C-84.2 reads as rewritten:

"§ 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 shall fall within the 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 local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.
- (2) A minimum of 10 annual vacation leave days.

- 1 (3) The same or an equivalent number of legal holidays occurring
2 within the school calendar as those designated by the State
3 Personnel Commission for State employees.
4 (4) Ten days, as designated by the local board, for use as teacher
5 workdays, additional instructional days, or other lawful purposes.
6 A local board may delegate to the individual schools some or all of
7 the 10 days to schedule under subdivision (5) of this subsection. A
8 local board may schedule different purposes for different personnel
9 on any given day and is not required to schedule the same dates
10 for all personnel.
11 (5) The remaining days shall be scheduled by each individual school
12 by the school's principal in consultation with the school
13 improvement team. Days may be scheduled for any of the purposes
14 allowed under subdivision (4) of this subsection. Days may be
15 scheduled for different purposes for different personnel and there
16 is no requirement to schedule the same dates for all personnel.

17 Local boards and individual schools are encouraged to use the calendar flexibility
18 in order to meet the annual performance standards set by the State Board. Local
19 boards of education shall consult with parents and the employed public school
20 personnel in the development of the school calendar.

21 Local boards and individual schools shall give teachers at least 14 calendar days'
22 notice before requiring a teacher to work instead of taking vacation leave on days
23 scheduled in accordance with subdivision (4) or (5) of this subsection. A teacher
24 may elect to waive this notice requirement for one or more such days.

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

- 27 (1) The total number of teacher workdays for teachers employed for a
28 10 month term shall not exceed 200 days.
29 (2) The calendar shall include at least ~~30~~ 42 consecutive days when
30 teacher attendance is not required unless: (i) the school is a year-
31 round school; or (ii) the teacher is employed for a term in excess
32 of 10 months. At the request of the local board of education or of
33 the principal of a school, a teacher may elect to work on one of
34 the 42 days when teacher attendance is not required in lieu of
35 another scheduled workday.
36 (3) School shall not be held on Sundays.
37 (4) Veteran's Day shall be a holiday for all students enrolled in the
38 public schools.

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

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

49 (c) The amendments to G.S. 115C-84.2(b)(2) set out in subsection (b) of
50 this section apply to school years beginning with the 1999-2000 school year.

51 [SECTION 9.19 RESERVED]
52
53

1 Requested by: Representatives Arnold, Grady, Preston

2 **LIMITED ENGLISH PROFICIENCY**

3 Section 9.20. (a) The State Board of Education shall develop guidelines
4 for identifying and providing services to students with limited proficiency in the
5 English language.

6 The State Board shall allocate the funds to local school administrative
7 units on the basis of the number of students they serve with limited English
8 proficiency, with a minimum of 20 students per unit and a maximum of ten and six-
9 tenths percent (10.6%) of the average daily membership of the unit.

10 Local school administrative units shall use funds allocated to them to pay
11 for classroom teachers, textbooks, classroom materials/instructional
12 supplies/equipment, and staff development for students with limited English
13 proficiency.

14 A county in which a local school administrative unit receives funds under
15 this section shall use the funds to supplement local current expense funds and shall
16 not supplant local current expense funds.

17 (b) G.S. 115C-105.25(b)(4) reads as rewritten:

18 "(4) Funds allocated for children with special needs, for students with
19 limited English proficiency, and ~~funds allocated~~ for driver's
20 education shall not be transferred."

21 (c) The State Board of Education shall review its certification
22 requirements for English as a Second Language (ESL) and determine whether the
23 requirements should be revised in order to assist local school administrative units to
24 quickly obtain adequate numbers of qualified teachers. The State Board and the
25 Board of Governors of The University of North Carolina shall coordinate efforts to
26 provide ESL certification programs that are geographically disbursed throughout the
27 State. The Board of Governors shall examine providing ESL certification programs
28 through distance learning methods and off-campus programs.

29 (d) The State Board of Education shall identify existing or develop new
30 programs that provide instructional personnel with in-service, noncertificate training
31 for assisting students with limited English proficiency in the regular classroom. The
32 Board of Governors of The University of North Carolina and the State Board of
33 Community Colleges shall collaborate with the State Board of Education in order to
34 deliver these programs to geographically diverse locations.

35 (e) The State Board of Education shall survey local school administrative
36 units to determine whether schools are able to recruit and retain ESL certified
37 teachers. The State Board shall provide the results of this survey to the Joint
38 Legislative Education Oversight Committee prior to December 15, 1999.

39
40 Requested by: Representatives Arnold, Grady, Preston

41 **DRIVERS EDUCATION FUNDS DO NOT REVERT**

42 Section 9.21. (a) Section 12(b) of S.L. 1998-23 reads as rewritten:

43 "(b) This section becomes effective June 30, 1998, and ~~expires when the Current~~
44 ~~Operations Appropriations and Capital Improvement Appropriations Act of 1998~~
45 ~~becomes a law. 1998.~~"

46 (b) The State Board of Education may use funds appropriated for drivers
47 education for the 1998-99 fiscal year to implement S.L. 1997-507.

48
49 Requested by: Representatives Arnold, Grady, Preston

50 **ADDITIONAL TEACHERS FOR MIDDLE SCHOOL CHILDREN WHO ARE**
51 **ACADEMICALLY BELOW GRADE LEVEL**

52 Section 9.22. Section 8.29(c) of S.L. 1997-443 reads as rewritten:

"(c) Of the funds appropriated to State Aid to Local School Administrative Units, the sum of three million two hundred thousand dollars (\$3,200,000) for the 1997-98 fiscal year and the sum of three million two hundred thousand dollars (\$3,200,000) for the 1998-99 fiscal year shall be used to provide additional teachers for middle school children who are academically below grade level. Middle school children are children in a school that serves grades six, seven, and eight, and no other grades.

(1) The State Board of Education shall allocate these teacher positions to pilot middle schools on the basis of the number of students in grade six who scored at proficiency Level I on the end-of-grade test in mathematics, on the end-of-grade test in reading, or on both, at the end of their last school year. The funds shall be used in schools ~~that have at least 50 such students~~ at a ratio of one teacher to every 50 students. ~~No partial positions shall be allocated.~~ Positions shall be rounded to the nearest one-half position.

(2) The purpose of these funds is to improve the academic performance and the behavior of these students during the first school year after elementary school by placing them in classes with a low student-to-teacher ratio for either all of their core academic subjects or for the subject or subjects in which they are below grade level. In order to accomplish this purpose, local school administrative units shall use (i) the teachers allocated for these students pursuant to the regular teacher allotment and (ii) the teachers allocated for these students under this section only to improve the academic performance and the behavior of these students. Local boards of education shall adopt rules to ensure that each student for whom funds for additional teacher positions are allocated under this section shall be assigned a teacher who is responsible for monitoring the academic progress of the student.

(3) Of the funds appropriated in this section, the State Board of Education may use up to twenty-five thousand dollars (\$25,000) to evaluate the effectiveness of these smaller classes in improving academic performance and discipline in middle schools."

Requested by: Representatives Arnold, Grady, Preston

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

Section 9.23. G.S. 115C-12(18) reads as rewritten:

"(18) Duty to Develop and Implement a Uniform Education Reporting System, Which Shall Include Standards and Procedures for Collecting Fiscal and Personnel Information.

a. The State Board of Education shall adopt standards and procedures for local school administrative units to provide timely, accurate, and complete fiscal and personnel information, including payroll information, on all school personnel. All local school administrative units shall comply with these standards and procedures by the beginning of the 1987-88 school year.

b. The State Board of Education shall develop and implement a Uniform Education Reporting System that shall include requirements for collecting, processing, and reporting fiscal, personnel, and student data, by means of electronic transfer of data files from local computers to the State Computer

Center through the State Communications Network. All local school administrative units shall comply with the requirements of the Uniform Education Reporting System by the beginning of the 1989-90 school year.

c. The State Board of Education shall comply with the provisions of G.S. 116-11(10a) to plan and implement an exchange of information between the public schools and the institutions of higher education in the State. The State Board of Education shall require local boards of education to provide to the parents of children at a school all information except for confidential information received about that school from institutions of higher education pursuant to G.S. 116-11(10a) and to make that information available to the general public.

d. 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 1999-2000 school year."

Requested by: Representatives Arnold, Preston

DUES DEDUCTION FOR ACTIVE EMPLOYEES

Section 9.24. G.S. 143-3.3(g) reads as rewritten:

"(g) Payroll Deduction for Payments to Certain Employees' Associations Allowed. -- An employee of the State or any of its institutions, departments, bureaus, agencies or commissions, or any of its ~~local boards of education or~~ community colleges, who is a member of a domiciled employees' association that has at least 2,000 members, the majority of whom are employees of the ~~State or public school employees,~~ State, may authorize, in writing, the periodic deduction each payroll period from the employee's salary or wages a designated lump sum to be paid to the employees' association. The authorization shall remain in effect until revoked by the employee. A plan of payroll deductions pursuant to this subsection for employees of the State and other association members shall become void if the employees' association engages in collective bargaining with the ~~State, any State or any political subdivision of the State, or any local school administrative unit.~~ State. This subsection does not apply to county or municipal governments or any local governmental ~~unit, except for local boards of education.~~ unit."

[SECTION 9.25 RESERVED]

Requested by: Representatives Arnold, Grady, Preston

UNIFORM EDUCATION REPORTING SYSTEM (UERS)/STUDENT INFORMATION MANAGEMENT SYSTEM (SIMS) FUNDS

Section 9.26. (a) The State Board of Education shall use funds appropriated for the Uniform Education Reporting System and the Student Information Management System for the 1998-99 fiscal year to begin the development of a replacement for the existing Student Information System. In developing the new

1 system, the State Board shall give priority to the development of applications that
2 maintain student records, maintain ABC accountability data, allow for the transfer of
3 student records between local school administrative units, and facilitate the transfer of
4 transcripts to institutions of higher education.

5 In designing the new system, the State Board shall develop a model for
6 statewide implementation that maximizes the economies of scale with respect to
7 operations, personnel, and hardware. The State Board's goal shall be to develop a
8 new system that provides information to local schools, local school boards, and the
9 State Board in the most cost-efficient manner.

10 The new system shall follow guidelines established by the Information
11 Resources Management System.

12 The State Board may develop pilots of the new system.

13 (b) The State Board shall provide periodic reports to the Joint Legislative
14 Education Oversight Committee on the development of the new system and shall
15 report to the 1999 General Assembly on implementation of the pilot projects.

16 (c) Funds appropriated for the Uniform Education Reporting System and
17 the Student Information Management System shall not revert at the end of the fiscal
18 year but shall remain available until expended on the project.

19
20 [SECTION 9.27 RESERVED]

21
22 Requested by: Representatives Arnold, Grady, Preston

23 **REDUCE K-3 CLASS SIZE**

24 Section 9.28. G.S. 115C-105.25(b) reads as rewritten:

25 "(b) ~~Subject to the following limitations, local~~ Local boards of education may
26 transfer and may approve transfers of funds between funding allotment ~~categories:~~
27 categories as follows:

28 (1) ~~In accordance with a school improvement plan accepted under~~
29 ~~G.S. 115C-105.27, State funds allocated for teacher assistants may~~
30 ~~be transferred may be used only for personnel (i) to serve for one~~
31 ~~or more of the following purposes:~~

32 a. ~~Teacher assistants who serve only students only in~~
33 ~~kindergarten through third grade, or (ii) to serve students~~
34 ~~primarily in kindergarten through third grade when the~~
35 ~~personnel are assigned to an elementary school to serve the~~
36 ~~whole school grade;~~

37 b. ~~Teacher assistants who serve the entire elementary school to~~
38 ~~which they are assigned but primarily serve only students in~~
39 ~~kindergarten through third grade; and~~

40 c. ~~Certified teachers~~ ~~Funds allocated for teacher assistants~~
41 ~~may be transferred to reduce class size or to reduce the~~
42 ~~student-teacher ratio in kindergarten through third grade so~~
43 ~~long as the affected teacher assistant positions are not filled~~
44 ~~when the plan is amended or approved by the building-level~~
45 ~~staff entitled to vote on the plan or the affected teacher~~
46 ~~assistant positions are not expected to be filled on the date~~
47 ~~the plan is to be implemented. Any State funds appropriated~~
48 ~~for teacher assistants that were converted to certificated~~
49 ~~teachers before July 1, 1995, in accordance with Section 1 of~~
50 ~~Chapter 986 of the 1991 Session Laws, as rewritten by~~
51 ~~Chapter 103 of the 1993 Session Laws, may continue to be~~
52 ~~used for certificated teachers.~~ grade.

- (2) In accordance with a school improvement plan accepted under G.S. 115C-105.27, (i) State funds allocated for classroom materials/instructional supplies/equipment may be transferred only for the purchase of textbooks; (ii) State funds allocated for textbooks may be transferred only for the purchase of instructional supplies, instructional equipment, or other classroom materials; and (iii) State funds allocated for noninstructional support personnel may be transferred only for teacher positions.
- (3) No funds shall be transferred into the central office allotment category.
- (4) Funds allocated for children with special needs and funds allocated for driver's education shall not be transferred.
- (5) Funds allocated for classroom teachers may be transferred only for teachers of exceptional children, for teachers of at-risk students, and for authorized purposes under the textbooks allotment category and the classroom materials/instructional supplies/equipment allotment category.
- (6) Funds allocated for vocational education may be transferred only in accordance with any rules that the State Board of Education considers appropriate to ensure compliance with federal regulations.
- (7) Funds allocated for career development shall be used in accordance with Section 17.3 of Chapter 324 of the 1995 Session Laws.
- (8) Funds allocated for academically or intellectually gifted students may be used only (i) for academically or intellectually gifted students; (ii) to implement the plan developed under G.S. 115C-150.7; or (iii) in accordance with an accepted school improvement plan, for any purpose so long as that school demonstrates it is providing appropriate services to academically or intellectually gifted students assigned to that school in accordance with the local plan developed under G.S. 115C-150.7."

Requested by: Representatives Arnold, Grady, Preston

SCHOOL ADMINISTRATION INTERNS

Section 9.29. During the 1998-99 fiscal year, a local school administrative unit may employ a person in an assistant principal position who is not certified as an assistant principal if (i) the person is participating in a local school administrative unit-sponsored masters program in school administration as a part-time student, (ii) the placement of the person in the School Building Administration Allotment is part of the unit-sponsored program and is in cooperation with an accredited masters in administration program, and (iii) the person continues to participate in the unit-sponsored program and successfully completes the program within one year. A person meeting these criteria shall be placed for no more than one year on the assistant principal salary schedule as if the individual were certified as a school administrator.

PART X. COMMUNITY COLLEGES

Requested by: Representatives Arnold, Grady, Preston

DELETE SUNSET ON ONE-YEAR EXTENSION ON THE DEADLINE FOR MATCHING COMMUNITY COLLEGE BOND FUNDS

Section 10. Section 8(b) of S.L. 1998-23 reads as rewritten:

1 "(b) This section becomes effective June 30, 1998, and expires when the Current
2 ~~Operations Appropriations and Capital Improvement Appropriations Act of 1998~~
3 ~~becomes a law.~~ 1998."
4

5 Requested by: Representatives Arnold, Grady, Preston

6 **INDEPENDENT STUDY OF CAPITAL BUDGET AND OPERATING BUDGET FUND**
7 **ALLOCATIONS**

8 Section 10.1. The State Board of Community Colleges shall contract with
9 an outside consultant to:

- 10 (1) Review the community college capital allocation process and
11 recommend modifications to the process necessary to make the
12 process more equitable; and
- 13 (2) Study performance budget measures and recommend options for
14 allocating community college funds on a performance budgeting
15 basis.

16 The State Board may use funds from the State Board Reserve to
17 implement this section.

18 The State Board shall report to the Joint Legislative Appropriations
19 Subcommittees on Education and the Fiscal Research Division prior to February 1,
20 1999, on the implementation of this section.
21

22 Requested by: Representatives Arnold, Grady, Preston

23 **COMMUNITY COLLEGE EQUIPMENT RESERVE FUND**

24 Section 10.2. (a) G.S. 115D-31 reads as rewritten:

25 **"§ 115D-31. State financial support of institutions.**

26 (a) The State Board of Community Colleges shall be responsible for providing,
27 from sources available to the State Board, funds to meet the financial needs of
28 institutions, as determined by policies and regulations of the State Board, for the
29 following budget items:

- 30 (1) Plant Fund. -- Furniture and equipment for administrative and
31 instructional purposes, library books, and other items of capital
32 outlay approved by the State Board. Provided, the State Board
33 may, on an equal matching-fund basis from appropriations made
34 by the State for the purpose, grant funds to individual institutions
35 for the purchase of land, construction and remodeling of
36 institutional buildings determined by the State Board to be
37 necessary for the instructional programs or administration of such
38 institutions. For the purpose of determining amount of matching
39 State funds, local funds shall include expenditures made prior to
40 the enactment of this Chapter or prior to an institution becoming a
41 community college pursuant to the provisions of this Chapter,
42 when such expenditures were made for the purchase of land,
43 construction, and remodeling of institutional buildings
44 subsequently determined by the State Board to be necessary as
45 herein specified, and provided such local expenditures have not
46 previously been used as the basis for obtaining matching State
47 funds under the provisions of this Chapter or any other laws of the
48 State. Notwithstanding the provisions of this subdivision, G.S. 116-
49 53(b), or G.S. 143-31.4, appropriations by the State of North
50 Carolina for capital or permanent improvements for community
51 colleges may be matched with any prior expenditure of non-State
52 funds for capital construction or land acquisition not already used
53 for matching purposes.

(2) Current Operating Expenses:

- a. General administration. -- Salaries and other costs as determined by the State Board necessary to carry out the functions of general administration.
- b. Instructional services. -- Salaries and other costs as determined by the State Board necessary to carry out the functions of instructional services.
- c. Support services. -- Salaries and other costs as determined by the State Board necessary to carry out the functions of support services.

(3) Additional Support for Regional Institutions as Defined in G.S. 115D-2(4). -- Matching funds to be used with local funds to meet the financial needs of the regional institutions for the items set out in G.S. 115D-32(a)(2)a. Amount of matching funds to be provided by the State under this section shall be determined as follows: The population of the administrative area in which the regional institution is located shall be called the 'local factor,' the combined populations of all other counties served by the institution shall be called the 'State factor.' When the budget for the items listed in G.S. 115D-32(a)(2)a has been approved under the procedures set out in G.S. 115D-45, the administrative area in which the regional institution is located shall provide a percentage to be determined by dividing the local factor by the sum of the local factor and the State factor. The State shall provide a percentage of the necessary funds to meet this budget, the percentage to be determined by dividing the State factor by the sum of the local factor and the State factor. If the local administrative area provides less than its proportionate share, the amount of State funds provided shall be reduced by the same proportion as were the administrative area funds.

Wherever the word 'population' is used in this subdivision, it shall mean the population of the particular area in accordance with the latest United States census.

(b) The State Board is authorized to accept, receive, use, or reallocate to the institutions any federal funds or aids that have been or may be appropriated by the government of the United States for the encouragement and improvement of any phase of the programs of the institutions.

(c) State funds appropriated to the State Board of Community Colleges for equipment and library ~~books~~ books, except for funds appropriated to the Equipment Reserve Fund, shall revert to the General Fund 12 months after the close of the fiscal year for which they were appropriated. Encumbered balances outstanding at the end of each period shall be handled in accordance with existing State budget policies. The Department shall identify to the Office of State Budget and Management the funds that revert at the end of the 12 months after the close of the fiscal year.

(d) State funds appropriated to the State Board of Community Colleges for the Equipment Reserve Fund shall be allocated to institutions in accordance with the equipment allocation formula for the fiscal period. An institution to which these funds are allocated shall spend the funds only in accordance with an equipment acquisition plan developed by the institution and approved by the State Board.

These funds shall not revert and shall remain available until expended in accordance with an approved plan."

(b) The State Board of Community Colleges shall allocate equipment funds appropriated for the 1998-99 fiscal year, including funds appropriated to the

1 Equipment Reserve Fund, in accordance with the formula proposed to the General
2 Assembly by the Board at its May 1998 meeting.

3
4 Requested by: Representatives Arnold, Grady, Preston

5 **BUDGET REALIGNMENT TO IMPLEMENT REORGANIZATION AUTHORIZED**

6 Section 10.3. Notwithstanding G.S. 143-23 or any other provision of law,
7 the State Board of Community Colleges may transfer funds within the budget of the
8 Department of Community Colleges to the extent necessary to implement the
9 departmental reorganization plan recommended by the President of the North
10 Carolina Community College System and adopted by the State Board.

11
12 Requested by: Representatives Arnold, Grady, Preston

13 **CONTINUING BUDGET CONCEPT**

14 Section 10.4. (a) The State Board of Community Colleges shall
15 implement the continuing budget concept for full-time equivalent students (FTE)
16 earned for the 1998-99 fiscal year as follows:

17 (1) Community colleges that experience a decline in enrollment shall
18 not receive a decrease in full-time equivalent student (FTE)
19 enrollment funds until their enrollment declines more than three
20 percent (3%). At that time, they shall experience a decline of only
21 the amount over three percent (3%);

22 (2) Community colleges that experience an increase in enrollment
23 shall not receive an increase in full-time equivalent student (FTE)
24 enrollment funds until their enrollment increases more than two
25 percent (2%). At that time, they shall experience an increase of
26 only the amount over two percent (2%).

27 (b) The State Board of Community Colleges shall implement the
28 continuing budget concept for subsequent fiscal years by funding (i) the average
29 earned full-time equivalent student (FTE) enrollment for the prior three fiscal years,
30 or (ii) the earned full-time equivalent student (FTE) enrollment for the prior fiscal
31 year, whichever is greater.

32
33 Requested by: Representatives Arnold, Grady, Preston

34 **ANNUAL REVIEW ACCOUNTABILITY ENHANCED**

35 Section 10.5. The General Assembly finds that the current annual
36 program review standards are not adequate to ensure that programs are meeting the
37 needs of students, employers, and the general public; therefore, the State Board of
38 Community Colleges shall review the current standard to ensure a higher degree of
39 program accountability and shall establish appropriate levels of performance for each
40 measure based on sound methodological practices.

41 The State Board shall make an interim report to the Joint Legislative
42 Education Oversight Committee and to the Fiscal Research Division on its improved
43 accountability measures prior to November 1, 1998, and a final report prior to
44 February 1, 1999.

45
46 Requested by: Representatives Arnold, Grady, Preston

47 **DEVELOPMENT OF MANAGEMENT INFORMATION SYSTEM**

48 Section 10.6. The State Board of Community Colleges shall develop a
49 plan for an efficient and effective technology and management information system.
50 The system shall be designed to support the Community College System's planning,
51 evaluation, communication, resource management, full-time equivalent student (FTE)
52 reporting, and decision-making processes. The plan shall identify the technology and
53 management information needs of the local colleges and the Department of

1 Community Colleges, the costs of meeting these needs, and the benefits of meeting
2 them.

3 The State Board shall report to the Joint Legislative Education Oversight
4 Committee prior to February 1, 1999, on the plan it develops.

5
6 Requested by: Representatives Arnold, Grady, Preston

7 **COOPERATIVE HIGH SCHOOL EDUCATION PROGRAM ACCOUNTABILITY**

8 Section 10.7. (a) It is the goal of the General Assembly to increase the
9 number of qualified high school students participating in cooperative high school
10 education programs that are provided by local community colleges through cost-
11 effective programs that do not duplicate high school Advanced Placement courses
12 that are currently being offered or that could feasibly be offered. These programs
13 shall provide additional higher education opportunities for qualified high school
14 students while minimizing overlapping costs to the State for public schools and
15 community colleges.

16 (b) The State Board of Community Colleges and the State Board of
17 Education shall create a joint task force to study the existing policies for cooperative
18 high school education programs and to recommend changes necessary to improve the
19 programs' success and accountability. The Boards shall report their findings and
20 recommendations to the Joint Legislative Education Oversight Committee and the
21 Fiscal Research Division prior to March 1, 1999.

22
23 Requested by: Representatives Arnold, Grady, Preston

24 **REPORTING REQUIREMENTS**

25 Section 10.8. The local institutions of the North Carolina Community
26 College System shall comply with annual reporting requirements established by the
27 State Board of Community Colleges; therefore, the State Board of Community
28 Colleges shall develop an action plan to improve the timeliness and accuracy of the
29 data that are required to be reported to the State Board by each institution. This
30 plan shall include withholding State funds from the institution if an institution is not
31 in compliance.

32 The plan shall be approved and implemented by October 30, 1998.

33
34 Requested by: Representatives Arnold, Grady, Preston

35 **COMMUNITY COLLEGE TUITION STUDY**

36 Section 10.9. The Joint Legislative Education Oversight Committee shall
37 study community college tuition in light of federal "Hope Scholarships". The
38 Committee shall report the results of its study to the Appropriations Subcommittees
39 on Education of the Senate and the House of Representatives prior to January 15,
40 1999.

41
42 Requested by: Representatives Arnold, Grady, Preston

43 **HOSPITALITY AND TOURISM JOB TRAINING PROGRAMS**

44 Section 10.10. (a) The State Board of Community Colleges shall study
45 hospitality and tourism job training programs offered by the local institutions of the
46 North Carolina Community College System. The State Board of Community
47 Colleges shall collaborate with the Board of Governors of The University of North
48 Carolina, the State Board of Education, and the Department of Commerce to
49 improve articulation between institutions with regard to hospitality and tourism job
50 training programs. The efforts to improve articulations shall be considered a joint
51 venture of these educational institutions that are participating members of the
52 Culinary, Hospitality, Tourism Education Alliance (CHTEA), and of the Department
53 of Commerce and the travel and tourism industry.

(b) The State Board of Community Colleges, the State Board of Education, the Board of Governors of The University of North Carolina, and the Department of Commerce shall report jointly to the Joint Legislative Education Oversight Committee prior to April 1, 1999, on the following:

- (1) An inventory of all curriculum, continuing education, and job training programs offered in the State that support the travel, tourism, and hospitality industries;
- (2) Recommendations for improvements to the programs and a system of program accountability; and
- (3) Recommendations on ways to improve communication between the industry and the Boards and to enhance efforts to promote the programs.

Requested by: Representatives Arnold, Grady, Preston

ROANOKE-CHOWAN COMMUNITY COLLEGE/SHELTERED WORKSHOP

Section 10.11. (a) Roanoke-Chowan Community College may use proceeds derived from the lease of buildings associated with the sheltered workshop to phase out the sheltered workshop operation.

(b) This section shall remain in effect until the closeout of the sheltered workshop has been accomplished.

Requested by: Representative Shubert

ESTABLISHMENT OF UNION COMMUNITY COLLEGE

Section 10.12. Notwithstanding Section 9.7 of S.L. 1997-443 or any other provision of law, the State Board of Community Colleges shall establish a new community college in Union County. The institution shall begin operation with the second semester of the 1998-99 community college year and shall operate under the provisions of Chapter 115D of the General Statutes and shall be dedicated primarily to the educational needs of Union County. No legislators shall serve on the board of the new community college.

Community college bond proceeds that were allocated to the Union County Satellite of Anson Community College prior to July 1, 1998, but not expended or encumbered by that date shall be reallocated to the new community college for construction of a planned community college facility in Union County.

Effective with the second semester of the 1998-99 community college year, Union County shall no longer be assigned to either the Anson Community College or the Stanly Community College service delivery area. Union County shall be the only county in the service delivery area of the new community college established in this act.

PART XI. UNIVERSITIES

Requested by: Representatives Arnold, Grady, Preston

UNC INCENTIVE FUNDING

Section 11. G.S. 116-30.3 reads as rewritten:

"§ 116-30.3. Reversions.

(a) Of the General Fund current operations appropriations credit balance remaining at the end of each fiscal year in each budget code of a special responsibility constituent institution, except for the budget code of the Area Health Education Centers of the University of North Carolina at Chapel Hill, any amount greater than two percent (2%) of the General Fund appropriation for that fiscal year may be carried forward by the institution to the next fiscal year and may be used for one-time expenditures that will not impose additional financial obligations on the State. Of the General Fund current operations appropriations credit balance

1 remaining in the budget code of the Area Health Education Centers of the University
2 of North Carolina at Chapel Hill, any amount greater than one percent (1%) of the
3 General Fund appropriation for that fiscal year may be carried forward in that budget
4 code to the next fiscal year and may be used for one-time expenditures that will not
5 impose additional financial obligations on the State. However, the amount carried
6 forward under this section shall not exceed two and one-half percent (2 1/2%) of the
7 General Fund ~~appropriation~~ appropriation, plus the amount of the reversions to be
8 retained under subsections (d) and (e) of this section. The Director of the Budget,
9 under the authority set forth in G.S. 143-25, shall establish the General Fund current
10 operations credit balance remaining in each budget code of each institution.

11 (b) An institution shall cease to be a special responsibility constituent institution
12 under the following circumstances:

- 13 (1) An institution, other than the Area Health Education Centers of
14 the University of North Carolina, does not revert at least two
15 percent (2%) of its General Fund current operations credit balance
16 remaining in each budget code of that institution, or
- 17 (2) The Area Health Education Centers of the University of North
18 Carolina at Chapel Hill does not revert at least one percent (1%)
19 of its General Fund current operations credit balance remaining in
20 its budget code.

21 However, if the Board of Governors finds that the low reversion rate is due to
22 adverse and unforeseen conditions, the Board may allow the institution to remain a
23 special responsibility constituent institution for one year to come into conformity with
24 this section. The Board may make this exception only one time for any special
25 responsibility constituent institution, and shall report these exceptions to the Joint
26 Legislative Commission on Governmental Operations.

27 (c) ~~One-half of the~~ The reversions required in subsection (a) and (b) of this
28 section shall be returned to the General Fund credit balance at the end of each fiscal
29 year, less the amounts retained by the special responsibility constituent
30 institutions under subsections (d) and (e) of this section.

31 (d) ~~For fiscal year 1997-98 and each subsequent fiscal year, 1997-98, one-half of~~
32 ~~the reversions required in subsections (a) and (b) of this section shall be available to~~
33 ~~each special responsibility constituent institution of The University of North Carolina.~~
34 ~~Those funds shall be used by the institution at the campus level for any of the~~
35 ~~following: the nonrecurring costs of technology, including the installation of~~
36 ~~technology infrastructure for academic facilities on the campus of the special~~
37 ~~responsibility constituent institution, the implementation by the constituent institution~~
38 ~~of its campus technology plan as approved by the Board of Governors, or for~~
39 ~~libraries. The funds shall not be used to support positions. Each special responsibility~~
40 ~~constituent institution shall report annually to the Board of Governors regarding how~~
41 ~~the institution spent the funds made available under this section.~~

42 (e) For fiscal year 1998-99 and each subsequent fiscal year, the reversions required
43 in subsections (a) and (b) of this section shall be available to each special
44 responsibility constituent institution of The University of North Carolina if the
45 constituent institution meets the following conditions during the fiscal year 1998-99:
46 the institution spent an amount on technology equal to or greater than the total of (i)
47 the amount spent by the institution in the preceding fiscal year on technology and (ii)
48 the amount equal to or greater than one-half of the reversion required in subsections
49 (a) and (b) of this section; for subsequent fiscal years, each special responsibility
50 constituent institution shall spend an amount on technology equal to or greater than
51 the amount expended on technology for the base year 1998-99. Those funds made
52 available under this subsection shall be used by the institution at the campus level for
53 any of the following: the nonrecurring costs of technology, including the installation

1 of technology infrastructure for academic facilities on the campus of the special
2 responsibility constituent institution, the implementation by the constituent institution
3 of its campus technology plan as approved by the Board of Governors, or for
4 libraries. The funds shall not be used to support positions. Each special responsibility
5 constituent institution shall report annually to the Board of Governors regarding how
6 the institution spent the funds made available under this section."

7
8 Requested by: Representatives Arnold, Grady, Preston

9 **NATURAL RESOURCES LEADERSHIP INSTITUTE**

10 Section 11.1. For the 1998-99 fiscal year, the requirement for reversion of
11 General Fund appropriations as required by G.S. 116-30.3 for the Cooperative
12 Extension Service budget code at North Carolina State University is reduced by one
13 hundred seventy thousand dollars (\$170,000) in order to provide funding for the
14 Natural Resource Leadership Institute sponsored by the Cooperative Extension
15 Service.

16
17 Requested by: Representatives Arnold, Grady, Preston

18 **INCENTIVE SCHOLARSHIP FOR NATIVE AMERICANS**

19 Section 11.2. Section 17.3(a) of Chapter 769 of the 1993 Session Laws,
20 reads as rewritten:

21 "Sec. 17.3. (a) The Board of Governors of The University of North Carolina shall
22 establish the Incentive Scholarship Program for Native Americans to provide
23 opportunities for Native Americans who are residents of North Carolina to attend
24 constituent institutions of The University of North Carolina under rules adopted by
25 the Board of Governors. Scholarships awarded under the program shall carry a
26 maximum value of three thousand dollars (\$3,000) per recipient per academic year,
27 ~~reduced by any amount of need-based aid that the recipient may receive from Pell~~
28 ~~Grants, North Carolina Student Incentive Grants, Supplemental Educational~~
29 ~~Opportunity Grants, or the American Indian Student Legislative Grant Program. to~~
30 ~~be awarded after all other need-based grants for which the recipient is eligible have~~
31 ~~been included in the student's financial aid package. The maximum amount of the~~
32 ~~award shall not exceed the cost of attendance budget used to calculate financial aid~~
33 ~~less other need-based aid received, and in no case shall the award exceed three~~
34 ~~thousand dollars (\$3,000).~~ To be eligible for such a scholarship, a student shall be a
35 Native American, defined as an individual who maintains cultural identification as a
36 Native American through membership in an Indian tribe recognized by the United
37 States or by the State of North Carolina or through other tribal affiliation or
38 community recognition."

39
40 Requested by: Representatives Arnold, Grady, Preston

41 **AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE**

42 Section 11.3. Section 10.4 of S.L. 1997-443 reads as rewritten:

43 "Section 10.4. (a) Funds appropriated in this act to the Board of Governors of
44 The University of North Carolina for aid to private colleges shall be disbursed in
45 accordance with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall
46 provide up to ~~seven hundred fifty dollars (\$750.00)~~ nine hundred dollars (\$900.00)
47 per full-time equivalent North Carolina undergraduate student enrolled at a private
48 institution as of October 1 each year.

49 These funds shall be placed in a separate, identifiable account in each eligible
50 institution's budget or chart of accounts. All funds in this account shall be provided
51 as scholarship funds for needy North Carolina students during the fiscal year. Each
52 student awarded a scholarship from this account shall be notified of the source of the

1 funds and of the amount of the award. Funds not utilized under G.S. 116-19 shall be
2 available for the tuition grant program as defined in subsection (b) of this section.

3 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
4 to all other financial assistance made available to private educational institutions
5 located within the State, or to students attending these institutions, there is granted to
6 each full-time North Carolina undergraduate student attending an approved
7 institution as defined in G.S. 116-22, a sum, not to exceed ~~one thousand four hundred~~
8 ~~fifty dollars (\$1,450)~~ one thousand six hundred dollars (\$1,600) per academic year,
9 which shall be distributed to the student as hereinafter provided.

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

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

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

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

34 Any remaining funds shall revert to the General Fund.

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

- 38 (1) Is incarcerated in a State or federal correctional facility for
39 committing a Class A, B, B1, or B2 felony; or
- 40 (2) Is incarcerated in a State or federal correctional facility for
41 committing a Class C through I felony and is not eligible for parole
42 or release within 10 years.

43 (d) The State Education Assistance Authority shall document the number of full-
44 time equivalent North Carolina undergraduate students that are enrolled in off-
45 campus programs and the State funds collected by each institution pursuant to G.S.
46 116-19 for those students. The State Education Assistance Authority shall also
47 document the number of scholarships and the amount of the scholarships that are
48 awarded under G.S. 116-19 to students enrolled in off-campus programs. An "off-
49 campus program" is any program offered for degree credit away from the institution's
50 main permanent campus.

51 The State Education Assistance Authority shall include in its annual report to the
52 Joint Legislative Education Oversight Committee the information it has compiled and
53 its findings regarding this program."

1 Requested by: Representatives Arnold, Grady, Preston

2 **UNC EQUITY FUNDS/CAPITAL FACILITIES STUDY**

3 Section 11.4. Section 10.1 of S.L. 1997-443 reads as rewritten:

4 "Section 10.1. (a) The funds appropriated to the Board of Governors of The
5 University of North Carolina for equity funds are to address relative inequities in
6 State operating funding revealed through a study of the constituent institutions in the
7 university system. The General Assembly notes that the study dealt with equity based
8 upon current funding from State appropriations and tuition for operations and did
9 not consider historical equity in funding for physical facilities or funding from non-
10 State sources. Therefore, in making this appropriation, the General Assembly does
11 not conclude that the total funding of any institution, including specifically the
12 historically black universities, is adequate in light of all considerations.

13 (b) Based on findings of the Legislative Study Commission on the Status of
14 Education at The University of North Carolina, the General Assembly is still
15 concerned about perceived differences in the quality of capital facilities on the
16 different campuses, which may impact the ability of some campuses to attract students
17 and faculty. Since the Board of Governors has recently completed studies of equity
18 of funding for operating costs among the constituent institutions and of the Board of
19 Governors' capital improvements request process, it is timely that the question of
20 equity of facilities be addressed.

21 The Board of Governors of The University of North Carolina shall study the
22 relative equity and adequacy of the physical facilities of its constituent institutions.
23 The study shall consider the condition of the facilities, whether or not facilities are
24 comparable among the campuses given the different missions of the institutions,
25 comparable adequacy of the physical facilities given the size and projected growth of
26 the school, and such other factors deemed appropriate by the Board of Governors.
27 The study shall include all facilities contributing to the accomplishment of the
28 campuses' missions. First, the Board of Governors shall study those facilities
29 considered central to the academic missions of the campuses that are generally
30 supported from General Fund appropriations. Secondly, the Board of Governors
31 shall study those facilities that contribute to the overall missions of the campuses,
32 including residential, dining, research, and other facilities regardless of the sources of
33 funding. The Board of Governors shall consider its policies on funding of self-
34 liquidating projects and whether those policies contribute to any inequities among the
35 campuses, including the overall costs to the students.

36 ~~The Board of Governors shall report to the General Assembly by January 15, 1999,~~
37 ~~with the results of its study. The report shall include recommendations to rectify any~~
38 ~~inequities or inadequacies found in the study.~~

39 (c) The Board of Governors shall contract with a private consulting firm with
40 expertise in higher education matters to assess the additional capital needs of the
41 constituent institutions of The University of North Carolina. The needs assessment
42 shall project the needs for capital funding for a 10-year period, and shall include a
43 detailed plan for making funding allocations based on the priorities of needs.

44 The plan shall provide a detailed capital spending plan for the next 10 years to
45 assist the General Assembly in making funding decisions relating to The University of
46 North Carolina, as the State plans for major increases in enrollment in higher
47 education and prepares its citizens to compete in a global economy. The plan shall
48 include considerations of the costs and changes in capital needs caused by new
49 technologies and alternative systems for delivery of higher education services.

50 The consultant shall visit each campus in The University of North Carolina System
51 to understand the needs of each campus based on their assigned missions, physical
52 needs, and plans.

The Board and its consultant shall provide interim progress reports to the General Assembly on a periodic basis. The Board of Governors shall report to the General Assembly by April 15, 1999, with the results of its study and plan.

Of the funds appropriated to the Board of Governors for fiscal year 1998-99, up to two hundred fifty thousand dollars (\$250,000) may be reallocated for the purposes of this section, including funds that would normally revert to the General Fund at the end of the fiscal year."

[SECTIONS 11.5, 11.6 RESERVED]

Requested by: Representatives Arnold, Grady, Preston

UNC DISTANCE EDUCATION

Section 11.7. This act provides funding to The University of North Carolina Board of Governors for degree-related courses provided away from the campus sites of the constituent institutions of The University of North Carolina. The intent of this commitment is to provide expanded opportunities for higher education to more North Carolina residents, including nontraditional students, and to increase the number of North Carolina residents who earn postsecondary degrees.

These funds shall be used for the provision of off-campus higher education programs, including the costs for the development or adaptation of programs for this purpose, and the funds may be used for the costs of providing space and services at the off-campus sites.

Prior to approving funding for off-campus programs in nursing, the Board shall consult with the central office of the Area Health Education Centers (AHEC) to obtain information about regional needs and priorities and to coordinate funding with AHEC efforts in nursing education.

The Board of Governors shall track these funds separately in order to provide data on the costs of providing these programs, including the different costs for various methods of delivery of educational programs. The Board of Governors shall provide for evaluation of these off-campus programs, including comparisons to the costs and quality of on-campus delivery of similar programs, as well as the impact on access to higher education and the educational attainment levels of North Carolina residents. The Board shall provide a preliminary report to the General Assembly by May 1, 2000, and subsequent evaluations, including recommendations for changes, shall be made at least biennially to the Joint Legislative Education Oversight Committee.

[SECTION 11.8 RESERVED]

Requested by: Representatives Arnold, Grady, Preston

UNC APPLICATIONS POOL

Section 11.9. The Board of Governors of The University of North Carolina shall create a system that provides for the sharing of selected applications for admissions from North Carolina residents among the constituent institutions. The intent of the system shall be to increase the number of qualified North Carolina high school graduates who participate in higher education by providing information about applicants to other schools as well as providing information to applicants about alternative higher education opportunities in North Carolina. The Board of Governors may cooperate with the State Board of Community Colleges and with the private colleges and universities in North Carolina in creating such a system.

The Board of Governors shall report on its progress in developing such a system to the Joint Legislative Education Oversight Committee by January 15, 1999.

1 Requested by: Representatives Arnold, Grady, Preston

2 **PRIVATE COLLEGES/INCENTIVE FUNDS**

3 Section 11.10. G.S. 116-20 reads as rewritten:

4 **"§ 116-20. Scholarship and contract terms; base period.**

5 In order to encourage and assist private institutions to educate additional numbers
6 of North Carolinians, the Board of Governors of the University of North Carolina is
7 hereby authorized to enter into contracts within the institutions under the terms of
8 which an institution receiving any funds that may be appropriated pursuant to this
9 section would agree that, during any fiscal year in which such funds were received,
10 the institution would provide and administer scholarship funds for needy North
11 Carolina students in an amount at least equal to the amount paid to the institution,
12 pursuant to this section, during the fiscal year. Under the terms of the contracts the
13 Board of Governors of the University of North Carolina would agree to pay to the
14 institutions, subject to the availability of funds, a fixed sum of money for each North
15 Carolina student enrolled as of October 1 of any year for which appropriated funds
16 may be available, over and above the number of North Carolina students enrolled in
17 that institution as of October 1, ~~1970~~, 1997, which shall be the base date for the
18 purpose of this calculation. Funds appropriated pursuant to this section shall be paid
19 by the ~~Department of Administration~~ State Education Assistance Authority to an
20 institution upon recommendation of the Board of Governors of the University of
21 North Carolina and on certification of the institution showing the number of North
22 Carolina students enrolled at the institution as of October 1 of any year for which
23 funds may be appropriated over the number enrolled on the base date. In the event
24 funds are appropriated for expenditure pursuant to this section and funds are also
25 appropriated, for the same fiscal year, for expenditure pursuant to G.S. 116-19,
26 students who are enrolled at an institution in excess of the number enrolled on the
27 base date may be counted under this section for the purpose of calculating the
28 amount to be paid to the institution, but the same students may ~~not~~ also be counted
29 under G.S. 116-19, for the purpose of calculating payment to be made under that
30 section."

31

32 Requested by: Representatives Arnold, Grady, Preston

33 **SUSTAINABLE OYSTER AQUACULTURE STUDY**

34 Section 11.11. (a) Of the funds appropriated in this act to the Board of
35 Governors of The University of North Carolina for fiscal year 1998-99, the sum of
36 one hundred thousand dollars (\$100,000) shall be allocated to the Institute of Marine
37 Sciences at the University of North Carolina at Chapel Hill to study the potential for
38 sustainable oyster aquaculture of triploid *Crassostrea sikamea* (Kumamoto), triploid
39 *Crassostrea ariakensis* (Suminoe), triploid *Crassostrea gigas* (Pacific), and triploid
40 *Ostrea edulis* (European flat). Testing shall be carried out under a variety of
41 environmental conditions, including, but not limited to, the evaluation of oyster
42 growth of each type of oyster in polluted waters and the ability of each type of oyster
43 to purify polluted waters.

44 (b) The Primary Investigator or Researcher receiving funding pursuant to
45 subsection (a) of this section shall provide progress reports to the Joint Legislative
46 Commission on Seafood and Aquaculture, the Environmental Review Commission,
47 the Marine Fisheries Commission, and the Fiscal Research Division on January 1 and
48 July 1 of each year until the project or study is complete. Upon completion of the
49 project or study, the Primary Investigator or Researcher shall provide a final report of
50 its findings and recommendations to the above entities.

51

52 Requested by: Representative Arnold

53 **ESTABLISH UNC CENTER FOR SCHOOL LEADERSHIP DEVELOPMENT**

Section 11.12. (a) Chapter 116 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 5D.

"Center for School Leadership Development.

"§ 116-74.50. Definitions.

As used in this Article, unless the context clearly indicates a contrary intent:

- (1) 'Board of Governors' means the Board of Governors of The University of North Carolina.
- (2) 'Board of Trustees' means the Board of Trustees of the UNC Center for School Leadership Development.
- (3) 'Center' means the UNC Center for School Leadership Development.
- (4) 'Director' means the executive director of the UNC Center for School Leadership Development.
- (5) 'President' means the President of The University of North Carolina.

"§ 116-74.51. UNC Center for School Leadership Development Board of Trustees established; membership.

(a) There is established the Board of Trustees of the UNC Center for School Leadership Development. The Board of Trustees shall be responsible to the Board of Governors of The University of North Carolina. Subject to G.S. 116-74.52, the Board of Governors shall delegate to the Board of Trustees all the powers and duties the Board of Governors considers necessary or appropriate for the effective discharge of the functions of the UNC Center for School Leadership Development.

(b) The Board of Trustees shall consist of 15 members appointed as follows:

- (1) The Chair, appointed by the the Board of Governors;
- (2) One member of the Board of Governors appointed by the Chair of the Board of Governors;
- (3) One member of the State Board of Education appointed by the Chair of the State Board of Education;
- (4) The Superintendent of Public Instruction, or a designee;
- (5) One Dean of a School of Education of a constituent institution that offers an initial preparation program for school administrators appointed by the Chair of the Board of Governors after consultation with the Chair of the State Board of Education;
- (6) One professor of education administration appointed by the Chair of the Board of Governors after consultation with the Chair of the State Board of Education;
- (7) The President of the North Carolina Association of Independent Colleges and Universities, or a designee;
- (8) One superintendent of a local school administrative unit appointed by the Chair of the Board of Governors after consultation with the Chair of the State Board of Education;
- (9) One public school principal appointed by the Chair of the Board of Governors after consultation with the Chair of the State Board of Education;
- (10) One public school teacher appointed by the Chair of the Board of Governors after consultation with the Chair of the State Board of Education;
- (11) Five at-large members appointed by the Chair of the Board of Governors after consultation with the Chair of the State Board of Education.

(c) Members appointed under subdivisions (1), (2), (3), (5), and one at-large member shall serve until June 30, 2001. Members appointed under subdivisions (6), (8), (9), and one at-large member shall serve until June 30, 2000. The remaining at-large members and the member appointed under subdivision (10) shall serve until June 30, 1999. Subsequent appointments shall be for three-year terms. Members may serve two consecutive three-year terms.

"§ 116-74.52. Duties of the Board of Trustees of the UNC Center for School Leadership Development.

(a) In addition to any powers and duties delegated to the Board of Trustees by the Board of Governors, the Board of Trustees shall:

- (1) Develop, update, and monitor a long-range plan for coordinated professional development programs offered through the Center.
- (2) Develop and provide high quality, meaningful professional development programs for professional public school employees and school board members.

(b) The Board of Trustees shall incorporate into the long-range plan the recommendations made by the State Board of Education under G.S. 115C-12(26). The Board of Trustees shall submit the plan and any subsequent modifications and revisions to the Board of Governors for approval. The Board of Trustees shall provide copies of the approved plan to the State Board of Education, the Joint Legislative Education Oversight Committee, and the Governor.

(c) The professional development programs under the Center shall reflect the long-range plan developed by the Board of Trustees. The programs also shall be aligned with State education goals, shall be directed toward improving student academic achievement, shall be developed collaboratively, and shall be offered in geographically dispersed locations that are convenient to local school administrative units.

"§ 116-74.53. UNC Center for School Leadership Development established; programs; executive director.

(a) There is established the UNC Center for School Leadership Development. The purpose of the Center is to provide high quality, coordinated professional development programs to professional public school employees and school board members. The Center shall include the following professional development programs and any other programs the Board of Governors determines should be located within the Center:

- (1) The Executive Leadership Academy.
- (2) The North Carolina Center for the Advancement of Teaching.
- (3) The North Carolina Center for the Prevention of School Violence.
- (4) The North Carolina Mathematics and Science Education Network.
- (5) The North Carolina Teacher Academy.
- (6) The Principal Fellows Program.
- (7) The Principals' Executive Program.

(b) The Board of Governors shall appoint the executive director for each professional development program located under the Center. Except as otherwise provided by law, the Board of Governors shall determine the scope, purpose, and mission and also may create a governing board for each professional development program located under the Center. However, any program governing board created under this subsection shall serve in an advisory capacity to the Board of Trustees.

(c) The President of The University of North Carolina shall appoint an executive director for the Center, subject to the approval of the Board of Governors. The director shall have responsibility for the professional development programs located under the Center and shall administer the long-range plan on behalf of the Board of Governors and the Board of Trustees."

(b) G.S. 116-30.01 is repealed.

(c) G.S. 116-74.6 reads as rewritten:

"§ 116-74.6. North Carolina Center for the Advancement of Teaching ~~established; powers and duties of trustees.~~ Teaching.

~~The sums of five hundred thousand dollars (\$500,000) in fiscal year 1985-86 and two million dollars (\$2,000,000) in fiscal year 1986-87 that are appropriated to the Board of Governors of The University of North Carolina in Section 2 of the 1985-87 Current Operations Appropriations Act shall be used to establish the North Carolina Center for the Advancement of Teaching at Western Carolina University in Jackson County. The Center shall operate under the general auspices of The University of North Carolina Board of Governors. It shall be the function of the North Carolina Center for the Advancement of Teaching (hereinafter called "NCCAT"), through itself or agencies with which it may contract, to provide career teachers with opportunities to study advanced topics in the sciences, arts, and humanities and to engage in informed discourse, assisted by able mentors and outstanding leaders from all walks of life; and otherwise to offer opportunity for teachers to engage in scholarly pursuits, through a center dedicated exclusively to the advancement of teaching as an art and as a profession.~~

The North Carolina Center for the Advancement of Teaching is established under the Board of Governors of The University of North Carolina. The Board of Governors shall determine the scope, purpose, and mission of the North Carolina Center for the Advancement of Teaching.

~~The Board of Governors of The University of North Carolina shall establish the North Carolina Center for the Advancement of Teaching Board of Trustees and shall delegate to the Board of Trustees all the powers and duties the Board of Governors considers necessary or appropriate for the effective discharge of the functions of NCCAT."~~

(d) G.S. 116-74.7 is repealed.

(e) G.S. 116-74.41(a) reads as rewritten:

"(a) There is established the North Carolina Principal Fellows Commission. The Commission shall ~~exercise its powers and duties independently of the Board of Governors of The University of North Carolina.~~ be responsible to the Board of Trustees of the UNC Center for School Leadership Development. The Director of the Principal Fellows Program shall staff the Commission. The State Education Assistance Authority (SEAA) as created in G.S. 116-203 shall be responsible for implementing scholarship loan agreements, monitoring, cancelling through service, collecting and otherwise enforcing the agreements for the Principal Fellows Program scholarship loans established in accordance with G.S. 116-74.42."

Requested by: Representatives Arnold, Grady, Preston

INCREASE THE NUMBER OF SCHOOL ADMINISTRATOR PROGRAMS THAT MAY BE ESTABLISHED BY UNC BOARD OF GOVERNORS

Section 11.13. (a) G.S. 116-74.21(b) reads as rewritten:

"(b) No more than ~~eight~~ nine school administrator programs shall be established under the competitive proposal program. In selecting campus sites, the Board of Governors shall be sensitive to the racial, cultural, and geographic diversity of the State. Special priority shall be given to the following factors: (i) the historical background of the institutions in training educators; (ii) the ability of the sites to serve the geographic regions of the State, such as, the far west, the west, the triad, the piedmont, and the east; and, (iii) whether the type of roads and terrain in a region make commuting difficult. A school administrator program may provide for instruction at one or more campus sites."

(b) The Board of Governors of The University of North Carolina shall include the Master of School Administration program at North Carolina State University in Raleigh as one of the nine school administrator programs established pursuant to G.S. 116-74.21.

Requested by: Representatives Arnold, Grady, Preston
UNC HOSPITALS/MANAGEMENT FLEXIBILITY

Section 11.14. (a) G.S. 116-37 reads as rewritten:

"§ 116-37. University of North Carolina Hospitals at Chapel Hill.

(a) Composition. -- The Board of Governors of the University of North Carolina is hereby directed to create a board of directors for the University of North Carolina Hospitals at Chapel Hill consisting of 12 members of which nine shall be appointed by the Board of Governors. Three members ex officio of said board shall be the University of North Carolina at Chapel Hill Vice-Chancellor for Health Affairs, University of North Carolina at Chapel Hill Vice-Chancellor for Business and Finance, and the Dean of the University of North Carolina at Chapel Hill Medical School, or successors to these offices under other titles with similar responsibilities. Nine members shall be appointed from the business and professional public-at-large, none of whom shall be Governors of the University, and, thereafter, the nine appointive members shall select one of their number to serve as chairman. Members of this board shall include, but not be limited to, persons with special competence in business management, hospital administration, and medical practice not affiliated with University faculty. The Governors may remove any member for cause. Board members, other than ex officio members, shall each receive such per diem and necessary travel and subsistence expenses while engaged in the discharge of their official duties as is provided by law for members of State boards and commissions generally.

(a1) Appointment to Board. -- Each of the nine persons who, as of June 30, 1989, is serving as an appointed member of the Board shall be reassigned by the Governors, each to a different term, ending June 30, 1989, June 30, 1990, June 30, 1991, June 30, 1992, June 30, 1993, June 30, 1994, June 30, 1995, June 30, 1996, or June 30, 1997. After July 1, 1989, the term of office for new appointments shall commence on July 1, and all members shall serve for four-year terms; provided, however, that no person may be appointed to (i) more than three full four-year terms in succession, or (ii) a four-year term if preceded immediately by 12 years of service. Resignation from a term of office shall not constitute a break in service for the purpose of this subsection. Board member vacancies shall be filled by the Governors for the remainder of the unexpired term.

(b) Meetings and Powers of Board. -- The board of directors shall meet at least every 60 days and may hold special meetings at any time and place within the State at the call of its chairman. The board of directors shall make rules, regulations, and policies governing the management and operation of the University of North Carolina Hospitals at Chapel Hill, consistent with basic State statutes and procedures, to meet the goals of education, research, patient care, and community service. The board's action on matters within its jurisdiction is final, except that appeals may be made, in writing, to the Board of Governors with a copy of the appeal to the University administration. The board of directors shall elect and may remove the executive director of the University of North Carolina Hospitals at Chapel Hill. The board of directors may enter into formal agreements with the University of North Carolina at Chapel Hill, Division of Health Affairs, with respect to the provision of clinical experience for students and may also enter into formal agreements with the University of North Carolina at Chapel Hill for the provision of maintenance and supporting services.

1 (c) Executive Director. -- The chief administrative officer of the University of
2 North Carolina Hospitals at Chapel Hill shall be the executive director, who shall be
3 appointed by the board of directors to serve at its pleasure. The executive director
4 shall administer the affairs of the University of North Carolina Hospitals at Chapel
5 Hill subject to the duly adopted policies, rules, and regulations of the board of
6 directors, including the appointment, promotion, demotion, and discharge of all
7 personnel. The executive director shall report to the board of directors quarterly or
8 more often as required. The executive director will serve as secretary to the board of
9 directors.

10 (d) Personnel. -- The University of North Carolina Hospitals at Chapel Hill shall
11 maintain a personnel office for personnel administration. ~~Notwithstanding the~~
12 ~~provisions of Chapter 126 of the General Statutes to the contrary, the Board of~~
13 ~~Directors of the University of North Carolina Hospitals at Chapel Hill shall establish~~
14 ~~policies and rules governing the study and implementation of competitive position~~
15 ~~classification and compensation plans for registered and licensed practical nurse~~
16 ~~positions that have been approved by the Board of Directors. These plans shall~~
17 ~~provide for minimum, maximum, and intermediate rates of pay, and may include~~
18 ~~provisions for range revisions and shift premium pay and for salary adjustments to~~
19 ~~address internal inequities, job performance, and market conditions. The Office of~~
20 ~~State Personnel shall review the classification and compensation plans on an annual~~
21 ~~basis. All changes in compensation plans for these registered and licensed practical~~
22 ~~nurse positions shall be submitted to the Office of State Personnel upon~~
23 ~~implementation. All employees of the University of North Carolina Hospitals at~~
24 ~~Chapel Hill shall be deemed to be employees of the State and shall be subject to all~~
25 ~~provisions of State law relevant thereto; provided, however, that except as to the~~
26 ~~provisions of Articles 5, 6, and 7 of Chapter 126 of the General Statutes, the~~
27 ~~provisions of Chapter 126 shall not apply to employees of the University of North~~
28 ~~Carolina Hospitals at Chapel Hill, and the policies and procedures governing the~~
29 ~~terms and conditions of employment of such employees shall be adopted by the~~
30 ~~Board of Directors.~~

31 (1) The Board of Directors shall fix or approve the schedules of pay,
32 expense allowances, and other compensation and adopt position
33 classification plans for all employees of the University of North
34 Carolina Hospitals at Chapel Hill.

35 (2) The Board of Directors shall adopt or provide for rules and
36 regulations concerning, but not limited to, annual leave, sick leave,
37 special leave with full pay or with partial pay supplementing
38 workers' compensation payments for employees injured in
39 accidents arising out of and in the course of employment, working
40 conditions, service awards, and incentive award programs, grounds
41 for dismissal, demotion, or discipline, other personnel policies, and
42 any other measures that promote the hiring and retention of
43 capable, diligent, and effective career employees. However, an
44 employee who has achieved career State employee status as
45 defined by G.S. 126-1.1 by October 31, 1998, shall not have his or
46 her compensation reduced as a result of this subdivision. Further,
47 an employee who has achieved career State employee status as
48 defined by G.S. 126-1.1 by October 31, 1998, shall be subject to the
49 rules regarding discipline or discharge that were effective on
50 October 31, 1998, and shall not be subject to the rules regarding
51 discipline or discharge adopted after October 31, 1998.

(3) The Board of Directors may prescribe the office hours, workdays, and holidays to be observed by the various offices and departments of the University of North Carolina Hospitals at Chapel Hill.

(4) The Board of Directors shall establish boards, committees, or councils to conduct hearings upon the appeal of employees who have been suspended, demoted, otherwise disciplined, or discharged, to hear employee grievances, or to undertake any other duties relating to personnel administration that the Board of Directors may direct.

(e) Finances. -- The University of North Carolina Hospitals at Chapel Hill shall be subject to the provisions of the Executive Budget Act. There shall be maintained a business and budget office to administer the budget and financial affairs of the University of North Carolina Hospitals at Chapel Hill. The executive director, subject to the board of directors, shall be responsible for all aspects of budget preparation, budget execution, and expenditure reporting. Subject to the approval of the Director of the Budget: All operating funds of the University of North Carolina Hospitals at Chapel Hill may be budgeted and disbursed through a special fund code, all receipts of the University of North Carolina Hospitals at Chapel Hill may be deposited directly to the special fund code; and general fund appropriations for support of the University of North Carolina Hospitals at Chapel Hill may be budgeted in a general fund code under a single purpose, 'Contribution to University of North Carolina Hospitals at Chapel Hill Operations' and be transferable to the special fund operating code as receipts. Prior to taking any action under this subsection, the Director of the Budget may consult with the Advisory Budget Commission.

(e1) Finances -- Patient/Hospital Benefit. -- The Executive Director of the University of North Carolina Hospitals at Chapel Hill or the Director's designee, may expend operating budget funds, including State funds, of the University of North Carolina Hospitals at Chapel Hill for the direct benefit of a patient, when, in the judgment of the Executive Director or the Director's designee, the expenditure of these funds would result in a financial benefit to the University of North Carolina Hospitals at Chapel Hill. Any such expenditures are declared to result in the provision of medical services and create charges of the University of North Carolina Hospitals at Chapel Hill for which the hospitals may bill and pursue recovery in the same way as allowed by law for recovery of other hospitals' charges for services that are unpaid.

These expenditures shall be limited to no more than seven thousand five hundred dollars (\$7,500) per patient per admission and shall be restricted (i) to situations in which a patient is financially unable to afford ambulance or other transportation for discharge; (ii) to afford placement in an after-care facility pending approval of third party entitlement benefits; (iii) to assure availability of a bed in an after-care facility after discharge from the hospitals; (iv) to secure equipment or other medically appropriate services after discharge; (v) or to pay health insurance premiums. The Executive Director or the Director's designee shall reevaluate at least once a month the cost-effectiveness of any continuing payment on behalf of a patient.

To the extent that the University of North Carolina Hospitals at Chapel Hill advance anticipated government entitlement benefits for a patient's benefit, for which the patient later receives a lump sum 'backpay' award from an agency of the State, whether for the current admission or subsequent admission, the State agency shall withhold from this backpay an amount equal to the sum advanced on the patient's behalf by the University of North Carolina Hospitals at Chapel Hill, if, prior to the disbursement of the backpay, the applicable State program has received notice from the University of North Carolina Hospitals at Chapel Hill of the advancement.

1 (f) Purchases. -- ~~The University of North Carolina Hospitals at Chapel Hill shall~~
2 ~~be subject to all provisions of Articles 3 and 3A of Chapter 143 of the General~~
3 ~~Statutes relating to the Department of Administration, Purchase and Contract~~
4 ~~Division. There shall be maintained a purchasing office to handle all purchasing~~
5 ~~requirements of the University of North Carolina Hospitals at Chapel Hill. The~~
6 ~~Purchase and Contract Division may enter into such arrangements with the board of~~
7 ~~directors as the Division may deem necessary in consideration of the special~~
8 ~~requirements of the University of North Carolina Hospitals at Chapel Hill for~~
9 ~~procurement of certain supplies, materials, equipments and services. Notwithstanding~~
10 ~~the provisions of Articles 3 and 3A of Chapter 143 of the General Statutes to the~~
11 ~~contrary, the Board of Directors shall establish policies and regulations governing the~~
12 ~~purchasing requirements of the University of North Carolina Hospitals at Chapel Hill.~~
13 ~~These policies and regulations shall provide for requests for proposals, competitive~~
14 ~~bidding or purchasing by means other than competitive bidding, contract negotiations~~
15 ~~and contract awards for purchasing supplies, materials, equipment, and services~~
16 ~~which are necessary and appropriate to fulfill the clinical, educational, research, and~~
17 ~~community service missions of the University of North Carolina Hospitals at Chapel~~
18 ~~Hill. The Board of Directors shall seek the advice of the Director of the Purchase~~
19 ~~and Contract Division on an annual basis concerning the adequacy of the University~~
20 ~~of North Carolina Hospitals at Chapel Hill management staff and internal controls~~
21 ~~to administer the additional authorities authorized under this section.~~

22 (g) Property. -- ~~The board of directors shall be responsible to the University Board~~
23 ~~of Governors for the maintenance, operation, and control of the University of North~~
24 ~~Carolina Hospitals at Chapel Hill and grounds. Notwithstanding the provisions of~~
25 ~~Article 6 of Chapter 146 of the General Statutes to the contrary, the Board of~~
26 ~~Directors shall establish rules and regulations to perform the functions otherwise~~
27 ~~prescribed for the Department of Administration in acquiring or disposing of any~~
28 ~~interest in real property by the University of North Carolina Hospitals at Chapel Hill.~~
29 ~~These rules and regulations shall include provisions for development of specifications,~~
30 ~~advertisement, and negotiations with owners for acquisition by purchase, gift, lease,~~
31 ~~or rental, but not by condemnation or exercise of eminent domain, on behalf of the~~
32 ~~University of North Carolina Hospitals at Chapel Hill. This section does not~~
33 ~~authorize the Board of Directors to encumber real property. The Board of Directors~~
34 ~~shall seek the advice of the State Property Office on an annual basis concerning the~~
35 ~~adequacy of the University of North Carolina Hospitals at Chapel Hill management~~
36 ~~staff and internal controls to administer the additional authorities permitted by this~~
37 ~~section. After review by the Attorney General as to form and after the~~
38 ~~consummation of any such acquisition, the University of North Carolina Hospitals at~~
39 ~~Chapel Hill shall promptly file a report concerning the acquisition or disposition with~~
40 ~~the Governor and Council of State.~~

41 (h) Patient Information. -- ~~The University of North Carolina Hospitals at Chapel~~
42 ~~Hill shall, at the earliest possible opportunity, specifically make a verbal and written~~
43 ~~request to each patient to disclose the patient's Social Security number, if any. If the~~
44 ~~patient does not disclose that number, the University of North Carolina Hospitals at~~
45 ~~Chapel Hill shall deny benefits, rights, and privileges of the University of North~~
46 ~~Carolina Hospitals at Chapel Hill to the patient as soon as practical, to the maximum~~
47 ~~extent permitted by federal law or federal regulations. The University of North~~
48 ~~Carolina Hospitals at Chapel Hill shall make the disclosure to the patient required by~~
49 ~~Section 7(b) of P.L. 93-579. This subsection is supplementary to G.S. 105A-3(c).~~

50 (i) Property Construction. -- ~~Notwithstanding G.S. 143-341(3) and G.S. 143-135.1,~~
51 ~~the Board of Directors shall, with respect to the design, construction, and renovation~~
52 ~~of buildings, utilities, and other property developments of the University of North~~
53 ~~Carolina Hospitals at Chapel Hill requiring the expenditure of public money:~~

- 1 (1) Conduct the fee negotiations for all design contracts and supervise
- 2 the letting of all construction and design contracts.
- 3 (2) Develop procedures governing the responsibilities of the University
- 4 of North Carolina Hospitals at Chapel Hill to perform the duties of
- 5 the Department of Administration, the Office of State
- 6 Construction, and the State Building Commission under G.S. 133-
- 7 1.1(d), Article 8 of Chapter 143 of the General Statutes, and G.S.
- 8 143-341(3).
- 9 (3) Develop procedures and limitations governing the use of open-end
- 10 design agreements.
- 11 (4) As appropriate, submit construction documents for review and
- 12 approval by the Department of Insurance and the Division of
- 13 Facility Services of the Department of Human Resources.
- 14 (5) Use the standard contracts for design and construction currently in
- 15 use for State capital improvement projects by the Office of State
- 16 Construction of the Department of Administration.
- 17 (6) Seek the advice of the Director of the Office of State Construction
- 18 on an annual basis concerning the adequacy of the University of
- 19 North Carolina Hospitals at Chapel Hill management staff and
- 20 internal controls to administer the additional authorities authorized
- 21 by this section."

22 (b) G.S. 126-5 is amended by adding a new subsection to read:
23 "(c8) Except as to the provisions of Articles 5, 6, and 7 of this Chapter, the
24 provisions of this Chapter shall not apply to:

- 25 (1) Employees of the University of North Carolina Hospitals at Chapel
- 26 Hill.
- 27 (2) Employees of the Medical Faculty Practice Plan, a division of the
- 28 School of Medicine of East Carolina University.
- 29 (3) Employees of UNC Physicians and Associates, a division of the
- 30 School of Medicine of the University of North Carolina at Chapel
- 31 Hill."

32 (c) G.S. 143-56 reads as rewritten:

33 "**§ 143-56. Certain purchases excepted from provisions of Article.**

34 Unless as may otherwise be ordered by the Secretary of Administration, the
35 purchase of supplies, materials and equipment through the Secretary of
36 Administration shall be mandatory in the following cases:

- 37 (1) Published books, manuscripts, maps, pamphlets and periodicals.
- 38 (2) Perishable articles such as fresh vegetables, fresh fish, fresh meat,
- 39 eggs, and others as may be classified by the Secretary of
- 40 Administration.

41 Purchase through the Secretary of Administration shall not be mandatory for a
42 purchase of supplies, materials or equipment for the General Assembly if the total
43 expenditures is less than the expenditure benchmark established under the provisions
44 of ~~G.S. 143-53.1 or 143-53.1~~, for group purchases made by hospitals through a
45 competitive bidding purchasing program, as defined in ~~G.S. 143-129~~, 143-129, by the
46 University of North Carolina Hospitals at Chapel Hill pursuant to G.S. 116-37(f), by
47 the University of North Carolina at Chapel Hill on behalf of UNC Physicians and
48 Associates pursuant to G.S. 116-37.2(c), or by East Carolina University on behalf of
49 the Medical Faculty Practice Plan pursuant to G.S. 116-40.6(c).

50 All purchases of the above articles made directly by the departments, institutions
51 and agencies of the State government shall, whenever possible, be based on
52 competitive bids. Whenever an order is placed or contract awarded for such articles
53 by any of the departments, institutions and agencies of the State government, a copy

1 of such order or contract shall be forwarded to the Secretary of Administration and a
2 record of the competitive bids upon which it was based shall be retained for
3 inspection and review."

4 (d) G.S. 146-22 reads as rewritten:

5 **"§ 146-22. All acquisitions to be made by Department of Administration.**

6 Every acquisition of land on behalf of the State or any State agency, whether by
7 purchase, condemnation, lease, or rental, shall be made by the Department of
8 Administration and approved by the Governor and Council of State; provided that if
9 the proposed acquisition is a purchase of land with an appraised value of at least
10 twenty-five thousand dollars (\$25,000), and the acquisition is for other than a
11 transportation purpose, the acquisition may only be made after consultation with the
12 Joint Legislative Commission on Governmental ~~Operations~~. Operations; and
13 provided further, that acquisitions on behalf of the University of North Carolina
14 Hospitals at Chapel Hill shall be made in accordance with G.S. 116-37(g),
15 acquisitions on behalf of the UNC Physicians and Associates shall be made in
16 accordance with G.S. 116-37.2(d), and acquisitions on behalf of the Medical Faculty
17 Practice Plan made in accordance with G.S. 116-40.6(d). In determining whether the
18 appraised value is at least twenty-five thousand dollars (\$25,000), the value of the
19 property in fee simple shall be used. The State may not purchase land as a
20 tenant-in-common without consultation with the Joint Legislative Commission on
21 Governmental Operations if the appraised value of the property in fee simple is at
22 least twenty-five thousand dollars (\$25,000)."

23 (e) G.S. 133-1.1(d) reads as rewritten:

24 "(d) On projects on which no registered architect or engineer is required pursuant
25 to the provisions of this section, the governing board or awarding authority shall
26 require a certificate of compliance with the State Building Code from the city or
27 county inspector for the specific trade or trades involved or from a registered
28 architect or engineer, except that the provisions of this subsection shall not apply on
29 projects (i) wherein plans and specifications are approved by the Department of
30 Administration, Division of State Construction, and the completed project is
31 inspected by the Division of State Construction and the State Electrical Inspector, (ii)
32 that are exempt from the State Building Code, or (iii) that are subject to G.S. 116-
33 31.11 and the completed project is inspected by the State Electrical Inspector and by
34 The University of North Carolina or its constituent or affiliated institution; (iv) that
35 are subject to G.S. 116-37(i) and the completed project is inspected by the State
36 Electrical Inspector and by the University of North Carolina Hospitals at Chapel Hill,
37 (v) that are subject to G.S. 116-37.2(e) and the completed project is inspected by the
38 State Electrical Inspector and by the University of North Carolina at Chapel Hill on
39 behalf of the UNC Physicians and Associates, or (vi) that are subject to G.S. 116-
40 40.6(e) and the completed project is inspected by the State Electrical Inspector and
41 by East Carolina University on behalf of the Medical Faculty Practice Plan."

42 (f) Chapter 116 of the General Statutes is amended by adding the
43 following:

44 **"§ 116-37.2. The University of North Carolina Physicians and Associates.**

45 (a) UNC Physicians and Associates. -- 'UNC Physicians and Associates,' a division
46 of the School of Medicine of the University of North Carolina at Chapel Hill,
47 operates clinical programs and facilities for the purpose of providing medical care to
48 the general public and training physicians and other health care professionals.

49 (b) Personnel. -- All employees of UNC Physicians and Associates shall be
50 deemed to be employees of the State and shall be subject to all provisions of State
51 law relevant thereto; provided, however, that except as to the provisions of Articles 5,
52 6, and 7 of Chapter 126 of the General Statutes, the provisions of Chapter 126 shall
53 not apply to employees of UNC Physicians and Associates, and the policies and

1 procedures governing the terms and conditions of employment of such employees
2 shall be adopted by the Board of Trustees of the University of North Carolina at
3 Chapel Hill; provided, that with respect to such employees as may be members of the
4 faculty of the University of North Carolina at Chapel Hill, no such policies and
5 procedures may be inconsistent with policies established by, or adopted pursuant to
6 delegation from, the Board of Governors of the University of North Carolina. Such
7 policies and procedures shall be implemented on behalf of UNC Physicians and
8 Associates by a personnel office maintained by the University of North Carolina at
9 Chapel Hill.

- 10 (1) The Board of Trustees shall fix or approve the schedules of pay,
11 expense allowances, and other compensation and adopt position
12 classification plans for employees of UNC Physicians and
13 Associates.
- 14 (2) The Board of Trustees may adopt or provide for rules and
15 regulations concerning, but not limited to, annual leave, sick leave,
16 special leave with full pay or with partial pay supplementing
17 workers' compensation payments for employees injured in
18 accidents arising out of and in the course of employment, working
19 conditions, service awards, and incentive award programs, grounds
20 for dismissal, demotion, or discipline, other personnel policies, and
21 any other measures that promote the hiring and retention of
22 capable, diligent, and effective career employees. However, an
23 employee who has achieved career State employee status as
24 defined by G.S. 126-1.1 by October 31, 1998, shall not have his or
25 her compensation reduced as a result of this subdivision. Further,
26 an employee who has achieved career State employee status as
27 defined by G.S. 126-1.1 by October 31, 1998, shall be subject to the
28 rules regarding discipline or discharge that were effective on
29 October 31, 1998, and shall not be subject to the rules regarding
30 discipline or discharge adopted after October 31, 1998.
- 31 (3) The Board of Trustees may prescribe the office hours, workdays,
32 and holidays to be observed by the various offices and departments
33 of UNC Physicians and Associates.
- 34 (4) The Board of Trustees shall establish boards, committees, or
35 councils to conduct hearings upon the appeal of employees who
36 have been suspended, demoted, otherwise disciplined, or
37 discharged, to hear employee grievances, or to undertake any other
38 duties relating to personnel administration that the Board of
39 Trustees may direct.

40 (c) Purchases. -- Notwithstanding the provisions of Articles 3 and 3A of Chapter
41 143 of the General Statutes to the contrary, the Board of Trustees of the University of
42 North Carolina at Chapel Hill shall establish policies and regulations governing the
43 purchasing requirements of UNC Physicians and Associates. These policies and
44 regulations shall provide for requests for proposals, competitive bidding or purchasing
45 by means other than competitive bidding, contract negotiations and contract awards
46 for purchasing supplies, materials, equipment, and services which are necessary and
47 appropriate to fulfill the clinical and educational missions of UNC Physicians and
48 Associates. Pursuant to such policies and regulations, purchases for UNC Physicians
49 and Associates shall be effected by a purchasing office maintained by the University
50 of North Carolina at Chapel Hill. The Board of Trustees shall seek the advice of the
51 Director of the Purchase and Contract Division on an annual basis concerning the
52 adequacy of the University of North Carolina at Chapel Hill management staff and

1 internal controls to administer the additional authorities authorized under this
2 section.

3 (d) Property. -- Notwithstanding the provisions of Article 6 of Chapter 146 of the
4 General Statutes to the contrary, the Board of Trustees shall establish rules and
5 regulations to perform the functions otherwise prescribed for the Department of
6 Administration in acquiring or disposing of any interest in real property for the use of
7 UNC Physicians and Associates. These rules and regulations shall include provisions
8 for development of specifications, advertisement, and negotiations with owners for
9 acquisition by purchase, gift, lease, or rental, but not by condemnation or exercise of
10 eminent domain, on behalf of UNC Physicians and Associates. This section does not
11 authorize the Board of Trustees to encumber real property. Such rules and
12 regulations shall be implemented by a property office maintained by the University of
13 North Carolina at Chapel Hill. The Board of Trustees shall seek the advice of the
14 State Property Office on an annual basis concerning the adequacy of the University of
15 North Carolina at Chapel Hill management staff and internal controls to administer
16 the additional authorities permitted by this section. After review by the Attorney
17 General as to form and after the consummation of any such acquisition, the
18 University of North Carolina at Chapel Hill shall promptly file, on behalf of UNC
19 Physicians and Associates, a report concerning the acquisition or disposition with the
20 Governor and Council of State.

21 (e) Property Construction. -- Notwithstanding G.S. 143-341(3) and G.S. 143-135.1,
22 the Board of Trustees shall adopt policies and procedures to be implemented by the
23 administration of the University of North Carolina at Chapel Hill, with respect to the
24 design, construction, and renovation of buildings, utilities, and other property
25 developments for the use of UNC Physicians and Associates, requiring the
26 expenditure of public money for:

- 27 (1) Conducting the fee negotiations for all design contracts and
28 supervising the letting of all construction and design contracts.
- 29 (2) Performing the duties of the Department of Administration, the
30 Office of State Construction, and the State Building Commission
31 under G.S. 133-1.1(d), Article 8 of Chapter 143 of the General
32 Statutes, and G.S. 143-341(3).
- 33 (3) Using open-end design agreements.
- 34 (4) As appropriate, submitting construction documents for review and
35 approval by the Department of Insurance and the Division of
36 Facility Services of the Department of Human Resources.
- 37 (5) Using the standard contracts for design and construction currently
38 in use for State capital improvement projects by the Office of State
39 Construction of the Department of Administration.

40 The Board of Trustees shall seek the advice of the Director of the Office of State
41 Construction on an annual basis concerning the adequacy of the University of North
42 Carolina at Chapel Hill management staff and internal controls to administer the
43 additional authorities authorized by this section.

44 **"§ 116-40.6. East Carolina University Medical Faculty Practice Plan.**

45 (a) Medical Faculty Practice Plan. -- The 'Medical Faculty Practice Plan,' a
46 division of the School of Medicine of East Carolina University, operates clinical
47 programs and facilities for the purpose of providing medical care to the general
48 public and training physicians and other health care professionals.

49 (b) Personnel. -- Employees of the Medical Faculty Practice Plan shall be deemed
50 to be employees of the State and shall be subject to all provisions of State law
51 relevant thereto; provided, however, that except as to the provisions of Articles 5, 6,
52 and 7 of Chapter 126 of the General Statutes, the provisions of Chapter 126 shall not
53 apply to employees of the Medical Faculty Practice Plan, and the policies and

1 procedures governing the terms and conditions of employment of such employees
2 shall be adopted by the Board of Trustees of East Carolina University; provided, that
3 with respect to such employees as may be members of the faculty of East Carolina
4 University, no such policies and procedures may be inconsistent with policies
5 established by, or adopted pursuant to delegation from, the Board of Governors of
6 the University of North Carolina. Such policies and procedures shall be
7 implemented on behalf of the Medical Faculty Practice Plan by a personnel office
8 maintained by East Carolina University.

- 9 (1) The Board of Trustees shall fix or approve the schedules of pay,
10 expense allowances, and other compensation and adopt position
11 classification plans for employees of the Medical Faculty Practice
12 Plan.
- 13 (2) The Board of Trustees may adopt or provide for rules and
14 regulations concerning, but not limited to, annual leave, sick leave,
15 special leave with full pay or with partial pay supplementing
16 workers' compensation payments for employees injured in
17 accidents arising out of and in the course of employment, working
18 conditions, service awards, and incentive award programs, grounds
19 for dismissal, demotion, or discipline, other personnel policies, and
20 any other measures that promote the hiring and retention of
21 capable, diligent, and effective career employees. However, an
22 employee who has achieved career State employee status as
23 defined by G.S. 126-1.1 by October 31, 1998, shall not have his or
24 her compensation reduced as a result of this subdivision. Further,
25 an employee who has achieved career State employee status as
26 defined by G.S. 126-1.1 by October 31, 1998, shall be subject to the
27 rules regarding discipline or discharge that were effective on
28 October 31, 1998, and shall not be subject to the rules regarding
29 discipline or discharge adopted after October 31, 1998.
- 30 (3) The Board of Trustees may prescribe the office hours, workdays,
31 and holidays to be observed by the various offices and departments
32 of the Medical Faculty Practice Plan.
- 33 (4) The Board of Trustees shall establish boards, committees or
34 councils to conduct hearings upon the appeal of employees who
35 have been suspended, demoted, otherwise disciplined, or
36 discharged, to hear employee grievances, or to undertake any other
37 duties relating to personnel administration that the Board of
38 Trustees may direct.

39 (c) Purchases. -- Notwithstanding the provisions of Articles 3 and 3A of Chapter
40 143 of the General Statutes to the contrary, the Board of Trustees of East Carolina
41 University shall establish policies and regulations governing the purchasing
42 requirements of the Medical Faculty Practice Plan. These policies and regulations
43 shall provide for requests for proposals, competitive bidding or purchasing by means
44 other than competitive bidding, contract negotiations and contract awards for
45 purchasing supplies, materials, equipment, and services which are necessary and
46 appropriate to fulfill the clinical and educational missions of the Medical Faculty
47 Practice Plan. Pursuant to such policies and regulations, purchases for the Medical
48 Faculty Practice Plan shall be effected by a purchasing office maintained by East
49 Carolina University. The Board of Trustees shall seek the advice of the Director of
50 the Purchase and Contract Division on an annual basis concerning the adequacy of
51 the East Carolina University management staff and internal controls to administer the
52 additional authorities authorized under this section.

(d) Property. -- Notwithstanding the provisions of Article 6 of Chapter 146 of the General Statutes to the contrary, the Board of Trustees shall establish rules and regulations to perform the functions otherwise prescribed for the Department of Administration in acquiring or disposing of any interest in real property for the use of the Medical Faculty Practice Plan. These rules and regulations shall include provisions for development of specifications, advertisement, and negotiations with owners for acquisition by purchase, gift, lease, or rental, but not by condemnation or exercise of eminent domain, on behalf of the Medical Faculty Practice Plan. This section does not authorize the Board of Trustees to encumber real property. Such rules and regulations shall be implemented by a property office maintained by East Carolina University. The Board of Trustees shall seek the advice of the State Property Office on an annual basis concerning the adequacy of the East Carolina University management staff and internal controls to administer the additional authorities permitted by this section. After review by the Attorney General as to form and after the consummation of any such acquisition, East Carolina University shall promptly file, on behalf of the Medical Faculty Practice Plan, a report concerning the acquisition or disposition with the Governor and Council of State.

(e) Property Construction. -- Notwithstanding G.S. 143-341(3) and G.S. 143-135.1, the Board of Trustees shall adopt policies and procedures, to be implemented by the administration of East Carolina University, with respect to the design, construction, and renovation of buildings, utilities, and other property developments for the use of the Medical Faculty Practice Plan, requiring the expenditure of public money for:

- (1) Conducting the fee negotiations for all design contracts and supervising the letting of all construction and design contracts.
- (2) Performing the duties of the Department of Administration, the Office of State Construction, and the State Building Commission under G.S. 133-1.1(d), Article 8 of Chapter 143 of the General Statutes, and G.S. 143-341(3).
- (3) Using open-end design agreements.
- (4) As appropriate, submitting construction documents for review and approval by the Department of Insurance and the Division of Facility Services of the Department of Human Resources.
- (5) Using the standard contracts for design and construction currently in use for State capital improvement projects by the Office of State Construction of the Department of Administration.

The Board of Trustees shall seek the advice of the Director of the Office of State Construction on an annual basis concerning the adequacy of East Carolina University management staff and internal controls to administer the additional authorities authorized by this section."

(g) This section becomes effective November 1, 1998.

Requested by: Representative Creech

FOREST BIOTECHNOLOGY/NCSU FUNDS

Section 11.15. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina, the sum of one hundred two thousand seven hundred seventy dollars (\$102,770) for the 1998-99 fiscal year shall be allocated to the Forest Biotechnology Group at North Carolina State University for faculty or technical positions and operating funds.

PART XII. DEPARTMENT OF HEALTH AND HUMAN SERVICES

SUBPART 1. ADMINISTRATION

Requested by: Representatives Gardner, Cansler, Clary

1 HOSPITAL FACILITY AUDITED COST REPORT DUE DATE

2 Section 12.1A. G.S. 131D-4.2(e) reads as rewritten:

3 "~~(e) The first audited cost report shall be for the period from January 1, 1995,~~
4 ~~through September 30, 1995, and shall be due March 1, 1996. Thereafter, the Except~~
5 ~~as otherwise provided in this subsection, the annual reporting period for facilities~~
6 ~~licensed pursuant to this Chapter or Chapter 131E of the General Statutes shall be~~
7 ~~October 1 through September 30, with the annual report due by the following~~
8 ~~December 31, unless the Department determines there is good cause for delay. The~~
9 ~~annual report for combination facilities and free-standing adult care home facilities~~
10 ~~owned and operated by a hospital shall be due 15 days after the hospital's Medicare~~
11 ~~cost report is due. The annual report for combination facilities not owned and~~
12 ~~operated by a hospital shall be due 15 days after the nursing facility's Medicaid cost~~
13 ~~report is due. The annual reporting period for facilities licensed pursuant to Chapter~~
14 ~~122C of the General Statutes shall be July 1 through June 30, with the annual report~~
15 ~~due by the following December 31, unless the Department determines there is good~~
16 ~~cause for delay. Under this subsection, good cause is an action that is uncontrollable~~
17 ~~by the provider. If the Department finds good cause for delay, it may extend the~~
18 ~~deadline for filing a report for up to an additional 30 days."~~

19
20 Requested by: Representatives Gardner, Cansler, Clary

21 OFFICE OF STRATEGIC PLANNING

22 Section 12.2. It is the intent of the General Assembly that the
23 Department of Health and Human Services provide coordinated and strategic
24 planning for the State's health and human services. The Department shall study the
25 advisability of creating an Office of Strategic Planning in the Office of the Secretary
26 of Health and Human Services. The Director of the Office of Strategic Planning
27 would report directly to the Secretary and would have the following responsibilities:

- 28 (1) Implementing ongoing strategic planning that integrates budget,
29 personnel, and resources with the mission and operational goals of
30 the Department;
31 (2) Improving program functioning and performance within the
32 agency, across agency lines, and with non-State agencies; and
33 (3) Reviewing, disseminating, monitoring, and evaluating best practice
34 models.

35 The Department shall report its findings and recommendations, which
36 shall include the advantages and disadvantages of creating an Office of Strategic
37 Planning and projected costs of implementation. The report shall be made to the
38 members of the Senate Appropriations Committee on Human Resources and the
39 House of Representatives Appropriations Subcommittee on Human Resources and
40 shall be submitted not later than February 1, 1999.

41
42 Requested by: Representatives Clary, Nye

**43 NORTH CAROLINA BOARD OF PHARMACY/WAIVER FOR DISASTERS AND
44 EMERGENCIES/RULES PERTAINING TO MAIL DELIVERY OF DISPENSED
45 LEGEND DRUGS**

46 Section 12.3B. (a) G.S. 90-85.25 reads as rewritten:

47 "~~§ 90-85.25. Disaster reports. Disasters and emergencies.~~

48 (a) In the event of a disaster or emergency, and in accordance with the provisions
49 of Chapter 166A of the General Statutes and with G.S. 143B-474, the Board may
50 waive the requirements of this Article in order to permit the provision of drugs,
51 devices, and professional services to the public. As used in this section, the term:

(1) 'Disaster' means any natural or man-made event which causes sufficient damage to life or property, the response to which requires resources that exceed local capabilities.

(2) 'Emergency' means any natural or man-made event which causes sufficient damage to life or property, the response to which can be handled with resources routinely available to the community.

(b) The pharmacist in charge of a pharmacy shall report within 10 days to the Board any disaster, accident, theft, or emergency which may affect the strength, purity, or labeling of drugs and devices in the pharmacy."

(b) G.S. 90-85.21A reads as rewritten:

"§ 90-85.21A. Applicability to out-of-state operations.

(a) Any pharmacy operating outside the State which ships, mails, or delivers in any manner a dispensed legend drug into this State shall annually register with the Board on a form provided by the Board.

(b) Any pharmacy subject to this section shall at all times maintain a valid unexpired license, permit, or registration necessary to conduct such pharmacy in compliance with the laws of the state in which such pharmacy is located. No pharmacy operating outside the State may ship, mail, or deliver in any manner a dispensed legend drug into this State unless such drug is lawfully dispensed by a licensed pharmacist in the state where the pharmacy is located.

(c) The Board shall be entitled to charge and collect not more than two hundred fifty dollars (\$250.00) for original registration of a pharmacy under this section, and for renewal thereof, not more than one hundred twenty-five dollars (\$125.00).

(d) The Board may deny a nonresident pharmacy registration upon a determination that the pharmacy has a record of being formally disciplined in its home state for violations that relate to the compounding or dispensing of legend drugs and presents a threat to the public health and safety.

(e) Except as otherwise provided in this subsection, The the Board may adopt rules to protect the public health and safety that are needed necessary to implement this section. Notwithstanding G.S. 90-85.6, the Board shall not adopt rules pertaining to the shipment, mailing, or other manner of delivery of dispensed legend drugs by pharmacies required to register under this section that are more restrictive than federal statutes or regulations governing the delivery of prescription medications by mail or common carrier. A pharmacy required to register under this section shall comply with these rules. rules adopted pursuant to this section.

(f) The Board may deny, revoke, or suspend a nonresident pharmacy registration for failure to comply with any requirement of this section."

(c) G.S. 90-85.32 reads as rewritten:

"§ 90-85.32. Filling and refilling regulations. Rules pertaining to filling, refilling, transfer, and mail or common-carrier delivery of prescription orders.

(a) The Except as otherwise provided in this section, the Board may promulgate adopt rules governing the filling, refilling and transfer of prescription orders not inconsistent with other provisions of law regarding the distribution of drugs and devices. Such regulations The rules shall assure the safe and secure distribution of drugs and devices. Prescriptions marked PRN shall not be refilled more than one year after the date issued by the prescriber unless otherwise specified.

(b) Notwithstanding G.S. 90-85.6, the Board shall not adopt rules pertaining to the shipment, mailing, or other manner of delivery of dispensed legend drugs that are more restrictive than federal statutes or regulations governing the delivery of prescription medications by mail or common carrier."

Requested by: Representatives Gardner, Cansler, Clary

**1 COLLABORATIVE EFFORT TO IMPROVE QUALITY OF ACADEMIC PROGRAMS
2 AT RESIDENTIAL SCHOOLS**

3 Section 12.3C. The Department of Health and Human Services, the State
4 Board of Education, and the superintendents or their designees of the Burke,
5 Guilford, Wake, and Wilson local education agencies shall work together to develop
6 and implement strategies for strengthening the relationship between the agencies and
7 the Governor Morehead School and the three residential schools for the deaf over
8 the next five years. The goal of this collaborative effort is to improve the quality of
9 the academic programs at the residential schools and to utilize more fully and
10 effectively the unique resources and expertise available on these residential campuses
11 to the benefit of visually impaired and hearing-impaired students statewide. This
12 collaborative effort shall identify, at a minimum, the following:

- 13 (1) Strategies for assisting in the implementation of the Standard
14 Course of Study and the ABCs Program on the residential
15 campuses;
- 16 (2) Opportunities for collaboration and sharing of resources in other
17 areas such as staff development, student exchange, transportation,
18 and use of technology; and
- 19 (3) Options for transferring to the local education agencies direct
20 responsibility for the management of the academic programs on the
21 residential campuses, including the preschool programs.

22 The Department of Health and Human Services, the State Board of Education, and
23 the designated representatives of the Burke, Guilford, Wake, and Wilson local
24 education agencies shall submit a joint report to the Joint Legislative Education
25 Oversight Committee, the House of Representatives Appropriations Subcommittee on
26 Human Resources, the Senate Appropriations Committee on Human Resources, and
27 the Fiscal Research Division on the results of the effort required under this section.
28 The report shall be submitted no later than April 1, 1999.

29
30 Requested by: Representatives Gardner, Cansler, Clary

31 DIVISION OF DISABILITY SERVICES

32 Section 12.4B. (a) Effective October 1, 1998, the Secretary of Health and
33 Human Services shall do the following:

- 34 (1) Integrate the responsibility of providing for adult services in the
35 the Division of Vocational Rehabilitation, the Division of Services
36 for the Blind, and the Division of Services for the Deaf and Hard
37 of Hearing into a single Division of Disability Services. The
38 Secretary shall develop and implement strategies for maintaining
39 the visibility and integrity of specialized services to visually
40 impaired and deaf and hard-of-hearing adults and shall ensure that
41 current levels of funding for direct services to these individuals is
42 not reduced;
- 43 (2) Create a Council on Disability Services as a mechanism for
44 advocates and consumers of disability services to advise the
45 Department on policy related to programs and service delivery and
46 shall establish a procedure for addressing client complaints
47 concerning services provided by the Department; and
- 48 (3) Establish the position of Superintendent to manage the Governor
49 Morehead School, the residential schools for the deaf, and the
50 early intervention services provided to visually impaired, deaf, and
51 hard-of-hearing children in North Carolina.

52 The Secretary shall report to the members of the House of Representatives
53 Appropriations Subcommittee on Human Resources and the Senate Appropriations

1 Committee on Human Resources on compliance with this section. The report shall be
2 submitted within one week of the convening of the 1999 General Assembly and shall
3 include information on the organizational structure of the Division of Disability
4 Services and the line item budget. The report shall also identify any statutory
5 changes necessary to effectuate implementation of this section.

6 (b) Effective October 1, 1998, G.S. 143B-138.1(a) reads as rewritten:

7 "(a) All functions, powers, duties, and obligations previously vested in the
8 following commissions, boards, councils, committees, or subunits of the Department
9 of Human Resources are transferred to and vested in the Department of Health and
10 Human Services by a Type I transfer, as defined in G.S. 143A-6:

- 11 (1) Division of Aging.
- 12 (2) ~~Division of Services for the Blind.~~
- 13 (2a) Division of Disability Services.
- 14 (3) Division of Medical Assistance.
- 15 (4) Division of Mental Health, Developmental Disabilities, and
16 Substance Abuse Services.
- 17 (5) Division of Social Services.
- 18 (6) Division of Facility Services.
- 19 (7) ~~Division of Vocational Rehabilitation.~~
- 20 (8) Division of Youth Services.
- 21 (9) ~~Division of Services for the Deaf and the Blind.~~
- 22 (10) Office of Economic Opportunity.
- 23 (11) Division of Child Development.
- 24 (12) Office of Rural Health."

25 26 SUBPART 2. MEDICAL ASSISTANCE

27 Requested by: Representatives Gardner, Cansler, Clary

28 MEDICAID GROWTH REDUCTION

29 Section 12.5. Section 11.10 of S.L. 1997-443 reads as rewritten:

30 "Section 11.10. (a) The Department of ~~Human Resources~~ Health and Human
31 Services shall develop and implement a plan that is designed to reduce the growth of
32 Medicaid to eight percent (8%) by the year 2001. However, the Department shall not
33 eliminate categories of eligibles or categories of services to achieve this reduction
34 unless the General Assembly identifies specific categories of eligibles or categories of
35 services that it wants eliminated.

36 (b) The Division of Medical Assistance, Department of ~~Human Resources, Health~~
37 and Human Services, shall consider the following actions in developing the plan to
38 reduce Medicaid growth:

- 39 (1) Changes in the methods of reimbursement;
- 40 (2) Changes in the method of determining or limiting inflation factors
41 or both;
- 42 (3) Recalibration of existing methods of reimbursement;
- 43 (4) Develop more specific criteria for determining medical necessity of
44 services;
- 45 (5) Contracting for services;
- 46 (6) Application of limits on specific numbers of slots or expenditure
47 levels for certain services or both;
- 48 (7) Expansion of managed care; and
- 49 (8) Recommend changes in statutes to enhance the ability of the
50 Department to manage the program.

51 (c) In considering the actions listed in subsection (b) of this section and in the
52 development of the Medicaid growth reduction plan, the Division of Medical
53 Assistance, Department of ~~Human Resources, Health and Human Services~~, shall not

1 adjust reimbursement rates to levels which would cause Medicaid providers of service
2 to be out of compliance with certification requirements, licensure rules, or other
3 mandated quality or safety standards.

4 (d) The Division of Medical Assistance, Department of ~~Human Resources, Health~~
5 ~~and Human Services~~, may make periodic progress reports to the ~~Chairs members~~ of
6 the ~~House and Senate Appropriations Subcommittees on Human Resources Senate~~
7 ~~Appropriations Committee on Human Resources and the House of Representatives~~
8 ~~Appropriations Subcommittee on Human Resources~~ and shall make a final report no
9 later than September 1, 1997, on any actions the Department intends to take to meet
10 the required reductions for 1998-99. The Division of Medical Assistance shall not
11 implement any of these actions until after the intended actions have been reported to
12 the ~~Chairs members~~.

13 (e) The Division of Medical Assistance, Department of ~~Human Resources, Health~~
14 ~~and Human Services~~, shall report to the ~~Chairs members~~ of the ~~House and Senate~~
15 ~~Appropriations Subcommittees on Human Resources Senate Appropriations~~
16 ~~Committee on Human Resources and the House of Representatives Appropriations~~
17 ~~Subcommittee on Human Resources~~ by ~~April 1, 1998, February 1, 1999~~, on the final
18 plan to reduce Medicaid growth to eight percent (8%) by the year 2001."

19
20 Requested by: Representatives Gardner, Cansler, Clary

21 **RULES GOVERNING TRANSFER OF MEDICAID BENEFITS BETWEEN COUNTIES**

22 Section 12.6. Chapter 108A of the General Statutes is amended by
23 inserting a new section to read:

24 "**§ 108A-57.1. Rules governing transfer of medical assistance benefits between**
25 **counties.**

26 **Any recipient of medical assistance who moves from one county to another county**
27 **of this State shall continue to receive medical assistance if eligible. The county**
28 **director of social services of the county from which the recipient has moved shall**
29 **transfer all necessary records relating to the recipient to the county director of social**
30 **services of the county to which the recipient has moved. The county from which the**
31 **recipient has moved shall pay the county portion of the nonfederal share of medical**
32 **assistance payments paid for services provided to the recipient during the month**
33 **following the recipient's move. Thereafter, the county to which the recipient has**
34 **moved shall pay the county portion of the nonfederal share of medical assistance**
35 **payments paid for the services provided to the recipient.**"

36
37 Requested by: Representatives Gardner, Cansler, Clary

38 **CONTINUOUS MEDICAID COVERAGE FOR CATEGORICALLY NEEDY**
39 **FAMILIES WITH CHILDREN**

40 Section 12.7. (a) Section 11.11 of S.L. 1997-443 is amended by inserting a
41 new subsection to read:

42 "**(n1) Medicaid enrollment of categorically needy families with children shall be**
43 **continuous for one year without regard to changes in income or assets.**"

44 (b) The Department of Health and Human Services shall study the effect
45 of this section on both the Medicaid Program and the Health Insurance Program for
46 Children. The Department shall make an interim report on the results of this study
47 to the members of the Senate Appropriations Committee on Human Resources and
48 the House of Representatives Appropriations Subcommittee on Human Resources by
49 October 1, 1999, and shall make a final report by January 1, 2000.

50 (c) This section becomes effective October 1, 1998.

51
52 Requested by: Representatives Gardner, Cansler, Clary

53 **ALLOCATION OF G.S. 143-23.2 MEDICAID FUNDS**

Section 12.8. Of the funds transferred to the Department of Health and Human Services for Medicaid programs pursuant to G.S. 143-23.2, thirteen million dollars (\$13,000,000) shall be allocated as prescribed by G.S. 143-23.2(b) for Medicaid programs. Notwithstanding the prescription in G.S. 143-23.2(b) that these funds not reduce State general revenue funding, these funds shall replace the thirteen million dollar (\$13,000,000) reduction in general revenue funding effected in this act.

[SECTION 12.9 RESERVED]

Requested by: Representatives Cansler, Clary

DISPOSITION OF DISPROPORTIONATE SHARE RECEIPT CHANGE

Section 12.10. (a) Disproportionate share receipts reserved at the end of the 1997-98 fiscal year shall be deposited with the Department of State Treasurer as a nontax revenue for the 1998-99 fiscal year.

(b) For the 1998-99 fiscal year, as it receives funds associated with Disproportionate Share Payments from the State hospitals, the Department of Health and Human Services, Division of Medical Assistance, shall deposit up to eighty-five million dollars (\$85,000,000) of these Disproportionate Share Payments to the Department of State Treasurer for deposit as nontax revenues. Any Disproportionate Share Payments collected in excess of the eighty-five million dollars (\$85,000,000) shall be reserved by the State Treasurer for future appropriations.

Requested by: Representatives Gardner, Cansler, Clary

CHILD HEALTH INSURANCE TECHNICAL CHANGES

Section 12.11. G.S. 108A-70.18(8), as enacted by Section 1 of S.L. 1998-1 Extra Session, reads as rewritten:

"(8) 'Uninsured' means the applicant for Program benefits was not covered under any private or employer-sponsored comprehensive health insurance plan for the six-month period immediately preceding the date ~~the Program becomes effective. of application for Program benefits.~~ Effective six months from date the Program becomes effective, April 1, 1999, 'uninsured' means the applicant is and was not covered under any private or employer-sponsored comprehensive health insurance plan for 60 days immediately preceding the date of application. The waiting periods required under this subdivision shall be waived if the child has been enrolled in Medicaid and has lost Medicaid eligibility due to a change in family income eligibility, has lost health care benefits due to cessation of a nonprofit organization program that provides health care benefits to low-income children, or has lost employer-sponsored comprehensive health care coverage due to termination of employment, cessation by the employer of employer-sponsored health coverage, or cessation of the employer's business."

Requested by: Representatives Gardner, Cansler, Clary

CHILD HEALTH INSURANCE STUDY/OTHER CHANGES

Section 12.12A. (a) The Department of Health and Human Services shall conduct a study to identify Department programs where savings in State funds could be realized because some or all of the services provided by the programs are now provided under the Health Insurance Program for Children. The Department shall report its findings to members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources not later than March 1, 1999.

(b) The Office of State Budget and Management shall examine the expenditures and services of State agencies other than the Department of Health and Human Services to determine whether the expenditures and services could be covered under the State Health Insurance Program for Children. The study shall also examine services provided by non-State agencies and funded in whole or in part with State funds. The Office of State Budget and Management shall report its findings to members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources not later than March 1, 1999.

(c) Section 8 of S.L. 1998-1 Extra Session, reads as rewritten:

"Section 8. ~~Except for immunization, no State funds, federal funds, or funds from any other source may be used under the Health Insurance Program for Children established under this act to reimburse medical services performed in school-based health clinic settings. The Executive Administrator and Board of Trustees of the Teachers' and State Employees' Comprehensive Major Medical Plan shall conduct a survey of any claims paid by the Plan's self insured indemnity program during each of the last three plan years. Any results of the survey shall be used by the Plan in conducting a study of the array of medical services delivered in school-based settings and whether or not such services should be eliminated, curtailed, or expanded. No later than March 31, 1999, the Plan shall make its findings and recommendations pursuant to this study known to the Committee on Employee Hospital and Medical Benefits, the Joint Legislative Health Care Oversight Committee, and the 1999 Session of the General Assembly. Before a school-based health center or clinic may be reimbursed for services, other than immunization services, under the Health Insurance Program for Children, the center or clinic must develop and use parental consent forms which reflect a listing of the basic categories of health services offered at the school-based center or clinic, including referral services to other health care providers. If the center or clinic provides services for sexually transmitted diseases, reproductive health services, or family planning services, then these services shall be specifically identified in the listing of basic services. The school-based center or clinic must make available, if requested by the parent, a more detailed explanation of the types of services included within the listed categories. The parent shall be advised in writing that detailed explanations of services are available upon request. The Department of Health and Human Services shall request the assistance of the North Carolina Pediatric Society in developing a model listing of services for consideration by the school-based health centers or clinics and shall present the model listing to the Joint Legislative Health Care Oversight Committee not later than December 1, 1998. Consent forms must be signed by the parent prior to the provision of services, except that a signature shall not be required for emergency services or treatment as authorized under Article 1A of Chapter 90 of the General Statutes, and must contain all of the following to provide parents the option to:~~

- (1) Withhold consent from all services provided by the center or clinic under the Program;
- (2) Consent to only those categories of health services specified by the parent on the form; or
- (3) Consent to all services provided by the center or clinic under the Program."

(d) G.S. 143-682, as enacted by Section 3 of S.L. 1998-1 Extra Session, reads as rewritten:

"§ 143-682. Commission established.

(a) There is established the Commission on Children With Special Health Care Needs. The Department of Health and Human Services shall provide staff services and space for Commission meetings. The purpose of the Commission is to monitor

1 and evaluate the availability and provision of health services to special needs children
2 in this State, and to monitor and evaluate services provided to special needs children
3 under the Health Insurance Program for Children established under Part 8 of Article
4 2 of Chapter 108A of the General Statutes.

5 (b) The Commission shall consist of ~~seven~~ eight members appointed by the
6 Governor, as follows:

7 (1) ~~A parent of a special needs child; Two parents, not of the same~~
8 ~~family, each of whom has a special needs child. In appointing~~
9 ~~parents, the Governor shall consider appointing one parent of a~~
10 ~~child with chronic illness and one parent of a child with a~~
11 ~~developmental disability or behavioral disorder;~~

12 (2) A licensed psychiatrist recommended by the North Carolina
13 Psychiatric Association;

14 (3) A licensed psychologist recommended by the North Carolina
15 Psychological Association;

16 (4) A licensed pediatrician whose practice includes services for special
17 needs children, recommended by the Pediatric Society of North
18 Carolina;

19 (5) A representative of one of the children's hospitals in the State,
20 recommended by the Pediatric Society of North Carolina;

21 (6) A local public health director recommended by the Association of
22 Local Health Directors; and

23 (7) An educator providing education services to special needs
24 children, recommended by the North Carolina Council of
25 Administrators of Special Education.

26 (c) The Governor shall appoint from among Commission members the person
27 who shall serve as chair of the Commission. Of the initial appointments, two shall
28 serve one-year terms, ~~two~~ three shall serve two-year terms, and three shall serve
29 three-year terms. Thereafter, terms shall be for two years. Vacancies occurring
30 before expiration of a term shall be filled from the same appointment category in
31 accordance with subsection (b) of this section."

32
33 Requested by: Representatives Cansler, Gardner, Clary

34 **MEDICAID/REPORTING ANTICIPATED CHANGES**

35 Section 12.12B. (a) Section 11.11 of S.L. 1997-443 reads as rewritten:

36 "Section 11.11. (a) Funds appropriated in this act for services provided in
37 accordance with Title XIX of the Social Security Act (Medicaid) are for both the
38 categorically needy and the medically needy. Funds appropriated for these services
39 shall be expended in accordance with the following schedule of services and payment
40 bases. All services and payments are subject to the language at the end of this
41 subsection.

42 Services and payment bases:

43 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
44 prescribed in the State Plan as established by the Department of
45 ~~Human Resources~~. Health and Human Services. Administrative
46 days for any period of hospitalization shall be limited to a
47 maximum of three days.

48 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
49 prospective reimbursement plan as established by the Department
50 of ~~Human Resources~~. Health and Human Services.

51 (3) Nursing Facilities - Payment for nursing facility services will be
52 prescribed in the State Plan as established by the Department of
53 ~~Human Resources~~. Health and Human Services. Nursing facilities

- 1 providing services to Medicaid recipients who also qualify for
2 Medicare, must be enrolled in the Medicare program as a
3 condition of participation in the Medicaid program. State facilities
4 are not subject to the requirement to enroll in the Medicare
5 program.
- 6 (4) Intermediate Care Facilities for the Mentally Retarded - As
7 prescribed in the State Plan as established by the Department of
8 ~~Human Resources~~. Health and Human Services.
- 9 (5) Drugs - Drug costs as allowed by federal regulations plus a
10 professional services fee per month excluding refills for the same
11 drug or generic equivalent during the same month.
12 Reimbursement shall be available for up to six prescriptions per
13 recipient, per month, including refills. Payments for drugs are
14 subject to the provisions of subsection (h) of this section and to the
15 provisions at the end of subsection (a) of this section, or in
16 accordance with the State Plan adopted by the Department of
17 ~~Human Resources~~ Health and Human Services consistent with
18 federal reimbursement regulations. Payment of the professional
19 services fee shall be made in accordance with the State Plan
20 adopted by the Department of ~~Human Resources~~, Health and
21 Human Services, consistent with federal reimbursement
22 regulations. The professional services fee shall be five dollars and
23 sixty cents (\$5.60) per prescription. Adjustments to the
24 professional services fee shall be established by the General
25 Assembly.
- 26 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists,
27 Certified Nurse Midwife Services - Fee schedules as developed by
28 the Department of ~~Human Resources~~. Health and Human Services.
29 Payments for dental services are subject to the provisions of
30 subsection (g) of this section.
- 31 (7) Community Alternative Program, EPSDT Screens - Payment to be
32 made in accordance with rate schedule developed by the
33 Department of ~~Human Resources~~. Health and Human Services.
- 34 (8) Home Health and Related Services, Private Duty Nursing, Clinic
35 Services, Prepaid Health Plans, Durable Medical Equipment -
36 Payment to be made according to reimbursement plans developed
37 by the Department of ~~Human Resources~~. Health and Human
38 Services.
- 39 (9) Medicare Buy-In - Social Security Administration premium.
- 40 (10) Ambulance Services - Uniform fee schedules as developed by the
41 Department of ~~Human Resources~~. Health and Human Services.
- 42 (11) Hearing Aids - Actual cost plus a dispensing fee.
- 43 (12) Rural Health Clinic Services - Provider-based, reasonable cost;
44 nonprovider-based, single-cost reimbursement rate per clinic visit.
- 45 (13) Family Planning - Negotiated rate for local health departments.
46 For other providers - see specific services, for instance, hospitals,
47 physicians.
- 48 (14) Independent Laboratory and X-Ray Services - Uniform fee
49 schedules as developed by the Department of ~~Human Resources~~.
50 Health and Human Services.
- 51 (15) Optical Supplies - One hundred percent (100%) of reasonable
52 wholesale cost of materials.

- 1 (16) Ambulatory Surgical Centers - Payment as prescribed in the
2 reimbursement plan established by the Department of ~~Human~~
3 ~~Resources.~~ Health and Human Services.
4 (17) Medicare Crossover Claims - An amount up to the actual
5 coinsurance or deductible or both, in accordance with the State
6 Plan, as approved by the Department of ~~Human Resources.~~ Health
7 and Human Services.
8 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT
9 eligible children. Payments are to be made only to qualified
10 providers at rates negotiated by the Department of ~~Human~~
11 ~~Resources.~~ Health and Human Services.
12 (19) Personal Care Services - Payment in accordance with the State
13 Plan approved by the Department of ~~Human Resources.~~ Health
14 and Human Services.
15 (20) Case Management Services - Reimbursement in accordance with
16 the availability of funds to be transferred within the Department of
17 ~~Human Resources.~~ Health and Human Services.
18 (21) Hospice - Services may be provided in accordance with the State
19 Plan developed by the Department of ~~Human Resources.~~ Health
20 and Human Services.
21 (22) Other Mental Health Services - Unless otherwise covered by this
22 section, coverage is limited to agencies meeting the requirements of
23 the rules established by the Commission for Mental Health,
24 Developmental Disabilities, and Substance Abuse Services, and
25 reimbursement is made in accordance with a State Plan developed
26 by the Department of ~~Human Resources.~~ Health and Human
27 Services not to exceed the upper limits established in federal
28 regulations.
29 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
30 Children - Reimbursement in accordance with the State Plan
31 approved by the Department of ~~Human Resources.~~ Health and
32 Human Services.
33 (24) Health Insurance Premiums - Payments to be made in accordance
34 with the State Plan adopted by the Department of ~~Human~~
35 ~~Resources.~~ Health and Human Services consistent with federal
36 regulations.
37 (25) Medical Care/Other Remedial Care - Services not covered
38 elsewhere in this section include related services in schools; health
39 professional services provided outside the clinic setting to meet
40 maternal and infant health goals; and services to meet federal
41 EPSDT mandates. Services addressed by this paragraph are
42 limited to those prescribed in the State Plan as established by the
43 Department of ~~Human Resources.~~ Providers Health and Human
44 Services. Except for related services in schools, providers of these
45 services shall be certified as meeting program standards of the
46 Department of Environment, Health, and Natural Resources.
47 Department of Health and Human Services, Division of Women's
48 and Children's Health.
49 (26) Pregnancy Related Services - Covered services for pregnant women
50 shall include nutritional counseling, psychosocial counseling, and
51 predelivery and postpartum home visits by maternity care
52 coordinators and public health nurses.

1 Services and payment bases may be changed with the approval of the Director of the
2 Budget.

3 Reimbursement is available for up to 24 visits per recipient per year to any one or
4 combination of the following: physicians, clinics, hospital outpatient, optometrists,
5 chiropractors, and podiatrists. Prenatal services, all EPSDT children, and emergency
6 rooms are exempt from the visit limitations contained in this paragraph. Exceptions
7 may be authorized by the Department of ~~Human Resources~~ Health and Human
8 Services where the life of the patient would be threatened without such additional
9 care. Any person who is determined by the Department to be exempt from the 24-
10 visit limitation may also be exempt from the six-prescription limitation.

11 (b) Allocation of Nonfederal Cost of Medicaid. The State shall pay eighty-five
12 percent (85%); the county shall pay fifteen percent (15%) of the nonfederal costs of
13 all applicable services listed in this section.

14 (c) Copayment for Medicaid Services. The Department of ~~Human Resources~~
15 Health and Human Services may establish copayment up to the maximum permitted
16 by federal law and regulation.

17 (d) Medicaid and ~~Aid to Families With Dependent Children~~ Work First Family
18 Assistance, Income Eligibility Standards. The maximum net family annual income
19 eligibility standards for Medicaid and ~~Aid to Families with Dependent Children~~,
20 Work First Family Assistance and the Standard of Need for ~~Aid to Families with~~
21 Dependent Children Work First Family Assistance shall be as follows:

Family Size	<u>Categorically Needy</u>	<u>Medically Needy</u>	<u>AA, AB, AD*</u>
	<u>Standard of Need</u>	<u>AFDC Payment Level*</u>	
1	\$ 4,344	\$ 2,172	\$ 2,900
2	5,664	2,832	3,800
3	6,528	3,264	4,400
4	7,128	3,564	4,800
5	7,776	3,888	5,200
6	8,376	4,188	5,600
7	8,952	4,476	6,000
8	9,256	4,680	6,300

36 ~~*Aid to Families With Dependent Children (AFDC);~~ Work First Family Assistance
37 (WFFA); Aid to the Aged (AA); Aid to the Blind (AB); and Aid to the Disabled
38 (AD).

39
40 The payment level for ~~Aid to Families With Dependent Children~~ Work First Family
41 Assistance shall be fifty percent (50%) of the standard of need.

42 These standards may be changed with the approval of the Director of the Budget
43 with the advice of the Advisory Budget Commission.

44 (e) All Elderly, Blind, and Disabled Persons who receive Supplemental Security
45 Income are eligible for Medicaid coverage.

46 (f) ICF and ICF/MR Work Incentive Allowances. The Department of ~~Human~~
47 Resources Health and Human Services may provide an incentive allowance to
48 Medicaid-eligible recipients of ICF and ICF/MR facilities who are regularly engaged
49 in work activities as part of their developmental plan and for whom retention of
50 additional income contributes to their achievement of independence. The State funds
51 required to match the federal funds that are required by these allowances shall be
52 provided from savings within the Medicaid budget or from other unbudgeted funds
53 available to the Department. The incentive allowances may be as follows:

Monthly Net WagesMonthly Incentive Allowance

\$1.00 to \$100.99	Up to \$50.00
\$101.00 - \$200.99	\$80.00
\$201.00 to \$300.99	\$130.00
\$301.00 and greater	\$212.00.

(g) Dental Coverage Limits. Dental services shall be provided on a restricted basis in accordance with rules adopted by the Department to implement this subsection.

(h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security Act) a prescription order for a drug designated by a trade or brand name shall be considered to be an order for the drug by its established or generic name, except when the prescriber personally indicates, either orally or in the prescriber's own handwriting on the prescription order, "dispense as written" or words of similar meaning. Generic drugs, when available in the pharmacy, shall be dispensed at a lower cost to the Medical Assistance Program rather than trade or brand name drugs, subject to the prescriber's "dispense as written" order as noted above.

As used in this subsection "brand name" means the proprietary name the manufacturer places upon a drug product or on its container, label, or wrapping at the time of packaging; and "established name" has the same meaning as in section 502(e)(3) of the Federal Food, Drug, and Cosmetic Act as amended, 21 U.S.C. § 352(e)(3).

(i) Exceptions to Service Limitations, Eligibility Requirements, and Payments. Service limitations, eligibility requirements, and payments bases in this section may be waived by the Department of ~~Human Resources~~, Health and Human Services, with the approval of the Director of the Budget, to allow the Department to carry out pilot programs for prepaid health plans, managed care plans, or community-based services programs in accordance with plans approved by the United States Department of Health and Human Services, or when the Department determines that such a waiver will result in a reduction in the total Medicaid costs for the recipient.

(j) Volume Purchase Plans and Single Source Procurement. The Department of ~~Human Resources~~, Health and Human Services, Division of Medical Assistance, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other similar processes in order to improve cost containment.

(k) Cost Containment Programs. The Department of ~~Human Resources~~, Health and Human Services, Division of Medical Assistance, may undertake cost containment programs including preadmissions to hospitals and prior approval for certain outpatient surgeries before they may be performed in an inpatient setting.

(l) For all Medicaid eligibility classifications for which the federal poverty level is used as an income limit for eligibility determination, the income limits will be updated each April 1 immediately following publication of federal poverty guidelines.

(m) The Department of ~~Human Resources~~, Health and Human Services shall provide Medicaid to 19-, 20-, and 21-year olds in accordance with federal rules and regulations.

(n) The Department of ~~Human Resources~~, Health and Human Services shall provide coverage to pregnant women and to children according to the following schedule:

- 1 (1) Pregnant women with incomes equal to or less than one hundred
2 eighty-five percent (185%) of the federal poverty guidelines as
3 revised each April 1 shall be covered for Medicaid benefits.
- 4 (2) Infants under the age of 1 with family incomes equal to or less than
5 one hundred eighty-five percent (185%) of the federal poverty
6 guidelines as revised each April 1 shall be covered for Medicaid
7 benefits.
- 8 (3) Children aged 1 through 5 with family incomes equal to or less
9 than one hundred thirty-three percent (133%) of the federal
10 poverty guidelines as revised each April 1 shall be covered for
11 Medicaid benefits.
- 12 (4) Children aged 6 through 18 with family incomes equal to or less
13 than the federal poverty guidelines as revised each April 1 shall be
14 covered for Medicaid benefits.
- 15 (5) The Department of ~~Human Resources~~ Health and Human Services
16 shall provide Medicaid coverage for adoptive children with special
17 or rehabilitative needs regardless of the adoptive family's income.
- 18 Services to pregnant women eligible under this subsection continue throughout the
19 pregnancy but include only those related to pregnancy and to those other conditions
20 determined by the Department as conditions that may complicate pregnancy. In
21 order to reduce county administrative costs and to expedite the provision of medical
22 services to pregnant women, to infants, and to children described in subdivisions (3)
23 and (4) of this subsection, no resources test shall be applied.
- 24 (n1) Effective October 1, 1998, Medicaid enrollment of categorically needy families
25 with children shall be continuous for one year without regard to changes in income
26 or assets.
- 27 ~~(e) The Department of Human Resources may use Medicaid funds budgeted from~~
28 ~~program services to support the cost of administrative activities to the extent that~~
29 ~~these administrative activities produce a net savings in services requirements.~~
30 ~~Administrative initiatives funded by this section shall be first approved by the Office~~
31 ~~of State Budget and Management.~~
- 32 (p) The Department of ~~Human Resources~~ Health and Human Services shall
33 submit a monthly status report on expenditures for acute care and long-term care
34 services to the Fiscal Research Division and to the Office of State Budget and
35 Management. This report shall include an analysis of budgeted versus actual
36 expenditures for eligibles by category and for long-term care beds. In addition, the
37 Department shall revise the program's projected spending for the current fiscal year
38 and the estimated spending for the subsequent fiscal year on a quarterly basis.
39 Reports for the preceding month shall be forwarded to the Fiscal Research Division
40 and to the Office of State Budget and Management no later than the third Thursday
41 of the month.
- 42 (q) The Division of Medical Assistance, Department of ~~Human Resources~~, Health
43 and Human Services, may provide incentives to counties that successfully recover
44 fraudulently spent Medicaid funds by sharing State savings with counties responsible
45 for the recovery of the fraudulently spent funds.
- 46 (r) If first approved by the Office of State Budget and Management, the Division
47 of Medical Assistance, Department of ~~Human Resources~~, Health and Human
48 Services, may use funds that are identified to support the cost of development and
49 acquisition of equipment and software through contractual means to improve and
50 enhance information systems that provide management information and claims
51 processing.
- 52 (s) The Division of Medical Assistance, Department of ~~Human Resources~~, Health
53 and Human Services, may administer Medicaid estate recovery mandated by the

1 Omnibus Budget Reconciliation Act of 1993, (OBRA 1993), 42 U.S.C. § 1396p(b),
2 and G.S. 108-70.5 using temporary rules pending approval of final rules promulgated
3 pursuant to Chapter 150B of the General Statutes.

4 (t) The Department of ~~Human Resources~~ Health and Human Services may adopt
5 temporary rules according to the procedures established in G.S. 150B-21.1 when it
6 finds that ~~such~~ these rules are necessary to maximize receipt of federal funds, to
7 reduce Medicaid expenditures, and to reduce fraud and abuse. Prior to the filing of
8 these temporary rules with the Office of Administrative Hearings, the Department
9 shall consult with the Office of State Budget and Management on the possible fiscal
10 impact of the temporary rule and its effect on State appropriations and local
11 governments.

12 (u) The Department shall report to the Fiscal Research Division of the Legislative
13 Services Office and to the Senate Appropriations Committee on Human Resources
14 and the House of Representatives Appropriations Subcommittee on Human
15 Resources or the Joint Legislative Commission on Health Care Oversight on any
16 change it anticipates making in the Medicaid Program or service, including changes
17 to rates, to waivers, and to positions, prior to making this change."

18 (b) The Department of Health and Human Services shall study the effect
19 of subsection (n1) of Section 11.11 of S.L. 1997-443 on both the Medicaid Program
20 and the Health Insurance Program for Children. The Department shall make an
21 interim report on the results of this study to the members of the Senate
22 Appropriations Committee on Human Resources and the House of Representatives
23 Appropriations Subcommittee on Human Resources by October 1, 1999, and shall
24 make a final report by January 1, 2000.

25 (c) G.S. 108A-55(c) reads as rewritten:

26 "(c) The Department shall reimburse providers of services, equipment, or supplies
27 under the Medical Assistance Program in the following amounts:

- 28 (1) The amount approved by the Health Care Financing
29 Administration of the United States Department of Health and
30 Human Services, if that Administration approves an exact
31 reimbursement amount;
32 (2) The amount determined by application of a method approved by
33 the Health Care Financing Administration of the United States
34 Department of Health and Human Services, if that Administration
35 approves the method by which a reimbursement amount is
36 determined, and not the exact amount.

37 The Department shall establish the methods by which reimbursement amounts are
38 determined in accordance with Chapter 150B of the General Statutes. A change in a
39 reimbursement amount becomes effective as of the date for which the change is
40 approved by the Health Care Financing Administration of the United States
41 Department of Health and Human Services. The Department shall report to the
42 Fiscal Research Division of the Legislative Services Office and to the Senate
43 Appropriations Committee on Human Resources and the House of Representatives
44 Appropriations Subcommittee on Human Resources or the Joint Legislative
45 Commission on Health Care Oversight on any change in a reimbursement amount at
46 the same time as it sends out public notice of this change prior to presentation to the
47 Health Care Financing Administration."

48
49 Requested by: Representative Gardner

50 **PARTICIPATION IN MEDICAID DENTAL PROGRAM**

51 Section 12.12C. It is the intent of the General Assembly, in funding the
52 increase of the Medicaid reimbursement rate to dentists in 1998, to increase
53 substantially the participation of dentists in the Medicaid dental program and to

1 improve the program's provision of dental preventive services to Medicaid patients
2 while ensuring the integrity and accountability of the program.

3 The General Assembly finds that, by June 1, 1999, the statewide
4 participation rate should have increased by ten percent (10%) from the June 1, 1998,
5 participation rate and by June 30, 2000, by forty percent (40%). The General
6 Assembly further finds that, ultimately, all dentists practicing in North Carolina
7 should accept at least ten percent (10%) of their patients from the Medicaid
8 population. The Department of Health and Human Services shall adopt this goal and
9 shall pursue every avenue available to it to ensure that this goal is realized, including:

- 10 (1) Developing strategies to aid dentists in increasing the number of
11 their Medicaid patients;
- 12 (2) Developing a statewide outreach plan;
- 13 (3) Educating dental professionals in strategies to integrate successfully
14 the Medicaid patients into the practice by November 1, 1998; and
- 15 (4) Expanding the capacity of targeted local health departments and
16 community health centers by using fully registered dental hygienists
17 to provide preventive services such as sealant treatment, fluoride
18 treatment, and basic dental hygiene treatment.

19 The Department of Health and Human Services shall report to the Senate
20 Appropriations Committee on Human Resources and the House of Representatives
21 Appropriations Subcommittee on Human Resources on its progress in reaching this
22 goal and on any other results of increasing the Medicaid reimbursement rate by June
23 30, 1999, and by June 30, 2000.

24 The Department of Health and Human Services shall ensure that dentists
25 participating in the Medicaid program are fully accountable for their participation
26 and that the integrity of the Medicaid program is maintained by all participants,
27 including ensuring that Medicaid is billed only for services provided and not for
28 missed appointments.

29 The Department of Health and Human Services, together with the North
30 Carolina Dental Board of Examiners, shall study existing laws and rules that may
31 serve as barriers to adequate dental treatment for Medicaid and other patients,
32 including barriers to licensed dental hygienists from other states receiving licenses in
33 North Carolina. The Department shall report the results of this study, together with
34 any recommendations of laws or rules that need to be changed, to the Senate
35 Appropriations Committee on Human Resources and the House of Representatives
36 Appropriations Subcommittee on Human Resources by March 15, 1999.

37
38 Requested by: Representatives Gardner, Cansler, Clary
39 **MEDICAID COVERAGE FOR ELDERLY AND DISABLED PEOPLE**

40 Section 12.12D. Effective January 1, 1999, the Department of Health and
41 Human Services, Division of Medical Assistance, shall provide Medicaid coverage to
42 all elderly and disabled people who have incomes equal to or less than one hundred
43 percent (100%) of the federal poverty guidelines, as revised each April 1.

44
45 [SECTION 12.13 RESERVED]

46
47 **SUBPART 3. FACILITY SERVICES**

48 Requested by: Representatives Gardner, Cansler, Clary
49 **TRANSFER OF CHARITABLE SOLICITATION PROGRAM TO THE SECRETARY**
50 **OF STATE**

51 Section 12.14. (a) All functions, powers, duties, and obligations
52 previously vested in the Department of Health and Human Services under Chapter
53 131F of the General Statutes are transferred to and vested in the Department of the

1 Secretary of State as if by a Type I transfer defined in G.S. 143A-6. All statutory
2 authority, powers, duties, functions, records, personnel, property, and unexpended
3 balances of appropriations or other funds of the program transferred pursuant to this
4 section shall be transferred in their entirety.

5 (b) G.S. 131F-2(7) reads as rewritten:

6 " (7) 'Department' means the Department of ~~Health and Human~~
7 ~~Services; the Secretary of State.~~"

8 (c) G.S. 147-36 reads as rewritten:

9 **"§ 147-36. Duties of Secretary of State.**

10 It is the duty of the Secretary of State:

- 11 (1) To perform such duties as may then be devolved upon ~~him~~ the
12 Secretary by resolution of the two houses of the General Assembly
13 or either of them;
- 14 (2) To attend the Governor, whenever required by ~~him~~, the Governor,
15 for the purpose of receiving documents which have passed the
16 great seal;
- 17 (3) To receive and keep all conveyances and mortgages belonging to
18 the State;
- 19 (4) To distribute annually the statutes and the legislative journals;
- 20 (5) To distribute the acts of Congress received at ~~his~~ the Secretary's
21 office in the manner prescribed for the statutes of the State;
- 22 (6) To keep a receipt book, in which ~~he~~ the Secretary shall take from
23 every person to whom a grant shall be delivered, a receipt for the
24 same; but ~~he~~ may inclose grants by mail in a registered letter at the
25 expense of the grantee, unless otherwise directed, first entering the
26 same upon the receipt book;
- 27 (7) To issue charters and all necessary certificates for the
28 incorporation, domestication, suspension, reinstatement,
29 cancellation and dissolution of corporations as may be required by
30 the corporation laws of the State and maintain a record thereof;
- 31 (8) To issue certificates of registration of trademarks, labels and
32 designs as may be required by law and maintain a record thereof;
- 33 (9) To maintain a Division of Publications to compile data on the
34 State's several governmental agencies and for legislative reference;
- 35 (10) To receive, enroll and safely preserve the Constitution of the State
36 and all amendments thereto;
- 37 (11) To serve as a member of such boards and commissions as the
38 Constitution and laws of the State may designate;
- 39 (12) To administer the Securities Law of the State, regulating the
40 issuance and sale of securities, as is now or may be directed;
- 41 (13) To receive and keep all oaths of public officials required by law to
42 be filed in ~~his~~ the Secretary's office, and as Secretary of State, ~~he~~ is
43 fully empowered to administer official oaths to any public official
44 of whom an oath is required; ~~and~~
- 45 (14) To receive and maintain a journal of all appointments made to any
46 State board, agency, commission, council or authority which is
47 filed in the office of the Secretary of State: State; and
- 48 (15) To regulate the solicitation of contributions pursuant to Chapter
49 131F of the General Statutes."

50 (d) This section becomes effective January 1, 1999.

51
52 [SECTION 12.15 RESERVED]
53

1 Requested by: Representatives Gardner, Cansler, Clary

2 **ADULT CARE HOME STAFFING RATIO CHANGES**

3 Section 12.16B. Effective January 1, 1999, G.S. 131D-4.3 reads as
4 rewritten:

5 "**§ 131D-4.3. Adult care home rules.**

6 (a) Pursuant to G.S. 143B-153, the Social Services Commission shall adopt rules
7 to ensure at a minimum, but shall not be limited to, the provision of the following by
8 adult care homes:

- 9 (1) Client assessment and independent case management;
- 10 (2) A minimum of 75 hours of training for personal care aides
11 performing heavy care tasks and a minimum of 40 hours of
12 training for all personal care aides. The training for aides providing
13 heavy care tasks shall be comparable to State-approved Certified
14 Nurse Aide I training. For those aides meeting the 40-hour
15 requirement, at least 20 hours shall be classroom training to
16 include at a minimum:
- 17 a. Basic nursing skills;
- 18 b. Personal care skills;
- 19 c. Cognitive, behavioral, and social care;
- 20 d. Basic restorative services; and
- 21 e. Residents' rights.
- 22 A minimum of 20 hours of training shall be provided for aides in
23 family care homes that do not have heavy care residents. Persons
24 who either pass a competency examination developed by the
25 Department of Health and Human Services, have been employed
26 as personal care aides for a period of time as established by the
27 Department, or meet minimum requirements of a combination of
28 training, testing, and experience as established by the Department
29 shall be exempt from the training requirements of this subdivision;
- 30 (3) Monitoring and supervision of residents; ~~and~~
- 31 (4) Oversight and quality of care as stated in ~~G.S. 131D-4.1.~~ G.S.
32 131D-4.1; and
- 33 (5) Adult care homes shall comply with all of the following staffing
34 requirements:
- 35 a. First shift (morning): 8.0 hours of aide duty per each 20
36 residents (licensed capacity or resident census);
- 37 b. Second shift (afternoon): 8.0 hours of aide duty per each 20
38 residents (licensed capacity or resident census);
- 39 c. Third shift (evening): 8.0 hours of aide duty per 30 or fewer
40 residents (licensed capacity or resident census).

41 (b) Rules to implement this section shall be adopted as emergency rules in
42 accordance with Chapter 150B of the General Statutes. ~~These rules shall be in effect~~
43 ~~no later than January 1, 1996.~~

44 (c) The Department may suspend or revoke a facility's license, subject to the
45 provisions of Chapter 150B, to enforce compliance by a facility with this section or to
46 punish noncompliance."

47
48 Requested by: Representatives Gardner, Cansler, Clary

49 **ADULT CARE HOME BED VACANCIES/EXTENSION**

50 Section 12.16C. (a) Section 11.69(b) of S.L. 1997-443 reads as rewritten:

51 "(b) ~~From the effective date of this act until 12 months after the effective date of~~
52 ~~this act,~~ Effective until August 26, 1999, the Department of Health and Human

1 Services shall not approve the addition of any adult care home beds for any type
2 home or facility in the State, except as follows:

3 (1) Plans submitted for approval prior to May 18, 1997, may continue
4 to be processed for approval;

5 (2) Plans submitted for approval subsequent to May 18, 1997, may be
6 processed for approval if the individual or organization submitting
7 the plan demonstrates to the Department that on or before August
8 25, 1997, the individual or organization purchased real property,
9 entered into a contract to purchase or obtain an option to purchase
10 real property, entered into a binding real property lease
11 arrangement, or has otherwise made a binding financial
12 commitment for the purpose of establishing or expanding an adult
13 care home facility. An owner of real property who entered into a
14 contract prior to August 25, 1997, for the sale of an existing
15 building together with land zoned for the development of not more
16 than 50 adult care home beds with a proposed purchaser who
17 failed to consummate the transaction may, after August 25, 1997,
18 sell the property to another purchaser and the Department may
19 process and approve plans submitted by the purchaser for the
20 development of not more than 50 adult care home beds. It shall
21 be the responsibility of the applicant to establish, to the satisfaction
22 of the Department, that any of these conditions have been met;

23 (3) Adult care home beds in facilities for the developmentally disabled
24 with six beds or less which are or would be licensed under G.S.
25 131D or G.S. 122C may continue to be approved;

26 (4) If the Department determines that the vacancy rate of available
27 adult care home beds in a county is fifteen percent (15%) or less of
28 the total number of available beds in the county as of ~~the effective~~
29 ~~date of this act~~ August 26, 1997, and no new beds have been
30 approved or licensed in the county or plans submitted for approval
31 in accordance with subdivision (1) or (2) of this section which
32 would raise the vacancy rate above fifteen percent (15%) in the
33 county, then the Department may accept and approve the addition
34 of beds in that county; or

35 (5) If a county board of commissioners determines that a substantial
36 need exists for the addition of adult care home beds in that county,
37 the board of commissioners may request that a specified number of
38 additional beds be licensed for development in their county. In
39 making their determination, the board of commissioners shall give
40 consideration to meeting the needs of Special Assistance clients.
41 The Department may approve licensure of the additional beds
42 from the first facility that files for licensure and subsequently meets
43 the licensure requirements."

44 (b) The Division of Facility Services shall notify all persons who have
45 filed plans and received initial approval for a project to develop and construct new
46 adult care facilities but who have not proceeded with the development of the
47 facilities within 18 months of the date of approval, that the project has been classified
48 as inactive. A person who has an approved project may request that the project be
49 placed on inactive status by providing a written statement to the Division that the
50 person does not intend to begin development or construction of the project within
51 the ensuing State fiscal year. Projects classified as inactive may remain in that
52 classification indefinitely. A person whose approved project has been classified as
53 inactive may reactivate the project as approved at any time, without having to

1 reapply for initial approval, by notifying the Division in writing of the intent to
2 proceed with project development and construction. Changes to projects classified as
3 inactive made subsequent to initial approval are subject to approval of the Division.

4
5 Requested by: Representatives Gardner, Cansler, Clary

6 **DIVISION OF FACILITY SERVICES/PROPOSE FEE SCHEDULE**

7 Section 12.16D. The Department of Health and Human Services,
8 Division of Facility Services, shall develop a proposed schedule of fees to defray the
9 cost of processing and reviewing construction plans for social and health care
10 facilities and for conducting physical plant inspections of these facilities. The
11 Department shall report the proposed fee schedule to members of the House of
12 Representatives Appropriations Subcommittee on Human Resources and the Senate
13 Appropriations Committee on Human Resources, and the Joint Legislative Health
14 Care Oversight Committee, not later than December 1, 1998. The report shall
15 include recommended legislation for enactment of the fee schedule by the 1999
16 General Assembly.

17
18 [SECTION 12.17 RESERVED]

19
20 **SUBPART 4. AGING**

21 Requested by: Representatives Gardner, Cansler, Clary

22 **SENIOR CENTER FUNDS**

23 Section 12.18A. Section 11.17 of S.L. 1997-443 reads as rewritten:

24 "Section 11.17. (a) Of the funds appropriated in this act to the Department of
25 ~~Human Resources, Health and Human Services,~~ the sum of one million dollars
26 (\$1,000,000) for the 1997-98 fiscal year and the sum of two million dollars
27 (\$2,000,000) for the 1998-99 fiscal year shall be used to support existing senior centers
28 and to assist in the development of new senior centers. The Department shall
29 allocate funds equally among senior centers throughout the State as determined by
30 the Division of Aging. Expenditures of State funds for senior centers shall not exceed
31 ninety percent (90%) of all funds expended for this purpose.

32 (b) Of the funds appropriated in this act to the Department of Health and Human
33 Services, the sum of one million five hundred thousand dollars (\$1,500,000) for the
34 1998-99 fiscal year shall be used to provide grants-in-aid for the construction,
35 renovation, and equipping of new senior centers. Grant awards may not exceed fifty
36 thousand dollars (\$50,000) for each new senior center. Each grant award shall be
37 matched by local funds in the amount of twenty-five percent (25%) of the total grant
38 award."

39
40 Requested by: Representatives Gardner, Cansler, Clary

41 **IN-HOME AND CAREGIVER SUPPORT FUNDS**

42 Section 12.19A. Section 11.18 of S.L. 1997-443 reads as rewritten:

43 "Section 11.18. Of the funds appropriated in this act to the Department of ~~Human~~
44 ~~Resources, Health and Human Services,~~ Division of Aging, the sum of five million
45 dollars (\$5,000,000) for the 1997-98 fiscal year and the sum of ~~five~~ nine million one
46 hundred forty-six thousand forty-four dollars (\$5,000,000) (\$9,146,044) for the 1998-
47 99 fiscal year shall be allocated via the Home and Community Care Block Grant for
48 home and community care services for older persons who are not eligible for
49 Medicaid and who are on the waiting list for these services. These funds shall be
50 used only for direct services. Service recipients shall pay for services based on their
51 income in accordance with G.S. 143B-181.1(a)(10)."

52
53 Requested by: Representatives Gardner, Cansler, Clary

FUNDS FOR ALZHEIMER'S ASSOCIATION CHAPTERS IN NC

Section 12.20. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Aging, the sum of one hundred thousand dollars (\$100,000) for the 1998-99 fiscal year shall be allocated among the three chapters of the Alzheimer's Association, as follows:

- (1) \$25,000 for the Western Alzheimer's Chapter;
- (2) \$50,000 for the Southern Piedmont Alzheimer's Chapter; and
- (3) \$25,000 for the Eastern Alzheimer's Chapter.

Before funds may be allocated to any Chapter under this section, the Chapter shall submit to the Division of Aging, for its approval, a plan for the use of these funds.

Requested by: Representatives Gardner, Cansler, Clary

FUNDS FOR LONG-TERM CARE SYSTEMS REFORM

Section 12.20B. Of the funds appropriated in this act to the Department of Health and Human Services, Office of Long-Term Care, the sum of one million two hundred thousand dollars (\$1,200,000) for the 1998-99 fiscal year may be used to provide grants to not more than eight projects for long term care system reform efforts. Annual grant awards may not exceed two hundred fifty thousand dollars (\$250,000) per grant recipient. Grants shall be awarded on an RFP basis. Criteria for grant awards shall be consistent with Department concepts and goals and shall include the extent to which the project application addresses service delivery systems that serve multicounty areas and both physically disabled and elderly adults.

Requested by: Representatives Gardner, Cansler, Clary

FUNDS FOR AREA AGENCIES ON AGING

Section 12.20C. Of the funds appropriated in this act to the Department of Health and Human Services, the sum of nine hundred thousand dollars (\$900,000) for the 1998-99 fiscal year shall be allocated equally among the 18 Area Agencies on Aging. These funds shall be used for planning, coordination, and operational activities that enhance each agency's ability to provide services, information, and education to consumers, and to better meet the data and technical assistance needs of providers, local planning committees, and local governments.

SUBPART 5. SOCIAL SERVICES

Requested by: Representatives Gardner, Cansler, Clary

AUTHORIZED ADDITIONAL USE OF HIV FOSTER CARE AND ADOPTION FAMILY FUNDS

Section 12.21. Section 11.23 of S.L. 1997-443 reads as rewritten:

"Section 11.23. (a) In addition to providing board payments to foster and adoptive families of HIV-infected children, as prescribed in Chapter 324 of the 1995 Session Laws, any additional funds remaining that were appropriated in Chapter 324 of the 1995 Session Laws for this purpose shall be used as follows:

- (1) To provide medical training in avoiding HIV transmission in the home; and
- (2) To ~~transfer~~ provide funds to the ~~Department of Environment, Health, and Natural Resources to create to support~~ three social work positions created within the Department of ~~Environment, Health, and Natural Resources, Health and Human Services,~~ for the eastern part of North Carolina to enable the case managing of families with HIV-infected children so that the children and the parents get access to medical care and so that child protective services issues are addressed rapidly and effectively. The three positions shall be medically based and located:

- 1 a. One in the northeast, covering Northampton, Hertford,
2 Halifax, Gates, Chowan, Perquimans, Pasquotank, Camden,
3 Currituck, Bertie, Wilson, Edgecombe, and Nash Counties;
4 b. One in the central east, covering Martin, Pitt, Washington,
5 Tyrrell, Dare, Hyde, Beaufort, Jones, Greene, Craven, and
6 Pamlico Counties; and
7 c. One in the southeast, covering New Hanover, Robeson,
8 Brunswick, Carteret, Onslow, Lenoir, Pender, Duplin,
9 Bladen, and Columbus Counties.
- 10 (b) The maximum rates for State participation in HIV foster care and adoptions
11 assistance are established on a graduated scale as follows:
12 (1) \$800.00 per month per child with indeterminate HIV status;
13 (2) \$1,000 per month per child confirmed HIV-infected, asymptomatic;
14 (3) \$1,200 per month per child confirmed HIV-infected, symptomatic;
15 and
16 (4) \$1,600 per month per child terminally ill with complex care
17 needs."
18

19 Requested by: Representatives Gardner, Cansler, Clary

20 **CHILD WELFARE SYSTEM IMPROVEMENTS**

21 Section 12.22. Section 11.57 of S.L. 1997-443 reads as rewritten:

22 "Section 11.57. (a) Of the funds appropriated in this act to the Department of
23 ~~Human Resources, Health and Human Services~~, Division of Social Services, the sum
24 of two million two hundred sixty-nine thousand seven hundred fifty-two dollars
25 (\$2,269,752) for the 1997-98 fiscal year and the sum of two million two hundred sixty-
26 nine thousand seven hundred fifty-two dollars (\$2,269,752) for the 1998-99 fiscal year
27 shall be allocated to county departments of social services for hiring or contracting
28 for additional foster care and adoption worker and supervisor positions created after
29 July 1, 1997, based upon a formula which takes into consideration the number of
30 ~~foster care and adoption~~ cases and the number of ~~foster care and adoption~~ workers
31 and supervisors necessary to meet recommended standards adopted by the North
32 Carolina Association of County Directors of Social Services. County departments of
33 social services shall make diligent efforts to hire staff with a professional social work
34 degree from an accredited social work program.

35 (b) Of the funds appropriated in this act to the Department of ~~Human Resources,~~
36 Health and Human Services, Division of Social Services, the sum of one hundred
37 fifty-nine thousand dollars (\$159,000) for the 1997-98 fiscal year and the sum of one
38 hundred sixty-three thousand dollars (\$163,000) for the 1998-99 fiscal year shall be
39 used to provide funds for the State Child Fatality Review Team established and
40 maintained pursuant to Part 4B of Article 3 of Chapter 143B of the General Statutes.
41 ~~establish and maintain a State Child Fatality Review Team to conduct in-depth~~
42 ~~reviews of any child fatalities which have occurred involving children and families~~
43 ~~involved with local departments of social services child protective services in the 12~~
44 ~~months preceding the fatality.~~

45 ~~The purpose of these reviews shall be to implement a team approach to identifying~~
46 ~~factors which may have contributed to conditions leading to the fatality and to~~
47 ~~develop recommendations for improving coordination between local and State~~
48 ~~entities which might have avoided the threat of injury or fatality and to identify~~
49 ~~appropriate remedies. The Division of Social Services shall make public the findings~~
50 ~~and recommendations developed for each fatality reviewed relating to improving~~
51 ~~coordination between local and State entities.~~

52 ~~The State Child Fatality Review Team shall include representatives of the local~~
53 ~~departments of social services and the Division of Social Services, a member of the~~

~~1 local Community Child Protection Team, a member of the local child fatality
2 prevention team, a representative from local law enforcement, a prevention specialist,
3 and a medical professional.~~

~~4 The State Child Fatality Review Team shall have access to all medical records,
5 hospital records, and records maintained by this State, any county, or any local
6 agency as necessary to carry out the purposes of this subsection, including police
7 investigative data, medical examiner investigative data, health records, mental health
8 records, and social services records. Any member of the State Child Fatality Review
9 Team may share, only in an official meeting of the State Child Fatality Review Team,
10 any information available to that member that the State Child Fatality Review Team
11 needs to carry out its duties.~~

~~12 Meetings of the State Child Fatality Review Team are not subject to the provisions
13 of Article 33C of Chapter 143 of the General Statutes. However, the State Child
14 Fatality Review Team may hold periodic public meetings to discuss, in a general
15 manner not revealing confidential information about children and families, the
16 findings of their reviews and their recommendations for preventive actions. Minutes
17 of all public meetings, excluding those of executive sessions, shall be kept in
18 compliance with Article 33C of Chapter 143 of the General Statutes. Any minutes or
19 any other information generated during any executive session shall be sealed from
20 public inspection.~~

~~21 All otherwise confidential information and records acquired by the State Child
22 Fatality Review Team, in the exercise of its duties are confidential; are not subject to
23 discovery or introduction into evidence in any proceedings except pursuant to an
24 order of the court; and may only be disclosed as necessary to carry out the purposes
25 of the State Child Fatality Review Team. In addition, all otherwise confidential
26 information and records created by the State Child Fatality Review Team in the
27 exercise of its duties are confidential; are not subject to discovery or introduction into
28 evidence in any proceedings; and may only be disclosed as necessary to carry out the
29 purposes of the State Child Fatality Review Team. No member of the State Child
30 Fatality Review Team, nor any person who attends a meeting of the State Child
31 Fatality Review Team, may testify in any proceeding about what transpired at the
32 meeting, about information presented at the meeting, or about opinions formed by
33 the person as a result of the meetings. This subsection shall not, however, prohibit a
34 person from testifying in a civil or criminal action about matters within that person's
35 independent knowledge.~~

~~36 Each member of the State Child Fatality Review Team and invited participant
37 shall sign a statement indicating an understanding of and adherence to confidentiality
38 requirements, including the possible civil or criminal consequences of any breach of
39 confidentiality.~~

~~40 Funds allocated under this subsection shall be used as follows:~~

- ~~41 (1) To contract as needed with a statewide prevention organization
42 and a statewide medical organization to identify and orient
43 prevention specialists and medical professionals with experience in
44 reviewing child fatalities to serve on the State Child Fatality
45 Review Team; and~~
- ~~46 (2) To pay per diem expenses as needed for the five participants in
47 each review who are not employed by the Division of Social
48 Services or county departments of social services.~~

~~49 The Division of Social Services, Department of Human Resources, Health and
50 Human Services, shall report quarterly to the Cochairs members of the House and
51 Senate Appropriations Subcommittees on Human Resources Senate Appropriations
52 Committee on Human Resources and the House of Representatives Appropriations
53 Subcommittee on Human Resources and the Fiscal Research Division on the~~

1 activities of the State Child Fatality Review Team and shall provide a final report to
2 the ~~House and Senate Appropriations Subcommittees on Human Resources~~ Senate
3 Appropriations Committee on Human Resources and the House of Representatives
4 Appropriations Subcommittee on Human Resources within one week of the
5 convening of the 1997 General Assembly, Regular Session 1998, including
6 recommendations for changes in the statewide child protection system.

7 (c) Counties shall not use State funds appropriated for child welfare services to
8 supplant county funds or reduce county expenditures for child welfare services.

9 (d) Notwithstanding G.S. 131D-10.6A, the Division of Social Services shall
10 establish training requirements for child welfare services staff initially hired on and
11 after January 1, 1998. The minimum training requirements established by the
12 Division shall be as follows:

- 13 (1) Child welfare services workers must complete a minimum of 72
14 hours of preservice training before assuming direct client contact
15 responsibilities;
- 16 (2) Child protective services workers must complete a minimum of 18
17 hours of additional training that the Division determines is
18 necessary to adequately meet training needs;
- 19 (3) Foster care and adoption social workers must complete a minimum
20 of 39 hours of additional training that the Division determines is
21 necessary to adequately meet training needs;
- 22 (4) Child Welfare Services supervisors must complete a minimum of
23 72 hours of preservice training before assuming supervisory
24 responsibilities, and a minimum of 54 hours of additional training
25 that the Division determines is necessary to adequately meet
26 training needs; and
- 27 (5) Child welfare services staff must complete 24 hours of continuing
28 education annually thereafter.

29 The Division of Social Services shall ensure that training opportunities are
30 available for county departments of social services and consolidated human services
31 agencies to meet the training requirements of this subsection.

32 ~~This subsection shall expire June 30, 1999. This subsection shall continue in effect~~
33 ~~until explicitly repealed.~~

34 (e) Article 3 of Chapter 143B of the General Statutes is amended by inserting a
35 new Part to read:

36 'Part 4B. State Child Fatality Review Team.
37 "§ 143B-150.20. State Child Fatality Review Team; establishment; purpose; powers;
38 duties.

39 There is established in the Department of Health and Human Services, Division of
40 Social Services, a State Child Fatality Review Team to conduct in-depth reviews of
41 any child fatalities which have occurred involving children and families involved with
42 local departments of social services child protective services in the 12 months
43 preceding the fatality. Steps in this in-depth review shall include interviews with any
44 individuals determined to have pertinent information as well as examination of any
45 written materials containing pertinent information.

46 The purpose of these reviews shall be to implement a team approach to identifying
47 factors which may have contributed to conditions leading to the fatality and to
48 develop recommendations for improving coordination between local and State
49 entities which might have avoided the threat of injury or fatality and to identify
50 appropriate remedies. The Division of Social Services shall make public the findings
51 and recommendations developed for each fatality reviewed relating to improving
52 coordination between local and State entities. The State Child Fatality Review Team

1 shall consult with the appropriate district attorney in accordance with G.S. 7A-675(d)
2 prior to the public release of the findings and recommendations.

3 The State Child Fatality Review Team shall include representatives of the local
4 departments of social services and the Division of Social Services, a member of the
5 local Community Child Protection Team, a member of the local child fatality
6 prevention team, a representative from local law enforcement, a prevention specialist,
7 and a medical professional.

8 The State Child Fatality Review Team shall have access to all medical records,
9 hospital records, and records maintained by this State, any county, or any local
10 agency as necessary to carry out the purposes of this subsection, including police
11 investigative data, medical examiner investigative data, health records, mental health
12 records, and social services records. The State Child Fatality Review Team may
13 receive a copy of any reviewed materials necessary to the conduct of the fatality
14 review. Any member of the State Child Fatality Review Team may share, only in an
15 official meeting of the State Child Fatality Review Team, any information available to
16 that member that the State Child Fatality Review Team needs to carry out its duties.

17 Meetings of the State Child Fatality Review Team are not subject to the provisions
18 of Article 33C of Chapter 143 of the General Statutes. However, the State Child
19 Fatality Review Team may hold periodic public meetings to discuss, in a general
20 manner not revealing confidential information about children and families, the
21 findings of their reviews and their recommendations for preventive actions. Minutes
22 of all public meetings, excluding those of closed sessions, shall be kept in compliance
23 with Article 33C of Chapter 143 of the General Statutes. Any minutes or any other
24 information generated during any executive session shall be sealed from public
25 inspection.

26 All otherwise confidential information and records acquired by the State Child
27 Fatality Review Team, in the exercise of its duties are confidential; are not subject to
28 discovery or introduction into evidence in any proceedings except pursuant to an
29 order of the court; and may only be disclosed as necessary to carry out the purposes
30 of the State Child Fatality Review Team. In addition, all otherwise confidential
31 information and records created by the State Child Fatality Review Team in the
32 exercise of its duties are confidential; are not subject to discovery or introduction into
33 evidence in any proceedings; and may only be disclosed as necessary to carry out the
34 purposes of the State Child Fatality Review Team. No member of the State Child
35 Fatality Review Team, nor any person who attends a meeting of the State Child
36 Fatality Review Team, may testify in any proceeding about what transpired at the
37 meeting, about information presented at the meeting, or about opinions formed by
38 the person as a result of the meetings. This subsection shall not, however, prohibit a
39 person from testifying in a civil or criminal action about matters within that person's
40 independent knowledge.

41 Each member of the State Child Fatality Review Team and invited participant
42 shall sign a statement indicating an understanding of and adherence to confidentiality
43 requirements, including the possible civil or criminal consequences of any breach of
44 confidentiality."

45
46 Requested by: Representatives Gardner, Cansler, Clary
47 **CHILD PROTECTIVE SERVICES**

48 Section 12.23. Section 11.25 of S.L. 1997-443 reads as rewritten:

49 "Section 11.25. (a) The funds appropriated in this act to the Department of
50 ~~Human Resources, Health and Human Services,~~ Division of Social Services, for the
51 1997-99 fiscal biennium for Child Protective Services shall be allocated to county
52 departments of social services based upon a formula which takes into consideration
53 the number of Child Protective Services cases and the number of Child Protective

1 Services workers and supervisors necessary to meet recommended standards adopted
2 by the North Carolina Association of County Directors of Social Services.

3 (b) Funds allocated under subsection (a) of this section shall be used by county
4 departments of social services for carrying out ~~investigations of reports~~ investigative
5 assessments of child abuse or neglect or for providing protective or preventive
6 services in which the department confirms abuse, neglect, or dependency."

7
8 [SECTION 12.24 RESERVED]
9

10 Requested by: Representatives Gardner, Cansler, Clary

11 **REPORT ON PROGRESS TOWARDS AUTOMATED APPLICATION SYSTEM**

12 Section 12.25. The Department of Health and Human Services shall make
13 an interim report by November 1, 1998, and a final report within a week of the
14 convening of the 1999 General Assembly to the members of the Senate
15 Appropriations Committee on Human Resources and the House of Representatives
16 Appropriations Subcommittee on Human Resources on its progress in developing and
17 implementing a single statewide automated application system for all means-tested
18 public assistance benefit programs.

19
20 Requested by: Representatives Gardner, Cansler, Clary, Howard, Berry

21 **BIOMETRICS LAW CHANGES**

22 Section 12.26A. (a) G.S. 108A-25.1 reads as rewritten:

23 **"§ 108A-25.1. Recipient identification system.**

24 (a) The Department shall establish and maintain a uniform system in the
25 Department and in all counties of identifying all Work First, food stamp, child care,
26 and medical assistance program recipients, recipients, applicants, and payees, except
27 those who are institutionalized adults, children under the age of 18 unless they are
28 minor parents who are applying for or receiving assistance, or other individuals that
29 federal law or regulation mandate be excluded. For purposes of this section, the term
30 'payee' means a responsible adult who receives assistance, whether cash assistance or
31 services, on behalf of a recipient. This system shall provide security and portability
32 throughout the State and between the departments within the State involved in
33 means-tested public assistance programs and shall have the capability of identifying
34 recipients of assistance from all means-tested programs administered or funded
35 through the Department.

36 (b) The identification system established in this section shall use multiple
37 biometrics to ensure greater than ninety-nine percent (99%) accuracy for
38 interdepartmental identification.

39 (c) The Department shall ensure that the biometric identification system will be
40 compatible with any existing departmental biometric identification system.

41 (d) The Department shall make biometric identification a condition of eligibility
42 for Work First, food stamp, child care, and medical assistance programs for all
43 recipients, applicants, and payees, described in subsection (a) of this section. If any
44 recipient, applicant, or payee is denied Work First, food stamp, or child care
45 assistance on the basis of the identification system established in this section, the
46 recipient's, applicant's, or payee's whole case, or group of individuals whose
47 eligibility for Work First, food stamp, and child care assistance is dependent on all
48 the other group members' financial and nonfinancial situation, shall be denied Work
49 First, food stamp, or child care assistance."

50 (b) Section 12.35 of S.L. 1997-443 reads as rewritten:

51 "Section 12.35. The Department of Health and Human Services shall have the
52 uniform system of recipient identification established in G.S. 108A-25.1 in place and
53 operating ~~before October 1, 1998.~~ no later than October 1, 2000. The Department

1 shall implement the start of the phase-in process no later than October 1, 1999, and
2 shall report on a quarterly basis to the Joint Legislative Public Assistance Commission
3 on its progress towards statewide implementation. Except as otherwise provided in
4 this Part, this Part is effective when it becomes law."

5 (c) If the United States Department of Health and Human Services or the
6 United States Department of Agriculture or both reject by written documentation any
7 of the specifics of the biometric identification system prescribed in G.S. 108A-25.1,
8 the North Carolina Department of Health and Human Services shall implement any
9 remaining unrejected specifics.

10 (d) The Department of Health and Human Services shall report to the
11 Joint Legislative Public Assistance Commission (i) whenever it determines that
12 federal law or regulation mandates that other individuals than the ones specified in
13 G.S. 108A-25.1(a) must be excluded from the biometric identification system
14 prescribed in G.S. 108A-25.1 and (ii) whenever it is notified by written
15 documentation that the United States Department of Health and Human Services or
16 the United States Department of Agriculture or both have rejected any of the
17 specifics of the biometric identification system prescribed in G.S. 108A-25.1.

18 (e) Funds appropriated by S.L. 1997-443 to the Department of Health
19 and Human Services and the Office of State Budget and Management for the
20 Biometrics Recipient Identification System for the 1997-98 fiscal year shall not revert
21 but shall remain available to the Department for this purpose.

22 (f) Subsection (e) of this section becomes effective June 30, 1998.

23
24 Requested by: Representatives Gardner, Cansler, Clary, Howard, Berry

25 **WELFARE LAW CHANGES**

26 Section 12.27A. (a) The General Assembly approves the plan titled
27 "North Carolina's Temporary Assistance for Needy Families State Plan FY 1998-
28 2000", prepared by the Department of Health and Human Services and presented to
29 the General Assembly on May 15, 1998, as amended by changes to the welfare law
30 required by this section and any other act of the General Assembly.

31 (b) G.S. 108A-27.9(a) reads as rewritten:

32 "(a) The Department shall prepare and submit to the Director of the ~~Budget, in~~
33 ~~accordance with the procedures established in G.S. 143-16.1 for federal block grant~~
34 ~~funds, Budget~~ a biennial State Plan that proposes the goals and requirements for the
35 State and the terms of the Work First Program for each fiscal year. Prior to
36 submitting a State Plan to the General Assembly, the Department shall submit the
37 State Plan to the Joint Legislative Public Assistance Commission for its review and
38 then consult with local governments and private sector organizations regarding the
39 design of the State Plan and allow 45 days to receive comments from them."

40 (c) Section 12.20(b) of S.L. 1997-443 reads as rewritten:

41 "(b) The requirement that the Department prepare and submit the State Plan to
42 the General Assembly for approval ~~in accordance with the procedures set forth in~~
43 ~~G.S. 143-16.1 as prescribed in G.S. 108A-27.9(a)~~ shall not be applicable for fiscal year
44 1997-98. Until the counties have prepared their county plans and the State has
45 prepared the State Plan in accordance with this Part and that State Plan has been
46 enacted by the General Assembly and it becomes law, the provisions of the State Plan
47 submitted to the federal government on October 16, 1996, shall remain in effect.
48 State Plans submitted after the 1997-98 fiscal year shall be enacted by the General
49 Assembly and become law in order to be effective."

50 (d) Section 12.36(a) of S.L. 1997-443 reads as rewritten:

51 "Section 12.36. (a) Of the funds appropriated in this act to the Office of State
52 Budget and Management, the sum of five million seventy-five thousand two hundred
53 two dollars (\$5,075,202) for the 1997-98 fiscal year and the sum of ~~three million nine~~

1 ~~hundred thousand dollars (\$3,900,000)~~ three million eight hundred seventeen
2 ~~thousand dollars (\$3,817,000)~~ for the 1998-99 fiscal year shall be placed in a
3 Restrictive Reserve to Implement Welfare Reform. These funds shall be allocated
4 from the Reserve as follows:

5 (1) \$275,000 for the 1997-98 fiscal year and \$400,000 for the 1998-99
6 fiscal year to support the establishment of a uniform system of
7 public assistance programs as authorized under G.S. 108A-25.1,
8 and to provide counties with workstations for biometric imaging:

9 (2) \$2,500,000 in each fiscal year to fund program integrity activities in
10 each ~~county~~; county. These funds shall be given to the counties in
11 a lump sum and unexpended funds shall revert to the General
12 Fund;

13 (3) \$500,000 for the 1997-98 fiscal year to establish and support an
14 Office of Inspector General in the Department of Justice;

15 (4) \$300,000 in each fiscal year to establish a pilot project in the
16 Department of Labor for creation of Individual Development
17 Accounts;

18 (5) \$1,500,202 for the 1997-98 fiscal year for the following purposes:

19 a. To establish First Stop Employment Assistance in the
20 Department of Commerce;

21 b. To expand the Labor Market Information System in the
22 Employment Security Commission; and

23 c. To assist the Job Service Employer Committees or the
24 Workforce Development Boards in their completion of the
25 study of the working poor.

26 Funds shall not be allocated under this subdivision unless and until
27 the Office of State Budget and Management has certified that
28 federal funds are not available to the Department of Commerce for
29 these purposes; and

30 (6) ~~\$700,000~~ \$617,000 for the 1998-99 fiscal year for the continued
31 support of the Office of Inspector General in the Department of
32 Justice, ~~and for the First Stop Employment Assistance in the~~
33 ~~Department of Commerce.~~ Justice. These funds shall be allocated
34 by the Office of State Budget and Management on the basis of
35 need."

36 (e) G.S. 114-41(a)(2) reads as rewritten:

37 "(2) Establish policies and standards for the investigation, detection,
38 and elimination of fraud, abuse, waste, and mismanagement in the
39 means-tested public assistance ~~programs; programs.~~ The Inspector
40 General shall provide each of the county directors of social
41 services with a copy of the policies and standards for investigation
42 established pursuant to this provision, including any amendments.
43 When the Inspector General determines that a county social
44 services agency has not complied with the policies and standards,
45 the Inspector General shall notify the director of that agency of the
46 agency's noncompliance and recommend appropriate action;".

47 (f) G.S. 108A-27.1 reads as rewritten:

48 "**§ 108A-27.1. Time limitations on assistance.**

49 (a) Under the Standard Work First Program, unless an extension or an exemption
50 is provided pursuant to the provisions of the Part or the State ~~Plan~~, Plan, or unless a
51 board of county commissioners of a Standard County votes otherwise, any cash
52 assistance provided to a person or family in the employment program shall only be
53 provided for a cumulative total of 24 months. After having received cash assistance

1 for 24 months, the person or the family may reapply for cash assistance, but not until
2 after 36 months from the last month the person or the family received cash assistance.
3 This subsection shall not apply to child-only cases. A board of county commissioners
4 in a Standard County may vote, by majority vote, once every State Plan biennium
5 during the same time period that other counties are certified or recertified as Electing
6 Counties to modify these time limits as long as the new time limits do not conflict
7 with or exceed any federal time limitations. These new time limits shall apply (i) to
8 recipients applying for assistance on or after the date specified in the voted motion
9 and (ii) to recipients currently receiving assistance after 90 days following the formal
10 modification of their personal responsibility agreement. Standard Counties that vote
11 to modify their time limits shall notify the Department of their intent as soon as the
12 vote is taken. For the 1998-2000 State Plan biennium, a board of county
13 commissioners of a Standard County may vote to modify these time limits within one
14 month following the date of ratification of this section.

15 (b) Electing Counties may set any time limitations on assistance it finds
16 appropriate, so long as the time limitations do not conflict with or exceed any federal
17 time limitations."

18 (g) G.S. 108A-27.2(13) reads as rewritten:

19 "(13) Make recommendations to the General Assembly for approval of
20 counties to become Electing Counties ~~which represent, in~~
21 ~~aggregate, no more than fifteen and one half percent (15.5%) of~~
22 ~~the total Work First caseload at October 1 of each year and, for~~
23 ~~each county submitting a plan, the reasons individual counties~~
24 ~~were or were not recommended. Any county may apply to become~~
25 ~~an Electing County. For the 1998-2000 State Plan biennium, all~~
26 ~~counties that submitted plans by February 1, 1998, that are in~~
27 ~~compliance with State and federal law and regulations as of the~~
28 ~~date of ratification of this act shall be Electing Counties."~~

29 (h) G.S. 108A-27.3(a)(7) reads as rewritten:

30 "(7) ~~Provide~~ Consider providing community service work for any
31 recipient who cannot find employment;"

32 (i) G.S. 108A-27.11 reads as rewritten:

33 "**§ 108A-27.11. Work First Program funding.**

34 (a) County block grants, except funds for Work First Family Assistance, shall be
35 computed based on the percentage of each county's total AFDC (including AFDC-
36 EA) and JOBS expenditures, except expenditures for cash assistance, to statewide
37 actual expenditures for those programs in fiscal year 1995-96. The resulting
38 percentage shall be applied to the State's total ~~budgeted funds, certified budget~~
39 ~~enacted by the General Assembly for each fiscal year, except funds budgeted for~~
40 ~~Work First Family Assistance, for Work First Program expenditures at the county~~
41 ~~level.~~

42 (b) The following shall apply to funding for Standard Program Counties:

43 (1) The Department shall make payments of Work First Family
44 Assistance and Work First Diversion Assistance subject to the
45 availability of federal, State, and county funds.

46 (2) The Department shall reimburse counties for county expenditures
47 under the Work First Program subject to the availability of federal,
48 State, and county funds.

49 (c) Each Electing County's allocation for Work First Family Assistance shall be
50 computed based on the percentage of each Electing County's total expenditures for
51 cash assistance to statewide actual expenditures for cash assistance in 1995-96. The
52 resulting percentage shall be applied to the ~~total budgeted funds for Work First~~
53 ~~Family Assistance, federal TANF block grant funds appropriated for cash assistance~~

1 by the General Assembly each fiscal year. The Department shall transmit the federal
2 funds contained in the county block grants to Electing Counties as soon as practicable
3 after they become available to the State and in accordance with federal cash
4 management laws and regulations. The Department shall transmit one-fourth of the
5 State funds contained in county block grants to Electing Counties at the beginning of
6 each quarter. Once paid, the county block grant funds shall not revert."

7 (j) G.S. 108A-27.12 reads as rewritten:

8 "**§ 108A-27.12. Maintenance of effort.**

9 (a) The Department shall define in the State Plan or by rule the term
10 "maintenance of effort" based on that term as defined in Title IV-A and shall provide
11 to counties a list of activities that qualify for federal maintenance of effort
12 requirements.

13 (b) If a county fails to comply with the maintenance of effort requirement in
14 subsection (a) of this section, the Director of the Budget may withhold State moneys
15 appropriated to the county pursuant to G.S. 108A-93.

16 (c) The Department shall maintain the State's maintenance of effort at one
17 hundred percent (100%) of the ~~amount the State budgeted~~ State certified budget
18 enacted by the General Assembly for programs under this Part during fiscal year
19 1996-97. At no time shall the Department reduce or reallocate State or county funds
20 previously obligated or appropriated for Work First County Block Grants or child
21 welfare services. State and county funds previously obligated or appropriated under
22 this section shall be used only for activities that qualify for federal maintenance of
23 effort.

24 (d) For Standard Program Counties, using the ~~preceding~~ 1996-97 fiscal year as the
25 base year, counties shall maintain a financial commitment to the Work First Program
26 equal to the proportion of State funds allocated to the Work First Program. At no
27 time shall a Standard Program County reduce State or county funds previously
28 obligated or appropriated for child welfare services.

29 (e) During the first year a county operates as an Electing County, the county's
30 maintenance of effort shall be no less than ninety percent (90%) of the amount the
31 county budgeted for programs under this Part during fiscal year 1996-97. If during the
32 first year of operation as Electing the Electing County achieves one hundred percent
33 (100%) of its goals as set forth in its Electing County Plan, then the Electing County
34 may reduce its maintenance of effort to eighty percent (80%) of the amount the
35 county budgeted for programs under this Part during fiscal year 1996-97 for the
36 second year of the Electing County's operation and for all years thereafter that the
37 county maintains Electing Status."

38 (k) G.S. 108A-27.16 reads as rewritten:

39 "**§ 108A-27.16. Use of Work First Reserve Fund.**

40 (a) By the fifteenth of each month, the Secretary shall certify to the Director of
41 the Budget and the Fiscal Research Division of the General Assembly the actual
42 expenditures for Work First Family Assistance for the fiscal year up until the
43 beginning of that month and the projected expenditures for the remainder of the
44 fiscal year. ~~If on March 1 the actual expenditures for the fiscal year exceed two-thirds~~
45 ~~of the total amount of expenditures expected for the entire fiscal year, If a state of~~
46 economic emergency is declared for the State, an individual county, or an individual
47 region with regard to lack of funds available for Work First Family Assistance
48 through events beyond their control, then the Director of the Budget shall direct the
49 Secretary shall to attempt to access any available federal funds. If federal funds are
50 unavailable and the General Assembly is not in session, the Director of the Budget
51 may, in the order below:

52 (1) Use funds available from the Work First Reserve Fund established
53 pursuant to ~~G.S. 143-15.3C~~; G.S. 143-15.3C to provide Work First

1 Family Assistance funds for the State, the individual counties, or
2 the individual region;

3 (2) Use funds available to the Department; Department to provide
4 Work First Family Assistance funds for the State, the individual
5 counties, or the individual region; or

6 (3) Notwithstanding G.S. 143-23, use funds available from other
7 departments, institutions, or other spending agencies of the State.
8 State to provide Work First Family Assistance funds for the State,
9 the individual counties, or the individual region.

10 (b) The Director of the Budget shall report to the Joint Legislative Commission
11 on Governmental Operations, the Joint Legislative Public Assistance Commission,
12 and the ~~House of Representatives and Senate Appropriations Subcommittees on~~
13 ~~Human Resources~~ Senate Appropriations Committee on Human Resources and the
14 House of Representatives Appropriations Subcommittee on Human Resources prior
15 to making any transfer pursuant to this section.

16 (c) Except as provided in this section, funds from the Work First Reserve Fund
17 established pursuant to G.S. 143-15.3C shall not be expended until appropriated by
18 the General Assembly."

19 (l) G.S. 108A-29(o) is recodified as G.S. 108A-29(d); G.S. 108A-29(p) is
20 recodified as G.S. 108A-29(e); G.S. 108A-29(e) is recodified as G.S. 108A-29(g); G.S.
21 108A-29(i) is recodified as G.S. 108A-29(h); G.S. 108A-29(k) is recodified as G.S.
22 108A-29(i); G.S. 108A-29(l) is recodified as G.S. 108A-29(j); G.S. 108A-29(m) is
23 recodified as G.S. 108A-29(k); G.S. 108A-29(j) is recodified as G.S. 108A-29(l); G.S.
24 108A-29(n) is recodified as G.S. 108A-29(m); G.S. 108A-29(g) is recodified as G.S.
25 108A-29(n); G.S. 108A-29(h) is recodified as G.S. 108A-29(o); G.S. 108A-29(d) is
26 recodified as G.S. 108A-29(p); G.S. 108A-29(r) is recodified as G.S. 108A-29(s).

27 (m) G.S. 108A-29 reads as rewritten:

28 "**§ 108A-29. First Stop Employment Assistance; priority for employment services.**

29 (a) There is established in the ~~Department of Commerce~~ Employment Security
30 Commission a program to be called First Stop Employment Assistance. The ~~Secretary~~
31 ~~of the Department of Commerce~~ Chair of the Employment Security Commission
32 shall administer the program with the participation and cooperation of the
33 ~~Employment Security Commission, Department of Commerce,~~ county boards of
34 commissioners, the Department of Health and Human Services, the Department of
35 Labor, the Department of Crime Control and Public Safety, and the community
36 college system. The responsibilities of each agency shall be specified in a
37 Memorandum of Understanding between the ~~Departments of Commerce and~~
38 Employment Security Commission and the Department of Health and Human
39 Services, in consultation with the Employment Security Commission, Department of
40 Commerce, the Department of Labor, and the community college system. The
41 Employment Security Commission shall be the presumptive primary deliverer of job
42 placement services for the Work First Program.

43 (b) Individuals seeking to apply or reapply for Work First Program assistance and
44 who are not exempt from work requirements shall register with the First Stop
45 Employment Assistance Program. The point of registration shall be at an office of the
46 Employment Security Commission in the county in which the individual resides or at
47 another location designated in a Memorandum of Understanding between the
48 Employment Security Commission and the local department of social services.

49 (c) Individuals who are not otherwise exempt shall present verification of
50 registration at the time of applying for Work First Program assistance. Unless exempt,
51 the individual shall not be approved for Work First Program assistance until
52 verification is received. Child-only cases are exempt from this requirement.

- 1 (d) Once an individual has registered as required in subsection (c) of this section
2 and upon verification of the registration by the agency or contractor providing the
3 Work First Program assistance, the individual's eligibility for Work First Program
4 assistance may be evaluated and the application completed. Continued receipt of
5 Work First Program benefits is contingent upon successful participation in the First
6 Stop Employment Program, and lack of cooperation and participation in the First
7 Stop Employment Program may result in the termination of benefits to the individual.
- 8 (e) The county board of commissioners shall determine which agencies or
9 nonprofit or private contractors will participate with the Employment Security
10 Commission and the local department of social services in developing the rules to
11 implement the First Stop Employment Program.
- 12 (f) At the county's option, the Employment Security Commission, in consultation
13 with and with the assistance of the agencies specified in the Memorandum of
14 Understanding described in subsection (b) of this section, shall provide to Work First
15 Program registrants the continuum of services available through its Employment
16 ~~Services division. Security Commission.~~ Each County Plan may provide that the
17 county department of social services enter into a cooperative agreement with the
18 Employment Security Commission ~~for job registration, job search, and job placement~~
19 ~~to operate the Job Search component~~ on behalf of Work First Program registrants.
20 The cooperative agreement shall include a provision for payment to the Employment
21 Security Commission by the county department of social services for the cost of
22 ~~providing the services those services, not otherwise available to all clients of the~~
23 Employment Security Commission, described in this subsection as the same are
24 reflected as a component of the County Plan payable from fund allocations in the
25 county block grant. The county department of social services may also enter into a
26 cooperative agreement with the community college system or any other entity to
27 operate the Job Preparedness component. This cooperative agreement shall include a
28 provision for payment to that entity by the county department of social services for
29 the cost of providing those services, not otherwise available to all clients of the
30 Employment Security Commission, described in this subsection as the same are
31 reflected as a component of the County Plan payable from fund allocations in the
32 county block grant.
- 33 (g) The Employment Security Commission shall be the primary job placement
34 entity of the Work First Program. The Employment Security Commission shall
35 further assist registrants through job search, job placement, or referral to community
36 service. service, if contracted to do so.
- 37 (h) An individual placed in the Job Search component of the First Stop
38 Employment Program shall look for work and shall accept any suitable employment.
39 ~~The If contracted, the~~ Employment Security Commission shall refer individuals to
40 current job openings and shall make job development contacts for individuals.
41 Individuals so referred shall be required to keep a record of their job search activities
42 on a job search record form provided by the Commission, and the Employment
43 Security Commission will monitor these activities. A 'job search record' means a
44 written list of dates, times, places, addresses, telephone numbers, names, and
45 circumstances of job interviews. The Job Search component shall include at least one
46 weekly contact with the Employment Security Commission. The Employment
47 Security Commission shall adopt rules to accomplish this subsection.
- 48 (i) The Employment Security Commission shall notify all employers in the State
49 of the 'Exclusive No-Fault' Referral Service available through the Employment
50 Security Commission to employers who hire personnel through Job Service referrals.
- 51 (j) All individuals referred to jobs through the Employment Security Commission
52 shall be instructed in the procedures for applying for the Federal Earned Income
53 Credit (FEIC). All individuals referred to jobs through the Employment Security

1 Commission who qualify for the FEIC shall apply for the FEIC by filing a W-5 form
2 with their employers.

3 (k) The FEIC shall not be counted as income when eligibility is determined for
4 Work First Program assistance, Medicaid, food stamps, subsidies, public housing, or
5 Supplemental Security Income.

6 (l) The Employment Security Commission shall work with the Department of
7 Labor to develop a relationship with these private employment agencies to utilize
8 their services and make referrals of individuals registered with the Employment
9 Security Commission.

10 (m) An individual who has not found a job within 12 weeks of being placed in the
11 Job Search component of the Program may also be placed in the Community Service
12 component at the county's option.

13 (n) If after evaluation of an individual the Employment Security Commission
14 believes it necessary, the Employment Security Commission or the county department
15 of social services also may refer an individual ~~placed in to~~ the Job Preparedness
16 component of the First Stop Employment Program ~~to a local community college for~~
17 ~~enrollment in Program.~~ The local community college should include General
18 Education Development, Adult Basic Education, or Human Resources Development
19 programs which that are already in existence. existence as a part of the Job
20 Preparedness component. Additionally, the Commission or the county department of
21 social services may refer an individual to a literacy council. Through a Memorandum
22 of Understanding between the Employment Security ~~Commission and Commission,~~
23 the local department of social services, and other contracted entities, a system shall be
24 established to monitor an individual's progress through close communications with
25 the agencies assisting the individual. The Employment Security Commission or Job
26 Preparedness provider shall adopt rules to accomplish this subsection.

27 (o) The Job Preparedness component of the Program shall last a maximum of 12
28 weeks unless the recipient is registered and is satisfactorily progressing in a program
29 that requires additional time to complete. Every reasonable effort shall be made to
30 place the recipient in part-time employment or part-time community service if the
31 time required exceeds the 12-week maximum. ~~The Employment Security Commission~~
32 county department of social services may contract with service providers to provide
33 the services described in this section and shall monitor the provision of the services
34 by the service providers. Registrants may participate in more than one component at
35 a time.

36 (p) The Employment Security Commission shall expand its Labor Market
37 Information System. The expansion shall at least include: statistical information on
38 unemployment rates and other labor trends by county; and publications dealing with
39 licensing requirements, economic development, and career projections, and
40 information technology systems which can be used to track participants through the
41 employment and training process.

42 (q) Each county shall organize a Job Service Employer Committee, based on the
43 membership makeup of the Job Service Employer Committees in existence at the
44 time this act becomes law. Each Job Service Employer Committee in counties
45 participating in the First Stop Employment Program shall oversee the operation of
46 the First Stop Employment Program in that county and shall report to the local
47 Employment Security Commission quarterly on its recommendations to improve the
48 First Stop Employment Program. The Employment Security Commission shall
49 develop the reporting method and time frame and shall coordinate a full report to be
50 presented to the Joint Legislative Public Assistance Commission by the end of each
51 calendar year. Counties having a Workforce Development Board may designate the
52 Board to perform the duties described in this section rather than organizing a Job
53 Service Employer Committee.

1 (r) Each county's Job Service Employer Committee shall continue the study of the
2 working poor, titled 'NC WORKS', in their respective counties and shall include the
3 following in the study:

- 4 (1) Determination of the extent to which current labor market
5 participation enables individuals and families to earn the amount
6 of disposable income necessary to meet their basic needs;
- 7 (2) Determination of how many North Carolinians work and earn
8 wages below one hundred fifty percent (150%) of the Federal
9 Poverty Guideline and study trends in the size and demographic
10 profiles of this underemployed group within the respective county;
- 11 (3) Examination of job market factors that contribute to any changes
12 in the composition and numbers of the working poor including,
13 but not limited to, shifts from manufacturing to service, from full-
14 time to part-time work, from permanent to temporary or their
15 contingent employment;
- 16 (4) Consideration and determination of the respective responsibilities
17 of the public and private sectors in ensuring that working families
18 and individuals have disposable income adequate to meet their
19 basic needs;
- 20 (5) Evaluation of the effectiveness of the unemployment insurance
21 system in meeting the needs of low-wage workers when they
22 become unemployed;
- 23 (6) Examination of the efficacy of a State-earned income tax credit
24 that would enable working families to meet the requirements of the
25 basic needs budget;
- 26 (7) Examination of the wages, benefits, and protections available to
27 part-time and temporary workers, leased employees, independent
28 contractors, and other contingent workers as compared to regular
29 full-time workers;
- 30 (8) Solicitation, receipt, and acceptance of grants or other funds from
31 any person or entity and enter into agreements with respect to
32 these grants or other funds regarding the undertaking of studies or
33 plans necessary to carry out the purposes of the committee; and
- 34 (9) A request of any necessary data from either public or private
35 entities that relate to the needs of the committee or board.

36 Each committee or board shall prepare and submit a report on the finding for the
37 county which it represents by May 1 of each year to the Joint Legislative Public
38 Assistance Commission, the Senate Appropriations Committee on Human Resources,
39 the House of Representatives Appropriations Subcommittee on Human Resources,
40 the Senate Appropriations Committee on Natural and Economic Resources, and the
41 House of Representatives Appropriations Subcommittee on Natural and Economic
42 Resources.

43 (s) Members of families with dependent children and with aggregate family
44 income at or below the level required for eligibility for Work First Family Assistance,
45 regardless of whether or not they have applied for such assistance, shall be given
46 priority in obtaining employment services including training and community service
47 provided by or through State agencies or counties or with funds which are allocated
48 to the State of North Carolina directly or indirectly through prime sponsors or
49 otherwise for the purpose of employment of unemployed persons.

50 (t) The Joint Legislative Public Assistance Commission shall further examine ways
51 that Work First Program recipients can overcome obstacles to finding employment
52 and remaining employed."

53 (n) Section 12.7(b) and Section 12.20A of S.L. 1997-443 are repealed.

(o) G.S. 105-259(b) is amended by adding a new subdivision to read:

"(9a) To furnish information to the Employment Security Commission to the extent required for its NC WORKS study of the working poor pursuant to G.S. 108A-29(r). The Employment Security Commission shall use information furnished to it under this subdivision only in a nonidentifying form for statistical and analytical purposes related to its NC WORKS study. The information that may be furnished under this subdivision is the following with respect to individual income taxpayers, as shown on the North Carolina income tax forms:

- a. Name, social security number, spouse's name, and county of residence.
- b. Filing status and federal personal exemptions.
- c. Federal taxable income, additions to federal taxable income, and total of federal taxable income plus additional income.
- d. Income while a North Carolina resident, total income from North Carolina sources while a nonresident, and total income from all sources."

(p) G.S. 96-14 is amended by adding a new subdivision to read:

"(1f) For the purposes of this Chapter, any claimant's leaving work, or discharge, if the claimant has been adjudged an aggrieved party as set forth by Chapter 50B of the General Statutes as the result of domestic violence committed upon the claimant or upon a minor child with or in the custody of the claimant by a person who has or has had a familial relationship with the claimant or minor child, shall constitute good cause for leaving work. Benefits paid on the basis of this section shall be noncharged."

(q) The Department of Health and Human Services shall apply to the United States Department of Agriculture to operate a simplified Food Stamp Program, to make it possible to include the value of food stamp payments as compensation for community service or work experience.

(r) Notwithstanding any law to the contrary, the Department of Health and Human Services and Electing Counties shall ensure that Individual Development Accounts' allowable purposes include purchase of a vehicle.

(s) Subsection (d) of this section becomes effective June 30, 1998. The remainder of this section becomes effective July 1, 1998.

[SECTION 12.28 RESERVED]

Requested by: Representatives Gardner, Cansler, Clary

CHILD PLACING AGENCIES' RATE STUDY

Section 12.29A. From funds appropriated to the Department of Health and Human Services in this act, the Department shall contract with an independent consultant to conduct a study of the rate setting of the State's licensed child placing agencies. This study shall:

- (1) Review the agencies' current rate-setting process; and
- (2) Determine whether this process is resulting in adequate reimbursement.

The Department shall report the results of this study, together with any recommendations, to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources by January 1, 1999.

1 Requested by: Representatives Gardner, Cansler, Clary, Howard, Berry
2 **LABOR MARKET INFORMATION/COMMON FOLLOW UP SYSTEMS' FUNDS**

3 Section 12.29B. Of the funds appropriated for the 1998-99 fiscal year to
4 the Department of Health and Human Services for automation, the sum of one
5 million dollars (\$1,000,000) shall be transferred to the Employment Security
6 Commission for the Labor Market Information and the Common Follow Up Systems.

7
8 Requested by: Representatives Gardner, Cansler, Clary
9 **REPEAL REVIEW OF AUTOMATED COLLECTION AND TRACKING SYSTEM**

10 Section 12.29C. Section 11.28 of S.L. 1997-443 is repealed.

11
12 Requested by: Representatives Gardner, Cansler, Clary
13 **CHILD WELFARE SYSTEM PILOTS**

14 Section 12.29D. (a) The Department of Health and Human Services,
15 Division of Social Services, shall work with local departments of social services to
16 develop and implement a dual response system of child protection in no fewer than
17 two and no more than five demonstration areas in the State during the 1998-99 fiscal
18 year. These pilots shall implement dual response systems in which:

19 (1) Local child protective services and law enforcement work together
20 as coinvestigators in serious abuse cases; and

21 (2) Local departments of social services respond to reports of child
22 abuse or neglect with a family assessment and services approach.

23 (b) The Department of Health and Human Services shall develop data
24 collection processes that enable the General Assembly to assess the impact of these
25 pilots on:

26 (1) Child safety;

27 (2) Timeliness of response;

28 (3) Timeliness of services;

29 (4) Coordination of local human services;

30 (5) Cost effectiveness;

31 (6) Any other related issues.

32 (c) Based on the data collected pursuant to subsection (b) of this section,
33 the Department of Health and Human Services, Division of Social Services, shall
34 contract with an independent consultant with proven expertise in evaluation of child
35 welfare services to develop an evaluation component that compares the outcomes of
36 the pilot programs to the outcomes of programs of county departments of social
37 services not participating in the pilots. The Division shall report to the Senate
38 Appropriations Committee on Human Resources and the House of Representatives
39 Appropriations Subcommittee on Human Resources on its progress on implementing
40 these pilots by December 1, 1998, and by March 1, 1999.

41
42 Requested by: Representatives Gardner, Cansler, Clary
43 **ADULT CARE HOMES REIMBURSEMENT RATE INCREASE**

44 Section 12.29E. (a) Section 11.70(d) of S.L. 1997-443 reads as rewritten:

45 "(d) Effective ~~July 1, 1998~~, October 1, 1998, the maximum monthly rate for
46 residents in adult care home facilities shall be nine hundred ~~fifteen~~ fifty-six dollars
47 ~~(\$915.00)~~ (\$956.00) per month per resident."

48 (b) Effective January 1, 1999, the maximum monthly rate for residents in
49 adult care home facilities shall be nine hundred seventy-two dollars (\$972.00) per
50 month per resident.

51 (c) Subsection (b) of this section becomes effective only if a law is
52 enacted by the 1997 General Assembly, Regular Session 1998, requiring adult care
53 homes to provide for the third shift 8.0 hours of aide duty per 30 or fewer residents.

1 **SUBPART 6. MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND**
2 **SUBSTANCE ABUSE SERVICES**

3 Requested by: Representatives Gardner, Cansler, Clary

4 **THOMAS S. COST CONTAINMENT REPORT EXTENSION**

5 Section 12.30. Section 11.37 of S.L. 1997-443 reads as rewritten:

6 "Section 11.37. ~~(a) If Thomas S. funds are not sufficient, then notwithstanding G.S.~~
7 ~~143-16.3 and G.S. 143-23, the Director of the Budget may use funds available to the~~
8 ~~Department in an amount not to exceed fifteen million two hundred thousand dollars~~
9 ~~(\$15,200,000).~~

10 ~~(b) (a)~~ The Department of ~~Human Resources, Health and Human Services~~, in
11 conjunction with area mental health programs, shall develop and implement cost
12 containment measures to reduce the cost of direct services. The Department shall
13 develop these strategies to emphasize positive client outcomes through developmental
14 disability long-term managed supports rather than to emphasize process. These
15 measures shall include, but not be limited to, the following:

- 16 (1) Reduction of those process-oriented tasks required by the State,
17 including, but not limited to, tasks required by the Divisions of:
18 Medical Assistance, Vocational Rehabilitation Services, Social
19 Services, Facilities Services, and Mental Health, Developmental
20 Disabilities, and Substance Abuse Services;
21 (2) Single stream funding from all available sources;
22 (3) Waivers of federal requirements in order to comply with the
23 federal court order; and
24 (4) Review and, if necessary, amendment or repeal of rules that
25 conflict or otherwise interfere with cost containment measures.

26 ~~(e) (b)~~ The Department shall provide to the members of the House and Senate
27 Appropriations Subcommittees on Human Resources, and to the Fiscal Research
28 Division a detailed report of the status of development and implementation of cost
29 containment measures required under this section. The report shall address each of
30 the measures listed in subsection (b) of this section, and any other related cost
31 containment measures developed by the Department. The Department shall provide
32 the report on ~~December 1, 1997, and May 1, 1998.~~ May 1, 1999."

34 Requested by: Representatives Gardner, Cansler, Clary

35 **MENTAL HEALTH RESERVE FOR MEDICAID MATCH**

36 Section 12.31A. Of the funds appropriated in this act to the Department
37 of Health and Human Services, the sum of thirty-eight million dollars (\$38,000,000)
38 for the 1998-99 fiscal year shall be placed in a Mental Health Restricted Reserve in
39 the Office of the Controller of the Department of Health and Human Services. In
40 addition to these funds, the Department shall transfer to the Mental Health Restricted
41 Reserve from the Division of Mental Health, Developmental Disabilities, and
42 Substance Abuse Services, the total amount of funds in the Division's budget
43 allocated as matching funds for Medicaid payments to area mental health authorities.
44 Funds placed in the Reserve may only be used as a State match for Medicaid
45 payments to area mental health authorities for the 1998-99 fiscal year. Funds in the
46 Reserve that are unexpended and unencumbered as of June 30, 1999, shall revert to
47 the General Fund.

49 Requested by: Representative Ellis

50 **FUNDS TO REDUCE WAITING LIST FOR DEVELOPMENTAL DISABILITIES**
51 **SERVICES**

52 Section 12.31B. Of the funds appropriated in this act to the Department
53 of Health and Human Services, Division of Mental Health, Developmental

1 Disabilities, and Substance Abuse Services, the sum of thirty-one million six hundred
2 nineteen thousand six hundred ninety-seven dollars (\$31,619,697) shall be used to
3 reduce the waiting list for people waiting for developmental disabilities services.

4
5 Requested by: Representatives Gardner, Cansler, Clary

6 **EARLY INTERVENTION SERVICES/REFERRALS/STUDY**

7 Section 12.32A. (a) Section 11.43 of S.L. 1997-443 reads as rewritten:

8 "Section 11.43. Of the funds appropriated in this act to the Department of Human
9 Resources, Division of Mental Health, Developmental Disabilities, and Substance
10 Abuse Services, the sum of five million dollars (\$5,000,000) for the 1997-98 fiscal year
11 and the sum of five million dollars (\$5,000,000) for the 1998-99 fiscal year shall be
12 allocated based on a plan developed in consultation with the affected divisions within
13 the Department and the North Carolina Interagency Coordinating Council to meet
14 the needs of those children who are on the waiting list for early intervention services.
15 The Department may create up to 41 new positions, as needed, in the Division of
16 Services for the Blind and the Division of Services for the Deaf and the Hard of
17 Hearing to expand early intervention-related preschool ~~services~~ services for children
18 from birth through five years of age with priority given to children birth through two
19 years of age.

20 The North Carolina Schools for the Deaf and other agencies providing early
21 intervention services to children from birth through five years of age shall work
22 together to develop procedures to ensure that Beginnings for Parents of
23 Hearing-Impaired Children, Inc., shall be notified of children newly identified with
24 hearing loss and determined to be eligible for services. implement procedures to
25 ensure that:

26 (1) Parents of children newly identified with hearing loss and
27 determined to be eligible for services are informed of the services
28 available to them through Beginnings for Parents of Hearing-
29 Impaired Children, Inc., and

30 (2) Beginnings for Parents of Hearing-Impaired Children, Inc., with
31 the consent of parents, is notified of these children in a timely and
32 appropriate manner."

33 (b) The North Carolina Interagency Coordinating Council, with the
34 assistance of the Department of Health and Human Services and the Department of
35 Public Instruction, shall conduct a comprehensive review of North Carolina's system
36 for delivering early intervention services to children ages birth through five years.
37 This study shall identify issues and recommend solutions to the following:

38 (1) Eligibility for services,

39 (2) Quality, availability, and timeliness of services,

40 (3) Improving transition from the infant-toddler program to the pre-
41 school program,

42 (4) Management of and focus on preschool services for children with
43 vision and hearing impairments, and

44 (5) Matters pertaining to interagency coordination, and to funding.

45 The ICC shall report its findings and recommendations to the members of the Senate
46 Appropriations Committee on Human Resources and the House of Representatives
47 Appropriations Subcommittee on Human Resources, the Education Oversight
48 Committee, and the Fiscal Research Division not later than March 1, 1999.

49
50 Requested by: Representatives Gardner, Cansler, Clary

51 **NONMEDICAID REIMBURSEMENT CHANGES**

52 Section 12.33. Section 11.12 of S.L. 1997-443 reads as rewritten:

"Section 11.12. Providers of medical services under the various State programs, other than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program. Hospitals that provide psychiatric inpatient care for Thomas S. class members or adults with mental retardation and mental illness may be paid an additional incentive payment not to exceed fifteen percent (15%) of their regular daily per diem reimbursement.

The Department of ~~Human Resources~~ Health and Human Services may reimburse hospitals at the full prospective per diem rates without regard to the Medical Assistance Program's annual limits on hospital days. When the Medical Assistance Program's per diem rates for inpatient services and its interim rates for outpatient services are used to reimburse providers in non-Medicaid medical service programs, retroactive adjustments to claims already paid shall not be required.

Notwithstanding the provisions of paragraph one, the Department of ~~Human Resources~~ Health and Human Services may negotiate with providers of medical services under the various Department of ~~Human Resources~~ Health and Human Services programs, other than Medicaid, for rates as close as possible to Medicaid rates for the following purposes: contracts or agreements for medical services and purchases of medical equipment and other medical supplies. These negotiated rates are allowable only to meet the medical needs of its non-Medicaid eligible patients, residents, and clients who require such services which cannot be provided when limited to the Medicaid rate.

Maximum net family annual income eligibility standards for services in these programs shall be as follows:

<u>Family Size</u>	<u>Medical Eye Care Adults</u>	<u>All Rehabilitation</u>	<u>Other</u>
1	\$ 4,860	\$ 8,364	\$ 4,200
2	5,940	10,944	5,300
3	6,204	13,500	6,400
4	7,284	16,092	7,500
5	7,824	18,648	7,900
6	8,220	21,228	8,300
7	8,772	21,708	8,800
8	9,312	22,220	9,300

The eligibility level for children in the Medical Eye Care Program in the Division of Services for the Blind ~~and for adults in the Atypical Antipsychotic Medication Program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services~~ shall be one hundred percent (100%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services and in effect on July 1 of each fiscal year. The eligibility level for people in the Atypical Antipsychotic Medication Program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be one hundred fifteen percent (115%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services and in effect on July 1 of each fiscal year. Additionally, those adults enrolled in the Atypical Antipsychotic Medication Program who become gainfully employed may continue to be eligible to receive State support, in decreasing amounts, for the purchase of atypical antipsychotic medication and related services up to three hundred percent (300%) of the poverty level.

State financial participation in the Atypical Antipsychotic Medication Program for those enrollees who become gainfully employed is as follows:

<u>Income</u> <u>(% of poverty)</u>	<u>State Participation</u>	<u>Client Participation</u>
0-100%	100%	0%
101-120%	95%	5%
121-140%	85%	15%
141-160%	75%	25%
161-180%	65%	35%
181-200%	55%	45%
201-220%	45%	55%
221-240%	35%	65%
241-260%	25%	75%
261-280%	15%	85%
281-300%	5%	95%
301%-over	0%	100%.

The Department of ~~Human Resources~~ Health and Human Services shall contract at, or as close as possible to, Medicaid rates for medical services provided to residents of State facilities of the Department."

Requested by: Representatives Gardner, Cansler, Clary

DEVELOPMENTAL DISABILITY SERVICES REVIEW AND INITIATIVES

Section 12.34A. The Department of Health and Human Services shall review and implement initiatives to provide and enhance person-centered and family support services to developmentally disabled individuals served by the State and local public mental health services system. In order to accomplish this, the Department shall do all of the following:

- (1) Immediately pursue approval from the Health Care Financing Administration to implement flexible funding under the CAP-MR/DD Waiver as soon as possible;
- (2) Study the feasibility of providing new or additional services as part of the regular Medicaid program which are aimed at keeping developmentally disabled individuals in their homes rather than using the current criterion used in the Medicaid CAP-MR/DD Waiver Program. The study shall include a projected cost-benefit analysis;
- (3) Work with area mental health authorities to determine why Medicaid-eligible individuals are waiting for services in the area mental health programs;
- (4) Establish goals for the State and area mental health programs that require not more than a six-month wait for services for developmentally disabled individuals;
- (5) Collaborate with area mental health programs to maximize the use of existing funds to increase services to the developmentally disabled, non-Medicaid and non-CAP-MR/DD eligible population; and
- (6) Pursue additional Medicaid waivers which emphasize person-centered and family support services for developmentally disabled individuals.

The Department shall work with other State agencies as necessary to implement this section.

The Department shall report the results of its compliance with this section to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on

1 Human Resources not later than November 1, 1998. The report shall also include the
2 impact of expansion funds on the waiting list for services for developmentally
3 disabled individuals.

4
5 Requested by: Representatives Gardner, Cansler, Clary

6 **STUDY OF STATE PSYCHIATRIC HOSPITALS/AREA MENTAL HEALTH**
7 **PROGRAMS**

8 Section 12.35A. (a) Of the funds appropriated in this act to the
9 Department of Health and Human Services, the sum of seven hundred fifty thousand
10 dollars (\$750,000) for the 1998-99 fiscal year shall be used to study the State
11 psychiatric hospitals and area mental health programs. The study shall build upon
12 results of the MGT, Inc., study and shall assess:

- 13 (1) How many and what type of beds are needed statewide;
- 14 (2) The capacity and ability of area mental health programs to
15 efficiently and effectively absorb specific services now provided
16 within the existing State hospital system;
- 17 (3) The mission, management, operations, and governance of the 40
18 area mental health programs including the potential for achieving
19 cost efficiencies and improved effectiveness and quality of services
20 to clients through changes in size, operating practices, increased
21 use of private providers, and governance of area programs; and
- 22 (4) The nonpublic system's capacity to absorb specific services
23 identified by MGT as being inappropriately provided by the
24 current State hospital system.

25 The study shall also make recommendations for other system changes as identified in
26 order to appropriately downsize the State hospital system while maintaining existing
27 service levels and ultimately increasing services to clients in the community. The
28 Department shall solicit proposals to conduct the study.

29 (b) The Department shall make an interim report to the members of the
30 Senate Appropriations Committee on Human Resources and the House of
31 Representatives Appropriations Subcommittee on Human Resources not later than
32 March 15, 1999, and shall make a final report not later than May 1, 1999.

33
34 Requested by: Representatives Gardner, Cansler, Clary

35 **CIVIL COMMITMENT/FORENSIC UNIT**

36 Section 12.35B. (a) G.S. 15A-1321 reads as rewritten:

37 **"§ 15A-1321. Automatic civil commitment of defendants found not guilty by reason of**
38 **insanity.**

39 (a) When a defendant charged with a ~~crime~~ crime, wherein it is not alleged that
40 the defendant inflicted or attempted to inflict serious physical injury or death, is
41 found not guilty by reason of insanity by verdict or upon motion pursuant to G.S.
42 15A-959(c), the presiding judge shall enter an order finding that the defendant has
43 been found not guilty by reason of insanity of a crime and committing the defendant
44 to a State 24-hour facility designated pursuant to G.S. 122C-252. The court order
45 shall also grant custody of the defendant to a law enforcement officer who shall take
46 the defendant directly to that facility. Proceedings thereafter are in accordance with
47 Part 7 of Article 5 of Chapter 122C of the General Statutes.

48 (b) When a defendant charged with a crime, wherein it is alleged that the
49 defendant inflicted or attempted to inflict serious physical injury or death, is found
50 not guilty by reason of insanity, by verdict, or upon motion pursuant to G.S. 15A-
51 959(c), notwithstanding any other provision of law, the presiding judge shall enter an
52 order finding that the defendant has been found not guilty by reason of insanity of a
53 crime and committing the defendant to a Forensic Unit operated by the Department

1 of Health and Human Services, where the defendant shall reside until the defendant's
2 release in accordance with Chapter 122C of the General Statutes. The court order
3 shall also grant custody of the defendant to a law enforcement officer who shall take
4 the defendant directly to the facility. Proceedings not inconsistent with this section
5 shall thereafter be in accordance with Part 7 of Article 5 of Chapter 122C of the
6 General Statutes."

7 (b) This section becomes effective December 1, 1998, and applies to
8 offenses committed on and after that date.

9
10 Requested by: Representative Cansler

11 **AREA MENTAL HEALTH AUTHORITY PROGRAM ACCOUNTABILITY**

12 Section 12.35C. (a) The Secretary of Health and Human Services shall
13 develop proposed standards for the fiscal and administrative practices of area mental
14 health programs to ensure that the programs are accountable to the State for the
15 management and use of federal and State funds allocated for mental health,
16 developmental disabilities, and substance abuse services. The proposed standards
17 shall be designed to ensure maximum accountability by area programs for rate-setting
18 methodologies, reimbursement procedures, billing procedures, provider contracting
19 procedures, record keeping, documentation, and other matters pertaining to financial
20 management and fiscal accountability. Proposed standards shall be consistent with
21 professionally accepted accounting and management principles. In addition to
22 developing the proposed standards for fiscal and administrative practices of area
23 programs, the Secretary shall propose methods for monitoring the clinical practices of
24 area programs to ensure compliance with established laws, rules, and regulations
25 governing the clinical practices.

26 (b) The Secretary shall submit a report to the Legislative Study
27 Commission on Mental Health, Developmental Disabilities, and Substance Abuse
28 Services, and to the Joint Legislative Health Care Oversight Committee not later than
29 December 1, 1998. The report shall include all of the following:

- 30 (1) Proposed standards required under subsection (a) of this section.
- 31 (2) Proposed methods for ensuring area mental health compliance with
32 the standards. Methods shall take into account the Secretary's
33 existing authority over area programs under G.S. 122C-124, 122C-
34 125, 122C-125.1, and 122C-126, as well as the general powers and
35 duties conferred upon the Secretary under Chapter 122C of the
36 General Statutes.
- 37 (3) Proposed methods for ensuring area mental health program
38 compliance with existing laws, rules, and regulations governing
39 clinical practices.
- 40 (4) Proposed methods for assisting area mental health programs in
41 complying with State and federal laws, rules, regulations, and
42 standards.
- 43 (5) Any other recommendations, including proposed legislation, the
44 Secretary may have to enhance accountability of area mental
45 health programs.

46
47 Requested by: Representative Cansler

48 **AGENCY OVERSIGHT OF CARE PROVIDED TO PERSONS WITH MENTAL**
49 **ILLNESS AND DEVELOPMENTAL DISABILITIES**

50 Section 12.35D. The Department of Health and Human Services shall
51 review the effectiveness of existing agency oversight with respect to family care
52 centers, foster homes, nursing homes, and adult care homes which provide care for

1 persons with mental illness and for persons with developmental disabilities. The
2 report shall include, but not be limited to, all of the following:

- 3 (1) The current status of enforcement of existing laws, rules, and
4 regulations in local settings, who is responsible for enforcement
5 and under what authority,
- 6 (2) Whether and to what extent clients, families, and staff in small
7 residential settings feel free to speak to responsible authorities
8 empowered to resolve problems without fear of reprisal, and
- 9 (3) What can be done about problems in facilities that require
10 immediate resolution for which no enforcement remedies are
11 immediately available.

12 The Department shall report its findings and recommendations to the Joint
13 Legislative Health Care Oversight Committee and the Legislative Study Commission
14 on Mental Health, Developmental Disabilities, and Substance Abuse Services no later
15 than February 1, 1999.

16
17 Requested by: Representative Cansler

18 AREA MENTAL HEALTH PROGRAMS/STANDARDIZED CONTRACTS

19 Section 12.35E. (a) Effective January 1, 1999, Article 4 of Chapter 122C
20 of the General Statutes is amended by adding the following new section to read:

21 "§ 122C-117.1. Standardized contract for services.

22 The Secretary shall develop and make available to all area authorities a
23 standardized contract form for use by area authorities contracting for services with
24 private or public agency providers. Area authorities shall use the standard contract
25 form developed by the Secretary for all contracts between the area authority and
26 private or public agency providers for mental health, developmental disability, and
27 substance abuse services."

28 (b) This section applies to contracts entered into, renewed, or amended
29 on and after January 1, 1999.

30
31 [SECTION 12.36 RESERVED]

32 SUBPART 7. CHILD DEVELOPMENT

33 Requested by: Representatives Gardner, Cansler, Clary, Shubert

34 EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES REFORM

35 Section 12.37A. (a) GENERAL STATUTES LAW ON EARLY
36 CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES.

37 Part 10B of Article 3 of Chapter 143B of the General Statutes reads as
38 rewritten:

39 "Part 10B. Early Childhood Initiatives.

40 "§ 143B-168.10. Early childhood initiatives; findings.

41 The General Assembly finds, upon consultation with the Governor, that every
42 child can benefit from, and should have access to, high-quality early childhood
43 education and development ~~services.~~ services to prepare each child for school. The
44 economic future and well-being of the State depend upon it. To ensure that all
45 children have access to high quality early childhood education and development
46 services, the General Assembly further finds that:

- 47 (1) Parents have the primary duty to raise, educate, and transmit
48 values to young preschool children;
- 49 (2) The State can assist parents in their role as the primary caregivers
50 and educators of young preschool ~~children;~~ children to help these
51 children be prepared for school; and
52

- 1 (3) There is a need to explore innovative approaches and strategies for
2 aiding parents and families in the education and development of
3 young preschool children.

4 **"§ 143B-168.11. Early childhood initiatives; purpose; definitions.**

5 (a) The purpose of this Part is to establish a framework whereby the General
6 Assembly, upon consultation with the Governor, may support through financial and
7 other means, the North Carolina Partnership for Children, Inc. and comparable local
8 partnerships, which have as their missions the development of a comprehensive, long-
9 range strategic plan for early childhood ~~development to prepare children for school~~
10 and the provision, through public and private means, of high-quality early childhood
11 education and development services for children and ~~families~~ families to prepare
12 children for school. It is the intent of the General Assembly that communities be
13 given the maximum flexibility and discretion practicable in developing their ~~plans~~
14 plans while remaining subject to the approval of the North Carolina Partnership and
15 accountable to the North Carolina Partnership and to the General Assembly for their
16 plans and for the programmatic and fiscal integrity of the programs and services
17 provided to implement them. It is also the intent of the General Assembly that the
18 services provided be focused on preparing children for school and for success in
19 school.

20 (b) The following definitions apply in this Part:

- 21 (1) Board of Directors. -- The Board of Directors of the North
22 Carolina Partnership for Children, Inc.
23 ~~(2) Department. -- The Department of Health and Human Services.~~
24 ~~(2) Early childhood. -- Birth through five years of age.~~
25 (3) Local Partnership. -- A ~~local~~ county or regional private, nonprofit
26 501(c)(3) organization established to coordinate a local
27 demonstration ~~project project~~ to provide ongoing analyses of their
28 local needs that must be met to ensure that children are ready for
29 school, and, in consultation with the North Carolina Partnership
30 and subject to the approval of the North Carolina Partnership, to
31 provide programs and services to meet these needs under this Part.
32 Part, while remaining accountable for the programmatic and fiscal
33 integrity of their programs and services to the North Carolina
34 Partnership.
35 (4) North Carolina Partnership. -- The North Carolina Partnership for
36 Children, Inc.
37 ~~(5) Secretary. -- The Secretary of Health and Human Services.~~

38 **"§ 143B-168.12. North Carolina Partnership for Children, Inc.; conditions.**

- 39 (a) In order to receive State funds, the following conditions shall be met:
40 (1) The North Carolina Partnership shall have a Board of Directors
41 consisting of the following ~~38~~ 25 members:
42 a. The Secretary of Health and Human Services, ex officio;
43 b. Repealed by Session Laws 1997, c. 443, s. 11A.105.
44 c. The Superintendent of Public Instruction, ex officio;
45 d. The President of the Department of Community Colleges, ex
46 officio;
47 e. ~~One resident from each of the 1st, 3rd, 5th, 7th, 9th, and~~
48 ~~11th Congressional Districts, appointed by the President Pro~~
49 ~~Tempore of the Senate; Four members of the public who~~
50 are not employed in, or providing services that receive Early
51 Childhood Education and Development funds or local
52 matching funds and who have no financial interest in any
53 programs or services that receive Early Childhood

- Education and Development funds or local matching funds, appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate;
- f. ~~One resident from each of the 2nd, 4th, 6th, 8th, 10th, and 12th Congressional Districts, appointed by the Speaker of the House of Representatives; Four members of the public who are not employed in, or providing services that receive Early Childhood Education and Development funds or non-State matching funds and who have no financial interest in any programs or services that receive Early Childhood Education and Development funds or local matching funds, appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives;~~
- g. ~~Seventeen~~ Ten members, appointed by the Governor, who are not employed in, or providing services that receive Early Childhood Education and Development funds or non-State matching funds and who have no financial interest in any programs or services that receive Early Childhood Education and Development funds or local matching funds. One of these 10 members shall be elected by the local partnerships, with each county having one vote, ~~of whom four~~ Three of these 10 members shall be members of the party other than the Governor's party, appointed by the Governor;
- ~~h. The President Pro Tempore of the Senate, or a designee;~~
- ~~i. The Speaker of the House of Representatives, or a designee;~~
- j. ~~The One member of the public who is not employed in, or providing services that receive Early Childhood Education and Development funds or non-State matching funds and who has no financial interest in any programs or services that receive Early Childhood Education and Development funds or local matching funds, appointed by the General Assembly upon recommendation of the Majority Leader of the Senate, or a designee; Senate;~~
- k. ~~The One member of the public who is not employed in, or providing services that receive Early Childhood Education and Development funds or non-State matching funds and who has no financial interest in any programs or services that receive Early Childhood Education and Development funds or local matching funds, appointed by the General Assembly upon recommendation of the Majority Leader of the House of Representatives, or a designee; Representatives;~~
- l. ~~The One member of the public who is not employed in, or providing services that receive Early Childhood Education and Development funds or non-State matching funds and who has no financial interest in any programs or services that receive Early Childhood Education and Development funds or non-State matching funds, appointed by the General Assembly upon recommendation of the Minority Leader of the Senate, or a designee; Senate; and~~
- m. ~~The One member of the public who is not employed in, or providing services that receive Early Childhood Education~~

1 and Development funds or non-State matching funds and
2 who has no financial interest in any programs or services
3 that receive Early Childhood Education and Development
4 funds or local matching funds, appointed by the General
5 Assembly upon recommendation of the Minority Leader of
6 the House of Representatives, or a designee.
7 Representatives.

8 All ex officio members are voting members. Each ex officio
9 member may be represented by a designee selected to replace the
10 ex officio member and to function as a permanent replacement.
11 These designees shall be voting members. In addition to the
12 limitations placed on the public members in this subdivision, no
13 members, including the public members, may have a spouse,
14 parent, in-law, or child who is employed in, or providing services
15 that receive Early Childhood Education and Development funds or
16 non-State matching funds or who has a financial interest in any
17 programs or services that receive Early Childhood Education and
18 Development funds or local matching funds. No members may
19 have any nonpaying position on any of the local partnerships'
20 boards of directors or on any of the providers' boards of directors.
21 No legislators shall serve as members.

22 The North Carolina Partnership shall establish a nominating
23 committee and, in making their recommendations of members to
24 be appointed by the General Assembly or by the Governor, the
25 President Pro Tempore of the Senate, the Speaker of the House of
26 Representatives, the Majority Leader of the Senate, the Majority
27 Leader of the House of Representatives, the Minority Leader of the
28 Senate, the Minority Leader of the House of Representatives, and
29 the Governor shall consult with and consider the recommendations
30 of this nominating committee.

31 The North Carolina Partnership shall establish a policy on
32 members' attendance, which policy shall include provisions for
33 reporting absences of at least three meetings immediately to the
34 appropriate appointing authority.

35 Members who miss more than three consecutive meetings
36 without excuse or members who vacate their membership shall be
37 replaced by the appropriate appointing authority and the replacing
38 member shall serve either until the General Assembly and the
39 Governor can appoint a successor or until the replaced member's
40 term expires, whichever is earlier.

41 The North Carolina Partnership shall establish a policy on
42 membership of the local boards, which policy shall include the
43 same limitations on membership prescribed in this subdivision and
44 the requirement that all local board members be residents of the
45 county or the partnership region they are representing.

46 (2) The North Carolina Partnership and the local partnerships shall
47 agree to adopt procedures for its operations that are comparable to
48 those of Article 33C of Chapter 143 of the General Statutes, the
49 Open Meetings Law, and Chapter 132 of the General Statutes, the
50 Public Records Law, Law, and provide for enforcement by the
51 Department. The North Carolina Partnership shall enforce these
52 provisions in the event that a local partnership fails to abide by
53 these procedures and the Office of the Attorney General shall

1 enforce these provisions in the event that the North Carolina
2 Partnership fails to follow them.

- 3 (3) The North Carolina Partnership shall oversee the development and
4 implementation of the local demonstration projects as they are
5 selected. selected and shall approve the ongoing plans, programs,
6 and services developed and implemented by the local partnerships,
7 and hold the local partnerships accountable for the financial and
8 programmatic integrity of the programs and services.

9 In the event that the North Carolina Partnership determines that
10 a local partnership is not fulfilling its mandate to provide programs
11 and services to prepare children for school and is not being
12 accountable for the programmatic and fiscal integrity of its
13 programs and services, the North Carolina Partnership shall
14 suspend all funds to the partnership until the partnership
15 demonstrates that these defects are corrected. Further, at its
16 discretion, the North Carolina Partnership may assume the
17 managerial responsibilities for the partnership's programs and
18 services until the North Carolina Partnership determines that it is
19 appropriate to return the programs and services to the local
20 partnership.

- 21 (4) The North Carolina Partnership shall develop and implement a
22 comprehensive standard fiscal accountability plan to ensure the
23 fiscal integrity and accountability of State funds appropriated to it
24 and to the local partnerships. The standard fiscal accountability
25 plan shall, at a minimum, include a uniform, standardized
26 standardized, automated system of accounting, internal controls,
27 payroll, fidelity bonding, chart of accounts, and contract
28 management and monitoring. The North Carolina Partnership may
29 contract with outside firms to develop and implement the standard
30 fiscal accountability plan. All local partnerships shall be required
31 to participate in the standard fiscal accountability plan developed
32 and adopted by the North Carolina Partnership pursuant to this
33 subdivision.

- 34 (5) The North Carolina Partnership shall develop and implement a
35 centralized accounting and contract management system which
36 incorporates features of as an integral part of the required standard
37 fiscal accountability plan described in subdivision (4) of subsection
38 (a) of this section. The following local partnerships shall be
39 required to participate in the centralized accountability system
40 developed by the North Carolina Partnership pursuant to this
41 subdivision:

42 a. Local partnerships which have significant deficiencies in
43 their accounting systems, internal controls, and contract
44 management systems, as determined by the North Carolina
45 Partnership based on the annual financial audits of the local
46 partnerships conducted by the Office of the State Auditor,
47 and

48 b. Local partnerships which are in the first two years of
49 operation following their selection, except for those created
50 by combination with existing local partnerships. At the end
51 of this two year period, local partnerships shall continue to
52 participate in the centralized accounting and contract
53 management system. With the approval of the North

1 ~~Carolina Partnership, local partnerships may perform~~
2 ~~accounting and contract management functions at the local~~
3 ~~level using the standardized and uniform accounting system,~~
4 ~~internal controls, and contract management systems~~
5 ~~developed by the North Carolina Partnership.~~

6 ~~Local partnerships which otherwise would not be required to~~
7 ~~participate in the centralized accounting and contract management~~
8 ~~system pursuant to this subdivision may voluntarily choose to~~
9 ~~participate in the system. Participation or nonparticipation shall be~~
10 ~~for a minimum of two years, unless, in the event of~~
11 ~~nonparticipation, the North Carolina Partnership determines that~~
12 ~~any partnership's annual financial audit reveals serious deficiencies~~
13 ~~in accounting or contract management. The North Carolina~~
14 ~~Partnership shall establish criteria by which local partnerships'~~
15 ~~capacity to perform their own contracting and accounting services~~
16 ~~will be assessed annually. Effective June 30, 1999, all local~~
17 ~~partnerships shall participate in the centralized accounting and~~
18 ~~contract management system that the North Carolina Partnership~~
19 ~~shall provide to them at no cost unless partnerships meet these~~
20 ~~criteria and undertake their own accounting and contract~~
21 ~~management, in which case the cost shall count against their~~
22 ~~administrative cap. These local partnerships shall continue to~~
23 ~~participate in those portions of the standard fiscal accountability~~
24 ~~plan prescribed in subdivision (4) of this subsection. In the event~~
25 ~~that the Partnership determines that such a partnership's annual~~
26 ~~financial audit reveals serious deficiencies in accounting or~~
27 ~~contract management, the Partnership shall assume the~~
28 ~~responsibilities of the accounting and contract management of the~~
29 ~~partnership.~~

30 (6) The North Carolina Partnership shall develop a formula for
31 allocating direct services funds appropriated for this purpose to
32 local partnerships.

33 (7) The North Carolina Partnership ~~may~~ shall adjust its allocations on
34 the basis of local partnerships' performance assessments. In
35 determining whether to adjust its allocations to local partnerships,
36 the North Carolina Partnership shall consider whether the local
37 partnerships are meeting the outcome goals and objectives of the
38 North Carolina Partnership and the goals and objectives set forth
39 by the local partnerships in their approved annual program plans.

40 The North Carolina Partnership ~~may~~ shall use additional
41 factors to determine whether to adjust the local partnerships'
42 allocations. These additional factors shall be developed with input
43 from the local partnerships and shall be communicated to the local
44 partnerships when the additional factors are selected. These
45 additional factors ~~may~~ shall include board involvement, family and
46 community outreach, collaboration among public and private
47 service agencies, and family involvement.

48 On the basis of performance assessments, local partnerships
49 annually shall be rated 'superior', 'satisfactory', or 'needs
50 improvement'. Local partnerships rated 'superior' may receive, to
51 the extent that funds are available, a ten percent (10%) increase in
52 their annual funding allocation. Local partnerships rated
53 'satisfactory' may receive their annual funding allocation. Local

partnerships rated 'needs improvement' may receive up to ninety percent (90%) of their annual funding allocation.

- (8) The North Carolina Partnership may contract with outside firms to conduct the performance assessments of local partnerships. The North Carolina Partnership shall establish a local partnership advisory committee comprised of 15 members. Eight of the members shall be chairs of local partnerships' board of directors, and seven shall be staff of local partnerships. Members shall be chosen by the Chair of the North Carolina Partnership from a pool of candidates nominated by their respective boards of directors. The local partnership advisory committee shall serve in an advisory capacity to the North Carolina Partnership and shall establish a schedule of regular meetings. Members shall serve two-year terms and shall not serve more than two consecutive terms. Members shall be chosen from local partnerships on a rotating basis. The advisory committee shall annually elect a chair from among its members.

The Partnership may establish a Professional Advisory Board of providers of programs and services and of experts in the fields related to Early Childhood Education and Development.

- (9) The North Carolina Partnership shall report (i) quarterly to the Joint Legislative Commission on Governmental Operations and (ii) to the General Assembly and the Governor on the ongoing progress of all the local partnerships' work, including all details of the use to which the allocations were put, and on the continuing plans of the North Carolina Partnership and of the Department, together with legislative proposals, including proposals to implement the program statewide.

(b) The North Carolina Partnership shall be subject to audit and review by the State Auditor under Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the North Carolina Partnership.

"§ 143B-168.13. Implementation of program; duties of Department and Secretary; additional duties of North Carolina Partnership.

(a) ~~The Department~~ North Carolina Partnership shall:

- (1) ~~Develop a statewide process, in cooperation with the North Carolina Partnership, to select the local demonstration projects. The first 12 local demonstration projects developed and implemented shall be located in the 12 congressional districts, one to a district. The~~ Develop a process to determine the locations of subsequent selections of local demonstration projects shall to represent the various geographic areas of the State.
- (2) Develop and conduct a statewide needs and resource assessment every third year, beginning in the 1997-98 fiscal year. This needs assessment shall be conducted in cooperation with ~~the North Carolina Partnership and with~~ the local partnerships. ~~The Department~~ North Carolina Partnership may contract with an independent firm to conduct the needs assessment. The needs assessment shall be conducted in a way which enables ~~the Department and~~ the North Carolina Partnership to review, and revise as necessary, the total program cost estimate and methodology. The data and findings of this needs assessment shall form the basis for annual program plans developed by local

- 1 partnerships and approved by the North Carolina Partnership. A
2 report of the findings of the needs assessment shall be presented to
3 the General Assembly prior to the beginning of the 1999 Session
4 and every three years after that date.
- 5 (2a) ~~Develop and maintain an automated, publicly accessible database~~
6 ~~of all regulated child care programs.~~
- 7 (3) Repealed by Session Laws 1997, c. 443, s. 11.55(m).
- 8 (4) ~~Adopt, in cooperation with the North Carolina Partnership, Adopt~~
9 ~~any rules necessary to implement this Part, including rules to~~
10 ~~ensure that State leave policy is not applied to the North Carolina~~
11 ~~Partnership and the local partnerships. In order to allow local~~
12 ~~partnerships to focus on the development of long-range plans in~~
13 ~~their initial year of funding, the Department and ongoing plans, the~~
14 ~~North Carolina Partnership may adopt rules that limit the~~
15 ~~categories of direct services for young children and their families~~
16 ~~for which funds are made available during the initial year.~~
17 ~~available.~~
- 18 (5) Repealed by Session Laws 1996, Second Extra Session, c. 18, s.
19 24.29(c).
- 20 (6) Annually update its funding formula using the most recent data
21 available. These amounts shall serve as the basis for determining
22 'full funding' amounts for each local partnership.
- 23 (7) Monitor each partnership to require programmatic and fiscal
24 integrity as follows:
- 25 a. Monitor each local partnership's contracts, contractors, and
26 subcontractors;
- 27 b. Limit each contract to one level of subcontractor, when
28 practical;
- 29 c. Require each partnership to place in each of its new
30 contracts a statement that the contract is subject to
31 monitoring by the North Carolina Partnership, that
32 contractors and subcontractors shall be bonded as required
33 by the State Auditor, and that contractors and
34 subcontractors are subject to audit oversight by the State
35 Auditor; and
- 36 d. Ensure that local partnerships, their contractors, and their
37 subcontractors are bonded as required by the State Auditor.
- 38 (b) ~~The Secretary shall approve, upon recommendation of the North Carolina~~
39 ~~Partnership, North Carolina Partnership shall approve all allocations of State funds to~~
40 ~~local demonstration projects. The Secretary projects and also shall approve all local~~
41 ~~plans.~~
- 42 (c) The North Carolina Partnership shall implement the performance-based
43 evaluation system after June 30, 1999. The Office of State Budget and Management
44 shall include this item in its continuation budget request for the North Carolina
45 Partnership for the 1999-2001 fiscal biennium.
- 46 (d) The North Carolina Partnership shall not mandate that any of the local
47 partnerships establish or otherwise support a child care resource and referral
48 organization or service.
- 49 **"§ 143B-168.14. Local partnerships; conditions.**
- 50 (a) In order to receive State funds, the following conditions shall be met:
- 51 (1) Each local demonstration project shall be coordinated by a new
52 local partnership responsible for developing a comprehensive,
53 collaborative, long-range plan of services to children and families

1 in the service-delivery area. The board of directors of each local
2 partnership shall consist of members ~~including representatives of~~
3 ~~public and private nonprofit health and human service agencies;~~
4 ~~child care providers, the business community, foundations, county~~
5 ~~and municipal governments, local education units, and families~~
6 ~~concerned with early childhood education and development who~~
7 ~~are appointed pursuant to the policy adopted by the North~~
8 ~~Carolina Partnership pursuant to G.S. 143B-168.12(a)(1) and~~
9 ~~subject to the limitations prescribed in that subdivision. The~~
10 ~~Department, in cooperation with the North Carolina Partnership,~~
11 ~~North Carolina Partnership~~ may specify in its requests for
12 applications the local agencies that shall be represented on a local
13 board of directors. No existing local, private, nonprofit 501(c)(3)
14 organization, other than one established on or after July 1, 1993,
15 and that meets the guidelines for local partnerships as established
16 under this Part, shall be eligible to apply to serve as the local
17 partnership for the purpose of this Part.

18 (2) Each local partnership shall agree to adopt procedures for its
19 operations that are comparable to those of Article 33C of Chapter
20 143 of the General Statutes, the Open Meetings Law, and Chapter
21 132 of the General Statutes, the Public Records Law, and provide
22 for enforcement by the ~~Department.~~ North Carolina Partnership.

23 (3) Each local partnership shall adopt procedures to ensure that all
24 personnel who provide services to young children and their
25 families under this Part know and understand their responsibility
26 to report suspected child abuse, neglect, or dependency, as defined
27 in G.S. 7A-517.

28 (4) Each local partnership shall participate in the uniform, standard
29 fiscal accountability plan developed and adopted by the North
30 Carolina Partnership.

31 (b) Each local partnership shall be subject to audit and review by the State
32 Auditor under Article 5A of Chapter 147 of the General Statutes. The State Auditor
33 shall conduct annual financial and compliance audits of the local partnerships.

34 (c) Local partnerships may establish Professional Advisory Boards of providers of
35 programs and services and of experts in the fields related to early childhood
36 education and development.

37 **"§ 143B-168.15. Use of State funds.**

38 (a) State funds allocated to local projects for services to children and families shall
39 be used to meet assessed ~~needs;~~ needs to prepare children for school, expand
40 coverage, and improve the quality of these services. The local plan shall address the
41 assessed needs of all children to the extent feasible. It is the intent of the General
42 Assembly that the needs of both young children below poverty who remain in the
43 home, as well as the needs of young children below poverty who require services
44 ~~beyond those offered in child care settings, to prepare them for school,~~ be addressed.
45 Therefore, as local partnerships address the assessed needs of all children, they
46 should devote an appropriate amount of their State allocations, considering these
47 needs and other available resources, to meet the needs of children below poverty and
48 their families.

49 (b) Depending on local, regional, or statewide needs, funds may be used to
50 support activities and services that will prepare children for school that shall be made
51 available and accessible to providers, children, and families on a voluntary basis. Of
52 the total funds allocated to all local partnerships for direct services, seventy percent
53 (70%) shall be used in child care-related activities and programs which improve

1 access to child care services, develop new child care services, or improve the quality
2 of child care services in all settings.

3 (c) Long-term plans for local projects that do not receive their full allocation in
4 the first year, other than those selected in 1993, should consider how to meet the
5 assessed needs of low-income children and families within their neighborhoods or
6 ~~communities.~~ communities to prepare these children for school. These plans also
7 should reflect a process to meet these needs as additional allocations and other
8 resources are received.

9 (d) State funds designated for start-up and related activities may be used for
10 capital expenses or to support activities and services for children, families, and
11 ~~providers.~~ providers to prepare children for school. State funds designated to support
12 direct services for children, families, and providers to prepare children for school
13 shall not be used for major capital expenses unless the North Carolina Partnership
14 approves this use of State funds based upon a finding that a local partnership has
15 demonstrated that (i) this use is a clear priority need for the local ~~plan,~~ plan to
16 prepare children for school, (ii) it is necessary to enable the local partnership to
17 provide services and activities to underserved children and ~~families,~~ families to
18 prepare children for school, and (iii) the local partnership will not otherwise be able
19 to meet this priority need by using State or federal funds available to that local
20 partnership. The funds approved for capital projects in any two consecutive fiscal
21 years may not exceed ten percent (10%) of the total funds for direct services
22 allocated to a local partnership in those two consecutive fiscal years.

23 (e) State funds allocated to local partnerships shall not supplant current
24 expenditures by counties on behalf of young children and their families, and
25 maintenance of current efforts on behalf of these children and families shall be
26 sustained. State funds shall not be applied without the ~~Secretary's~~ North Carolina
27 Partnership's approval where State or federal funding sources, such as Head Start, are
28 available or could be made available to that county.

29 (f) Local partnerships may carry over funds from one fiscal year to the ~~next,~~ next
30 with the approval of the North Carolina Partnership, subject to the following
31 conditions:

- 32 (1) Local partnerships in their first year of receiving direct services
33 funding may, on a one-time basis only, carry over any unspent
34 funds to the subsequent fiscal year.
35 (2) Any local partnership may carry over any unspent funds to the
36 subsequent fiscal year, subject to the limitation that funds carried
37 over may not exceed the increase in funding the local partnership
38 received during the current fiscal year over the prior fiscal year.

39 (g) Not less than thirty percent (30%) of each local partnership's direct services
40 allocation shall be used to expand child care subsidies. To the extent practicable,
41 these funds shall be used to enhance the affordability, availability, and quality of
42 child care services as described in this section. No State Early Childhood Education
43 and Development funds or public non-State matching funds may be used by any local
44 partnership or by the North Carolina Partnership for early childhood education and
45 development purposes, activities, programs, or services that have been disapproved by
46 the General Assembly. No State Early Childhood Education and Development funds
47 or non-State Early Childhood Education and Development-related funds shall be
48 used by any local partnership or by the North Carolina Partnership for any lobbying
49 before the General Assembly. Nothing in this section prohibits any citizen from
50 expressing his or her views to a member of the General Assembly in his or her
51 capacity as a citizen.

52 (h) The North Carolina Partnership is subject to the Executive Budget Act and its
53 concomitant accountability.

1 "§ 143B-168.16. Home-centered services; consent.

2 No home-centered services including home visits or in-home parenting training
3 shall be allowed under this Part unless the written, informed consent of the
4 participating parents authorizing the home-centered services is first obtained by the
5 local partnership, educational institution, local school administrative unit, private
6 school, not-for-profit organization, governmental agency, or other entity that is
7 conducting the parenting program. The participating parents may revoke at any time
8 their consent for the home-centered services.

9 The consent form shall contain a clear description of the program including (i) the
10 activities and information to be provided by the program during the home visits, (ii)
11 the number of expected home visits, (iii) any responsibilities of the parents, (iv) the
12 fact, if applicable, that a record will be made and maintained on the home visits, (v)
13 the fact that the parents may revoke at any time the consent, and (vi) any other
14 information as may be necessary to convey to the parents a clear understanding of the
15 program.

16 Parents at all times shall have access to any record maintained on home-centered
17 services provided to their family and may place in that record a written response to
18 any information with which they disagree that is in the record."

19 (b) UNCODIFIED STATUTE PROVISIONS ON EARLY CHILDHOOD
20 EDUCATION AND DEVELOPMENT INITIATIVES

21 Section 11.55 of S.L. 1997-443 reads as rewritten:

22 "Section 11.55. (a) The General Assembly finds that it is essential to continue
23 developing comprehensive programs that provide high quality early childhood
24 education and development services locally for children and their ~~families~~. families
25 to prepare children for school. The General Assembly intends to expand the Early
26 Childhood Education and Development Initiatives Program (the "Program") in a
27 manner which ensures quality assurance and performance-based accountability for
28 the Program.

29 ~~(b) Notwithstanding any provision of Part 10B of Article 3 of Chapter 143B of the~~
30 ~~General Statutes or any other provision of law or policy, the Department of Human~~
31 ~~Resources and the~~ The North Carolina Partnership for Children, Inc., jointly shall
32 continue to implement the recommendations contained in the Smart Start
33 Performance Audit prepared pursuant to Section 27A(1)b. of Chapter 324 of the 1995
34 Session Laws, as modified by Section 24.29 of Chapter 18 of the Session Laws,
35 Second Extra Session 1996. 1996, insofar as possible pursuant to Part 10B of Article 3
36 of Chapter 143B of the General Statutes. The North Carolina Partnership for
37 Children, Inc., shall continue to report quarterly to the Joint Legislative Commission
38 on Governmental Operations on its progress toward full implementation of the
39 modified audit recommendations.

40 (c) The Joint Legislative Commission on Governmental Operations shall,
41 consistent with current law, continue to be the legislative oversight body for the
42 Program. The President Pro Tempore of the Senate and the Speaker of the House of
43 Representatives may appoint a subcommittee of the Joint Legislative Commission on
44 Governmental Operations to carry out this function. This subcommittee may conduct
45 all initial reviews of plans, reports, and budgets relating to the Program and shall
46 make recommendations to the Joint Legislative Commission on Governmental
47 Operations.

48 (d) Administrative costs shall be equivalent to, on an average statewide basis for
49 all local partnerships, not more than eight percent (8%) of the total statewide
50 allocation to all local partnerships. What counts as administrative costs shall be as
51 defined in the Smart Start Performance Audit.

52 (e) Any local partnership, before receiving State funds, shall be required annually
53 to submit a plan and budget for State funds for appropriate programs to the North

1 Carolina Partnership for Children, Inc., and the Joint Legislative Commission on
2 Governmental Operations. State funds to implement the programs shall not be
3 allocated to a local partnership until the program plan is approved by the North
4 Carolina Partnership for Children, Inc.

5 (f) The North Carolina Partnership for Children, Inc., and all local partnerships
6 shall use competitive bidding practices in contracting for goods and services on all
7 contract amounts of one thousand five hundred dollars (\$1,500) and above, and,
8 where practicable, on contracts for amounts of less than one thousand five hundred
9 dollars (\$1,500), as follows:

- 10 (1) For amounts of five thousand dollars (\$5,000) or less, three verbal
11 quotes;
- 12 (2) For amounts greater than five thousand dollars (\$5,000) but less
13 than fifteen thousand dollars (\$15,000), three written quotes;
- 14 (3) For amounts of fifteen thousand dollars (\$15,000) or more but less
15 than forty thousand dollars (\$40,000), a request for proposal
16 process; and
- 17 (4) For amounts of forty thousand dollars (\$40,000) or more, request
18 for proposal process and advertising in a newspaper with statewide
19 circulation.

20 ~~(g) The role of the North Carolina Partnership for Children, Inc., shall continue~~
21 ~~to be expanded to incorporate all the aspects of the new role determined for the~~
22 ~~Partnership in the Smart Start Performance Audit recommendations and to provide~~
23 ~~technical assistance to local partnerships, assess outcome goals for children and~~
24 ~~families, ensure that statewide goals and legislative guidelines are being met, help~~
25 ~~establish policies and outcome measures, obtain non-State resources for early~~
26 ~~childhood and family services, and document and verify the cumulative contributions~~
27 ~~received by the partnerships.~~

28 (h) The North Carolina Partnership for Children, Inc., and all local partnerships
29 shall, in the aggregate, be required to match no less than fifty percent (50%) of the
30 total amount budgeted for the Program in each fiscal year of the biennium as follows:
31 contributions of cash equal to at least ten percent (10%) and in-kind donated
32 resources equal to no more than ten percent (10%) for a total match requirement of
33 twenty percent (20%) for each fiscal year. Only in-kind contributions that are
34 quantifiable, as determined in the Smart Start Performance Audit, shall be applied to
35 the in-kind match requirement. Expenses, including both those paid by cash and in-
36 kind contributions, incurred by other participating non-State entities contracting with
37 the North Carolina Partnership for Children or the local partnerships, also may be
38 considered resources available to meet the required private match. In order to
39 qualify to meet the required private match, the expenses shall:

- 40 (1) Be verifiable from the contractor's records;
- 41 (2) If in-kind, be quantifiable in accordance with generally accepted
42 accounting principles for nonprofit organizations;
- 43 (3) Not include expenses funded by State funds;
- 44 (4) Be supplemental to and not supplant preexisting resources for
45 related program activities;
- 46 (5) Be incurred as a direct result of the Early Childhood Initiatives
47 Program and be necessary and reasonable for the proper and
48 efficient accomplishment of the Program's objectives;
- 49 (6) Be otherwise allowable under federal or State law;
- 50 (7) Be required and described in the contractual agreements approved
51 by the North Carolina Partnership for Children or the local
52 partnership; and

(8) Be reported to the North Carolina Partnership for Children or the local partnership by the contractor in the same manner as reimbursable expenses.

The North Carolina Partnership shall establish uniform guidelines and reporting format for local partnerships to document the qualifying expenses occurring at the contractor level. Local partnerships shall monitor qualifying expenses to ensure they have occurred and meet the requirements prescribed in this subsection.

Failure to obtain a twenty percent (20%) match by May 1 of each fiscal year shall result in a dollar-for-dollar reduction in the appropriation for the Program for the next fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Commission on Governmental Operations pursuant to G.S. 143B-168.13(5) in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

(i) Counties participating in the Program may use the county's allocation of State and federal child care funds to subsidize child care according to the county's Early Childhood Education and Development Initiatives Plan as approved by the North Carolina Partnership for Children, Inc. The use of federal funds shall be consistent with the appropriate federal regulations. Child care providers shall, at a minimum, comply with the applicable requirements for State licensure or registration pursuant to Article 7 of Chapter 110 of the General Statutes, with other applicable requirements of State law or rule, including rules adopted for nonregistered child care by the Social Services Commission, and with applicable federal regulations.

~~(j) The Department of Human Resources shall continue to implement the performance-based evaluation system.~~

(k) The Frank Porter Graham Child Development Center shall continue its evaluation of the ~~Program~~. Program until June 30, 1999. After this date, the North Carolina Partnership shall open the process for individuals and entities interested in bidding for a contract to evaluate the Program. The Frank Porter Graham Child Development Center may submit a bid. Notwithstanding any policy to the contrary, the Frank Porter Graham Child Development Center or any subsequent individual or entity that operates under contract to evaluate the Program may use any method legally available to it to track children who are participating or who have participated in any Early Childhood Education and Development Initiative in order to carry out its ongoing evaluation of the Program.

~~(l) G.S. 143B-168.12(a) reads as rewritten:~~

~~"(a) In order to receive State funds, the following conditions shall be met:~~

~~(1) The North Carolina Partnership shall have a Board of Directors consisting of the following 38 members:~~

~~a. The Secretary of Health and Human Services, ex officio;~~

~~b. Repealed;~~

~~c. The Superintendent of Public Instruction, ex officio;~~

~~d. The President of the Department of Community Colleges, ex officio;~~

~~e. One resident from each of the 1st, 3rd, 5th, 7th, 9th, and 11th Congressional Districts, appointed by the President Pro Tempore of the Senate;~~

~~f. One resident from each of the 2nd, 4th, 6th, 8th, 10th, and 12th Congressional Districts, appointed by the Speaker of the House of Representatives;~~

- 1 g- ~~Seventeen members, of whom four shall be members of the~~
2 ~~party other than the Governor's party, appointed by the~~
3 ~~Governor;~~
4 h- ~~The President Pro Tempore of the Senate, or a designee;~~
5 i- ~~The Speaker of the House of Representatives, or a designee;~~
6 j- ~~The Majority Leader of the Senate, or a designee;~~
7 k- ~~The Majority Leader of the House of Representatives, or a~~
8 ~~designee;~~
9 l- ~~The Minority Leader of the Senate, or a designee; and~~
10 m- ~~The Minority Leader of the House of Representatives, or a~~
11 ~~designee.~~
12 (2) ~~The North Carolina Partnership shall agree to adopt procedures~~
13 ~~for its operations that are comparable to those of Article 33C of~~
14 ~~Chapter 143 of the General Statutes, the Open Meetings Law, and~~
15 ~~Chapter 132 of the General Statutes, the Public Records Law, and~~
16 ~~provide for enforcement by the Department.~~
17 (3) ~~The North Carolina Partnership shall oversee the development and~~
18 ~~implementation of the local demonstration projects as they are~~
19 ~~selected.~~
20 (4) ~~The North Carolina Partnership shall develop and implement a~~
21 ~~comprehensive standard fiscal accountability plan to ensure the~~
22 ~~fiscal integrity and accountability of State funds appropriated to it~~
23 ~~and to the local partnerships. The standard fiscal accountability~~
24 ~~plan shall, at a minimum, include a uniform, standardized system~~
25 ~~of accounting, internal controls, payroll, fidelity bonding, chart of~~
26 ~~accounts, and contract management and monitoring. The North~~
27 ~~Carolina Partnership may contract with outside firms to develop~~
28 ~~and implement the standard fiscal accountability plan. All local~~
29 ~~partnerships shall be required to participate in the standard fiscal~~
30 ~~accountability plan developed and adopted by the North Carolina~~
31 ~~Partnership pursuant to this subdivision.~~
32 (5) ~~The North Carolina Partnership shall develop and implement a~~
33 ~~centralized accounting and contract management system which~~
34 ~~incorporates features of the required standard fiscal accountability~~
35 ~~plan described in subdivision (4) of subsection (a) of this section.~~
36 ~~The following local partnerships shall be required to participate in~~
37 ~~the centralized accountability system developed by the North~~
38 ~~Carolina Partnership pursuant to this subdivision:~~
39 a- ~~Local partnerships which have significant deficiencies in~~
40 ~~their accounting systems, internal controls, and contract~~
41 ~~management systems, as determined by the North Carolina~~
42 ~~Partnership based on the annual financial audits of the local~~
43 ~~partnerships conducted by the Office of the State Auditor;~~
44 ~~and~~
45 b- ~~Local partnerships which are in the first two years of~~
46 ~~operation following their selection, except for those created~~
47 ~~by combination with existing local partnerships. At the end~~
48 ~~of this two year period, local partnerships shall continue to~~
49 ~~participate in the centralized accounting and contract~~
50 ~~management system. With the approval of the North~~
51 ~~Carolina Partnership, local partnerships may perform~~
52 ~~accounting and contract management functions at the local~~
53 ~~level using the standardized and uniform accounting system;~~

~~internal controls, and contract management systems developed by the North Carolina Partnership.~~

~~Local partnerships which otherwise would not be required to participate in the centralized accounting and contract management system pursuant to this subdivision may voluntarily choose to participate in the system. Participation or nonparticipation shall be for a minimum of two years, unless, in the event of nonparticipation, the North Carolina Partnership determines that any partnership's annual financial audit reveals serious deficiencies in accounting or contract management.~~

(6) ~~The North Carolina Partnership shall develop a formula for allocating direct services funds appropriated for this purpose to local partnerships.~~

(7) ~~The North Carolina Partnership may adjust its allocations on the basis of local partnerships' performance assessments. In determining whether to adjust its allocations to local partnerships, the North Carolina Partnership shall consider whether the local partnerships are meeting the outcome goals and objectives of the North Carolina Partnership and the goals and objectives set forth by the local partnerships in their approved annual program plans.~~

~~The North Carolina Partnership may use additional factors to determine whether to adjust the local partnerships' allocations. These additional factors shall be developed with input from the local partnerships and shall be communicated to the local partnerships when the additional factors are selected. These additional factors may include board involvement, family and community outreach, collaboration among public and private service agencies, and family involvement.~~

~~On the basis of performance assessments, local partnerships annually shall be rated 'superior', 'satisfactory', or 'needs improvement'. Local partnerships rated 'superior' may receive, to the extent that funds are available, a ten percent (10%) increase in their annual funding allocation. Local partnerships rated 'satisfactory' may receive their annual funding allocation. Local partnerships rated 'needs improvement' may receive ninety percent (90%) of their annual funding allocation.~~

~~The North Carolina Partnership may contract with outside firms to conduct the performance assessments of local partnerships.~~

(8) ~~The North Carolina Partnership shall establish a local partnership advisory committee comprised of 15 members. Eight of the members shall be chairs of local partnerships' board of directors, and seven shall be staff of local partnerships. Members shall be chosen by the Chair of the North Carolina Partnership from a pool of candidates nominated by their respective boards of directors. The local partnership advisory committee shall serve in an advisory capacity to the North Carolina Partnership and shall establish a schedule of regular meetings. Members shall serve two year terms and shall not serve more than two consecutive terms. Members shall be chosen from local partnerships on a rotating basis. The advisory committee shall annually elect a chair from among its members.~~

(9) ~~The North Carolina Partnership shall report (i) quarterly to the Joint Legislative Commission on Governmental Operations and (ii)~~

to the General Assembly and the Governor on the ongoing progress of all the local partnerships' work, including all details of the use to which the allocations were put, and on the continuing plans of the North Carolina Partnership and of the Department, together with legislative proposals, including proposals to implement the program statewide."

(m) G.S. 143B-168.13(a) reads as rewritten:

"(a) The Department shall:

(1) Develop a statewide process, in cooperation with the North Carolina Partnership, to select the local demonstration projects. The first 12 local demonstration projects developed and implemented shall be located in the 12 congressional districts, one to a district. The locations of subsequent selections of local demonstration projects shall represent the various geographic areas of the State.

(2) Develop and conduct a statewide needs and resource assessment every third year, beginning in the 1997-98 fiscal year. This needs assessment shall be conducted in cooperation with the North Carolina Partnership and with the local partnerships. The Department may contract with an independent firm to conduct the needs assessment. The needs assessment shall be conducted in a way which enables the Department and the North Carolina Partnership to review, and revise as necessary, the total program cost estimate and methodology. The data and findings of this needs assessment shall form the basis for annual program plans developed by local partnerships and approved by the North Carolina Partnership. A report of the findings of the needs assessment shall be presented to the General Assembly prior to the beginning of the 1999 Session and every three years after that date.

(2a) Develop and maintain an automated, publicly accessible database of all regulated child care programs.

(3) Repealed.

(4) Adopt, in cooperation with the North Carolina Partnership, any rules necessary to implement this Part, including rules to ensure that State leave policy is not applied to the North Carolina Partnership and the local partnerships. In order to allow local partnerships to focus on the development of long range plans in their initial year of funding, the Department may adopt rules that limit the categories of direct services for young children and their families for which funds are made available during the initial year.

(5) Repealed by Session Laws 1996, Second Extra Session, c. 18, s. 24.29(e).

(6) Annually update its funding formula using the most recent data available. These amounts shall serve as the basis for determining 'full funding' amounts for each local partnership."

(n) G.S. 143B-168.15 reads as rewritten:

"§ 143B-168.15. Use of State funds.

(a) State funds allocated to local projects for services to children and families shall be used to meet assessed needs, expand coverage, and improve the quality of these services. The local plan shall address the assessed needs of all children to the extent feasible. It is the intent of the General Assembly that the needs of both young children below poverty who remain in the home, as well as the needs of young children below poverty who require services beyond those offered in child care

1 settings, be addressed. Therefore, as local partnerships address the assessed needs of
2 all children, they should devote an appropriate amount of their State allocations,
3 considering these needs and other available resources, to meet the needs of children
4 below poverty and their families.

5 (b) Depending on local, regional, or statewide needs, funds may be used to
6 support activities and services that shall be made available and accessible to
7 providers, children, and families on a voluntary basis. Of the total funds allocated to
8 all local partnerships for direct services, seventy percent (70%) shall be used in child
9 care-related activities and programs which improve access to child care services,
10 develop new child care services, or improve the quality of child care services in all
11 settings.

12 (c) Long-term plans for local projects that do not receive their full allocation in
13 the first year, other than those selected in 1993, should consider how to meet the
14 assessed needs of low-income children and families within their neighborhoods or
15 communities. These plans also should reflect a process to meet these needs as
16 additional allocations and other resources are received.

17 (d) State funds designated for start-up and related activities may be used for
18 capital expenses or to support activities and services for children, families, and
19 providers. State funds designated to support direct services for children, families, and
20 providers shall not be used for major capital expenses unless the North Carolina
21 Partnership approves this use of State funds based upon a finding that a local
22 partnership has demonstrated that (i) this use is a clear priority need for the local
23 plan, (ii) it is necessary to enable the local partnership to provide services and
24 activities to underserved children and families, and (iii) the local partnership will not
25 otherwise be able to meet this priority need by using State or federal funds available
26 to that local partnership. The funds approved for capital projects in any two
27 consecutive fiscal years may not exceed ten percent (10%) of the total funds for
28 direct services allocated to a local partnership in those two consecutive fiscal years.

29 (e) State funds allocated to local partnerships shall not supplant current
30 expenditures by counties on behalf of young children and their families, and
31 maintenance of current efforts on behalf of these children and families shall be
32 sustained. State funds shall not be applied without the Secretary's approval where
33 State or federal funding sources, such as Head Start, are available or could be made
34 available to that county.

35 (f) Local partnerships may carry over funds from one fiscal year to the next,
36 subject to the following conditions:

37 (1) Local partnerships in their first year of receiving direct services
38 funding may, on a one-time basis only, carry over any unspent
39 funds to the subsequent fiscal year.

40 (2) Any local partnership may carry over any unspent funds to the
41 subsequent fiscal year, subject to the limitation that funds carried
42 over may not exceed the increase in funding the local partnership
43 received during the current fiscal year over the prior fiscal year.

44 (g) Not less than thirty percent (30%) of each local partnership's direct services
45 allocation shall be used to expand child care subsidies. To the extent practicable,
46 these funds shall be used to enhance the affordability, availability, and quality of
47 child care services as described in this section. The North Carolina Partnership may
48 increase this percentage requirement up to a maximum of fifty percent (50%) when,
49 based upon the local waiting list for subsidized child care or the total percentage of
50 children served whose families are income eligible for subsidized child care, the
51 North Carolina Partnership determines a higher percentage is justified."

52 (o) The North Carolina Partnership shall not apply the subsidy requirement in
53 G.S. 143B-168.15(g) to the 45 counties eligible to receive planning funds in 1997-98.

(p) There is allocated from the funds appropriated to the Department of ~~Human Resources~~, Health and Human Services, Division of Child Development, in this act, the sum of twenty-two million two hundred fifty-eight thousand six hundred twenty-five dollars (\$22,258,625) for the 1997-98 fiscal year ~~and pursuant to subdivisions (1) through (6) of this subsection.~~

There is transferred from the funds appropriated to the Department of Health and Human Services, Division of Child Development, for the 1998-99 fiscal year to the Office of State Budget and Management the sum of ninety-eight million one hundred fifty-five thousand eight hundred twenty-eight dollars (\$98,155,828) for the North Carolina Partnership for Children, Inc. Of these funds, the sum of twenty-five million two hundred ninety-eight thousand eight hundred thirty-eight dollars (\$25,298,838) for the 1998-99 fiscal year to be shall be used as follows:

- (1) Of the 35 partnerships existing as of the 1996-97 fiscal year, funds for direct services shall be increased a total of \$15,215,912 for the 1997-98 fiscal year to the Department and \$15,215,912 for the 1998-99 fiscal year year to the North Carolina Partnership. The North Carolina Partnership for Children, Inc., may use up to \$1,500,000 of these funds in the 1997-98 fiscal year as planning funds for the remaining 45 unfunded counties.
- (2) For the 12 new partnerships planned for as of the 1996-97 fiscal year, funds shall be \$5,252,713 for the 1997-98 fiscal year for the Department and \$9,142,926 for the 1998-99 fiscal year for the North Carolina Partnership to administer and deliver direct services.
- (3) The North Carolina Partnership for Children, Inc., shall receive an additional \$700,000 in the 1997-98 fiscal year and an additional \$700,000 in the 1998-99 fiscal year for the State-level administration of the Program.
- (4) The Department of ~~Human Resources~~ Health and Human Services shall receive \$750,000 in nonrecurring funds in the 1997-98 fiscal year to conduct a statewide needs and resources assessment.
- (5) The Department of ~~Human Resources~~ Health and Human Services shall receive \$100,000 in nonrecurring funds in the 1997-98 fiscal year to complete the automation of a database of all regulated child care programs.
- (6) The Department of ~~Human Resources~~ Health and Human Services shall receive \$240,000 in the 1997-98 fiscal year and the North Carolina Partnership shall receive \$240,000 in the 1998-99 fiscal year for professional development programs.

(q) Of the funds appropriated to the Department of ~~Human Resources~~ Health and Human Services for the Program for the 1997-99 biennium, the Frank Porter Graham Child Development Center shall receive the sum of eight hundred fifty thousand dollars (\$850,000) for the 1997-98 fiscal year and the sum of eight hundred fifty thousand dollars (\$850,000) for the 1998-99 fiscal year.

(r) Except for replacements of legislative members, the changes required of the membership of the North Carolina Partnership in G.S. 143B-168.12(a)(1) and the changes required of the membership of the local boards in G.S. 143B-168.12(a)(1) and G.S. 143B-168.14(a)(1), made in subsection (a) of this section, shall be effected as the current members' terms expire. The legislative members of the North Carolina Partnership and of the local boards shall be replaced immediately by the appropriate appointing authority."

(c) The General Assembly finds that two important, recent studies of the Early Childhood Education and Development Initiatives Program have stressed that

1 local partnerships should, generally, be regional rather than single-county, in order to
2 ensure the greatest cost-efficiency and the greatest administrative efficiency.

3 Effective July 1, 1999, the North Carolina Partnership for Children, Inc.,
4 shall implement a plan to regionalize appropriate local partnerships across the State.

5 The North Carolina Partnership shall develop the plan to be
6 implemented after careful consideration of the Coopers and Lybrand Smart Start
7 Program Performance Audit Final Report, dated April, 1996, and the McGladrey and
8 Pullen Study of Administrative Structure, dated June 24, 1998.

9 The North Carolina Partnership shall report this plan, together with the
10 criteria it used and with a detailed cost/benefit analysis, to the Senate Appropriations
11 Committee on Human Resources and the House of Representatives Appropriations
12 Subcommittee on Human Resources and to the Fiscal Research Division by March
13 15, 1999.

14
15 [SECTION 12.38 RESERVED]

16
17 **SUBPART 8. YOUTH SERVICES**

18 Requested by: Representatives Gardner, Cansler, Clary

19 **DYS TRAINING SCHOOLS EVALUATION**

20 Section 12.39. (a) Of the funds appropriated in this act to the
21 Department of Health and Human Services, the sum of four hundred seventy-five
22 thousand dollars (\$475,000) shall be used to ensure that multidisciplinary diagnoses
23 and evaluations, as provided for in G.S. 115C-113, are made on all students in
24 training schools operated by the Division of Youth Services and that the requisite
25 resources and services are provided for all DYS training school students who are
26 identified as children with special needs. The Department shall use these funds to
27 provide evaluations, resources, and services, but shall not reduce current DYS
28 services. Lapsed salary funds shall not be used to create new permanent positions.

29 (b) Within 30 days of adjournment sine die of the 1997 General
30 Assembly, the Department shall report to the members of the Senate Appropriations
31 Committee on Human Resources and the House of Representatives Appropriations
32 Subcommittee on Human Resources and the Fiscal Research Division the line items
33 in the Department's budget from which funds allocated under this section will be
34 taken.

35
36 [SECTIONS 12.40, 12.41 RESERVED]

37
38 **SUBPART 9. HEALTH SERVICES**

39 Requested by: Representatives Gardner, Cansler, Clary

40 **WIC PROGRAM FUNDS**

41 Section 12.42. Section 15.27 of S.L. 1997-443 reads as rewritten:
42 "Section 15.27. Of the funds appropriated to the Department of ~~Environment,~~
43 ~~Health, and Natural Resources~~ Health and Human Services for the Women, Infants,
44 and Children (WIC) Program, the sum of one million two hundred eighty thousand
45 dollars (\$1,280,000) for the 1997-98 fiscal year and the sum of one million two
46 hundred eighty thousand dollars (\$1,280,000) for the 1998-99 fiscal year shall, if
47 sufficient federal food funds are available, be used for the WIC Program as follows:

48 (1) Not more than \$500,000 in each fiscal year shall be used to
49 establish new WIC Programs in Head Start or other private or
50 public nonprofit agencies to serve additional mothers, infants, and
51 children. The Department shall utilize these funds for local
52 program operations including staff to provide eligibility
53 determination, nutrition education, and health care referrals. In

1 selecting the new WIC Programs, the Department shall consider
2 accessibility to the target population including location and hours
3 of operation.

4 (2) Not more than \$250,000 in each fiscal year shall be used to
5 renovate facilities of existing programs where space constraints
6 limit program expansion, and to fund rental costs in areas where
7 accessible donated space is not available. In selecting the facilities
8 the Department shall consider accessibility to the target population
9 including location and extended hours of operation. In
10 determining whether to fund rental of space, the Department shall
11 ensure that options for using donated accessible space have been
12 considered. Not more than \$75,000 of funds allocated under this
13 subdivision for each fiscal year shall be used for rental of space.

14 (3) Not more than \$300,000 in each fiscal year shall be used to
15 purchase physician-prescribed special formulas and nutritional
16 supplements for infants, children, and women.

17 (4) Not more than ~~\$60,000~~ \$180,000 in ~~each~~ the 1998-99 fiscal year
18 shall be used to provide the required State match to the WIC
19 farmers' market project.

20 (5) Not more than ~~\$170,000~~ \$50,000 in ~~each~~ the 1998-99 fiscal year
21 shall be used for the purpose of establishing and maintaining a
22 Public Health Nutritionist Internship Program.

23 If sufficient federal food funds are not available then funds appropriated for the WIC
24 Program under this section shall be used to supplement federal food funds and any
25 balance in funds remaining after the supplemental use shall be used in accordance
26 with subdivisions (1) through (5) of this section."

27
28 Requested by: Representatives Gardner, Cansler, Clary

29 **HEALTHY MOTHERS/HEALTHY CHILDREN PILOT PROGRAM**

30 Section 12.43. (a) The Department of Health and Human Services may
31 initiate a Healthy Mothers/Healthy Children Grant Program in up to six local health
32 departments. The Department may consolidate federal Maternal and Child Health
33 Block Grant funds and State funds appropriated for the Maternal Health, Women's
34 Preventive Health, Child Health, Child Service Coordination and Immunization
35 programs into a Healthy Mothers/Healthy Children Grant Program for each
36 participating local health department. Local health departments participating in the
37 Healthy Mothers/Healthy Children Grant Program may use grant funds to do any of
38 the following:

39 (1) Improve the health status of women of childbearing age by
40 expanding preventive health services and reducing and/or
41 controlling health risk factors.

42 (2) Reduce infant mortality and morbidity by preventing high-risk
43 pregnancies, improving the health status of women before
44 pregnancy, improving access to prenatal care, reducing
45 prematurity, and improving survival rates of preterm and other
46 high-risk infants.

47 (3) Reduce mortality and morbidity among children and youth by
48 reducing the incidence of communicable disease and other
49 preventable conditions, the occurrence and severity of injuries, the
50 incidence of genetic disorders, and the incidence of chronic
51 illnesses and developmental disabilities.

52 (4) Enhance the health and functional status of children and youth
53 with chronic handicapping conditions by reducing the severity of

the conditions through the provision of early identification, diagnosis, treatment, and care coordination services.

(b) The Department shall not include federal categorical funds, competitive special project funds, and funds for regionalized services in grant funds awarded to local health departments under the Healthy Mothers/Healthy Children Grant Program.

(c) The Department shall require participating local health departments to identify and report expenditures by program in order to monitor and track the use of Healthy Mothers/Healthy Children Grant Program funds to meet federal and State reporting requirements. In addition, the Department shall require local health departments to report on the administrative, programmatic, and health outcome benefits which are realized by providing localities greater flexibility.

(d) The Department shall report to members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources on the implementation of the Healthy Mothers/Healthy Children Grant Program not later than April 1, 1999.

Requested by: Representatives Gardner, Cansler, Clary

CHILD FATALITY TASK FORCE

Section 12.44. (a) Subsections (b), (c), and (d) of Section 285 of Chapter 321 of the 1993 Session Laws are repealed.

(b) G.S. 143-573(c) reads as rewritten:

"(c) All members of the Task Force are voting members. Vacancies in the appointed membership shall be filled by the appointing officer who made the initial appointment. ~~The Speaker of the House of Representatives shall call the first meeting no later than October 1, 1991. At the first meeting the members shall elect a chair who shall preside for the duration of the Task Force. Terms shall be two years. The members shall elect a chair who shall preside for the duration of the chair's term as member. In the event a vacancy occurs in the chair before the expiration of the chair's term, the members shall elect an acting chair to serve for the remainder of the unexpired term.~~"

(c) G.S. 143-574 reads as rewritten:

"§ 143-574. Task Force -- duties.

The Task Force shall:

- (1) Undertake a statistical study of the incidence and causes of child deaths in this State ~~during 1988 and 1989~~, and establish a profile of child deaths. The study shall include (i) an analysis of all community and private and public agency involvement with the decedents and their families prior to death, and (ii) an analysis of child deaths by age, cause, and geographic distribution;
- (2) Develop a system for multidisciplinary review of child deaths. In developing such a system, the Task Force shall study the operation of existing local teams. The Task Force shall also consider the feasibility and desirability of local or regional review teams and, should it determine such teams to be feasible and desirable, develop guidelines for the operation of the teams. The Task Force shall also examine the laws, rules, and policies relating to confidentiality of and access to information that affect those agencies with responsibilities for children, including State and local health, mental health, social services, education, and law enforcement agencies, to determine whether those laws, rules, and policies inappropriately impede the exchange of information

- 1 necessary to protect children from preventable deaths, and, if so,
2 recommend changes to them;
3 (3) Receive and consider reports from the State Team; and
4 (4) Perform any other studies, evaluations, or determinations the Task
5 Force considers necessary to carry out its mandate."
6 (d) G.S. 143-577 reads as rewritten:

7 "**§ 143-577. Task Force -- reports.**

8 (a) The Task Force shall ~~provide a preliminary~~ report annually to the Governor
9 and General Assembly, within the first week of the convening or reconvening of the
10 ~~1992 Session of the 1994 General Assembly. This preliminary~~ The report shall
11 contain at least a summary of ~~preliminary~~ the conclusions and recommendations for
12 each of the Task Force's duties, as well as any other recommendations for changes to
13 any law, rule, and policy that it has determined will promote the safety and well-
14 being of children. Any recommendations of changes to law, rule, or policy shall be
15 accompanied by specific legislative or policy proposals and detailed fiscal notes
16 setting forth the costs to the State.

17 (b) ~~The Task Force shall make a written report to the Governor and General~~
18 ~~Assembly within the first week of the convening of the 1997 General Assembly. The~~
19 ~~Task Force may make a written report to the Governor and General Assembly within~~
20 ~~one week of the convening of the 1998 Regular Session of the 1997 General~~
21 ~~Assembly. The Task Force shall make a final written report to the Governor and~~
22 ~~General Assembly within the first week of the convening of the 1999 General~~
23 ~~Assembly. The final report shall include final conclusions and recommendations for~~
24 ~~each of the Task Force's duties, as well as any other recommendations for changes to~~
25 ~~any law, rule, and policy that it has determined will promote the safety and~~
26 ~~well-being of children. Any recommendations of changes to law, rule, or policy shall~~
27 ~~be accompanied by specific legislative or policy proposals and detailed fiscal notes~~
28 ~~setting forth the costs to the State.~~

29 (c) ~~After the Task Force provides its final report to the Governor and General~~
30 ~~Assembly, the Task Force shall cease to be in existence."~~

31
32 Requested by: Representatives Gardner, Cansler, Clary

33 **MATERNAL OUTREACH**

34 Section 12.45. (a) The Department of Health and Human Services shall
35 ensure that local communities who receive State funds for intensive home visiting
36 programs, including the Olds and Healthy Families America models, collect and
37 report data to the Department which will allow a valid and reliable evaluation of the
38 long-term effectiveness of this intervention in improving maternal and child
39 outcomes. The Department shall design a standard reporting system for local
40 programs to use in supplying this data. At a minimum, the data should provide
41 information on the effect of prenatal and infancy home visits by nurses on all of the
42 following:

- 43 (1) Preterm delivery, low-birth weight, and infant morbidity/mortality.
44 (2) Childhood injuries.
45 (3) Childhood maltreatment.
46 (4) Immunizations.
47 (5) Mental development and behavioral problems.
48 The data shall also provide information on maternal life course, as measured by:
49 (6) Subsequent pregnancy.
50 (7) Educational achievement.
51 (8) Labor force participation.
52 (9) Use of public assistance programs.

(b) The Department shall report on its plans for developing and implementing a scientifically sound methodology for evaluating these programs by February 1, 1999, to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and to the Fiscal Research Division.

Requested by: Representatives Gardner, Cansler, Clary

AIDS DRUG ASSISTANCE PROGRAM (ADAP)

Section 12.46A. (a) The Department of Health and Human Services shall develop and implement a cost-containment plan for the purpose of serving additional clients of the HIV Medications Program. In developing the Plan, the Department shall do the following:

- (1) Explore the feasibility of obtaining a Medicaid expansion waiver;
- (2) Estimate the potential cost savings to the State of participating in the 340B Drug Pricing Program by studying various ways of adhering to program requirements while also realizing cost savings;
- (3) Examine, for possible adoption, ADAP and other similar program cost-saving strategies in other states, including, but not limited to, restrictive formularies, prescription limitations, insurance continuity, and insurance purchasing programs, and biannual or quarterly reauthorizations; and
- (4) Conduct other activities that will assist in the development of a viable plan.

(b) The Department shall implement cost-containment programs or mechanisms, other than pharmaceutical rebates, by October 1, 1998, and shall report to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources not later than December 15, 1998, on the following:

- (1) The realized and projected savings;
- (2) Findings from subdivisions (1), (2), and (3) of subsection (a) of this section; and
- (3) Recommendations for legislative action.

(c) Savings realized through cost-containment measures shall be used to serve additional ADAP participants in fiscal year 1998-99. Funds not expended for authorized program costs shall revert to the General Fund.

(d) The Department shall also develop a comprehensive information system on AIDS/HIV clients receiving services from the State. This system shall include information on program usage patterns of ADAP participants, including, but not limited to, frequency of prescription purchases, and types of medications prescribed. The Department shall also develop a plan for monitoring patient compliance with physician treatment recommendations. In developing the plan, the Department shall identify ways of obtaining information without interfering with physician-patient confidentiality. The Department shall report on this plan to the members of the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources not later than December 15, 1998.

[SECTIONS 12.47, 12.48, 12.49 RESERVED]

Requested by: Representatives Gardner, Cansler, Clary

HIV MEDICATIONS DISPENSED BY CERTAIN LOCAL HEALTH DEPARTMENT PHARMACIES

1 Section 12.50. A local health department or county agency providing
2 public health services that has a full-time, on-site pharmacy may contract with the
3 Department of Health and Human Services to be the sole dispenser of medications to
4 participants in the HIV Medication Program in the county or counties served by the
5 local health department or county agency providing public health services.

6
7 Requested by: Representatives Gardner, Cansler, Clary

8 **LOCAL HEALTH DEPARTMENTS PROVIDE HIV/STD PREVENTION SERVICES**

9 Section 12.51. The Department of Health and Human Services, Division
10 of Epidemiology, shall allocate HIV/STD Prevention Services Program funds for
11 community-based organizations to local health departments. Local health
12 departments may contract with community-based organizations, including HIV Care
13 Consortia and Community Planning Regional Organizations, to ensure that services
14 are provided to high-risk individuals. Contracts between local health departments
15 and community-based organizations shall provide for the local health director or his
16 or her designee to serve as a liaison to the organization's board of directors.

17
18 Requested by: Representatives Gardner, Cansler, Clary

19 **IMPROVE IMMUNIZATION PROGRAM ACCOUNTABILITY**

20 Section 12.52. (a) The Department of Health and Human Services,
21 Division of Women's and Children's Health, shall develop and implement strategies
22 to improve accountability in the Immunization Program. The Division shall examine
23 and report on the following options for improving Program accountability:

- 24 (1) Enhancing the current doses administered reporting system;
- 25 (2) Converting to a vaccine replacement system;
- 26 (3) Collecting child-specific immunization and Program eligibility
27 information;
- 28 (4) Expediting implementation of the North Carolina Immunization
29 Registry;
- 30 (5) Conducting site visits to twenty percent (20%) of private providers
31 annually;
- 32 (6) Sanctioning providers who fail to comply with Program
33 requirements;
- 34 (7) Identifying means to verify and reduce wastage; and
- 35 (8) Other options that will improve Program accountability.

36 The Department shall submit its report to the members of the House of
37 Representatives Appropriations Subcommittee on Human Resources and the Senate
38 Appropriations Committee on Human Resources within one week of the convening
39 of the 1999 General Assembly. This report shall include the Division's
40 recommendations for improving Program accountability and shall identify the
41 resources required to implement these recommendations and to meet State and
42 federal program reporting requirements.

43 (b) The Department of Health and Human Services shall study the
44 feasibility of changing the vaccine distribution system such that private providers
45 obtain vaccines from the local health department. The study shall include the
46 method that would be used to enable local health departments to obtain sufficient
47 quantities of vaccine, and cost-savings that could be realized in changing from a
48 centralized vaccine distributions system to a decentralized system. The Department
49 shall report its findings and recommendations to the members of the House of
50 Representatives Appropriations Subcommittee on Human Resources and the Senate
51 Appropriations Committee on Human Resources within one week of the convening
52 of the 1999 General Assembly.

Requested by: Representative Aldridge

NO APPROPRIATIONS FOR ADOLESCENT PARENTING PROGRAM

Section 12.53. Appropriations made in this act and in S.L. 1997-443 for the Adolescent Parenting Program for the 1998-99 fiscal year are reduced to zero.

Requested by: Representative Berry

DIVISION OF VOCATIONAL REHABILITATION CAPITAL FUNDS

Section 12.54. Of the funds appropriated in this act to the Department of Health and Human Services, the sum of one million dollars (\$1,000,000) for the 1998-99 fiscal year shall be used for capital expenditures for community rehabilitation programs. The funds shall be distributed through the Division of Vocational Rehabilitation to community rehabilitation programs and Industries of the Blind based on a needs list provided to the Division by the North Carolina Association of Rehabilitation Facilities.

PART XIII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

[SECTION 13.1 RESERVED]

Requested by: Representatives Mitchell, Baker, Carpenter

SPECIAL RESERVE FUNDS FOR CERTAIN AGRICULTURAL CENTERS

Section 13.2. Article 1 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"§ 106-6.2. Create special revenue funds for certain agricultural centers.

(a) The Eastern North Carolina Agricultural Center Fund is created within the Department of Agriculture and Consumer Services as a special revenue fund. This Fund shall consist of receipts from the sale of naming rights to any facility located at the Eastern North Carolina Agricultural Center at Williamston, investments earnings on these moneys, and any gifts, bequests, or grants from any source for the benefit of the Eastern North Carolina Agricultural Center. All interest that accrues to this Fund shall be credited to this Fund. Any balance remaining in this Fund at the end of any fiscal year shall not revert. The Department may use this Fund only to promote, improve, repair, maintain, or operate the Eastern North Carolina Agricultural Center.

(b) The Southeastern North Carolina Agricultural Center Fund is created within the Department of Agriculture and Consumer Services as a special revenue fund. This Fund shall consist of receipts from the sale of naming rights to any facility located at the Southeastern North Carolina Agricultural Center at Lumberton, investments earnings on these moneys, and any gifts, bequests, or grants from any source for the benefit of the Southeastern North Carolina Agricultural Center. All interest that accrues to this Fund shall be credited to this Fund. Any balance remaining in this Fund at the end of any fiscal year shall not revert. The Department may use this Fund only to promote, improve, repair, maintain, or operate the Southeastern North Carolina Agricultural Center."

Requested by: Representatives Mitchell, Baker, Carpenter

UMSTEAD ACT EXEMPTION FOR DEPARTMENT AGRICULTURAL CENTERS AND LIVESTOCK FACILITIES

Section 13.3. G.S. 66-58(b) is amended by inserting the following subdivision:

"(13d) Agricultural centers or livestock facilities operated by the Department of Agriculture and Consumer Services."

1 Requested by: Representatives Mitchell, Baker, Carpenter, Hall

2 **GUIDELINES FOR GRANTS FOR LOCAL AGRICULTURAL FAIRS**

3 Section 13.4. The Department of Agriculture and Consumer Services
4 shall adopt guidelines for the disbursement of funds appropriated to the Department
5 for the 1998-99 fiscal year for grants for local agricultural fairs.

7 Requested by: Representatives Mitchell, Baker, Carpenter

8 **ANIMAL WASTE MANAGEMENT EQUIPMENT GRANTS FOR FAMILY-OWNED**
9 **DAIRIES**

10 Section 13.5. (a) The funds appropriated in this act to the Department
11 of Agriculture and Consumer Services for the 1998-99 fiscal year for animal waste
12 management equipment grants to farmers of family-owned dairies shall be used for
13 the purchase of equipment that is a component of an animal waste management
14 system and that is used solely for the purpose of transporting, storing, or distributing
15 animal waste. This equipment shall be limited to: pumps, spraying equipment, scrape
16 blades, box blades, storage equipment, and any transport equipment, including tanks,
17 spreaders, and applicators.

18 (b) No funds allocated under this section shall be used to enlarge
19 anaerobic lagoons or for the maintenance of anaerobic lagoons.

20 (c) The Department of Agriculture and Consumer Services shall adopt
21 rules that establish guidelines for disbursing the funds in a fair and equitable manner
22 and any other rules needed to implement this section. Each recipient of grant funds
23 under this section shall enter into a contract with the Department that contains
24 provisions of the loan that are consistent with these guidelines. This contract shall
25 provide for the enforcement of the terms of the contract. This contract shall provide
26 that the recipient continue to operate at the current level of dairy production for a
27 period of at least five years. This contract shall provide that if the recipient reduces
28 the number of dairy cows or ceases operation in fewer than five years, the recipient
29 shall repay the Department of Agriculture and Consumer Services a prorated share of
30 the grant funds received by that recipient.

31 (d) Only dairies with fewer than 300 dairy cows that were in operation
32 prior to January 1, 1998, are eligible for grants under this section.

34 Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

35 **ASSISTANCE FOR SMALL, FAMILY FARMS**

36 Section 13.6. Of the funds appropriated in this act to the Department of
37 Agriculture and Consumer Services for the 1998-99 fiscal year, the sum of fifty
38 thousand dollars (\$50,000) shall be used to provide assistance to farmers who operate
39 small, family farms. By March 1, 1999, the Department shall report to the Joint
40 Legislative Commission on Governmental Operations, the Appropriations
41 Subcommittees on Natural and Economic Resources in both the House of
42 Representatives and the Senate, and the Fiscal Research Division on the use of these
43 funds, including the number and geographic location of the small, family farms
44 assisted through this allocation of funds, the type of assistance provided, and any
45 other information or indicators that demonstrate the overall impact of this allocation
46 of funds.

48 Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

49 **GRANTS FOR LOCAL FARMERS' MARKETS**

50 Section 13.7. For the funds appropriated in this act to the Department
51 of Agriculture and Consumer Services for the 1998-99 fiscal year for grants to local
52 farmers' markets for the purpose of promoting or selling farm products produced by
53 local small, family-owned farms, the Department shall establish guidelines and

1 procedures for disbursing the grants in a fair and equitable manner. A grant to a
2 local farmers' market under this section shall not exceed the sum of ten thousand
3 dollars (\$10,000). The Department shall adopt any rules needed to implement this
4 section.

5
6 Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

7 **LOAN PROGRAM FOR SMALL, FAMILY-OWNED FARMS**

8 Section 13.8. (a) The funds appropriated in this act to the North
9 Carolina Rural Rehabilitation Corporation within the Department of Agriculture
10 and Consumer Services for the 1998-99 fiscal year shall be used to make loans to
11 those farmers of small, family-owned farms having financial difficulty as shown by
12 their inability to obtain affordable conventional loans from other sources.

13 (b) Priority for loans from the funds allocated under this section shall be
14 extended for the following small, family-owned farms:

- 15 (1) Dairy farms with fewer than 300 dairy cows.
- 16 (2) Turkey farms that have lost contracts with integrators for reasons
17 not related to having violated environmental laws or rules.
- 18 (3) Swine farms of fewer than 500 swine at any time.
- 19 (4) Peach or apple farms that have lost fifty percent (50%) or more of
20 their fruit crop due to frost or freeze damage.

21 (c) The term of the loans under this section shall not exceed 20 years.
22 These loans shall be provided in accordance with the lending requirements of the
23 North Carolina Rural Rehabilitation Corporation pursuant to Article 2 of Chapter
24 137 of the General Statutes.

25 (d) The Department of Agriculture and Consumer Services shall adopt
26 rules to implement this section.

27
28 Requested by: Representative Tolson

29 **LEWIS STEAM POWERED SAWMILL RELOCATION**

30 Section 13.9. The Department of Agriculture and Consumer Services
31 may use up to two hundred twenty-five thousand dollars (\$225,000) in available funds
32 for the State fair for the 1998-99 fiscal year for the expenses of relocating the Lewis
33 Steam Powered Sawmill from Pitt County to the State Fairgrounds in Raleigh,
34 restoring and rendering the sawmill operational at its new site, and operating the
35 sawmill.

36
37 Requested by: Representative Mitchell

38 **POULTRY/RATITE DEALERS REGISTRATION**

39 Section 13.10. (a) G.S. 106-540(3) reads as rewritten:

40 "(3) Regulate hatching egg dealers, chick dealers, poult dealers, poultry
41 dealers, ratite dealers, and jobbers."

42 (b) G.S. 106-541 reads as rewritten:

43 **"§ 106-541. Definitions.**

44 For the purpose of this ~~Article, a hatchery shall be defined as~~ Article, the
45 following definitions apply:

46 (1) 'Hatchery' means any establishment that operates hatchery
47 equipment for the production of baby chicks or poults.

48 (2) ~~A hatching~~ 'Hatching egg dealer, chick dealer or jobber shall mean
49 dealer, or jobber' means any person, ~~firm~~ firm, or corporation that
50 buys hatching eggs, baby ~~chicks~~ chicks, or turkey poults and sells
51 or offers them for sale.

52 (3) 'Live poultry or ratite dealer' means a person who sells or offers
53 for sale to the general public live poultry or ratites. Live poultry

1 or ratite dealer does not include persons who sell on their own
2 premises live poultry or ratites that were raised on the same
3 premises.

4 (4) ~~The term "mixed~~ 'Mixed chicks' or 'assorted chicks' shall mean
5 means chicks produced from eggs from purebred females of a
6 distinct breed mated to a purebred male of a distinct breed.

7 (5) 'Poultry' means live chickens, doves, ducks, geese, grouse, guinea
8 fowl, partridges, pea fowl, pheasants, pigeons, quail, swans, or
9 turkeys other than chicks or poults.

10 (6) 'Ratite' has the same meaning as in G.S. 106-549.15."

11 (c) G.S. 106-542 is amended by adding the following new subsections:

12 "(b1) It shall be unlawful for any person, firm, or corporation to operate as a live
13 poultry or ratite dealer without first registering with the Department of Agriculture
14 and Consumer Services.

15 (b2) It shall be unlawful for a specialty market operator, as defined in G.S. 66-250,
16 to knowingly and willfully permit an unregistered poultry or ratite dealer to operate
17 on the premises of the specialty market, as defined in G.S. 66-250, more than 10 days
18 after being notified in writing by the Department of Agriculture and Consumer
19 Services that the dealer is not registered."

20 (d) G.S. 106-547 reads as rewritten:

21 **"§ 106-547. Records to be kept.**

22 Every hatchery, hatching egg dealer, chick ~~dealer~~ dealer, poultry dealer, ratite
23 dealer, or jobber shall keep such records of operation as the regulations of the
24 Department of Agriculture and Consumer Services may require for the proper
25 inspection of said hatchery, ~~dealer~~ dealer, or jobber."

26 (e) The Department of Agriculture and Consumer Services shall use
27 available funds for the 1998-99 fiscal year for the enforcement of registration
28 requirements for poultry and ratite dealers as provided for in this section.

29 (f) Sections (a) through (d) of this section become effective December 1,
30 1998.

31
32 Requested by: Representative Mitchell

33 **TRANSPORTATION AGRICULTURAL PRODUCTS EXEMPTION**

34 Section 13.11. The definitions set out in 49 Code of Federal Regulations
35 § 171.8 apply to this section. The citations to the Code of Federal Regulations (CFR)
36 refer to the 1 October 1997 Edition of the CFR. The transportation of an agricultural
37 product, other than a Class 2 material, over local roads between fields of the same
38 farm by a farmer operating as an intrastate private motor carrier is exempt from the
39 requirements of Parts 171 through 180 of 49 CFR as provided in 49 CFR § 173.5.
40 The Department of Transportation may adopt temporary rules to implement this
41 section.

42 43 **PART XIV. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

44
45 **[SECTION 14.1 RESERVED]**

46
47 Requested by: Representatives Mitchell, Baker, Carpenter

48 **MARINE FISHERIES APPEALS PANEL/ROTATE MEETING LOCATIONS**

49 Section 14.2. Section 3(d) of Chapter 576 of the 1993 Session Laws,
50 Regular Session 1994, as amended by Section 1 of Chapter 770 of the 1993 Session
51 Laws, Regular Session 1994, reads as rewritten:

52 "(d) During the moratorium, there shall be an Appeals Panel to consider license
53 applications for new licenses.

- (1) The Appeals Panel shall consist of the Fisheries Director, the Chairman of the Marine Fisheries Commission, and one other person selected by the Cochairs of the Joint Legislative Commission on Seafood and Aquaculture to review hardship or emergency license cases.
- (2) The Marine Fisheries Commission shall adopt temporary rules to govern the operation of the Appeals Panel. The Appeals Panel is exempt from the provisions of Article 3 of Chapter 150B of the General Statutes. Decisions of the Appeals Panel shall be subject to judicial review under the provisions of Article 4 of Chapter 150B of the General Statutes.
- (3) The Appeals Panel may grant a license if it finds that the denial of the license application would create an emergency or hardship on the individual or the State. In no event shall the Appeals Panel grant a license when the total number of licenses in the specific category would exceed the number of licenses in effect on June 30, 1994.
- (4) The Appeals Panel may grant an emergency temporary license due to death, illness, or incapacity, for a period not to exceed 30 days. Emergency temporary licenses shall be limited to vessel crab licenses authorized under G.S. 113-153.1(d).
- (5) Beginning in July 1998, the Appeals Panel shall rotate the location of its meetings among the three districts of the State in the following order: Northeastern district, Central district, Southern district, Central district, Northeastern district, Central district, Southern district. The order of rotation is arranged so that the meeting location for every other meeting is in the Central district of the State. The meeting location for July 1998 shall be in the Northeastern district of the State and the rotation of the meeting locations shall continue as provided by this subdivision.
- If an applicant who is appealing a licensing decision in accordance with this section requests in writing that the Appeals Panel schedule the person's hearing when it meets in that person's home district, the Appeals Panel shall calendar that person's hearing for his or her home district as requested."

Requested by: Representatives Mitchell, Baker, Carpenter

FISHERY MANAGEMENT PLANS/REGIONAL ADVISORY COMMITTEE

Section 14.3. G.S. 113-182.1(c) reads as rewritten:

"(c) ~~To assist in the development of each Fishery Management Plan, the~~ The Chair of the Marine Fisheries Commission shall appoint ~~an Advisory Council~~ a fishery management plan advisory committee for each Fishery Management Plan that is being developed. Each ~~Advisory Council~~ fishery management plan advisory committee shall be composed of commercial fishermen, recreational fishermen, and scientists, all with expertise in the fishery for which the Fishery Management Plan is being developed. The fishery management plan advisory committees shall assist the Department and the Marine Fisheries Commission in the development of all aspects of the Fishery Management Plans, including the development of preservation management measures. The Department shall keep the regional advisory committees established under G.S. 143B-289.57 advised as the Fishery Management Plans are developed and consider the comments by the committees on the Fishery Management Plans."

1 Requested by: Representatives Preston, Mitchell, Baker, Carpenter, Redwine
 2 **UP ADMINISTRATIVE CAP FOR FISHERY RESOURCE GRANT PROGRAM**
 3 Section 14.3B. Section 5 of Chapter 633 of the 1995 Session Laws,
 4 Regular Session 1996, reads as rewritten:
 5 "Sec. 5. Funds appropriated to the Department of ~~Environment, Health,~~
 6 Environment and Natural Resources for the Fishery Resource Grant Program under
 7 Section 2 of Chapter 324 of the 1994 Session Laws shall be transferred to the Board
 8 of Governors of The University of North Carolina for the Sea Grant College Program
 9 to administer the Fishery Resource Grant Program. The Sea Grant College Program
 10 may use up to ~~twenty-five thousand dollars (\$25,000)~~ seventy-five thousand dollars
 11 (\$75,000) for administrative expenses relating to the Fishery Resource Grant
 12 Program."

13
 14 Requested by: Representatives Mitchell, Baker, Carpenter
 15 **GRASSROOTS SCIENCE PROGRAM**
 16 Section 14.4. Section 15.1 of S.L. 1997-443 reads as rewritten:
 17 "Section 15.1. Funds appropriated in this act for the Grassroots Science Program
 18 shall be allocated as grants-in-aid as follows:

	1997-98	1998-99
21 Iredell County Children's Museum	\$56,500	\$50,000
22 Museum of Coastal Carolina	\$66,750	\$50,000
23 Rocky Mount Children's Museum	\$109,750	\$50,000
24 Imagination Station	\$111,000	\$50,000
25 Western North Carolina Nature Center	\$130,750	~~\$15,000~~ <u>\$50,000</u>
26 The Health Adventure Museum 27 of Pack Place Education,		
28 Arts and Science Center, Inc.	\$162,500	\$35,000
29 Cape Fear Museum	\$188,500	\$50,000
30 Catawba Science Center	\$190,500	\$50,000
31 Sci Works Science Center and 32 Environmental Park of		
33 Forsyth County	\$231,000	\$50,000
34 Natural Science 35 Center of Greensboro	\$333,000	\$50,000
36 Schiele Museum of Natural History	\$383,750	\$50,000
37 North Carolina Museum of 38 Life and Science	\$398,750	\$50,000
39 Discovery Place	\$887,250	\$50,000
40		
41 TOTAL	\$3,250,000	~~\$600,000~~ <u>\$635,000</u>

42 Discovery Place may use up to one hundred thousand dollars (\$100,000) of the funds
 43 allocated to it in the 1997-98 fiscal year to study the feasibility of an expansion of
 44 Discovery Place."

45
 46 Requested by: Representatives Mitchell, Baker, Carpenter, Hall
 47 **ENVIRONMENTAL EDUCATION GRANTS**

48 Section 14.5. (a) Of the two hundred thousand dollars (\$200,000)
 49 appropriated in this act to the Department of Environment and Natural Resources for
 50 the 1998-99 fiscal year for environmental education grants, up to fifty thousand
 51 dollars (\$50,000) may be used by the Department for the 1998-99 fiscal year for the
 52 costs of administering the environmental education grants. The remainder of these

1 funds shall be used to provide grants to promote environmental education throughout
2 the State. Grants under this section may be awarded to:

- 3 (1) Schools, community organizations, and environmental education
4 centers for the development of environmental education library
5 collections; or
- 6 (2) School groups for field trips to environmental education centers
7 across the State, provided the activities of the field trip are
8 correlated with the Department of Public Instruction's curriculum
9 objectives.

10 (b) The Department shall report to the Joint Legislative Commission on
11 Governmental Operations, the Environmental Review Commission, and the Fiscal
12 Research Division by January 1, 1999, and again by July 1, 1999, on the grant
13 program. The report shall include a list of amounts awarded and project descriptions
14 for each grant recipient.

15
16 Requested by: Representatives Mitchell, Baker, Carpenter

17 **PARKS AND RECREATION/NATURAL HERITAGE TRUST FUNDS REPORTING** 18 **REQUIREMENTS**

19 Section 14.6. (a) G.S. 113-44.15(c) reads as rewritten:

20 "(c) The North Carolina Parks and Recreation Authority shall report ~~on an~~
21 ~~annual basis no later than October 1 of each year~~ to the Joint Legislative Commission
22 on Governmental Operations, the ~~appropriations committees of the House of~~
23 ~~Representatives and the Senate, and House and Senate Appropriations~~
24 ~~Subcommittees on Natural and Economic Resources, the Fiscal Research Division~~
25 ~~Division, and the Environmental Review Commission~~ on allocations from the Trust
26 ~~Fund. Fund from the prior fiscal year. The Authority also shall provide a progress~~
27 ~~report no later than March 15 of each year to the same recipients on the activities of~~
28 ~~and the expenditures from the Trust Fund for the current fiscal year."~~

29 (b) G.S. 113-77.9(e) reads as rewritten:

30 "(e) The Secretary shall maintain and ~~annually~~ revise twice each year a list of
31 acquisitions made pursuant to this Article. The list shall include the acreage of each
32 tract, the county in which the tract is located, the amount paid from the Fund to
33 acquire the tract, and the State department or division responsible for managing the
34 tract. The Secretary shall furnish a copy of the list to each ~~Trustee and to each House~~
35 ~~of the General Assembly Trustee, the Joint Legislative Commission on Governmental~~
36 ~~Operations, the House and Senate Appropriations Subcommittees on Natural and~~
37 ~~Economic Resources, the Fiscal Research Division, and the Environmental Review~~
38 ~~Commission within 30 days after each revision."~~

39
40 Requested by: Representatives Mitchell, Baker, Carpenter

41 **NEUSE AND TAR-PAMLICO RIVER BASIN ASSISTANCE**

42 Section 14.6B. The Department of Environment and Natural Resources
43 shall provide progress reports on an initiative by the Division of Soil and Water
44 Conservation to assist local soil and water conservation districts in the Neuse and
45 Tar-Pamlico River Basins in targeting and tracking nutrient reduction efforts of
46 agriculture operations, as well as evaluating the cost-effectiveness of best management
47 practices. The Department shall report on the activities and accomplishments of this
48 initiative by January 15 and April 15, 1999, to the House and Senate Appropriations
49 Subcommittees on Natural and Economic Resources and the Fiscal Research
50 Division.

51
52 [SECTIONS 14.7, 14.8 RESERVED]
53

1 Requested by: Representatives Mitchell, Baker, Carpenter

2 **EXTEND AND EXPAND ENVIRONMENTAL HEALTH PROGRAMS STUDY**

3 Section 14.9. (a) Section 11A.127 of S.L. 1997-443 reads as rewritten:

4 "Section 11A.127. Pending the results of action by the General Assembly on the
5 recommendations of the Environmental Review Commission resulting from the study
6 to be undertaken by the Environmental Review Commission as provided in this Part,
7 on-site wastewater functions, public drinking water programs, and environmental
8 health programs shall remain in the Department of Environment and Natural
9 Resources, the Division of Environmental Health, shall remain intact in the
10 Department of Environment and Natural Resources, and the Department of
11 Environment and Natural Resources shall not consolidate on-site wastewater
12 functions or drinking water programs in the Division of Water Quality."

13 (b) Section 11A.128 of S.L. 1997-443 reads as rewritten:

14 "Section 11A.128. The Environmental Review Commission shall study the
15 following issues and report its findings to the ~~1997 General Assembly, Regular~~
16 ~~Session 1998, 1999 General Assembly,~~ along with any legislation it proposes to
17 address these issues:

- 18 (1) The appropriate roles and financing of local and state agencies in
19 reviewing, permitting, inspecting, and monitoring private wells,
20 community wells, municipal wells, and municipal surface water
21 supplies;
- 22 (2) The appropriate roles and financing of local and State agencies in
23 reviewing, permitting, inspecting, monitoring, and maintaining
24 septic tanks, package wastewater treatment plants, municipal
25 wastewater treatment plants, industrial treatment plants, and
26 animal waste operations;
- 27 (3) The appropriate roles and financing of local and State agencies in
28 administering the various environmental health programs;
- 29 (4) The integration of State's review of the financial integrity of
30 applicants for drinking water and wastewater discharge permits;
- 31 (5) Policies to monitor the quality and prevent and reduce pollution of
32 groundwaters;
- 33 (6) Consistent State policies for cleaning up contaminated
34 groundwater and soils;
- 35 (7) Coordination of adoption and development of policies by the
36 Coastal Resources Commission, Environmental Management
37 Commission, Commission on Health Services, Marine Fisheries
38 Commission, and other commissions having roles in water quality
39 or wastewater issues;
- 40 (8) Policies to monitor the quality and prevent and reduce pollution of
41 surface waters;
- 42 (9) Organization of the State's water planning agencies;
- 43 (10) Technical and financial assistance to business, industry, local
44 governments, and citizens;
- 45 (11) Policies to encourage water conservation;
- 46 (12) Policies to encourage regional water supply and wastewater
47 treatment planning; ~~and~~
- 48 (13) The role of the North Carolina Cooperative Extension Services,
49 North Carolina Department of Agriculture, and the North Carolina
50 Department of Transportation in the protection of water ~~supplies~~
51 supplies; and
- 52 (14) The organization, functions, powers, and duties of the various
53 boards, commissions, and councils having jurisdiction over

environmental, public health, and natural resources programs, including whether those functions, powers, and duties should be consolidated in a single commission."

(c) Section 11A.129 of S.L. 1997-443 reads as rewritten:

"Section 11A.129. The Secretary of Health and Human Services may reorganize the Department of Health and Human Services in accordance with G.S. 143B-10 and shall report as required by that section. In addition, the Department of Health and Human Services shall do the following:

- (1) Report to the Joint Legislative Commission on Governmental Operations by December 31, 1997, on the Department's progress in incorporating health functions and agencies into the Department;
- (2) Report to the General Assembly by ~~May 1, 1998~~, 1 February 1999 on additional changes, including proposed legislation necessary to effectuate the purposes of this Part including the findings of the Environmental Review Commission's ~~study~~. study;
- (3) Report to the Joint Legislative Commission on Governmental Operations by ~~October 31, 1998~~, 1 February 1999 on any proposed changes in the Department's structure of boards and commissions not already implemented as a result of the Environmental Review Commission's study or necessary to effectuate the purposes of this Part and to deliver services more efficiently; and
- (4) Report to the General Assembly by February 1, 1999, on the Department's progress in adopting any rule changes necessary to effectuate the purposes of this Part and any proposed legislation necessary to change the structure of any boards and commissions as reported to the Joint Legislative Commission on Governmental Operations."

Requested by: Representative Baker

CREATE NEW CLASSIFICATION OF ABANDONED WELLS

Section 14.9B. G.S. 87-88(k) is amended by adding a new subdivision to read:

"(3) Abandonment of Water Supply Wells for Other Use: Any water supply well that is removed from service as a potable water supply source may be used for other purposes, including, but not limited to, irrigation, commercial use, or industrial use, and such well is not subject to either subdivision (1) or (2) of this subsection during its use for other purposes."

Requested by: Representative Culp

RANDLEMAN DAM FUNDS DO NOT REVERT

Section 14.9C. Section 8(c) of Chapter 777 of the 1993 Session Laws, as rewritten by Section 26.2 of Chapter 507 of the 1995 Session Laws and Section 15.47(a) of S.L. 1997-443, reads as rewritten:

"(c) All funds appropriated in Chapter 769 of the 1993 Session Laws for the construction of Randleman Dam shall revert to the General Fund on ~~October 1, 1999~~, October 1, 2000, if construction has not begun before that date."

Requested by: Representative McComas

STUDY FEASIBILITY OF RELOCATING CHANNEL OF MASON'S INLET

Section 14.9D. The Division of Coastal Management and the Division of Water Resources of the Department of Environment and Natural Resources jointly shall study the feasibility of relocating the channel of Mason's Inlet to an alignment

1 that is protective of the north end of the town of Wrightsville Beach against the
2 forces of erosion threatening property located at or adjacent to the inlet and that does
3 not create a threat to the houses located on the south end of Figure Eight Island.
4 The study shall identify the time within which the relocation must be achieved to
5 bring meaningful relief to the threatened property and what permit requirements
6 apply and shall establish a time schedule for any recommended relocation. The study
7 shall include local participation in the inlet channel relocation project and acquisition
8 of property. The study shall presume that no State funds will be available for the
9 inlet channel relocation project. By October 15, 1998, the Department shall complete
10 a final report of this study, including its findings and recommendations, and shall
11 present this report at the next meeting of the Joint Legislative Commission on
12 Governmental Operations.

13
14 Requested by: Representatives Mitchell, Baker, Carpenter, Hall

15 **CLEAN WATER MANAGEMENT TRUST FUND/WATER QUALITY MONITORING**

16 Section 14.9E. For the 1998-99 fiscal year, of the funds reserved under
17 G.S. 143-15.3B to the Clean Water Management Trust Fund, the State Controller
18 shall transfer the sum of one million dollars (\$1,000,000) to the Department of
19 Environment and Natural Resources to expand ambient water quality monitoring
20 efforts across the State and to increase the monitoring of flow and nutrient data in
21 the coastal river basins through the use of automated monitors.

22
23 Requested by: Representatives Mitchell, Baker, Carpenter

24 **CLEAN WATER MANAGEMENT TRUST FUND/UPPER NEUSE RIVER BASIN**
25 **WATERSHED MANAGEMENT PLAN**

26 Section 14.9F. For the 1998-99 fiscal year, of the funds reserved under
27 G.S. 143-15.3B to the Clean Water Management Trust Fund, the State Controller
28 shall transfer the sum of three hundred thousand dollars (\$300,000) to the
29 Department of Environment and Natural Resources to be allocated to the Upper
30 Neuse River Basin Association to develop a comprehensive and coordinated State-
31 local watershed management plan for the Upper Neuse River Basin. The plan will
32 serve as a model watershed management approach for river basins and subbasins in
33 North Carolina.

34
35 Requested by: Representatives Mitchell, Baker, Carpenter, Hall

36 **STATE MATCH FOR FEDERAL WATER SUPPLY AND WASTEWATER**
37 **ASSISTANCE FUNDS**

38 Section 14.9G. For the 1998-99 fiscal year, of the funds reserved under
39 G.S. 143-15.3B to the Clean Water Management Trust Fund, the State Controller
40 shall transfer the sum of seven million four hundred thirty-two thousand four
41 hundred twelve dollars (\$7,432,412) to the Department of Environment and Natural
42 Resources to be allocated as follows:

- 43 (1) The sum of \$4,860,352 shall be used for the twenty percent (20%)
44 State match required to receive federal wastewater assistance funds
45 for revolving construction loans and other assistance as set forth in
46 Chapter 159G of the General Statutes. The funds allocated under
47 this section shall be deposited in the State Revolving Water Fund
48 account of the Clean Water Pollution Control Revolving Fund.
49 (2) The sum of \$2,571,880 shall be used for the twenty percent (20%)
50 State match required to receive federal water supply assistance
51 funds for revolving construction loans and other assistance as set
52 forth in Title I, section 130 of the federal Safe Drinking Water Act
53 Amendments of 1996. The funds allocated under this section are

to be deposited in a State fund that is available from year to year for the purpose of providing revolving loans and grants to local government units for water supply assistance.

Requested by: Representatives Mitchell, Baker, Carpenter, Allred

NITROGEN LIMITS APPLY ONLY IF NITROGEN IS NUTRIENT OF CONCERN

Section 14.9H. G.S. 143-215.1(c1) reads as rewritten:

"(c1) Any person who is required to obtain an individual wastewater permit under this section for a facility discharging to the surface waters of the State that have been classified as nutrient sensitive waters (NSW) under rules adopted by the Commission where nitrogen is designated by the Commission as a nutrient of concern shall not discharge more than an average annual mass load of total nitrogen than would result from a discharge of the permitted flow, determined at the time the Commission makes a finding that those waters are experiencing or are subject to excessive growth of microscopic or macroscopic vegetation, having a total nitrogen concentration of five and one-half milligrams of nitrogen per liter (5.5 mg/l). The total nitrogen concentration of 5.5 mg/l for nutrient sensitive waters required by this subsection applies only to:

- (1) Facilities that were placed into operation prior to 1 July 1997 or for which an authorization to construct was issued prior to 1 July 1997 and that have a design capacity to discharge 500,000 gallons per day or more.
- (2) Facilities for which an authorization to construct is issued on or after 1 July 1997."

[SECTION 14.10 RESERVED]

Requested by: Representatives Mitchell, Baker, Carpenter, Tolson

TAR-PAMLICO RIVER BASIN/RULE CORRECTION

Section 14.11. The Environmental Management Commission may adopt a temporary rule pursuant to G.S. 150B-21.1 to provide that the boundaries of a WS-IV watershed protected area are measured by linear miles rather than "river miles" (as the river flows) if the Environmental Management Commission finds that the permanent rule being amended was approved by the Rules Review Commission in the 1997-98 fiscal year, the local governments affected by the rule inadvertently chose "river miles" rather than linear miles based on a misunderstanding of the different effects of the two measurement choices, and the public interest would be served by changing the method of measurement. The temporary rule shall become effective at the same time as the rule it amends.

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

PROGRESS REPORTS/ISOTOPE STUDY TO IDENTIFY SOURCES OF NITROGEN IN NEUSE AND CAPE FEAR RIVER BASINS

Section 14.11B. The Primary Investigator or Researcher receiving funding from funds appropriated in this act to the Department of Environment and Natural Resources for the 1998-99 fiscal year for the isotope study to identify sources of nitrogen in the waters of the Neuse and Cape Fear River Basins shall satisfy the same reporting requirements as those set forth in Section 15.10 of S.L. 1997-443 for all the agriculture waste research reports.

[SECTION 14.12 RESERVED]

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

1 PROGRESS REPORTS/ALTERNATIVE ANIMAL WASTE TECHNOLOGIES STUDY

2 Section 14.13. The Primary Investigator or Researcher receiving funding
3 from funds appropriated in this act to the Department of Environment and Natural
4 Resources for the 1998-99 fiscal year for the study of alternative animal waste
5 technologies shall satisfy the same reporting requirements as those set forth in Section
6 15.10 of S.L. 1997-443 for all the agriculture waste research reports.

7
8 [SECTIONS 14.14, 14.15, 14.16 RESERVED]
9

10 Requested by: Representatives Mitchell, Baker, Carpenter

11 CHATHAM FUNDS FOR LOW-LEVEL RADIOACTIVE WASTE SITING

12 Section 14.17. Of the funds appropriated to the Department of
13 Environment and Natural Resources in this act for the 1998-99 fiscal year, the sum of
14 one hundred thousand dollars (\$100,000) shall be used to reimburse Chatham County
15 for the unreimbursed costs to Chatham County for providing technical assistance
16 regarding the site selection of a low-level radioactive waste facility pursuant to
17 Chapter 104G of the General Statutes and for other expenses incurred by Chatham
18 County related to licensing and siting a low-level radioactive waste facility.

19
20 Requested by: Representatives Mitchell, Baker, Carpenter

21 OREGON INLET STABILIZATION STUDY COMMISSION

22 Section 14.17B. (a) Section 32.22 of S.L. 1997-443 is repealed.

23 (b) There is created the Oregon Inlet Stabilization Study Commission,
24 an independent study commission, to continue the investigations undertaken by the
25 Legislative Research Commission's Oregon Inlet Stabilization Study Committee
26 during the 1997-98 interim as authorized by Section 32.22 of S.L. 1997-443.

27 The membership and chairmanship of the Study Commission shall be the
28 same as that of the former Study Committee. Vacancies shall be filled by the person
29 who made the initial appointment. Members of the Commission shall receive
30 subsistence and travel allowances in accordance with G.S. 120-3.1 or G.S. 138-5, as
31 appropriate.

32 The Study Commission may hold hearings to receive public input on the
33 potential benefits and costs to the State of stabilizing the inlet and consider
34 alternative procedures and actions for the stabilization of the inlet along with the
35 environmental, economic, governmental, and cultural costs and benefits that may
36 result from the stabilization.

37 In analyzing the benefits and costs of stabilizing the Oregon Inlet, the
38 Study Commission may employ the expertise of the Departments of Environment and
39 Natural Resources, Transportation, and Justice and may solicit the assistance of the
40 United States Army Corps of Engineers and any other federal or State agencies that
41 might assist the study.

42 Upon approval of the Legislative Services Commission, the Legislative
43 Services Officer shall assign appropriate professional staff from the Legislative
44 Services Office of the General Assembly to assist with the study. The House of
45 Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to
46 the Commission, upon the direction of the Legislative Services Commission. The
47 Commission may meet in the Legislative Building or the Legislative Office Building
48 upon the approval of the Legislative Services Commission.

49 The Study Commission may consider any of the following:

- 50 (1) Continuation of the study beyond the current biennium until the
51 issues surrounding the stabilization of the Oregon Inlet are finally
52 resolved.

(2) Additional detailed studies of the benefits and costs of stabilizing the Oregon Inlet including a long-range plan for the stabilization of the inlet and a projection for the State's future costs of participation in that stabilization.

(3) Necessary statutory changes needed to implement any planned inlet stabilization.

(4) Alternatives to the stabilization of the Oregon Inlet.

(5) Funding sources for any stabilization projects or studies.

The Commission shall submit an interim or final report with any recommendations to the 1999 Session of the General Assembly prior to the adjournment of that session. The Commission may meet during the 1999 Session of the General Assembly at any time when neither the House of Representatives nor the Senate are in session.

The Commission shall terminate upon the issuance of its final report.

(c) The Department of Environment and Natural Resources is designated as the lead State agency for monitoring, studying, analyzing, and making recommendations for the State on the stabilization of the Oregon Inlet. The Department shall carry out all duties associated with this designation using funds already appropriated to the Department.

(d) G.S. 143B-279.2 reads as rewritten:

"§ 143B-279.2. Department of Environment and Natural Resources -- duties.

It shall be the duty of the Department:

(1) To provide for the protection of the environment;

(1a) To administer the State Outer Continental Shelf (OCS) Task Force and coordinate State participation activities in the federal outer continental shelf resource recovery programs as provided under the OCS Lands Act Amendments of 1978 (43 USC §§ 1801 et seq.) and the OCS Lands Act Amendments of 1986 (43 USC §§ 1331 et seq.).

(1b) To provide for the protection of the environment and public health through the regulation of solid waste and hazardous waste management and the administration of environmental health programs.

(2) Repealed by Session Laws 1997-443, s. 11A.5.

(2a) To provide and keep a museum or collection of the natural history of the State and to maintain the North Carolina Biological Survey; and

(3) To provide for the management of the State's natural resources.

(4) To monitor, study, analyze, and make recommendations for the State on the stabilization of the Oregon Inlet."

Requested by: Representatives Mitchell, Baker, Carpenter, Hall, H. Hunter

STATEWIDE BEAVER DAMAGE CONTROL PROGRAM FUNDS

Section 14.18. (a) Subsections (e) through (h) of Section 69 of Chapter 1044 of the 1991 Session Laws, as amended, are repealed.

(b) Section 69 of Chapter 1044 of the 1991 Session Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws, Section 27.3 of Chapter 769 of the 1993 Session Laws, Section 26.6 of Chapter 507 of the 1995 Session Laws, Section 27.15 of Chapter 18 of the Session Laws of the 1996 Second Extra Session, Section 15.44 of S.L. 1997-443, and subsection (a) of this section reads as rewritten:

"Sec. 69. (a) There is established the Beaver Damage Control Advisory Board. The Board shall consist of nine members, as follows:

- 1 (1) The Executive Director of the North Carolina Wildlife Resources
- 2 Commission, or his designee, who shall serve as chair;
- 3 (2) The Commissioner of ~~Agriculture~~, Agriculture and Consumer
- 4 Services, or a designee;
- 5 (3) The Director of the Division of Forest Resources of the
- 6 Department of ~~Environment, Health~~, Environment and Natural
- 7 Resources, or a designee;
- 8 (4) The Director of the Soil and Water Conservation Division of the
- 9 Department of ~~Environment, Health~~, Environment and Natural
- 10 Resources, or a designee;
- 11 (5) The Director of the North Carolina Cooperative Extension Service,
- 12 or a designee;
- 13 (6) The Secretary of Transportation, or a designee;
- 14 (7) The State Director of the Animal Damage Control Division of the
- 15 Animal and Plant Health Inspection Service, U.S. Department of
- 16 Agriculture, or a designee;
- 17 (8) The President of the North Carolina Farm Bureau Federation, Inc.,
- 18 or a designee, representing private ~~landowners in the participating~~
- 19 ~~counties~~; landowners; and
- 20 (9) A representative of the North Carolina Forestry Association.

21 (b) The Beaver Damage Control Advisory Board shall develop a statewide
22 program to control beaver damage on private and public lands. ~~Anson, Bertie,~~
23 ~~Bladen, Brunswick, Carteret, Chatham, Chowan, Craven, Columbus, Cumberland,~~
24 ~~Duplin, Edgecombe, Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford,~~
25 ~~Hoke, Johnston, Jones, Lee, Lenoir, Lincoln, Martin, Nash, Northampton, Onslow,~~
26 ~~Pamlico, Pender, Pitt, Robeson, Sampson, Scotland, Vance, Warren, Washington,~~
27 ~~Wayne, and Wilson Counties shall participate in the program.~~ The Beaver Damage
28 Control Advisory Board shall act in an advisory capacity to the Wildlife Resources
29 Commission in the implementation of the program. In developing the program, the
30 Board shall:

- 31 (1) Orient the program primarily toward public health and safety and
- 32 toward landowner assistance, providing some relief to landowners
- 33 through beaver control and management rather than eradication;
- 34 (2) Develop a priority system for responding to complaints about
- 35 beaver damage;
- 36 (3) Develop a system for documenting all activities associated with
- 37 beaver damage control, so as to facilitate evaluation of the
- 38 program;
- 39 (4) Provide educational activities as a part of the program, such as
- 40 printed materials, on-site instructions, and local workshops; and
- 41 (5) Provide for the hiring of personnel necessary to implement beaver
- 42 damage control activities, administer the program, and set salaries
- 43 of personnel;
- 44 (6) ~~Evaluate the costs and benefits of the program that might be~~
- 45 ~~applicable elsewhere in North Carolina.~~ personnel.

46 No later than ~~January 15, 1998,~~ March 15 of each year, the Board shall issue a
47 report to the Wildlife Resources ~~Commission~~ Commission, the Senate and House
48 Appropriations Subcommittees on Natural and Economic Resources, and the Fiscal
49 Research Division on the program to date, including recommendations on the
50 feasibility of continuing the program in participating counties and the desirability of
51 expanding the program into other counties. results of the program during the
52 preceding year. ~~The Wildlife Resources Commission shall prepare a plan to~~
53 ~~implement a statewide program to control beaver damage on private and public~~

~~lands. No later than March 15, 1998, the Wildlife Resources Commission shall present its plan in a report to the House Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.~~

(c) The Wildlife Resources Commission shall implement the program, and may enter a cooperative agreement with the Animal Damage Control Division of the Animal and Plant Health Inspection Service, United States Department of Agriculture, to accomplish the program.

(d) Notwithstanding G.S. 113-291.6(d) or any other law, it is lawful to use snares when trapping beaver pursuant to the beaver damage control program developed pursuant to this section. The provisions of Chapter 218 of the 1975 Session Laws; Chapter 492 of the 1951 Session Laws, as amended by Chapter 506 of the 1955 Session Laws; and Chapter 1011 of the 1983 Session Laws do not apply to trapping carried out in implementing the beaver damage control program developed pursuant to this section.

(d1) In case of any conflict between G.S. 113-291.6(a) and G.S. 113-291.6(b) and this section, this section prevails.

(d2) Each county that volunteers to participate in this program for a given fiscal year shall provide written notification of its wish to participate no later than September 30 of that year and shall commit the sum of four thousand dollars (\$4,000) in local funds no later than September 30 of that year."

(c) The Revisor of Statutes shall codify in Chapter 113 of the General Statutes Section 69 of Chapter 1044 of the 1991 Session Laws as amended.

(d) Of the funds appropriated in this act to the Wildlife Resources Commission for the 1998-99 fiscal year, up to the sum of five hundred thousand dollars (\$500,000) shall be used to provide the State share necessary to support the beaver damage control program as revised in this section, provided the sum of twenty-five thousand dollars (\$25,000) in federal funds is available for the 1998-99 fiscal year to provide the federal share.

PART XV. DEPARTMENT OF COMMERCE

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS

Section 15. Section 16.11 of S.L. 1997-443 reads as rewritten:

"Section 16.11. (a) Funds appropriated in this act to the Department of Commerce for regional economic development commissions shall be allocated to the following commissions in accordance with subsection (b) of this section: Western North Carolina Regional Economic Development Commission, Research Triangle Regional Commission, Southeastern North Carolina Regional Economic Development Commission, Piedmont Triad Partnership, Northeastern North Carolina Regional Economic Development Commission, Global TransPark Development Commission, and Carolinas Partnership, Inc.

(b) Funds appropriated pursuant to subsection (a) of this section shall be allocated to each regional economic development commission as follows:

- (1) First, the Department shall establish each commission's allocation by determining the sum of allocations to each county that is a member of that commission. Each county's allocation shall be determined by dividing the county's enterprise factor by the sum of the enterprise factors for eligible counties and multiplying the resulting percentage by the amount of the appropriation. As used in this subdivision, the term "enterprise factor" means a county's enterprise factor as calculated under G.S. 105-129.3;

- 1 (2) Next, the Department shall subtract from funds allocated to the
2 Global TransPark Development Zone the sum of two hundred
3 ~~seventy-six thousand nine hundred twenty-three dollars (\$276,923)~~
4 eighty thousand five hundred two dollars (\$280,502) ~~in each fiscal~~
5 ~~year, in the 1998-99 fiscal year,~~ which sum represents the interest
6 earnings in each fiscal year on the estimated balance of seven
7 million five hundred thousand dollars (\$7,500,000) appropriated to
8 the Global TransPark Development Zone in Section 6 of Chapter
9 561 of the 1993 Session Laws; and
- 10 (3) Next, the Department shall redistribute the sum of two hundred
11 ~~seventy-six thousand nine hundred twenty-three dollars (\$276,923)~~
12 eighty thousand five hundred two dollars (\$280,502) ~~in each fiscal~~
13 ~~year in the 1998-99 fiscal year~~ to the seven regional economic
14 development commissions named in subsection (a) of this section.
15 Each commission's share of this redistribution shall be determined
16 according to the enterprise factor formula set out in subdivision (1)
17 of this subsection. This redistribution shall be in addition to each
18 commission's allocation determined under subdivision (1) of this
19 subsection."

20
21 [SECTION 15.1 RESERVED]
22

23 Requested by: Representatives Mitchell, Baker, Carpenter

24 **MARKETING OF GLOBAL TRANSPARK BY DEPARTMENT OF COMMERCE**

25 Section 15.2. The Division of Business and Industry of the Department of
26 Commerce shall assume responsibility for the marketing of the North Carolina Global
27 TransPark. Funds designated in the Department's budget for marketing of the North
28 Carolina Global TransPark shall remain in the Department and shall be used by the
29 Division to carry out this purpose.
30

31 Requested by: Representatives Mitchell, Baker, Carpenter, Hardy, H. Hunter,
32 Preston

33 **HISTORIC WATERFRONT REVITALIZATION**

34 Section 15.2B. (a) Planning Grants. -- A unit of local government that is
35 located within a county assigned to the Northeastern North Carolina Regional
36 Economic Development Commission established by G.S. 158-8.2, is eligible for
37 planning grants for a proposed revitalization project as provided in this section if it
38 meets all of the following conditions:

- 39 (1) The unit is, or is located in, a Tier One, Tier Two, or Tier Three
40 Enterprise Area as defined in G.S. 105-129.3 as of the date it
41 applies for certification of planning stage eligibility.
- 42 (2) The proposed revitalization project is located in a National
43 Register Historic District or includes the rehabilitation of a
44 certified historic structure as defined in G.S. 105-130.42.
- 45 (3) The area of the proposed revitalization project is either contiguous
46 to a navigable waterway or connected to a navigable waterway by a
47 pedestrian walkway or alternative vehicular access trail that is
48 natural, historically significant, or both.
- 49 (4) The Northeastern North Carolina Regional Economic
50 Development Commission agrees to provide matching funds for
51 the planning grant as required under subsection (b) of this section.
- 52 (b) Matching Requirement. -- Planning grants awarded by the
53 Department are contingent upon matching funds provided by the Northeastern

1 North Carolina Regional Economic Development Commission on the basis of one
2 dollar (\$1.00) of Commission funds for every two dollars (\$2.00) of State funds
3 allocated under the grant.

4 (c) Application; Grant Limitations. -- A unit of local government may
5 apply to the Department of Commerce for certification of planning stage eligibility
6 for the benefits provided in this section with respect to a revitalization project. The
7 application must include all information required by the Department to determine
8 the eligibility of the unit. Within funds appropriated for this purpose, the
9 Department of Commerce shall award grants to applicants eligible under this section.
10 Initial grant awards shall not exceed fifty thousand dollars (\$50,000) per grant. If at
11 the end of the third quarter of the 1998-99 fiscal year funds remain available for grant
12 purposes, then the Department may make supplemental awards to any prior grant
13 recipient if in the Department's judgment a supplemental grant award has merit.

14 (d) Technical Assistance. -- The Department of Commerce is encouraged
15 to provide technical assistance to eligible local governments in preparing State and
16 federal grant and loan applications with respect to the proposed revitalization project.

17 (e) Reports. -- The Department of Commerce shall report annually to
18 the Joint Legislative Commission on Governmental Operations and to the House of
19 Representatives Appropriations Subcommittee on Natural and Economic Resources
20 and the Senate Appropriations Committee on Natural and Economic Resources on
21 the grants awarded to and assistance provided to eligible local governments with
22 respect to proposed historic waterfront revitalization projects, including information
23 regarding to whom grants were made, in what amounts, and for what projects.

24
25 Requested by: Representatives Mitchell, Baker, Carpenter, Hall

26 **COMPETITIVE GOVERNMENT INITIATIVE**

27 Section 15.2C. (a) The General Statutes are amended by adding a new
28 Chapter to read:

29 "Chapter 143C.

30 "North Carolina Government Competition Act of 1998.

31 "§ 143C-1. Short title.

32 This Chapter shall be known and may be cited as the 'North Carolina Government
33 Competition Act'.

34 "§ 143C-2. Definitions.

35 As used in this Chapter, unless the context requires otherwise:

36 (1) 'Commission' means the North Carolina Government Competition
37 Commission.

38 (2) 'State agency' means any State department, agency, or institution.

39 "§ 143C-3. North Carolina Government Competition Commission created; duties.

40 (a) The North Carolina Government Competition Commission is created within
41 the Department of Commerce. The Commission shall exercise its powers
42 independently of the Secretary of Commerce and shall be subject to the direction and
43 supervision of the Secretary of Commerce only with respect to the management
44 functions of coordination and reporting. The purpose of the Commission is to be the
45 catalyst for the use of competition to improve the delivery of State government
46 services, to make State government more effective and more efficient, and to reduce
47 the costs of government to taxpayers.

48 (b) The Commission shall:

49 (1) Develop an institutional framework for a statewide competition
50 initiative to encourage innovation and competition within State
51 government.

- (2) Establish a system to encourage the use of feasibility studies and innovation to determine where competition could reduce government costs without adversely affecting essential services.
- (3) Monitor the activities, products, and services of State agencies to bring an element of competition and to ensure a spirit of innovation and entrepreneurship to compete with the private sector to increase the quality of services or reduce costs to taxpayers.
- (4) Identify any barriers to competition in State government and recommend actions to overcome those barriers.
- (5) Promote acceptance of competition by State government officials and State employees as a viable alternative to in-house operations for delivering State government services where savings to the State may be realized through competition, including the development and implementation of State employee adjustment and incentive programs.
- (6) Advocate, develop, and accelerate implementation of a competitive program for State agencies to ensure competition for the provision or production of government services from both public sector and private sector entities.
- (7) Establish approval, planning, and reporting processes required to carry out the functions of the Commission.
- (8) Determine the competition potential of a State program or activity, perform cost and benefit analyses, and conduct public and private competition analyses.
- (9) Devise evaluation criteria to be used in conducting performance reviews of any State program or activity that is subject to a competition recommendation.
- (10) Assess the short-term and long-term results of State government competition efforts.
- (11) Appoint, as needed, ad hoc committees relating to specific matters within the Commission's purview.

"§ 143C-4. Membership; appointment; terms; vacancies; chair; quorum; compensation.

(a) The Commission shall be composed of nine members to be appointed as follows:

- (1) Three members appointed by the Governor, one of whom shall be a State employee and two of whom shall be members of the private sector. One of these private sector members shall have large-scale purchasing experience.
- (2) Three members appointed by the Speaker of the House of Representatives, two of whom shall be members of the private sector and one of whom shall be a State employee.
- (3) Three members appointed by the President Pro Tempore of the Senate, two of whom shall be members of the private sector and one of whom shall be a State employee.

Members of the Commission shall serve two-year terms. In making the initial appointments to the Commission, the respective appointing authorities shall appoint at least one member for a one-year term so that subsequent terms stagger.

(b) All initial appointments shall become effective July 1, 1998. The initial members' terms shall end on June 30 of the applicable year in which a term expires, with the subsequent term beginning on July 1 of that year. No member may serve more than two consecutive terms. Vacancies shall be filled by the appointing

1 authority for any unexpired portion of a term. Members shall receive subsistence, per
2 diem, and travel allowances as provided by G.S. 138-5.

3 (c) A majority of the members shall constitute a quorum. The Commission shall
4 annually elect its chair and vice-chair from among its members.

5 (d) The Commission shall appoint an executive director and other necessary staff
6 within funds available to it.

7 **"§ 143C-5. Cooperation of other State agencies.**

8 All State agencies shall cooperate with the Commission and, upon request, assist
9 the Commission in the performance of its duties and responsibilities. The
10 Commission shall not impose unreasonable burdens or costs in connection with
11 requests of State agencies.

12 **"§ 143C-6. Application for and acceptance of certain gifts and grants; authority to**
13 **enter into contract; applicability of State purchasing laws.**

14 (a) The Commission may apply for, accept, and expend gifts, grants, or donations
15 from governmental sources or from private nonprofit foundations organized for
16 taxation purposes under section 501(c)(3) of the Internal Revenue Code to enable it
17 to better carry out its objectives. No entity that provides a gift, donation, or grant
18 shall be eligible for a contract award that results from action of a Commission
19 recommendation.

20 (b) The Commission may contract for professional or consultant service. Any
21 consultant awarded a contract shall be ineligible for a contract award resulting from
22 the consultant's recommendations.

23 (c) The Commission is subject to the provisions of Articles 3, 3C, and 3D of
24 Chapter 143 of the General Statutes.

25 **"§ 143C-7. Public-private competition analysis; proposals for competition.**

26 (a) The Governor, the General Assembly, or the Commission may direct a State
27 agency to perform a public-private competition analysis covering any service for
28 which the Commission has received from a private entity a qualifying unsolicited
29 proposal for competition that is consistent with the Commission's purposes and duties
30 as provided in this Chapter.

31 (b) The Commission may solicit competition proposals from private entities for
32 the purposes of making cost-comparison analyses. Any State agency may submit
33 proposals to the Commission for cost-comparison analyses.

34 (c) If a service contract is awarded to a private vendor as a result of a
35 recommendation by the Commission, cancellation of the contract requires the prior
36 approval of both the Commission and the Division of Purchase and Contract. The
37 Commission's executive director may act on behalf of the Commission under this
38 subsection pursuant to rules adopted by the Commission.

39 **"§ 143C-8. Duties of the Office of State Budget and Management.**

40 The Office of State Budget and Management shall determine the amount of an
41 existing appropriation that would no longer be needed by a State agency as the result
42 of savings realized through competition and shall report annually, by February 1, the
43 nature and amount of the savings to the Governor and to the Joint Legislative
44 Commission on Governmental Operations.

45 **"§ 143C-9. Reports to the Governor and General Assembly.**

46 The Commission shall report annually, by February 1, its findings and
47 recommendations to the Governor and the Joint Legislative Commission on
48 Governmental Operations and may make other interim reports it deems advisable."

49 (b) Funds appropriated in this act to the Department of Commerce for
50 the Competitive Government Initiative shall be used by the Department to implement
51 this section.

52
53 Requested by: Representatives Mitchell, Baker, Carpenter, Hall, H. Hunter

1 RURAL TOURISM DEVELOPMENT GRANT PROGRAM

2 Section 15.3. Of the funds appropriated in this act to the Department of
3 Commerce, the sum of one hundred thousand dollars (\$100,000) for the 1998-99
4 fiscal year shall be allocated for the Rural Tourism Development Grant Program.
5 The Department shall establish and implement this Program to provide grants to local
6 governments and nonprofit organizations to encourage the development of new
7 tourism projects and activities in rural areas of the State. The Department shall
8 develop procedures for the administration and distribution of funds allocated to the
9 Rural Tourism Development Grant Program under the following guidelines:

- 10 (1) Eligible organizations shall make application under procedures
11 established by the Department;
- 12 (2) Eligible organizations shall be nonprofit tourism-related
13 organizations located in the State's rural regions;
- 14 (3) Priority shall be given to eligible organizations that have significant
15 involvement of travel- and tourism-related businesses;
- 16 (4) Priority shall be given to eligible organizations serving
17 economically distressed rural counties;
- 18 (5) Priority shall be given to eligible organizations that match funds;
19 and
- 20 (6) Funds shall not be used for renting or purchasing land or buildings
21 or for financing debt.

22 No recipient or new tourism project shall receive a total of more than
23 fifty thousand dollars (\$50,000) of these grant funds for the 1998-99 fiscal year.

24
25 **[SECTIONS 15.4, 15.5 RESERVED]**

26
27 Requested by: Representatives Mitchell, Baker, Carpenter

28 WORKER TRAINING TRUST FUND APPROPRIATIONS

29 Section 15.6A. Section 16 of Chapter 443 of the 1997 Session Laws reads
30 as rewritten:

31 "Section 16. (a) There is appropriated from the Worker Training Trust Fund to
32 the Employment Security Commission of North Carolina the sum of six million six
33 hundred eighty-nine thousand nine hundred sixty-four dollars (\$6,689,964) for the
34 1997-98 fiscal year and the sum of ~~six million six hundred eighty-nine thousand nine~~
35 ~~hundred sixty-four dollars (\$6,689,964)~~ seven million twenty-one thousand three
36 hundred seventy-four dollars (\$7,021,374) for the 1998-99 fiscal year for the operation
37 of local offices.

38 (b) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
39 Worker Training Trust Fund to the following agencies the following sums for the
40 1997-98 and the 1998-99 fiscal years for the following purposes:

- 41 (1) \$2,400,000 for the 1997-98 fiscal year and ~~\$2,400,000~~ \$2,050,000 for
42 the 1998-99 fiscal year to the Department of Commerce, Division
43 of Employment and Training, for the Employment and Training
44 Grant Program;
- 45 (2) \$1,000,000 for the 1997-98 fiscal year and \$1,000,000 for the 1998-
46 99 fiscal year to the Department of Labor for customized training
47 of the unemployed and the working poor for specific jobs needed
48 by employers through the Department's Bureau for Training
49 Initiatives;
- 50 (3) \$1,746,000 for the 1997-98 fiscal year and \$1,746,000 for the 1998-
51 99 fiscal year to the Department of Community Colleges to
52 continue the Focused Industrial Training Program;

- (4) \$225,000 for the 1997-98 fiscal year and \$225,000 for the 1998-99 fiscal year to the Employment Security Commission for the State Occupational Information Coordinating Committee to develop and operate an interagency system to track former participants in State education and training programs;
- (5) \$400,000 for the 1997-98 fiscal year and \$400,000 for the 1998-99 fiscal year to the Department of Community Colleges for a training program in entrepreneurial skills to be operated by North Carolina REAL Enterprises;
- (6) \$50,000 for the 1997-98 fiscal year and \$50,000 for the 1998-99 fiscal year to the Office of State Budget and Management to maintain compliance with Chapter 96 of the General Statutes, which directs the Office of State Budget and Management to employ the Common Follow-Up Management Information System to evaluate the effectiveness of the State's job training, education, and placement programs;
- (7) \$500,000 for the 1997-98 fiscal year and \$1,000,000 for the 1998-99 fiscal year to the Department of Labor to expand the Apprenticeship Program. It is intended that the appropriation of funds in this subdivision will result in the Department of Labor serving a benchmark performance level of 10,000 adult and youth apprentices by the year 2000; and
- (8) \$100,000 for the 1997-98 fiscal year and \$100,000 for the 1998-99 fiscal year to the State Board of Education for the Teacher Apprenticeship Program.

The State Board of Education may use funds appropriated from the Worker Training Trust Fund in this subdivision to design and implement a public school teacher apprenticeship program.

- (9) \$350,000 for the 1998-99 fiscal year to the Department of Community Colleges for the Hosiery Technology Center of North Carolina. It is the intent of the General Assembly that the Center operate in subsequent fiscal years without any special or supplemental funding."

Requested by: Representatives Mitchell, Baker, Carpenter

YEAR 2000 CLARIFICATIONS

Section 15.7. Section 28.1 of S.L. 1997-443 reads as rewritten:

"Section 28.1. (a) ~~The Office of State Controller shall include in its charges for data processing services costs of converting computer applications to operate properly at the turn of the century.~~ The Department of Commerce shall not reduce rates for data processing services for the first six months of the 1998-99 fiscal year. If at the end of the first six months the Department determines that additional Year 2000 funds for the 1998-99 fiscal year are not needed from data processing services reserve funds, then the Department may reduce data processing services rates upon approval of the reduction by the Information Resources Management Commission. The State Controller Department shall develop and maintain procedures for managing the year 2000 conversion.

(b) ~~The State Controller Department of Commerce~~ The Department of Commerce shall analyze the needs of State agencies for funds to convert their systems. In the course of the analysis, the ~~State Controller Department~~ State Controller Department shall consider an agency's need for each system it wishes to convert and the most cost-effective manner in which to manage conversion. The ~~State Controller Department~~ State Controller Department shall certify to the Office of State Budget and Management the cost of each State agency for the year 2000 conversion.

~~(e) The Director of the Budget may use up to twenty five million dollars (\$25,000,000) of projected 1997-98 General Fund reversions to cover the cost of the year 2000 conversion in General Fund agencies during the 1997-98 fiscal year.~~

~~(d) Beginning October 1, 1997, and quarterly thereafter, the Office of State Controller shall report to the Joint Legislative Commission on Governmental Operations on the status of the conversion and cost projections."~~

Requested by: Representatives Mitchell, Baker, Carpenter

NORTH CAROLINA INFORMATION HIGHWAY

Section 15.8. Section 28 of S.L. 1997-443 reads as rewritten:

"Section 28. (a) The funds appropriated in this act to the ~~Office of State Controller~~ Department of Commerce for the operation of the North Carolina Information Highway shall be used only for costs incurred by the ~~Office of State Controller~~ Department related to the operations and support of the North Carolina Information Highway. No funds appropriated in this act shall be expended to pay Minimum Monthly usage charges for North Carolina Information Highway Services.

(b) ~~The Office of State Controller may use the two hundred twenty four thousand dollars (\$224,000) in savings that accrued in fiscal year 1996-97 to fund new sites in fiscal year 1997-98.~~

~~(c) The Office of State Controller is encouraged to consider new technologies and capabilities as a means of providing NCIH users access to the existing ATM-SONET network. The Office of State Controller shall report to the General Assembly in 1998 before the reconvening of the regular session on its findings.~~

~~(d) The State Controller shall report quarterly to the Joint Legislative Commission on Governmental Operations regarding the costs incurred by the Office of State Controller related to the operations and support of the North Carolina Information Highway.~~

~~(e) Given the appropriations subcommittees meet in the interim, the House and Senate Appropriations Subcommittees on General Government will consider information leading to a recommendation to adopt an alternate approach to State funding of sites, effective in fiscal year 1998-99. The subcommittee is not limited to the information that may be considered and may include in the review cost sharing measures that require sites to participate in the annual cost of network charges; the phasing out of one hundred percent (100%) State funding of site network charges; and the cost of adding new sites with a specific period of time designated for State funding of network charges. The Department of Commerce shall develop a Migration Plan for converting existing and proposed North Carolina Information Highway sites to the H.320 international telecommunications standard for delivering audio and video services to participating sites. The Department shall include at a minimum the following information in the Plan:~~

- ~~(1) A list of sites categorized by institutional purpose to be converted under the Plan;~~
- ~~(2) A timeline for converting each site;~~
- ~~(3) The cost of conversion for each site;~~
- ~~(4) The estimated operating cost savings for each site post conversion;~~
- ~~(5) The estimated monthly and annual operating cost subsidy for each site post conversion;~~
- ~~(6) The estimated total recurring dollar impact to the State's budget upon full implementation of the Plan; and~~
- ~~(7) A detailed plan for providing connectivity or bridging between the current DV-45 proprietary standard sites and the converted H.320 international standard sites.~~

The Plan shall also identify any participating information highway sites that utilize telecommunication standards other than the H.320 international standard offered by the Department along with the estimated costs for providing connectivity or bridging among these sites and between these sites and the converted H.320 international standard sites. The Plan shall be submitted by October 1, 1998, to the House and Senate Appropriations Subcommittees on Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division."

Requested by: Representatives Mitchell, Baker, Carpenter, Dickson

EXTEND UNIVERSAL SERVICE RULES DEADLINE

Section 15.8B. G.S. 62-110(f1) reads as rewritten:

"(f1) Except as provided in subsection (f2) of this section, the Commission is authorized, following notice and an opportunity for interested parties to be heard, to issue a certificate to any person applying to provide local exchange or exchange access services as a public utility as defined in G.S. 62-3(23)a.6., without regard to whether local telephone service is already being provided in the territory for which the certificate is sought, provided that the person seeking to provide the service makes a satisfactory showing to the Commission that (i) the person is fit, capable, and financially able to render such service; (ii) the service to be provided will reasonably meet the service standards that the Commission may adopt; (iii) the provision of the service will not adversely impact the availability of reasonably affordable local exchange service; (iv) the person, to the extent it may be required to do so by the Commission, will participate in the support of universally available telephone service at affordable rates; and (v) the provision of the service does not otherwise adversely impact the public interest. In its application for certification, the person seeking to provide the service shall set forth with particularity the proposed geographic territory to be served and the types of local exchange and exchange access services to be provided. Except as provided in G.S. 62-133.5(f), any person receiving a certificate under this section shall, until otherwise determined by the Commission, file and maintain with the Commission a complete list of the local exchange and exchange access services to be provided and the prices charged for those services, and shall be subject to such reporting requirements as the Commission may require.

Any certificate issued by the Commission pursuant to this subsection shall not permit the provision of local exchange or exchange access service until July 1, 1996, unless the Commission shall have approved a price regulation plan pursuant to G.S. 62-133.5(a) for a local exchange company with an effective date prior to July 1, 1996. In the event a price regulation plan becomes effective prior to July 1, 1996, the Commission is authorized to permit the provision of local exchange or exchange access service by a competing local provider in the franchised area of such local exchange company.

The Commission is authorized to adopt rules it finds necessary (i) to provide for the reasonable interconnection of facilities between all providers of telecommunications services; (ii) to determine when necessary the rates for such interconnection; (iii) to provide for the reasonable unbundling of essential facilities where technically and economically feasible; (iv) to provide for the transfer of telephone numbers between providers in a manner that is technically and economically reasonable; (v) to provide for the continued development and encouragement of universally available telephone service at reasonably affordable rates; and (vi) to carry out the provisions of this subsection in a manner consistent with the public interest, which will include a consideration of whether and to what extent resale should be permitted.

1 Local exchange companies and competing local providers shall negotiate the rates
2 for local interconnection. In the event that the parties are unable to agree within 90
3 days of a bona fide request for interconnection on appropriate rates for
4 interconnection, either party may petition the Commission for determination of the
5 appropriate rates for interconnection. The Commission shall determine the
6 appropriate rates for interconnection within 180 days from the filing of the petition.

7 Each local exchange company shall be the universal service provider in the area in
8 which it is certificated to operate on July 1, 1995, until otherwise determined by the
9 Commission. In continuing this State's commitment to universal service, the
10 Commission shall, by December 31, 1996, adopt interim rules that designate the
11 person that should be the universal service provider and to determine whether
12 universal service should be funded through interconnection rates or through some
13 other funding mechanism. By ~~July 1, 1998~~, July 1, 1999, the Commission shall
14 complete an investigation and adopt final rules concerning the provision of universal
15 services, the person that should be the universal service provider, and whether
16 universal service should be funded through interconnection rates or through some
17 other funding mechanism.

18 The Commission shall make the determination required pursuant to this subsection
19 in a manner that furthers this State's policy favoring universally available telephone
20 service at reasonable rates."

21
22 Requested by: Representatives Mitchell, Baker, Carpenter
23 **FUNDS FOR CERTIFIED ECONOMIC DEVELOPMENT TRAINING**

24 Section 15.8C. Notwithstanding G.S. 143-16.3, of the funds appropriated
25 in this act to the Department of Commerce, the Department may use up to twenty-
26 five thousand dollars (\$25,000) to provide economic developers with Certified
27 Economic Development (CED) training, the nationally recognized training standard
28 for economic development professionals.

29
30 [SECTIONS 15.9, 15.10 RESERVED]

31
32 Requested by: Representatives Mitchell, Baker, Carpenter
33 **NORTH CAROLINA INSTITUTE OF MINORITY ECONOMIC DEVELOPMENT,**
34 **INC./REPORT**

35 Section 15.11. The North Carolina Institute of Minority Economic
36 Development, Inc., shall:

- 37 (1) By January 15, 1999, and more frequently as requested, report to
38 the Joint Legislative Commission on Governmental Operations and
39 the Fiscal Research Division the following information:
40 a. State fiscal year 1997-98 program activities, objectives, and
41 accomplishments;
42 b. State fiscal year 1997-98 itemized expenditures and fund
43 sources;
44 c. State fiscal year 1998-99 planned activities, objectives, and
45 accomplishments including actual results through December
46 31, 1998; and
47 d. State fiscal year 1998-99 estimated itemized expenditures
48 and fund sources including actual expenditures and fund
49 sources through December 31, 1998.
50 (2) Provide to the Fiscal Research Division a copy of the
51 organization's annual audited financial statement within 30 days of
52 issuance of the statement.
53

1 Requested by: Representatives Mitchell, Baker, Carpenter

2 **LAND LOSS PREVENTION PROJECT, INC./REPORT**

3 Section 15.12. The Land Loss Prevention Project, Inc., shall:

- 4 (1) By January 15, 1999, and more frequently as requested, report to
5 the Joint Legislative Commission on Governmental Operations and
6 the Fiscal Research Division the following information:
7 a. State fiscal year 1997-98 program activities, objectives, and
8 accomplishments;
9 b. State fiscal year 1997-98 itemized expenditures and fund
10 sources;
11 c. State fiscal year 1998-99 planned activities, objectives, and
12 accomplishments including actual results through December
13 31, 1998; and
14 d. State fiscal year 1998-99 estimated itemized expenditures
15 and fund sources including actual expenditures and fund
16 sources through December 31, 1998.
17 (2) Provide to the Fiscal Research Division a copy of the
18 organization's annual audited financial statement within 30 days of
19 issuance of the statement.
20

21 [SECTION 15.13 RESERVED]

22
23 Requested by: Representatives Mitchell, Baker, Carpenter

24 **NC MINORITY SUPPORT CENTER/REPORT**

25 Section 15.14. The North Carolina Minority Support Center shall:

- 26 (1) By January 15, 1999, and more frequently as requested, report to
27 the Joint Legislative Commission on Governmental Operations and
28 the Fiscal Research Division the following information:
29 a. State fiscal year 1997-98 program activities, objectives, and
30 accomplishments;
31 b. State fiscal year 1997-98 itemized expenditures and fund
32 sources;
33 c. State fiscal year 1998-99 planned activities, objectives, and
34 accomplishments including actual results through December
35 31, 1998; and
36 d. State fiscal year 1998-99 estimated itemized expenditures
37 and fund sources including actual expenditures and fund
38 sources through December 31, 1998.
39 (2) Provide to the Fiscal Research Division a copy of the
40 organization's annual audited financial statement within 30 days of
41 issuance of the statement.
42

43 Requested by: Representatives Mitchell, Baker, Carpenter

44 **WORLD TRADE CENTER OF NORTH CAROLINA/REPORT**

45 Section 15.14B. The World Trade Center of North Carolina shall:

- 46 (1) By January 15, 1999, and more frequently as requested, report to
47 the Joint Legislative Commission on Governmental Operations and
48 the Fiscal Research Division the following information:
49 a. State fiscal year 1997-98 program activities, objectives, and
50 accomplishments;
51 b. State fiscal year 1997-98 itemized expenditures and fund
52 sources;

- 1 c. State fiscal year 1998-99 planned activities, objectives, and
2 accomplishments including actual results through December
3 31, 1998; and
4 d. State fiscal year 1998-99 estimated itemized expenditures
5 and fund sources including actual expenditures and fund
6 sources through December 31, 1998.
7 (2) Provide to the Fiscal Research Division a copy of the
8 organization's annual audited financial statement within 30 days of
9 issuance of the statement.

10
11 [SECTIONS 15.15, 15.16 RESERVED]
12

13 Requested by: Representatives Mitchell, Baker, Carpenter
14 MCNC

15 Section 15.17. Section 16.21 of S.L. 1997-443 reads as rewritten:

16 "Section 16.21. (a) MCNC shall report on all of its programs including
17 contractual services for the Supercomputer and the Research and Education
18 Network. The reports shall:

- 19 (1) By January 15, 1998, and more frequently as requested, report to
20 the Joint Legislative Commission on Governmental Operations and
21 the Fiscal Research Division the following information:
22 a. State fiscal year 1996-97 program activities, objectives, and
23 accomplishments;
24 b. State fiscal year 1996-97 itemized expenditures and fund
25 sources;
26 c. State fiscal year 1997-98 planned activities, objectives, and
27 accomplishments including actual results through December
28 31, 1997;
29 d. State fiscal year 1997-98 estimated itemized expenditures
30 and fund sources including actual expenditures and fund
31 sources through December 31, 1997.
32 e. The users, major projects and benefits resulting from the
33 activities of the Supercomputer and the Research and
34 Education Network.
35 f. The organization's progress toward achieving self-sufficiency
36 by July 1, 1999.
37 (2) By January 15, 1999, and more frequently as requested, report to
38 the Joint Legislative Commission on Governmental Operations and
39 the Fiscal Research Division the following information:
40 a. State fiscal year 1997-98 program activities, objectives, and
41 accomplishments;
42 b. State fiscal year 1997-98 itemized expenditures and fund
43 sources;
44 c. State fiscal year 1998-99 planned activities, objectives, and
45 accomplishments including actual results through December
46 31, 1998;
47 d. State fiscal year 1998-99 estimated itemized expenditures
48 and fund sources including actual expenditures and fund
49 sources through December 31, 1998.
50 e. The users, major projects and benefits resulting from the
51 activities of the Supercomputer and the Research and
52 Education Network.

f. The organization's progress toward achieving self-sufficiency by July 1, 1999.

(3) Provide to the Fiscal Research Division a copy of MCNC's annual audited financial statement within 30 days of issuance of the statement.

(b) The funds appropriated in this act to MCNC shall be used as follows:

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
Electronic and Information Technologies Programs	\$4,500,000	~~\$2,500,000~~ \$4,500,000

(c) Of the funds appropriated for the Electronic and Information Technologies Programs, four million five hundred thousand dollars (\$4,500,000) for the 1997-98 fiscal year and ~~two~~ four million five hundred thousand dollars (~~\$2,500,000~~) (\$4,500,000) for the 1998-99 fiscal year is contingent upon a dollar-for-dollar match in non-State funds.

(d) It is the intent of the General Assembly that State funds shall not be appropriated for MCNC in fiscal years 1999-2000 and beyond."

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

RURAL ECONOMIC DEVELOPMENT CENTER

Section 15.18. Section 16.24 of S.L. 1997-443 reads as rewritten:

"Section 16.24. (a) Of the funds appropriated in this act to the Rural Economic Development Center, Inc., the sum of one million two hundred seventy thousand dollars (\$1,270,000) for the 1997-98 fiscal year and the sum of one million ~~two~~ four hundred ~~seventy~~ fifty-seven thousand ~~three hundred thirty-eight~~ dollars (~~\$1,270,000~~) (\$1,457,338) for the 1998-99 fiscal year shall be allocated as follows:

	<u>1997-98 FY</u>	<u>1998-99 FY</u>
Research and Demonstration Grants	\$475,864	~~\$475,864~~ <u>525,864</u>
Technical Assistance and Center Administration of Research and Demonstration Grants	444,136	444,136
Center Administration, Oversight, and Other Programs	350,000	~~350,000~~ <u>487,338</u>

(a1) Of the funds allocated under subsection (a) of this section for Research and Development Grants, the sum of thirty-five thousand dollars (\$35,000) shall be allocated to the Fisheries Development Foundation for mariculture activities.

(b) The Rural Economic Development Center, Inc., shall provide a report containing detailed budget, personnel, and salary information to the Office of State Budget and Management in the same manner as State departments and agencies in preparation for biennium budget requests.

(c) Not more than fifty percent (50%) of the interest earned on State funds appropriated to the Rural Economic Development Center, Inc., may be used by the Center for administrative purposes, including salaries and fringe benefits.

(d) For purposes of this section, the term 'community development corporation' means a nonprofit corporation:

- (1) Chartered pursuant to Chapter 55A of the General Statutes;
- (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Code of 1986;
- (3) Whose primary mission is to develop and improve low-income communities and neighborhoods through economic and related development;
- (4) Whose activities and decisions are initiated, managed, and controlled by the constituents of those local communities; and

- 1 (5) Whose primary function is to act as deal-maker and packager of
2 projects and activities that will increase their constituencies'
3 opportunities to become owners, managers, and producers of small
4 businesses, affordable housing, and jobs designed to produce
5 positive cash flow and curb blight in the targeted community.
- 6 (e) Of the funds appropriated in this act to the Rural Economic Development
7 Center, Inc., the sum of five million seven hundred fifty thousand dollars (\$5,750,000)
8 for the 1997-98 fiscal year and the sum of ~~two million four hundred~~ ten million eight
9 hundred seventy-five thousand dollars (~~\$2,400,000~~) (\$10,875,000) for the 1998-99
10 fiscal year shall be allocated as follows:
- 11 (1) \$1,400,000 in fiscal year 1997-98 and ~~\$1,200,000~~ 1,475,000 in fiscal
12 year 1998-99 for community development grants to support
13 development projects and activities within the State's minority
14 communities. Any community development corporation as defined
15 in this section is eligible to apply for funds. The Rural Economic
16 Development Center, Inc., shall establish performance-based
17 criteria for determining which community development
18 corporation will receive a grant and the grant amount. Funding
19 shall also be allocated to the North Carolina Association of
20 Community Development Corporations, Inc. The Rural Economic
21 Development Center, Inc., shall allocate these funds as follows:
- 22 a. \$900,000 in each fiscal year for direct grants to the local
23 community development corporations that have previously
24 received State funds for this purpose to support operations
25 and project activities;
- 26 b. \$250,000 in each fiscal year for direct grants to local
27 community development corporations that have not
28 previously received State funds;
- 29 c. ~~\$200,000~~ \$275,000 in fiscal year ~~1997-98~~ 1998-99 to the
30 North Carolina Association of Community Development
31 Corporations, Inc., to provide training, technical assistance,
32 resource development, and support for local community
33 development corporations statewide; of these funds, the sum
34 of fifty thousand dollars (\$50,000) shall be used to
35 coordinate a special project targeting grassroot nonprofit
36 organizations for economic development activities in
37 distressed areas of Eastern North Carolina focusing on issues
38 of infrastructure and affordable housing, and the sum of
39 twenty-five thousand dollars (\$25,000) shall be allocated to
40 the Walnut Cove Colored School, Inc., for operational and
41 program support; and
- 42 d. \$50,000 in each fiscal year to the Rural Economic
43 Development Center, Inc., to be used to cover expenses in
44 administering this section.
- 45 (2) \$250,000 in each fiscal year to the Microenterprise Loan Program
46 to support the loan fund and operations of the Program; ~~and~~
- 47 (3) \$4,100,000 for the 1997-98 fiscal year and ~~\$950,000~~ \$8,950,000 for
48 the 1998-99 fiscal year shall be used for a program to provide
49 supplemental funding for matching requirements for projects and
50 activities authorized under this subdivision. The Center shall use
51 these funds to make grants to local governments and nonprofit
52 corporations to provide funds necessary to match federal grants or
53 other grants for:

- 1 a. Necessary economic development projects and activities in
2 economically distressed areas, ~~or~~
3 b. Necessary water and sewer projects and activities in
4 economically distressed communities to address health or
5 environmental quality problems except that funds shall not
6 be expended for the repair or replacement of low pressure
7 pipe wastewater systems. If a grant is awarded under this
8 sub-subdivision, then the grant shall be matched on a dollar
9 for dollar basis in the amount of the grant ~~awarded.~~
10 awarded, or
11 c. Projects that demonstrate alternative waste management
12 processes for local governments. Special consideration
13 should be given to cost-effectiveness, efficacy, management
14 efficacy, and the ability of the demonstration project to be
15 replicated.

16 The grant recipients in this subsection shall be selected on the basis
17 of ~~need; need;~~ and

- 18 (4) \$200,000 in fiscal year 1998-99 to the Capacity Building Grants
19 Program. Grants shall be awarded to units of local government to
20 pay all or a portion of the costs associated with the planning and
21 writing of a grant or loan application, a capital improvement plan,
22 or other efforts that support growth and development of rural
23 areas.

24 (f) The Rural Economic Development Center, Inc., shall:

- 25 (1) By January 15, 1998, and more frequently as requested, report to
26 the Joint Legislative Commission on Governmental Operations and
27 the Fiscal Research Division the following information:

- 28 a. State fiscal year 1996-97 program activities, objectives, and
29 accomplishments;
30 b. State fiscal year 1996-97 itemized expenditures and fund
31 sources;
32 c. State fiscal year 1997-98 planned activities, objectives, and
33 accomplishments including actual results through December
34 31, 1997; and
35 d. State fiscal year 1997-98 estimated itemized expenditures
36 and fund sources including actual expenditures and fund
37 sources through December 31, 1997.

- 38 (2) By January 15, 1999, and more frequently as requested, report to
39 the Joint Legislative Commission on Governmental Operations and
40 the Fiscal Research Division the following information:

- 41 a. State fiscal year 1997-98 program activities, objectives, and
42 accomplishments;
43 b. State fiscal year 1997-98 itemized expenditures and fund
44 sources;
45 c. State fiscal year 1998-99 planned activities, objectives, and
46 accomplishments including actual results through December
47 31, 1998; and
48 d. State fiscal year 1998-99 estimated itemized expenditures
49 and fund sources including actual expenditures and fund
50 sources through December 31, 1998.

- 51 (3) Provide to the Fiscal Research Division a copy of each grant
52 recipient's annual audited financial statement within 30 days of
53 issuance of the statement."

1 Requested by: Representatives Holmes, Esposito, Creech, Crawford

2 **BLUE RIDGE REGIONAL DESTINATION CENTER**

3 Section 15.18B. Funds appropriated in Section 2 of this act for the
4 construction of a Blue Ridge Regional Destination Center to be located next to the
5 Blue Ridge Parkway Headquarters Building in Buncombe County shall not be
6 expended unless federal funds become available for this purpose.

7
8 **PART XVA. DEPARTMENT OF LABOR**

9 Requested by: Representatives Mitchell, Baker, Carpenter

10 **DEPARTMENT OF LABOR/BUDGET OVER-REALIZED INDIRECT COST**
11 **RECEIPTS**

12 Section 15A.1. The Department of Labor may budget over-realized
13 indirect cost receipts in the 1998-99 fiscal year to fund the following:

- 14 (1) Departmental technology needs, and
15 (2) Costs to relocate selected Divisions of the Department of Labor to
16 the Old Revenue Building.

17
18 **PART XVB. HOUSING FINANCE AGENCY**

19 Requested by: Representatives Mitchell, Baker, Carpenter, Hall, H. Hunter

20 **HOUSING TRUST FUND/FUNDS FOR AFFORDABLE HOUSING FOR ELDERLY**

21 Section 15B. Funds appropriated in this act to the Housing Finance
22 Agency for the Housing Trust Fund for the 1998-99 fiscal year shall be used
23 exclusively for affordable housing for elderly persons.

24
25 **PART XVI. JUDICIAL DEPARTMENT**

26 Requested by: Representatives Justus, Kiser, Thompson

27 **IRMC REVIEW OF AOC INFORMATION TECHNOLOGY PLANS/LONG-RANGE**
28 **REPORT**

29 Section 16. (a) G.S. 143B-472.41 reads as rewritten:

30 **"§ 143B-472.41. Information Resource Management Commission.**

31 (a) Creation; Membership. -- The Information Resource Management Commission
32 is created in the Department of Commerce. The Commission consists of the following
33 members:

- 34 (1) Four members of the Council of State, appointed by the Governor.
35 (1a) The Secretary of State.
36 (2) The Secretary of Administration.
37 (3) The State Budget Officer.
38 (4) Two members of the Governor's cabinet, appointed by the
39 Governor.
40 (5) One citizen of the State of North Carolina with a background in
41 and familiarity with information systems or telecommunications,
42 appointed by the General Assembly upon the recommendation of
43 the President Pro Tempore of the Senate in accordance with G.S.
44 120-121.
45 (6) One citizen of the State of North Carolina with a background in
46 and familiarity with information systems or telecommunications,
47 appointed by the General Assembly upon the recommendation of
48 the Speaker of the House of Representatives in accordance with
49 G.S. 120-121.
50 (7) The Chair of the Governor's Committee on Data Processing and
51 Information Systems.
52 (8) The Chair of the State Information Processing Services Advisory
53 Board.

(9) The Chair of the Criminal Justice Information Network Governing Board.

(10) The State Controller.

(11) The Director of the Administrative Office of the Courts or the Director's designee.

Members of the Commission shall not be employed by or serve on the board of directors or other corporate governing body of any information systems, computer hardware, computer software, or telecommunications vendor of goods and services to the State of North Carolina.

The two initial cabinet members appointed by the Governor and the two initial citizen members appointed by the General Assembly shall each serve a term beginning September 1, 1992, and expiring on June 30, 1995. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Governor's cabinet shall be disqualified from completing a term of service of the Commission if they are no longer cabinet members.

The appointees by the Governor from the Council of State shall each serve a term beginning on September 1, 1992, and expiring on June 30, 1993. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Council of State shall be disqualified from completing a term of service on the Commission if they are no longer members of the Council of State.

Vacancies in the two legislative appointments shall be filled as provided in G.S. 120-122.

The Commission chair shall be elected in the first meeting of each calendar year from among the appointees of the Governor from the Council of State and shall serve a term of one year. The Secretary of Commerce shall be secretary to the Commission.

No member of the Information Resource Management Commission shall vote on an action affecting solely his or her own State agency.

(b) Powers and Duties. -- The Commission has the following powers and duties:

- (1) To develop, approve, and publish a statewide information technology strategy covering the current and following biennium that shall be updated annually and shall be submitted to the General Assembly on the first day of each regular session.
- (2) To develop, approve, and sponsor statewide technology initiatives and to report on those initiatives in the annual update of the statewide information technology strategy.
- (3) To review and approve biennially the information technology plans of the executive agencies and ~~to review and comment biennially on the information technology plans of the Administrative Office of the Courts.~~ This review shall include plans for the procurement and use of personal computers and workstations.
- (4) To recommend to the Governor and the Office of State Budget and Management the relative priorities across executive agency information technology plans.
- (5) To establish a quality assurance policy for all agency information technology projects, information systems training programs, and information systems documentation.
- (6) To establish and enforce a quality review and expenditure review procedure for major agency information technology projects.
- (7) To review and approve expenditures from appropriations made to the Office of State Budget and Management for the purpose of creating a Computer Reserve Fund.
- (8) To develop and promote a policy and procedures for the fair and competitive procurement of information technology consistent with

the rules of the Department of Administration and consistent with published industry standards for open systems that provide agencies with a vendor-neutral operating environment where different information technology hardware, software, and networks operate together easily and reliably.

(c) Meetings. -- The Information Resources Management Commission shall adopt bylaws containing rules governing its meeting procedures. The Information Resources Management Commission shall meet at least monthly."

(b) The Administrative Office of the Courts shall develop a strategic information systems and technology plan to both serve the courts in the present and assist the courts in adapting to future changes. The plan shall:

- (1) Identify and document the information technology goals and objectives of the Judicial Department;
- (2) Review and evaluate the findings and recommendations outlined in the Maddox and Ferguson report completed in September 1996;
- (3) Provide an inventory of existing hardware and software in the court system statewide, including the age of and proposed replacement schedules, for personal computers, laptop computers, mainframe and midrange computers, servers, terminals, printers, and communications infrastructure devices;
- (4) Assess the effectiveness of existing computer-based applications, including the district attorney and public defender case management system, courtroom automation, the civil case processing system, and the financial management system, and outline any changes that may be needed to meet the future needs of the court system;
- (5) Develop an architectural strategy and quality assurance review that is consistent with existing State standards;
- (6) Identify areas where the use of information technology would improve the efficiency and effectiveness of the court system in providing services to the public;
- (7) Develop a long-term implementation plan and cost analysis for the new Magistrates Criminal Information System; and
- (8) Recommend alternative five-year proposals for implementing the court system's technology plan, including a cost analysis of each alternative that specifies the order of priority in which various projects should be implemented.

The Administrative Office of the Courts shall report on the strategic information systems and technology plan developed pursuant to this section to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety. The Administrative Office of the Courts shall make an interim report by April 1, 1999, and a final report by May 1, 1999.

(c) The Judicial Department may use up to the sum of two hundred fifty thousand dollars (\$250,000) in funds appropriated to the Department for the 1998-99 fiscal year to contract for consultant services in the development of the strategic information systems and technology plan required by this section. Prior to expending these funds, the Department shall report 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 Subcommittees on Justice and Public Safety on the consultant selected and the proposed uses of these funds.

Requested by: Representatives Justus, Kiser, Thompson

1 STUDY OF PUBLIC DEFENDER PROGRAMS

2 Section 16.1. The Administrative Office of the Courts shall study the
3 efficiency and cost-effectiveness of the public defender programs established in 11
4 judicial districts. The report shall include:

- 5 (1) A comparison outlining the number of defendants in each district
6 represented by public defenders and privately assigned counsel by
7 type of offense;
- 8 (2) An analysis of the average cost per defendant or case for each
9 public defender program and a comparison of that average to
10 payments made to privately assigned counsel in those districts;
- 11 (3) An implementation plan for potential expansion of public defender
12 programs to additional districts, including possible locations, a cost
13 analysis of necessary personnel and equipment to operate the
14 programs, and the estimate of savings to be realized in using those
15 programs rather than providing for privately assigned counsel.

16 The Administrative Office of the Courts shall report the results of its
17 study to the Chairs of the Senate and House Appropriations Committees, the Chairs
18 of the Senate and House Appropriations Subcommittees on Justice and Public Safety,
19 and the Indigent Fund Study Commission established in Section 16.5 of this act by
20 April 1, 1999.

21
22 Requested by: Representatives Justus, Kiser, Thompson

23 REVISE RECIDIVISM REPORTING DATE

24 Section 16.2. G.S. 7A-675.3 reads as rewritten:

25 "§ 7A-675.3. Juvenile recidivism rates.

26 (a) On an annual basis, the Administrative Office of the Courts shall compute the
27 recidivism rate of juveniles who are adjudicated delinquent for offenses that would be
28 Class A, B1, B2, C, D, or E felonies if committed by adults and who subsequently are
29 adjudicated delinquent or convicted and shall report the statistics to the Joint
30 Legislative Commission on Governmental Operations by ~~December 31~~ February 15
31 each year.

32 (b) The Chief Court Counselor of each judicial district shall forward to the
33 Administrative Office of the Courts relevant information, as determined by the
34 Administrative Office of the Courts, regarding every juvenile who is adjudicated
35 delinquent for an offense that would be a Class A, B1, B2, C, D, or E felony if
36 committed by an adult for the purpose of computing the statistics required by this
37 section."

38
39 Requested by: Representatives Justus, Kiser, Thompson, Redwine, Sexton, Smith

**40 EXTEND SUNSET ON BAD CHECK PROGRAM/ADD LINCOLN AND WAKE
41 COUNTY PILOTS**

42 Section 16.3. (a) Subsection (e) of Section 18.22 of S.L. 1997-443 reads as
43 rewritten:

44 "(e) This ~~act~~ section becomes effective October 1, 1997, and expires June 30,
45 ~~1998-1999~~."

46 (b) Subsection (c) of Section 18.22 of S.L. 1997-443 reads as rewritten:

47 "(c) Of the funds appropriated to the Judicial Department for the 1997-98 fiscal
48 year, the sum of one hundred fifty thousand dollars (\$150,000) shall be used to
49 establish bad check collection pilot programs in Columbus, Durham, and
50 Rockingham Counties.

51 Of the funds appropriated to the Judicial Department for the 1998-99 fiscal year,
52 the sum of two hundred seventy-two thousand six hundred forty-seven dollars
53 (\$272,647) shall be used to continue the bad check collection pilot programs in

Columbus, Durham, and Rockingham Counties and to establish bad check collection pilot programs in Lincoln and Wake Counties.

The Administrative Office of the Courts shall report by ~~May 1, 1998~~, April 1, 1999, to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the implementation of the programs, including their effectiveness in assisting the recipients of worthless checks in obtaining restitution and the amount of time saved in prosecuting worthless check cases."

(c) Subsection (d) of Section 18.22 of S.L. 1997-443 reads as rewritten:

"(d) This act applies only to Columbus, Durham, ~~and Rockingham~~ Lincoln, Rockingham, and Wake Counties."

(d) Subsection (a) of this section becomes effective June 30, 1998.

Requested by: Representatives Justus, Kiser, Thompson, Redwine, Sexton, Smith
TEEN COURT FUNDS DO NOT REVERT/ESTABLISH TEEN COURT PROGRAMS IN DUPLIN, GUILFORD, AND ONSLOW COUNTIES

Section 16.4. (a) The funds appropriated in S.L. 1997-443 to the Judicial Department for teen court programs throughout the State shall not revert at the end of the 1997-98 fiscal year and shall remain available to the Department for the 1998-99 fiscal year to be used for teen court programs.

(b) Of the funds appropriated in this act to the Judicial Department, the Administrative Office of the Courts shall use the sum of twenty thousand dollars (\$20,000) for the 1998-99 fiscal year to establish a teen court program in Duplin County pursuant to the guidelines and objectives set forth in Section 40 of Chapter 24 of the Session Laws of the 1994 Extra Session.

(c) Of the funds appropriated in this act to the Judicial Department, the Administrative Office of the Courts shall use the sum of twenty thousand dollars (\$20,000) for the 1998-99 fiscal year to establish a teen court program in Guilford County pursuant to the guidelines and objectives set forth in Section 40 of Chapter 24 of the Session Laws of the 1994 Extra Session.

(d) Of the funds appropriated in this act to the Judicial Department, the Administrative Office of the Courts shall use the sum of twenty thousand dollars (\$20,000) for the 1998-99 fiscal year to establish a teen court program in Onslow County pursuant to the guidelines and objectives set forth in Section 40 of Chapter 24 of the Session Laws of the 1994 Extra Session.

(e) Subsection (a) of this section becomes effective June 30, 1998.

Requested by: Representatives Justus, Kiser, Thompson
INDIGENT FUND STUDY COMMISSION

Section 16.5. (a) The Administrative Office of the Courts shall establish a Study Commission on the Indigent Persons' Attorney Fee Fund. The Commission shall consist of nine voting members as follows:

- (1) Two members appointed by the Speaker of the House of Representatives;
- (2) Two members appointed by the President Pro Tempore of the Senate;
- (3) One member appointed by the Chief Justice of the Supreme Court;
- (4) One member appointed by the North Carolina Association of Public Defenders;
- (5) One member appointed by the North Carolina Academy of Trial Lawyers;

(6) One member appointed by the North Carolina Bar Association; and

(7) One member appointed by the Conference of District Attorneys of North Carolina.

The Commission shall elect a chair upon being convened at the call of the Chief Justice's appointee.

(b) The Commission shall study methods for improving the management and accountability of funds being expended to provide counsel to indigent defendants without compromising the quality of legal representation mandated by State and federal law. In conducting its study, the Commission shall:

(1) Evaluate the current procedures for determining the indigency of defendants and recommend any possible improvements in those procedures;

(2) Determine whether sufficient information is available when evaluating compensation requests from assigned private counsel and expert witnesses;

(3) Assess the effectiveness of the current management structure for the Indigent Persons' Attorney Fee Fund and outline any additional standards or guidelines that could be implemented to allow for greater accountability of the funds being expended;

(4) Evaluate whether establishing an Indigent Defense Council to oversee the State's expenditure of funds on a district, regional, or statewide basis would make the functioning of the Indigent Persons' Attorney Fee Fund more efficient and economical;

(5) Evaluate the effectiveness of existing methods of providing legal representation to indigent defendants, including the use of public defenders, appointed counsel, and contract lawyers;

(6) Review methods used by other states to provide legal representation to indigent defendants;

(7) Assess the potential effectiveness of distributing funds in other ways, including the hiring of contract attorneys on a retainer basis and the expansion of public defender programs; and

(8) Outline additional suggestions that would improve the provision of legal representation to indigent defendants.

The Administrative Office of the Courts shall assign professional and clerical staff to assist in the work of the Commission. The Commission shall report its findings and recommendations to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety no later than May 1, 1999. The report shall include a cost analysis demonstrating the additional personnel and equipment necessary to implement the Commission's recommendations. The report shall also include any legislation necessary to implement the Commission's recommendations.

(c) The Administrative Office of the Courts may use up to the sum of fifty thousand dollars (\$50,000) from the Indigent Persons' Attorney Fee Fund to contract for consultant services to assist in meeting the Commission's responsibilities.

Requested by: Representatives Justus, Kiser, Thompson

CUMBERLAND JUVENILE ASSESSMENT CENTER

Section 16.6. (a) Section 18.21 of S.L. 1997-443 reads as rewritten:

"Section 18.21. (a) Of the funds appropriated in this act to the Administrative Office of the Courts for the 1997-98 fiscal year, the sum of one hundred fifty thousand dollars (\$150,000) shall be used to fund the Juvenile Assessment Project authorized by this section. These funds shall be matched by local funds on the basis

1 of one dollar (\$1.00) of local funds for every three dollars (\$3.00) of State funds.
2 These funds shall not revert at the end of the 1997-98 fiscal year, but shall remain in
3 the Department during the 1998-99 fiscal year to implement this section.

4 (b) The Administrative Office of the Courts, in collaboration with the Chief Court
5 Counselor of District Court District 12, the Cumberland County Department of
6 Social Services, and the appropriate local school administrative units, shall develop
7 and implement a Juvenile Assessment Center Project in District Court District 12 to
8 operate from the effective date of this act to ~~June 30, 1998.~~ June 30, 1999. The
9 purpose of the Project is to facilitate efficient prevention and intervention service
10 delivery to juveniles who are (i) alleged to be delinquent or undisciplined and have
11 been taken into custody or (ii) at risk of becoming delinquent or undisciplined
12 because they have behavioral problems and have committed delinquent acts even
13 though they have not been taken into custody. The Project shall assist these juveniles
14 by providing a centralized point of intake and assessment for the juveniles, by
15 addressing the educational, emotional, and physical needs of the juveniles, and by
16 providing juveniles with an atmosphere for learning personal responsibility, self-
17 respect, and respect for others. The Administrative Office of the Courts shall
18 consider the recommendations of the Juvenile Assessment Advisory Board in
19 developing and implementing the Project.

20 (c) The Project shall be modeled after the Juvenile Assessment Center in
21 Hillsborough County, Florida, and shall:

- 22 (1) Identify those juveniles who are alleged to be delinquent or
23 undisciplined or are at risk of becoming delinquent or
24 undisciplined;
- 25 (2) Evaluate the educational, emotional, and physical needs of the
26 juveniles identified and determine whether the juveniles have
27 problems related to substance abuse, depression, or other
28 emotional conditions;
- 29 (3) Develop in-depth and comprehensive assessment plans for the
30 juveniles identified that recommend appropriate treatment,
31 counseling, and disposition of the juveniles; and
- 32 (4) Provide services to juveniles identified and their families through
33 collaboration with public and private resources, including local law
34 enforcement, parents' organizations, the Fayetteville Chamber of
35 Commerce, and county and community programs and
36 organizations that provide substance abuse treatment and child and
37 family counseling.

38 (d) There is established the Juvenile Assessment Advisory Board to make
39 recommendations to the Administrative Office of the Courts regarding the
40 development and operations of the Project. The Board shall consist of 13 members,
41 including:

- 42 (1) The director of the Department of Social Services of Cumberland
43 County, or the director's designee.
- 44 (2) A representative from the local mental health area authority of
45 Cumberland County.
- 46 (3) A member of the Cumberland County Board of Education.
- 47 (4) The sheriff of Cumberland County, or the sheriff's designee.
- 48 (5) The chief of police of the Fayetteville Police Department, or the
49 designee of the chief of police.
- 50 (6) A judge of District Court District 12.
- 51 (7) A juvenile court counselor from District Court District 12.
- 52 (8) The director of the Guardian Ad Litem program in Cumberland
53 County, or the director's designee.

(9) The director of the Health Department of Cumberland County, or the director's designee.

(10) Two public members appointed by the Fayetteville City Council.

(11) Two public members appointed by the Board of County Commissioners of Cumberland County.

The members of the Board shall, within 30 days after the initial appointment is made, meet and elect one member as chair. The Board shall meet at least once a month at the call of the chair, and a quorum of the Board shall consist of a majority of its members. The Board of County Commissioners of Cumberland County shall provide necessary clerical and professional assistance to the Board.

Initial appointments shall be made by October 1, 1997, and all terms shall expire ~~June 30, 1998.~~ June 30, 1999.

(e) The Administrative Office of the Courts, in consultation with the Department of ~~Human Resources,~~ Health and Human Services, shall evaluate the Project and report to the Chairs of the House and Senate Appropriations Committees, the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety and ~~Human Resources,~~ Health and Human Services, and the Fiscal Research Division of the General Assembly by ~~May 1, 1998,~~ May 1, 1999, on the progress of the development and implementation of the Project. In the report, the Administrative Office of the Courts, in consultation with the Department of ~~Human Resources,~~ Health and Human Services, shall evaluate the effectiveness of the Project, including the number of juveniles served or expected to be served, and shall recommend whether the Project should be continued. If the report recommends that the Project be continued, it shall also provide a cost analysis outlining the long-term staffing and operating needs of the Project."

(b) This section becomes effective June 30, 1998.

[SECTIONS 16.7, 16.8 RESERVED]

Requested by: Representatives Justus, Kiser, Thompson, Redwine
ADD NEW DISTRICT COURT CIVIL CASE MANAGEMENT PILOTS/REPORT

Section 16.9. Section 18.23 of S.L. 1997-443 reads as rewritten:

"Section 18.23. The Administrative Office of the Courts shall report by ~~May 1, 1998,~~ April 1, 1999, to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the civil case management pilot programs established in District Court Districts 13, 18, 27B, 29, and 30. The report shall assess the success of these programs in reducing the backlog of civil court cases and in resolving new cases more quickly."

[SECTION 16.10 RESERVED]

Requested by: Representatives Justus, Kiser, Thompson, Redwine
AUTHORIZE ADDITIONAL MAGISTRATES

Section 16.11. G.S. 7A-133(c) reads as rewritten:

"(c) Each county shall have the numbers of magistrates and additional seats of district court, as set forth in the following table:

County	Magistrates Min.-Max.	Additional Seats of Court
Camden	1 2	

1	Chowan	2	3	
2	Currituck	1	~~3~~ 4	
3	Dare	3	8	
4	Gates	2	3	
5	Pasquotank	3	5	
6	Perquimans	2	3	
7	Martin	5	8	
8	Beaufort	4	8	
9	Tyrrell	1	3	
10	Hyde	2	4	
11	Washington	3	4	
12	Pitt	10	~~12~~ 13	Farmville
13				Ayden
14	Craven	7	10	Havelock
15	Pamlico	2	3	
16	Carteret	5	8	
17	Sampson	6	8	
18	Duplin	9	11	
19	Jones	2	3	
20	Onslow	8	14	
21	New Hanover	6	11	
22	Pender	4	6	
23	Halifax	9	14	Roanoke
24				Rapids,
25				Scotland Neck
26	Northampton	5	7	
27	Bertie	4	6	
28	Hertford	5	6	
29	Nash	7	10	Rocky Mount
30	Edgecombe	4	7	Rocky Mount
31	Wilson	4	7	
32	Wayne	5	12	Mount Olive
33	Greene	2	4	
34	Lenoir	4	10	La Grange
35	Granville	3	7	
36	Vance	3	6	
37	Warren	3	4	
38	Franklin	3	7	
39	Person	3	4	
40	Caswell	2	5	
41	Wake	12	20	Apex,
42				Wendell,
43				Fuquay-
44				Varina,
45				Wake Forest
46	Harnett	7	11	Dunn
47	Johnston	10	12	Benson,
48				Clayton,
49				Selma
50	Lee	4	6	
51	Cumberland	10	18	
52	Bladen	4	6	
53	Brunswick	4	~~7~~ 8	

1	Columbus	6	9	Tabor City
2	Durham	8	13	
3	Alamance	7	10	Burlington
4	Orange	4	11	Chapel Hill
5	Chatham	3	8	Siler City
6	Scotland	3	5	
7	Hoke	4	5	
8	Robeson	8	16	Fairmont,
9				Maxton,
10				Pembroke,
11				Red Springs,
12				Rowland,
13				St. Pauls
14	Rockingham	4	9	Reidsville,
15				Eden,
16				Madison
17	Stokes	2	5	
18	Surry	5	9	Mt. Airy
19	Guilford	20	26	High Point
20	Cabarrus	5	9	Kannapolis
21	Montgomery	2	4	
22	Randolph	5	10	Liberty
23	Rowan	5	10	
24	Stanly	5	6	
25	Union	4	6	
26	Anson	4	5	
27	Richmond	5	6	Hamlet
28	Moore	5	8	Southern
29				Pines
30	Forsyth	3	~~15~~ 16	Kernersville
31	Alexander	2	3	
32	Davidson	7	10	Thomasville
33	Davie	2	3	
34	Iredell	4	9	Mooresville
35	Alleghany	1	2	
36	Ashe	3	4	
37	Wilkes	4	6	
38	Yadkin	3	5	
39	Avery	3	4 <u>5</u>	
40	Madison	4	5	
41	Mitchell	3	4	
42	Watauga	4	6	
43	Yancey	2	4	
44	Burke	4	7	
45	Caldwell	4	7	
46	Catawba	6	10	Hickory
47	Mecklenburg	15	~~26~~ <u>27</u>	
48	Gaston	11	~~21~~ <u>22</u>	
49	Cleveland	5	8	
50	Lincoln	4	7	
51	Buncombe	6	15	
52	Henderson	4	7	
53	McDowell	3	5	

1	Polk	3	4	
2	Rutherford	6	8	
3	Transylvania	2	4	
4	Cherokee	3	4	
5	Clay	1	2	
6	Graham	2	3	
7	Haywood	5	7	Canton
8	Jackson	3	4	
9	Macon	3	4	
10	Swain	2	3."	

11
12 Requested by: Representatives Justus, Kiser, Thompson

13 **ASSISTANT PUBLIC DEFENDERS**

14 Section 16.12. From funds appropriated to the Indigent Persons'
15 Attorney Fee Fund for the 1998-99 fiscal year, the Administrative Office of the
16 Courts may use up to one hundred thirty-four thousand four hundred fifteen dollars
17 (\$134,415) for salaries, benefits, equipment, and related expenses to establish up to
18 three new assistant public defender positions.

19
20 [SECTIONS 16.13, 16.14 RESERVED]

21
22 Requested by: Representatives Justus, Kiser, Thompson

23 **EXTEND SUNSET ON DRUG TREATMENT COURT**

24 Section 16.15. Section 21.6(c) of Chapter 507 of the 1995 Session Laws
25 reads as rewritten:

26 "(c) Subsection (a) of this section becomes effective July 1, 1995, and expires
27 ~~June 30, 1998.~~ June 30, 1999. The remainder of this section becomes effective
28 October 1, 1995."

29
30 Requested by: Representatives Justus, Kiser, Thompson

31 **ADDITIONAL DISTRICT COURT JUDGES**

32 Section 16.16. (a) G.S. 7A-133(a) reads as rewritten:

33 "(a) Each district court district shall have the numbers of judges as set forth in the
34 following table:

District	Judges	County
1	4	Camden
		Chowan
		Currituck
		Dare
		Gates
		Pasquotank
		Perquimans
2	3	Martin
		Beaufort
		Tyrrell
		Hyde
		Washington
3A	4	Pitt
3B	5	Craven
		Pamlico

1			Carteret
2	4	~~6~~ <u>7</u>	Sampson
3			Duplin
4			Jones
5			Onslow
6	5	6	New Hanover
7			Pender
8	6A	2	Halifax
9	6B	3	Northampton
10			Bertie
11			Hertford
12	7	~~6~~ <u>7</u>	Nash
13			Edgecombe
14			Wilson
15	8	6	Wayne
16			Greene
17			Lenoir
18	9	4	Granville
19			(part of Vance
20			see subsection (b))
21			Franklin
22	9A	2	Person
23			Caswell
24	9B	1	Warren
25			(part of Vance
26			see subsection (b))
27	10	~~12~~ <u>13</u>	Wake
28	11	~~6~~ <u>7</u>	Harnett
29			Johnston
30			Lee
31	12	~~8~~ <u>9</u>	Cumberland
32	13	5	Bladen
33			Brunswick
34			Columbus
35	14	~~5~~ <u>6</u>	Durham
36	15A	3	Alamance
37	15B	4	Orange
38			Chatham
39	16A	3	Scotland
40			Hoke
41	16B	5	Robeson
42	17A	2	Rockingham
43	17B	3	Stokes
44			Surry
45	18	11	Guilford
46	19A	3	Cabarrus
47	19B	~~5~~ <u>6</u>	Montgomery
48			Moore
49			Randolph
50	19C	3	Rowan
51	20	7	Stanly
52			Union
53			Anson

1			Richmond
2	21	7 8	Forsyth
3	22	8	Alexander
4			Davidson
5			Davie
6			Iredell
7	23	4	Alleghany
8			Ashe
9			Wilkes
10			Yadkin
11	24	4	Avery
12			Madison
13			Mitchell
14			Watauga
15			Yancey
16	25	7 8	Burke
17			Caldwell
18			Catawba
19	26	14	Mecklenburg
20	27A	5	Gaston
21	27B	4	Cleveland
22			Lincoln
23	28	5	Buncombe
24	29	5 6	Henderson
25			McDowell
26			Polk
27			Rutherford
28			Transylvania
29	30	4	Cherokee
30			Clay
31			Graham
32			Haywood
33			Jackson
34			Macon
35			Swain."

(b) The vacancies created by subsection (a) of this section in District Court Districts 11, 19B, 21, 25, and 29 shall be filled by appointment of the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121. The vacancies created by subsection (a) of this section in District Court Districts 4, 7, 10, 12, and 14 shall be filled by appointment of the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. Successors to these judges shall be elected in the 2002 election for four-year terms commencing on the first Monday in December 2002.

(c) Subsection (a) of this section becomes effective December 15, 1998, as to any district where no county is subject to Section 5 of the Voting Rights Act of 1965. As to any district where any county is subject to Section 5 of the Voting Rights Act of 1965, subsection (a) of this section becomes effective December 15, 1998 or 15 days after the date upon which that subsection is approved under Section 5 of the Voting Rights Act, whichever is later.

[SECTION 16.17 RESERVED]

1 Requested by: Representatives Justus, Kiser, Thompson

2 **EVALUATION OF CORRECTIONAL PROGRAMS**

3 Section 16.18. (a) The Judicial Department, through the North
4 Carolina Sentencing and Policy Advisory Commission, and the Department of
5 Correction shall jointly conduct ongoing evaluations of community corrections
6 programs and in-prison treatment programs and make a biennial report to the
7 General Assembly. The report shall include composite measures of program
8 effectiveness based on recidivism rates, other outcome measures, and costs of the
9 programs.

10 During the 1998-99 fiscal year, the Sentencing and Policy Advisory
11 Commission shall coordinate the collection of all data necessary to create an
12 expanded database containing offender information on prior convictions, current
13 conviction and sentence, program participation, and outcome measures. Each
14 program to be evaluated shall assist the Commission in the development of systems
15 and collection of data necessary to complete the evaluation process. The first
16 evaluation report shall be presented to the Chairs of the Senate and House
17 Appropriations Committees and the Chairs of the Senate and House Appropriations
18 Subcommittees on Justice and Public Safety by April 15, 2000, and future reports
19 shall be made by April 15 of each even-numbered year.

20 The Judicial Department may use the sum of fifty thousand dollars
21 (\$50,000) in funds appropriated for the 1998-99 fiscal year to conduct the study
22 provided for in this section.

23 (b) Section 22.3 of Chapter 18 of the Session Laws of the 1996 Second
24 Extra Session is repealed.

25
26 Requested by: Representatives Justus, Kiser, Thompson, Baddour, Redwine
27 **ESTABLISH PILOT PROGRAM OF SETTLEMENT PROCEDURES IN DISTRICT**
28 **COURT ACTIONS INVOLVING FAMILY ISSUES**

29 Section 16.19. (a) G.S. 7A-38.4 reads as rewritten:

30 "~~§ 7A-38.4. Mediated settlement conferences~~ Settlement procedures in district court
31 actions.

32 (a) The purpose of this section is to authorize the design, implementation, and
33 evaluation of a pilot program in which parties to district court actions involving
34 equitable distribution, alimony, and support may be required to attend a pretrial
35 mediated settlement conference or other settlement procedure.

36 ~~(b) The Dispute Resolution Commission established under the Judicial~~
37 ~~Department shall, with the advice of the Director of the Administrative Office of the~~
38 ~~Courts, design the pilot program and its coordination with existing settlement~~
39 ~~programs. The planning and design phase of the program shall include~~
40 ~~representatives from the Conference of Chief District Court Judges, the AOC Child~~
41 ~~Custody Mediation Advisory Committee, the Court Ordered Arbitration~~
42 ~~Subcommittee of the Supreme Court's Dispute Resolution Committee, the North~~
43 ~~Carolina Mediation Network, the North Carolina Association of Professional Family~~
44 ~~Mediators, the North Carolina Association of Clerks of Superior Court, the North~~
45 ~~Carolina Association of Trial Court Administrators, the Family Law Section of the~~
46 ~~North Carolina Bar Association, and the Dispute Resolution Section of the North~~
47 ~~Carolina Bar Association.~~

48 (c) The Supreme Court may adopt rules to implement this section. The
49 definitions in G.S. 7A-38.1(b)(2) and (b)(3) apply to this section.

50 (d) ~~The chief district court judge~~ District court judges of any participating
51 district may order a mediated settlement conference or another settlement procedure
52 for any action pending in the district involving issues of equitable distribution,
53 alimony, or child or spousal ~~support.~~ support, pursuant to rules adopted by the

1 Supreme Court. The chief district court judge may by local rule order all such cases,
2 not otherwise exempted by Supreme Court rule, to mediated settlement conference.

3 (e) The parties to a district court action in which a mediated settlement
4 conference is ordered, their attorneys, and other persons or entities with authority, by
5 law or by contract, to settle the parties' claims shall attend the mediated settlement
6 conference, or other settlement procedure ordered by ~~the court, a district court judge~~
7 pursuant to rules of the Supreme Court, unless excused by ~~the rules of the Supreme~~
8 ~~Court or by order of the chief district court judge.~~ those rules. Nothing in this
9 section shall require any party or other participant in the conference to make a
10 settlement offer or demand which it deems is contrary to its best interests.

11 (f) Any person required to attend a mediated settlement conference or other
12 settlement procedure ordered by the court who, without good cause, fails to attend in
13 compliance with this section and the rules adopted under this section, shall be subject
14 to any appropriate monetary sanction imposed by a ~~chief or presiding~~ district court
15 ~~judge, judge pursuant to rules of the Supreme Court,~~ including the payment of
16 attorneys' fees, mediator fees, and expenses incurred in attending the ~~conference.~~
17 settlement procedure. If the court imposes sanctions, it shall do so, after notice and
18 hearing, in a written order, making findings of fact and conclusions of law. An order
19 imposing sanctions shall be reviewable upon appeal where the entire record as
20 submitted shall be reviewed to determine whether the order is supported by
21 substantial evidence.

22 (g) The parties to a district court action in which a mediated settlement
23 conference is to be held pursuant to this section shall have the right to designate a
24 mediator. Upon failure of the parties to designate within the time established by the
25 rules of the Supreme Court, a mediator shall be appointed by ~~the chief~~ a district
26 court judge ~~or its designee.~~ pursuant to rules of the Supreme Court.

27 (h) ~~The~~ Pursuant to rules of the Supreme Court, a chief district court judge, at
28 the request of a party and with the consent of ~~the~~ all parties, may order the parties to
29 attend and participate in any other settlement procedure authorized by rules ~~of~~
30 adopted by the Supreme Court or adopted by local district court rules, in lieu of
31 attending a mediated settlement conference. ~~Neutral third parties~~ Neutrals acting
32 pursuant to this section shall be selected and compensated in accordance with ~~the~~
33 rules of the Supreme Court or pursuant to agreement of the parties. Nothing herein
34 shall prohibit the parties from participating in other dispute resolution procedures,
35 including arbitration, to the extent authorized under State or federal law.

36 (i) Mediators and other neutrals acting pursuant to this section shall have judicial
37 immunity in the same manner and to the same extent as a judge of the General Court
38 of Justice, except that mediators and other neutrals may be disciplined in accordance
39 with enforcement procedures adopted by the Supreme Court pursuant to G.S. 7A-
40 38.2.

41 (j) Costs of mediated settlement conferences and other settlement procedures
42 shall be borne by the parties. Unless otherwise ordered by the court or agreed to by
43 the parties, the mediator's fees shall be paid in equal shares by the parties. The rules
44 adopted by the Supreme Court implementing this section shall set out a method
45 whereby parties found by the court to be unable to pay the costs of settlement
46 procedures are afforded an opportunity to participate without cost to an indigent
47 party and without expenditure of State funds.

48 (k) Evidence of statements made and conduct occurring in a ~~mediated settlement~~
49 ~~conference~~ settlement proceeding conducted pursuant to this section shall not be
50 subject to discovery and shall be inadmissible in any proceeding in the action or
51 other actions on the same claim. However, no evidence otherwise discoverable shall
52 be inadmissible merely because it is presented or discussed in a ~~mediated settlement~~
53 ~~conference.~~ settlement proceeding.

1 No mediator, or other neutral conducting a settlement procedure pursuant to this
2 section, shall be compelled to testify or produce evidence concerning statements
3 made and conduct occurring in a mediated settlement conference or other settlement
4 procedure in any civil proceeding for any purpose, except proceedings for sanctions
5 under this section, disciplinary hearings before the State Bar or any agency
6 established to enforce standards of conduct for mediators, and proceedings to enforce
7 laws concerning juvenile or elder abuse.

8 (l) The Supreme Court may adopt standards for the certification and conduct of
9 mediators and other neutrals who participate ~~in the mediated settlement conference~~
10 ~~program established settlement procedures conducted~~ pursuant to this section. The
11 standards may also regulate mediator training programs. The Supreme Court may
12 adopt procedures for the enforcement of those standards. The administration of
13 mediator certification, regulation of mediator conduct, and decertification shall be
14 conducted through the Dispute Resolution Commission.

15 (m) An administrative fee not to exceed two hundred dollars (\$200.00) may be
16 charged by the Administrative Office of the Courts to applicants for certification and
17 annual renewal of certification for mediators and mediator training programs
18 operation under this section. The fees collected may be used by the Director of the
19 Administrative Office of the Courts to establish and maintain the operations of the
20 Commission and its staff. The administrative fee shall be set by the Director of the
21 Administrative Office of the Courts in consultation with the Dispute Resolution
22 Commission.

23 (n) The Administrative Office of the Courts, in consultation with the Dispute
24 Resolution Commission, may require the chief district court judge of any
25 participating district to report statistical data about settlement procedures conducted
26 pursuant to this section for administrative purposes.

27 (m) (o) Nothing in this section or rules adopted pursuant to it shall restrict the
28 right to jury trial."

29 (b) G.S. 7A-38.2(c) reads as rewritten:

30 "(c) The Dispute Resolution Commission shall consist of ~~nine~~ 14 members: ~~two~~
31 ~~five~~ judges appointed by the Chief Justice of the Supreme Court; ~~Court, at least two~~
32 ~~of whom shall be superior court judges, and at least two of whom shall be district~~
33 ~~court judges; two mediators certified to conduct superior court mediated settlement~~
34 ~~conferences and two mediators certified to conduct equitable distribution mediated~~
35 ~~settlement conferences~~ appointed by the Chief Justice of the Supreme Court; two
36 practicing attorneys who are not certified as mediators appointed by the President of
37 the North Carolina State Bar, Bar, one of whom shall be a family law specialist; and
38 three citizens knowledgeable about mediation, one of whom shall be appointed by
39 the Governor, one by the General Assembly upon the recommendation of the
40 Speaker of the House of Representatives in accordance with G.S. 120-121, and one
41 by the General Assembly upon the recommendation of the President Pro Tempore of
42 the Senate in accordance with G.S. 120-121. Members appointed by the Governor,
43 the Speaker of the House of Representatives, and the President Pro Tempore of the
44 Senate shall not be attorneys. Members shall initially serve four-year terms, except
45 that one judge, one mediator, one attorney, and the citizen member appointed by the
46 Governor, shall be appointed for an initial term of two years. ~~Members may serve no~~
47 ~~more than two consecutive terms.~~ The Chief Justice shall designate one of the judge
48 members to serve as chair for a two-year term. Members of the Commission shall be
49 compensated pursuant to G.S. 138-5.

50 Vacancies shall be filled for unexpired terms and full terms in the same manner
51 as incumbents were appointed. Appointing authorities may receive and consider
52 suggestions and recommendations of persons for appointment from the Dispute
53 Resolution Commission, the Family Law, Litigation, and Dispute Resolution Sections

1 of the North Carolina Bar Association, the North Carolina Association of Professional
 2 Family Mediators, the North Carolina Association of Clerks of Superior Court, the
 3 North Carolina Conference of Court Administrators, the Mediation Network of North
 4 Carolina, the Dispute Resolution Committee of the Supreme Court, the Conference
 5 of Chief District Court Judges, the Conference of Superior Court Judges, the
 6 Director of the Administrative Office of the Courts, and the Child Custody Mediation
 7 Advisory Committee of the Administrative Office of the Courts."

8 (c) The Administrative Office of the Courts may solicit and accept
 9 funds from private sources to evaluate the pilot program conducted pursuant to this
 10 section. The Administrative Office of the Courts shall report its findings and
 11 recommendations to the Chairs of the House and Senate Appropriations Committees
 12 and the Chairs of the House and Senate Appropriations Subcommittees on Justice
 13 and Public Safety by April 1, 2001.

14 (d) Of the funds appropriated to the Judicial Department for the 1998-
 15 99 fiscal year, the sum of fifty thousand dollars (\$50,000) shall be used to fund the
 16 activities of the Dispute Resolution Commission in association with the pilot program
 17 authorized by this section. No such funds shall be expended for the payment of
 18 mediator fees.

19 (e) This section becomes effective October 1, 1998.

20 Requested by: Representatives Justus, Kiser, Thompson

21 **ADDITIONAL ASSISTANT DISTRICT ATTORNEYS**

22 Section 16.20. (a) G.S. 7A-60(a1) reads as rewritten:

23 "(a1) The counties of the State are organized into prosecutorial districts, and
 24 each district has the counties and the number of full-time assistant district attorneys
 25 set forth in the following table:

26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53
			Prosecutorial																								
			District		Counties																						
			1		Camden, Chowan, Currituck,																						
					Dare, Gates, Pasquotank,																						
					Perquimans																						
			2		Beaufort, Hyde, Martin,																						
					Tyrrell, Washington																						
			3A		Pitt																						
			3B		Carteret, Craven, Pamlico																						
			4		Duplin, Jones, Onslow,																						
					Sampson																						
			5		New Hanover, Pender																						
			6A		Halifax																						
			6B		Bertie, Hertford,																						
					Northampton																						
			7		Edgecombe, Nash, Wilson																						
			8		Greene, Lenoir, Wayne																						
			9		Franklin, Granville,																						
					Vance, Warren																						
			9A		Person, Caswell																						
			10		Wake																						
			11		Harnett, Johnston, Lee																						
			12		Cumberland																						
			13		Bladen, Brunswick, Columbus																						
			14		Durham																						

1	15A	Alamance	7
2	15B	Orange, Chatham	7
3	16A	Scotland, Hoke	5
4	16B	Robeson	9
5	17A	Rockingham	5
6	17B	Stokes, Surry	5
7	18	Guilford	26
8	19A	Cabarrus	5
9	19B	Montgomery, Moore, Randolph	11
10	19C	Rowan	5
11	20	Anson, Richmond,	14
12		Stanly, Union	
13	21	Forsyth	~~15~~ 17
14	22	Alexander, Davidson, Davie,	16
15		Iredell	
16	23	Alleghany, Ashe, Wilkes,	5
17		Yadkin	
18	24	Avery, Madison, Mitchell,	4
19		Watauga, Yancey	
20	25	Burke, Caldwell, Catawba	14
21	26	Mecklenburg	32
22	27A	Gaston	12
23	27B	Cleveland,	8
24		Lincoln	
25	28	Buncombe	~~10~~ 11
26	29	Henderson, McDowell, Polk,	11
27		Rutherford, Transylvania	
28	30	Cherokee, Clay, Graham,	7
29		Haywood, Jackson, Macon,	
30		Swain."	

(b) This section becomes effective December 1, 1998.

Requested by: Representatives Justus, Thompson, Kiser, Redwine

ADDITIONAL INVESTIGATORIAL ASSISTANTS

Section 16.21. G.S. 7A-69 reads as rewritten:

"§ 7A-69. Investigatorial assistants.

The district attorney in prosecutorial districts 1, 3B, 4, 6B, 7, 8, 10, 11, 12, 13, 14, 15A, 15B, 18, 19B, 20, 21, 24, 25, 26, 27A, 27B, 28, 29, and 30 is entitled to one investigatorial assistant to be appointed by the district attorney and to serve at his pleasure.

It shall be the duty of the investigatorial assistant to investigate cases preparatory to trial and to perform such other duties as may be assigned by the district attorney. The investigatorial assistant is entitled to reimbursement for his subsistence and travel expenses to the same extent as State employees generally."

Requested by: Representatives Justus, Kiser, Thompson, Daughtry, Hardy, Neely

ADD TWO SPECIAL SUPERIOR COURT JUDGES/CLARIFY TERMS OF EXISTING SPECIAL SUPERIOR COURT JUDGES

Section 16.22. (a) G.S. 7A-45.1 is amended by adding a new subsection to read:

"(a3) Effective December 15, 1998, the Governor may appoint two special superior court judges to serve terms expiring five years from the date that each judge takes office. Successors to the special superior court judges appointed pursuant to

1 this subsection shall be appointed to five-year terms. A special judge takes the same
2 oath of office and is subject to the same requirements and disabilities as are or may
3 be prescribed by law for regular judges of the superior court, save the requirement of
4 residence in a particular district."

5 (b) G.S. 7A-45.1(a2) reads as rewritten:

6 "(a2) Effective December 15, 1996, the Governor may appoint four special
7 superior court judges to serve terms expiring ~~December 14, 2001~~. five years from the
8 date that each judge takes office. Successors to the special superior court judges
9 appointed pursuant to this subsection shall be appointed to five-year terms. A special
10 judge takes the same oath of office and is subject to the same requirements and
11 disabilities as are or may be prescribed by law for regular judges of the superior
12 court, save the requirement of residence in a particular district."

13
14 Requested by: Representatives Justus, Kiser, Thompson

15 **REPORTS ON VACANT POSITIONS**

16 Section 16.23. The Judicial Department, the Department of Correction,
17 the Department of Justice, and the Department of Crime Control and Public Safety
18 shall each report by May 1 and December 1 of each year to the Chairs of the House
19 and Senate Appropriations Committees and the Chairs of the House and Senate
20 Appropriations Subcommittees on Justice and Public Safety on all positions within
21 that department that have remained vacant for 12 months or more. The report shall
22 include the original position vacancy dates, the dates of any postings or repostings of
23 the positions, and an explanation for the length of the vacancies.

24
25 Requested by: Representatives Justus, Kiser, Thompson

26 **PROJECT CHALLENGE REPORT**

27 Section 16.24. Subsection (a) of Section 18.20 of S.L. 1997-443 reads as
28 rewritten:

29 "(a) Of the funds appropriated in this act to the Administrative Office of the
30 Courts for the ~~1997-98 fiscal year~~, 1997-99 biennium, the sum of one hundred
31 thousand dollars (\$100,000) for the 1997-98 fiscal year and the sum of two hundred
32 thousand dollars (\$200,000) for the 1998-99 fiscal year shall be used to support the
33 operation of Project Challenge North Carolina, Inc., a nonprofit corporation that
34 provides alternative dispositions and services to juveniles who have been adjudicated
35 delinquent or undisciplined in District Court ~~District~~ Districts 24, 25, 29, and 30 and
36 for expansion of the ~~program~~. program into additional districts. The funds shall be
37 used to:

- 38 (1) Provide community resources and dispositional alternatives for
39 juveniles in the form of community services, including services to
40 the elderly and economically disadvantaged;
- 41 (2) Promote the involvement of juveniles in community programs that
42 instill in juveniles pride in their communities and develop self-
43 respect and the skills needed for them to be productive,
44 responsible members of their communities;
- 45 (3) Coordinate with the local schools and State and local law
46 enforcement to educate juveniles regarding the justice system and
47 to promote respect for authority and an appreciation of societal
48 laws and mores; and
- 49 (4) Collaborate with community agencies and organizations to provide
50 guidance to and positive role models for juveniles."

51
52 Requested by: Representatives Justus, Kiser, Thompson, McCrary

**1 RECONFORM THE MILEAGE REIMBURSEMENT FOR OUT-OF-STATE
2 WITNESSES TO THAT RECEIVED BY IN-STATE WITNESSES AND STATE
3 EMPLOYEES**

4 Section 16.25. (a) G.S. 7A-314(c) reads as rewritten:

5 "(c) A witness who resides in a state other than North Carolina and who appears
6 for the purpose of testifying in a criminal action and proves his attendance may be
7 compensated at the rate of ~~ten cents (10¢) a mile~~ allowed to State officers and
8 employees by subdivisions (1) and (2) of G.S. 138-6(a) for one round-trip from his
9 place of residence to the place of appearance, and five dollars (\$5.00) for each day
10 that he is required to travel and attend as a witness, upon order of the court based
11 upon a finding that the person was a necessary witness. If such a witness is required
12 to appear more than one day, he is also entitled to reimbursement for actual expenses
13 incurred for lodging and meals, not to exceed the maximum currently authorized for
14 State employees."

15 (b) G.S. 15A-813 reads as rewritten:

16 "**§ 15A-813. Witness from another state summoned to testify in this State.**

17 If a person in any state which by its laws has made provision for commanding
18 persons within its borders to attend and testify in criminal prosecutions, or grand jury
19 investigations commenced or about to commence in this State, is a material witness in
20 a prosecution pending in a court of record in this State, or in a grand jury
21 investigation which has commenced or is about to commence, a judge of such court
22 may issue a certificate under the seal of the court, stating these facts and specifying
23 the number of days the witness will be required. Said certificate may include a
24 recommendation that the witness be taken into immediate custody and delivered to
25 an officer of this State to assure his attendance in this State. This certificate shall be
26 presented to a judge of a court of record in the county in which the witness is found.

27 If the witness is summoned to attend and testify in this State he shall be ~~tendered~~
28 ~~the sum of ten cents (10¢) a mile~~ compensated at the rate allowed to State officers
29 and employees by subdivisions (1) and (2) of G.S. 138-6(a) for each mile by the
30 ordinary traveled route to and from the court where the prosecution is pending, and
31 five dollars (\$5.00) for each day that he is required to travel and attend as a witness.
32 A witness who has appeared in accordance with the provisions of the summons shall
33 not be required to remain within this State a longer period of time than the period
34 mentioned in the certificate unless otherwise ordered by the court. If such a witness
35 is required to appear more than one day, he is also entitled to reimbursement for
36 actual expenses incurred for lodging and meals, not to exceed the maximum currently
37 authorized for State employees when traveling in the State. If such witness, after
38 coming into this State, fails without good cause to attend and testify as directed in the
39 summons, he shall be punished in the manner provided for the punishment of any
40 witness who disobeys a summons issued from a court of record in this State."

41 (c) This section is effective when it becomes law and applies to all out-
42 of-state witness travel expenses incurred on or after that date.

44 Requested by: Representatives Justus, Kiser, Thompson

45 COMPUTER REPLACEMENT FUNDS

46 Section 16.26. The Judicial Department may use up to the sum of five
47 hundred thousand dollars (\$500,000) from funds available during the 1998-99 fiscal
48 year to replace computers and associated equipment in response to computer-related
49 problems that may occur during the fiscal year. The Department shall report
50 quarterly to the Chairs of the House and Senate Appropriations Committees and the
51 Chairs of the House and Senate Appropriations Subcommittees on Justice and Public
52 Safety on the expenditure of funds for this purpose.

1 PART XVII. DEPARTMENT OF CORRECTION**2 Requested by: Representatives Justus, Kiser, Thompson****3 REALLOCATE LAND TO NC STATE UNIVERSITY**

4 Section 17. The 17.4-acre tract of State-owned land adjacent to Schenck
5 Forest that is described in the Memorandum of Agreement made in October 1992, by
6 and between the North Carolina Department of Correction and North Carolina State
7 University, is reallocated to North Carolina State University. The land shall be used
8 for the purpose of teaching, research, and extension, including timber management
9 practices, and forestry demonstration purposes associated with the North Carolina
10 State University College of Forest Resources. North Carolina State University shall
11 maintain this land in good condition according to current timber management
12 practices.

13
14 Requested by: Representatives Justus, Kiser, Thompson**15 REPORT ON BOOT CAMPS**

16 Section 17.1. Subsection (c) of Section 19 of Chapter 24 of the Session
17 Laws of the 1994 Extra Session, as amended by Section 19.3 of Chapter 324 of the
18 1995 Session Laws, reads as rewritten:

19 "(c) The Department of Correction shall evaluate the IMPACT program and the
20 post-Boot Camp probation program funded under this section and report by ~~January~~
21 ~~4 March 1~~ of each year to the Joint Legislative Commission on Governmental
22 Operations, the Joint Legislative Corrections and Crime Control Oversight
23 Committee, and the Fiscal Research Division. The evaluation of the IMPACT
24 program and the post-Boot Camp probation program shall ~~include a comparison of~~
25 ~~that program's effectiveness, cost, and recidivism rate to other corrections programs~~
26 ~~for offenders in the same age group and similar offense classes as that covered by the~~
27 IMPACT program. focus on the performance, behavior, and attitudes of the offenders
28 while in the program. Specific topics shall include measures of participation and
29 completion, data on completion of educational, substance abuse treatment, and
30 community service programs, drug testing and probation revocation statistics, and the
31 current status of IMPACT graduates. The evaluation shall also include any available
32 information on the difference in outcome among offenders who attend the IMPACT
33 program only, offenders who attend both the IMPACT program and aftercare, and
34 similar offenders who receive other intermediate sanctions."

35
36 Requested by: Representatives Justus, Kiser, Thompson**37 REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL**
38 COSTS FOR INMATES, PAROLEES, AND POST-RELEASE SUPERVISEES
39 AWAITING TRANSFER TO STATE PRISON SYSTEM

40 Section 17.2. Section 19(b) of S.L. 1997-443 reads as rewritten:

41 "(b) The Department of Correction may use funds appropriated to the
42 Department for the 1997-99 biennium to pay the sum of forty dollars (\$40.00) per day
43 as reimbursement to counties for the cost of housing convicted inmates and parolees
44 and post-release supervisees awaiting transfer to the State prison system, as provided
45 in G.S. 148-29. The Department shall report quarterly to the Joint Legislative
46 Commission on Governmental Operations, the Joint Legislative Corrections
47 Oversight Committee, the Chairs of the Senate and House Appropriations
48 Committees, and the Chairs of the Senate and House Appropriations Subcommittees
49 on Justice and Public Safety on the expenditure of funds to reimburse counties for
50 prisoners awaiting transfer and on its progress in reducing the jail backlog.

51 Prior to the expenditure of more than the sum of six million five hundred
52 thousand dollars (\$6,500,000) for the 1997-98 fiscal year or more than the sum of ~~four~~
53 ~~million dollars (\$4,000,000)~~ two million dollars (\$2,000,000) for the 1998-99 fiscal

1 year to reimburse counties for prisoners awaiting transfer, the Department of Correction and the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental ~~Operations~~ 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 necessity of that expenditure."

Requested by: Representatives Justus, Kiser, Thompson

INMATE HOUSING FUNDS

Section 17.3. (a) The Department of Correction may use funds available to the Department for the 1998-99 fiscal year to contract for prison beds to house inmates in local jails. Prior to the expenditure of more than the sum of three million dollars (\$3,000,000) in additional funds authorized by this section to contract for local jail beds, the Department of Correction and the Office of State Budget and Management shall report to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the necessity of that expenditure.

(b) The Department of Correction and the Office of State Budget and Management shall report by December 1, 1998, to the Joint Legislative Corrections and Crime Control Oversight Committee, the Chairs of the Senate and House Appropriations Committee, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the status of contracts to house inmates in local jails, including the amount expended to date, the anticipated amount to be expended, and the dates each contract is expected to terminate.

[SECTION 17.4 RESERVED]

Requested by: Representatives Justus, Kiser, Thompson

MODIFICATION OF FUNDING FORMULA FOR THE NORTH CAROLINA STATE-COUNTY CRIMINAL JUSTICE PARTNERSHIP ACT

Section 17.5. Subsection (a) of Section 19.8 of S.L. 1997-443 reads as rewritten:

"(a) Notwithstanding the funding formula set forth in G.S. 143B-273.15, ~~grants~~ appropriations made to the Department of Correction through the North Carolina State-County Criminal Justice Partnership Act for the ~~1997-98 fiscal year~~ 1997-99 biennium shall be distributed to the counties as specified in G.S. 143B-273.15(2) only, and not as discretionary funds. The Department may also use funds from the State-County Criminal Justice Partnership Account in order to maintain the counties' allocations of nine million six hundred thousand dollars (\$9,600,000) as provided in previous fiscal years. Appropriations not claimed or expended by the counties during the 1997-99 biennium shall be distributed as specified in G.S. 143B-273.15(1)."

Requested by: Representatives Justus, Kiser, Thompson

PROGRESS REPORT/PERFORMANCE AUDIT OF DIVISION OF ADULT PROBATION AND PAROLE

Section 17.6. The Division of Adult Probation and Parole shall report to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and the Fiscal Research Division by January 1, 1999, on any actions taken or planned in response to the June 1, 1998, performance audit of the Division. The report shall include details on any changes in funding, classification, staffing levels, or organization structure that have occurred since the June 1 audit and should highlight those changes that are directly related to issues raised in the audit.

1 Requested by: Representatives Justus, Kiser, Thompson

2 **FUNDING OF PRISON ROAD SQUADS**

3 Section 17.7. In preparing the continuation budget, the Office of State
4 Budget and Management shall adjust the estimated receipts from the Highway Fund
5 to the Department of Correction for the use of prison road squads to reflect only
6 those costs authorized for reimbursement by G.S. 148-26.5.

7
8 Requested by: Representatives Justus, Kiser, Thompson

9 **INMATE COSTS**

10 Section 17.8. Section 19.20 of S.L. 1997-443 reads as rewritten:

11 "Section 19.20. The Department of Correction may use funds available to the
12 Department for the 1997-99 biennium to pay the cost of providing food and health
13 care to inmates housed in the Division of Prisons if:

14 (1) ~~The prison population exceeds the December 1996 population~~
15 ~~projections of the North Carolina Sentencing and Policy Advisory~~
16 ~~Commission; and~~

17 (2) The if the cost of providing food and health care to inmates is
18 anticipated to exceed the continuation budget amounts provided for that purpose in
19 this act.

20 Prior to making any expenditure authorized by this section, the Department of
21 Correction shall report on its need to use these additional funds to the Joint
22 Legislative Commission on Governmental Operations, ~~the Joint Legislative~~
23 ~~Corrections Oversight Committee, and the Chairs of the House and Senate~~
24 ~~Appropriations Committees. Committees, and the Chairs of the House and Senate~~
25 Appropriations Subcommittees on Justice and Public Safety.

26 The Office of State Budget and Management, in consultation with the Department
27 of Correction, shall (i) analyze the basis for increases in the cost of providing food
28 service and health care to inmates since the 1994-95 fiscal year, including an analysis
29 of the major areas of expenditure growth, and an identification of major areas where
30 cost-efficient actions have been taken, and (ii) determine future actions that will
31 improve efficiency in the delivery of food service and health care to inmates. The
32 Office of State Budget and Management shall report on the results of this study to the
33 Chairs of the Senate and House Appropriations Committees and the Chairs of the
34 Senate and House Appropriations Subcommittees on Justice and Public Safety by
35 February 15, 1999."

36
37 Requested by: Representatives Justus, Kiser, Thompson

38 **TITLE VII FUNDS/REPORT**

39 Section 17.9. Section 19.18 of S.L. 1997-443 reads as rewritten:

40 "Section 19.18. The Department of Correction may use funds available to the
41 Department during the ~~1997-98 fiscal year~~ 1997-99 biennium for payment to
42 claimants as part of the settlement of the Title VII lawsuit over the recruitment,
43 hiring, and promotion of females in the Department. Prior to final settlement of the
44 lawsuit, the Department shall report on the proposed settlement to the Joint
45 Legislative Commission on Governmental Operations, the Joint Legislative
46 Corrections Oversight Committee, and the Chairs of the Senate and House
47 Appropriations Subcommittees on Justice and Public Safety."

48
49 Requested by: Representatives Justus, Kiser, Thompson

50 **DIRECT CRIMINAL JUSTICE EDUCATION AND TRAINING STANDARDS**
51 **COMMISSION TO REVISE HIRING AND RECORD-KEEPING PROCEDURES FOR**
52 **EMPLOYEES OF DEPARTMENT OF CORRECTION**

53 Section 17.10. (a) Section 19.28 of S.L. 1997-443 reads as rewritten:

1 "Section 19.28. No later than ~~June 30, 1998~~, October 1, 1998, the Criminal Justice
2 Education and Training Standards Commission shall reestablish the hiring and
3 record-keeping procedures for the employment of certified positions in the
4 Department of Correction."

5 (b) The Criminal Justice Education and Training Standards Commission
6 shall report by October 1, 1998, to the Joint Legislative Corrections and Crime
7 Control Oversight Committee, the Chairs of the Senate and House Appropriations
8 Committees, and the Chairs of the Senate and House Appropriations Subcommittees
9 on Justice and Public Safety on its progress in complying with the provisions of this
10 section.

11 (c) This section becomes effective June 30, 1998.

12
13 Requested by: Representatives Justus, Kiser, Thompson

14 **FEDERAL GRANT MATCHING FUNDS**

15 Section 17.11. Notwithstanding the provisions of G.S. 148-2, the
16 Department of Correction may use up to the sum of eight hundred seventy-five
17 thousand dollars (\$875,000) from funds available to the Department to provide the
18 State match needed in order to receive federal grant funds.

19
20 Requested by: Representatives Justus, Kiser, Thompson

21 **SUBSTANCE ABUSE FUNDS**

22 Section 17.12. (a) Of the four hundred sixty-seven thousand eight
23 hundred six dollars (\$467,806) appropriated in S.L. 1997-443 to the Department of
24 Correction for the 1997-98 fiscal year to be allocated to the DART/DWI aftercare
25 program at Cherry Hospital, the sum of one hundred thousand dollars (\$100,000)
26 shall not revert at the end of the fiscal year but shall remain available to the
27 Department during the 1998-99 fiscal year to be used for the purchase of hardware
28 and software needed to implement an offender and inmate tracking and program
29 evaluation system for the Substance Abuse Program. These funds may not be
30 expended until the Department has developed a plan for this new system and
31 reported on the plan to the Chairs of the Senate and House Appropriations
32 Committees and the Chairs of the Senate and House Appropriations Subcommittees
33 on Justice and Public Safety.

34 (b) Of the funds appropriated to the Department of Correction for the
35 1998-99 fiscal year, the Department may use up to the sum of three hundred nineteen
36 thousand seven hundred fifteen dollars (\$319,715) for DART/DWI aftercare.

37 (c) The Department of Correction shall report by March 1 of each year
38 to the Joint Legislative Corrections and Crime Control Oversight Committee, the
39 Chairs of the Senate and House Appropriations Committees, and the Chairs of the
40 Senate and House Appropriations Subcommittees on Justice and Public Safety on
41 their efforts to provide effective treatment to offenders with substance abuse
42 problems. The report shall include:

- 43 (1) Details of any new initiatives and expansion or reduction of
44 programs;
- 45 (2) Details on any treatment efforts conducted in conjunction with
46 other departments;
- 47 (3) Utilization of the DART/DWI program, including its aftercare
48 program;
- 49 (4) Progress in the development of an offender and inmate tracking
50 and program evaluation system; and
- 51 (5) A report on the number of current inmates with substance abuse
52 problems, the number of inmates currently receiving treatment, the
53 number of these inmates who are receiving treatment for a second

or subsequent time, and the numbers who have completed treatment. As an offender and inmate tracking system becomes operational, this report shall also include information on the recidivism of inmates who have previously completed substance abuse treatment and been released from prison.

Requested by: Representatives Justus, Kiser, Thompson

POST-RELEASE SUPERVISION AND PAROLE COMMISSION/REPORT ON STAFFING REORGANIZATION AND REDUCTION

Section 17.13. The Post-Release Supervision and Parole Commission shall report by March 1, 1999, to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and upon request of the Joint Legislative Corrections and Crime Control Oversight Committee after March 1, 1999, on:

- (1) The Commission's progress in reviewing cases requiring review in light of the decision of the North Carolina Supreme Court in *Robbins v. Freeman*; and
- (2) An updated transition plan for implementing staff reductions through the 2002-2003 fiscal year, including a minimum ten percent (10%) reduction in staff positions in the 1999-2000 fiscal year over the 1998-99 fiscal year.

Requested by: Representatives Justus, Kiser, Thompson

PRIVATE PRISON CONTRACTS

Section 17.14. If the Department of Correction determines, in consultation with the Attorney General's Office, the Office of State Budget and Management, and the Corrections Corporation of America, that it is appropriate to modify the terms of the contracts for the leasing and operation of one or both of the two private confinement facilities in Pamlico and Avery/Mitchell, the Department may use funds available to the Department for the 1998-99 fiscal year to modify the lease contract and the operating agreement as necessary. Prior to taking actions or obligating funds as authorized by this section, the Department of Correction shall report 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 justification for using available funds to modify the contracts.

Requested by: Representatives Justus, Kiser, Thompson

STUDY SPECIAL EDUCATION OBLIGATIONS OF DEPARTMENT OF CORRECTION

Section 17.15. The Joint Legislative Corrections and Crime Control Oversight Committee shall study the issue of limiting the obligations of the Department of Correction to provide special education and related services to incarcerated youth ages 18 through 21. The Committee shall consider the recent amendment to the federal Individuals with Disabilities Education Act (IDEA) that allows states to reduce the responsibility of their prisons to identify and serve inmates not previously identified and served in the public schools. The Committee shall report its findings and recommendations to the 1999 General Assembly.

Requested by: Representatives Justus, Kiser, Thompson, Sexton

ADDITIONAL PRISON BEDS/PROVIDE THAT A SENTENCE OF LIFE IMPRISONMENT WITHOUT PAROLE SHALL BE IMPOSED FOR A SECOND OR SUBSEQUENT CONVICTION OF A CLASS B1 FELONY IF THERE ARE NO MITIGATING CIRCUMSTANCES AND THE VICTIM IS THIRTEEN YEARS OF

1 AGE OR YOUNGER/ENHANCE THE PUNISHMENT IMPOSED FOR INJURING A
2 PREGNANT WOMAN IN THE COMMISSION OF A FELONY, ACT OF DOMESTIC
3 VIOLENCE, OR UNLAWFUL OPERATION OF A MOTOR VEHICLE CAUSING A
4 MISCARRIAGE OR STILLBIRTH/INCREASE THE PENALTY FOR CRUELTY TO
5 ANIMALS/INCREASE OR ESTABLISH CRIMINAL AND CIVIL PENALTIES FOR
6 THE OFFENSES OF SELLING DRUGS TO A MINOR, HIRING OR
7 INTENTIONALLY USING A MINOR TO COMMIT A DRUG LAW VIOLATION,
8 AND PURCHASING OR RECEIVING DRUGS FROM A MINOR

9 Section 17.16. (a) Article 81B of Chapter 15A of the General Statutes is
10 amended by adding a new section to read:

11 "§ 15A-1340.16B. Life imprisonment without parole for a second or subsequent
12 conviction of a Class B1 felony.

13 (a) Notwithstanding the sentencing dispositions in G.S. 15A-1340.17, a person
14 convicted of a Class B1 felony shall be sentenced to life imprisonment without parole
15 if:

16 (1) The offense was committed against a victim who was 13 years of
17 age or younger at the time of the offense;

18 (2) The person has one or more prior convictions of a Class B1 felony;
19 and

20 (3) The court finds that there are no mitigating factors in accordance
21 with G.S. 15A-1340.16(e).

22 (b) If the sentencing court finds that there are mitigating circumstances, then the
23 court shall sentence the person in accordance with G.S. 15A-1340.17.

24 (c) A prior conviction of a Class B1 felony shall be proved in accordance with
25 G.S. 15A-1340.14."

26 (b) Article 6 of Chapter 14 of the General Statutes is amended by adding
27 a new section to read:

28 "§ 14-18.2. Injury to pregnant woman.

29 (a) Definitions. -- The following definitions shall apply in this section:

30 (1) Miscarriage. -- The interruption of the normal development of the
31 fetus, other than by a live birth, and which is not an induced
32 abortion permitted under G.S. 14-45.1, resulting in the complete
33 expulsion or extraction from a pregnant woman of the fetus.

34 (2) Stillbirth. -- The death of a fetus prior to the complete expulsion
35 or extraction from a woman irrespective of the duration of
36 pregnancy and which is not an induced abortion permitted under
37 G.S. 14-45.1.

38 (b) A person who in the commission of a felony causes injury to a woman,
39 knowing the woman to be pregnant, which injury results in a miscarriage or stillbirth
40 by the woman is guilty of a felony that is one class higher than the felony committed.

41 (c) A person who in the commission of a misdemeanor that is an act of domestic
42 violence as defined in Chapter 50B of the General Statutes causes injury to a woman,
43 knowing the woman to be pregnant, which results in miscarriage or stillbirth by the
44 woman is guilty of a misdemeanor that is one class higher than the misdemeanor
45 committed. If the offense was a Class A1 misdemeanor, the defendant is guilty of a
46 Class I felony.

47 (d) This section shall not apply to acts committed by a pregnant woman which
48 result in a miscarriage or stillbirth by the woman."

49 (c) Article 3 of Chapter 20 of the General Statutes is amended by adding
50 a new section to read:

51 "§ 20-141.6. Injury to pregnant woman by vehicle.

52 (a) Definitions. -- The following definitions shall apply in this section:

- 1 (1) Miscarriage. -- The interruption of the normal development of the
2 fetus, other than by a live birth, and which is not an induced
3 abortion permitted under G.S. 14-45.1, resulting in the complete
4 expulsion or extraction from a pregnant woman of the fetus.
5 (2) Stillbirth. -- The death of a fetus prior to the complete expulsion
6 or extraction from a woman irrespective of the duration of
7 pregnancy and which is not an induced abortion permitted under
8 G.S. 14-45.1.

9 (b) Any person who in the unlawful operation of a motor vehicle commits a
10 felony which causes a pregnant woman to suffer a miscarriage or stillbirth is guilty of
11 a felony that is one class higher than the felony committed."

12 (d) G.S. 14-360 reads as rewritten:

13 "**§ 14-360. Cruelty to animals; construction of section.**

14 (a) ~~If any person shall willfully overdrive, overload, wound, injure, torture,~~
15 ~~torment, or deprive of necessary sustenance, cruelly beat, needlessly mutilate or kill~~
16 ~~or cause or procure to be overdriven, overloaded, wounded, injured, tortured,~~
17 ~~tormented, or deprived of necessary sustenance, cruelly beaten, needlessly mutilated~~
18 ~~or killed as aforesaid, any useful beast, fowl or any animal, every such offender shall~~
19 ~~for every such offense be guilty of a Class 1 misdemeanor. In this section, and in~~
20 ~~every law which may be enacted relating to animals, the words "animal" and "dumb~~
21 ~~animal" shall be held to include every living creature; the words "torture," "torment"~~
22 ~~or "cruelty" shall be held to include every act, omission or neglect whereby~~
23 ~~unjustifiable physical pain, suffering or death is caused or permitted. Such terms~~
24 ~~shall not be construed to prohibit the lawful taking of animals under the jurisdiction~~
25 ~~and regulation of the Wildlife Resources Commission.~~

26 (b) If any person shall willfully torture, torment, mutilate, maim, cruelly beat,
27 disfigure, poison, or kill, or cause or procure to be tortured, tormented, mutilated,
28 maimed, cruelly beaten, disfigured, poisoned, or killed, any animal, every such
29 offender shall for every such offense be guilty of a Class I felony. The word
30 'willfully', as used in this subsection, shall mean an act done intentionally, with bad
31 motive or purpose and without justifiable excuse.

32 (c) In this section, the term 'animal' shall be held to include every domestic or
33 otherwise useful animal. This section shall not apply to animals under the
34 jurisdiction and regulation of the Wildlife Resources Commission, lawful activities
35 conducted for purposes of biomedical research or training, lawful activities for sport
36 or other lawful entertainment, the production of livestock or poultry, or the lawful
37 destruction of any animal for the purpose of protecting the public, other animals, the
38 public health, or for lawful veterinary purposes."

39 (e) G.S. 90-95(e) reads as rewritten:

40 "(e) The prescribed punishment and degree of any offense under this Article shall
41 be subject to the following conditions, but the punishment for an offense may be
42 increased only by the maximum authorized under any one of the applicable
43 conditions:

- 44 (1), (2) Repealed by Session Laws 1979, c. 760, s. 5.
45 (3) If any person commits a Class 1 misdemeanor under this Article
46 and if he has previously been convicted for one or more offenses
47 under any law of North Carolina or any law of the United States
48 or any other state, which offenses are punishable under any
49 provision of this Article, he shall be punished as a Class I felon.
50 The prior conviction used to raise the current offense to a Class I
51 felony shall not be used to calculate the prior record level;
52 (4) If any person commits a Class 2 misdemeanor, and if he has
53 previously been convicted for one or more offenses under any law

of North Carolina or any law of the United States or any other state, which offenses are punishable under any provision of this Article, he shall be guilty of a Class 1 misdemeanor. The prior conviction used to raise the current offense to a Class 1 misdemeanor shall not be used to calculate the prior conviction level;

(5) Any person 18 years of age or over who violates G.S. 90-95(a)(1) by selling or delivering a controlled substance to a person under 16 years of age but more than 13 years of age or a pregnant female shall be punished as a Class D felon. Any person 18 years of age or over who violates G.S. 90-95(a)(1) by selling or delivering a controlled substance to a person who is 13 years of age or younger shall be punished as a Class C felon. Mistake of age is not a defense to a prosecution under this section. It shall not be a defense that the defendant did not know that the recipient was pregnant;

(6) For the purpose of increasing punishment under G.S. 90-95(e)(3) and (e)(4), previous convictions for offenses shall be counted by the number of separate trials at which final convictions were obtained and not by the number of charges at a single trial;

(7) If any person commits an offense under this Article for which the prescribed punishment requires that any sentence of imprisonment be suspended, and if he has previously been convicted for one or more offenses under any law of North Carolina or any law of the United States or any other state, which offenses are punishable under any provision of this Article, he shall be guilty of a Class 2 misdemeanor;

(8) Any person 21 years of age or older who commits an offense under G.S. 90-95(a)(1) on property used for an elementary or secondary school or within 300 feet of the boundary of real property used for an elementary or secondary school shall be punished as a Class E felon. For purposes of this subdivision, the transfer of less than five grams of marijuana for no remuneration shall not constitute a delivery in violation of G.S. 90-95(a)(1).

(9) Any person who violates G.S. 90-95(a)(3) on the premises of a penal institution or local confinement facility shall be guilty of a Class H felony."

(f) G.S. 90-95.4 reads as rewritten:

"§ 90-95.4. Employing or intentionally using minor to commit a drug law violation.

(a) A person who is at least 18 years old but less than 21 years old who hires or intentionally uses a minor to violate G.S. 90-95(a)(1) shall be guilty of a felony. An offense under this subsection shall be punishable as follows:

(1) If the minor was more than 13 years of age, then as a felony that is one class more severe than the violation of G.S. 90-95(a)(1) for which the minor was hired. hired or intentionally used.

(2) If the minor was 13 years of age or younger, then as a felony that is two classes more severe than the violation of G.S. 90-95(a)(1) for which the minor was hired or intentionally used.

(b) A person 21 years of age or older who hires or intentionally uses a minor to violate G.S. 90-95(a)(1) shall be guilty of a felony. An offense under this subsection shall be punishable as follows:

1 (1) If the minor was more than 13 years of age, then as a felony that is
2 two three classes more severe than the violation of G.S. 90-95(a)(1)

3 for which the minor was hired; hired or intentionally used.
4 (2) If the minor was 13 years of age or younger, then as a felony that is
5 four classes more severe than the violation of G.S. 90-95(a)(1) for
6 which the minor was hired or intentionally used.

7 (c) Mistake of Age. Mistake of age is not a defense to a prosecution under this
8 section.

9 (d) The term 'minor' as used in this section is defined as an individual who is less
10 than 18 years of age."

11 (g) G.S. 90-95.5 reads as rewritten:

12 **"§ 90-95.5. Civil liability - employing a minor to commit a drug offense.**

13 A person 21 years of age or older, who ~~hires or employs~~ hires, employs, or
14 intentionally uses a person under 18 years of age to commit a violation of G.S. 90-95
15 is liable in a civil action for damages for drug addiction proximately caused by the
16 violation. The doctrines of contributory negligence and assumption of risk are no
17 defense to liability under this section."

18 (h) Article 5 of Chapter 90 of the General Statutes is amended by adding
19 the following new sections to read:

20 **"§ 90-95.6. Promoting drug sales by a minor.**

21 (a) A person who is 21 years of age or older is guilty of promoting drug sales by a
22 minor if the person knowingly:

23 (1) Entices, forces, encourages, or otherwise facilitates a minor in
24 violating G.S. 90-95(a)(1).

25 (2) Supervises, supports, advises, or protects the minor in violating
26 G.S. 90-95(a)(1).

27 (b) Mistake of age is not a defense to a prosecution under this section.

28 (c) A violation of this section is a Class D felony.

29 **"§ 90-95.7. Participating in a drug violation by a minor.**

30 (a) A person 21 years of age or older who purchases or receives a controlled
31 substance from a minor who possesses, sells, or delivers the controlled substance in
32 violation of G.S. 90-95(a)(1) is guilty of participating in a drug violation of a minor.

33 (b) Mistake of age is not a defense to a prosecution under this section.

34 (c) A violation of this section is a Class F felony."

35 (i) This section becomes effective December 1, 1998, and applies to
36 offenses committed on or after that date.

37
38 Requested by: Representatives Holmes, Esposito, Creech, Crawford
39 **DISCLOSURE OF CONVICTION NOT REQUIRED IN SALE OR LEASE OF REAL**
40 **PROPERTY**

41 Section 17.16A. (a) G.S. 39-50 reads as rewritten:

42 **"§ 39-50. ~~Death or illness of previous occupant:~~ Death, illness, or conviction of crime**
43 **not a material fact.**

44 In offering real property for sale it shall not be deemed a material fact that the real
45 property was occupied previously by a person who died or had a serious illness while
46 occupying the ~~property; property or that a person convicted of any crime occupies,~~
47 ~~occupied, or resides near the property;~~ provided, however, that no seller may
48 knowingly make a false statement regarding ~~such past occupancy; any such fact."~~

49 (b) G.S. 42-14.2 reads as rewritten:

50 **"§ 42-14.2. ~~Death or illness of previous occupant:~~ Death, illness, or conviction of**
51 **crime not a material fact.**

52 In offering real property for rent or lease it shall not be deemed a material fact
53 that the real property was occupied previously by a person who died or had a serious

1 illness while occupying the ~~property~~; property or that a person convicted of any crime
 2 occupies, occupied, or resides near the property; provided, however, that no landlord
 3 or lessor may knowingly make a false statement regarding ~~such past occupancy~~. any
 4 such fact."

6 [SECTION 17.17 RESERVED]

8 Requested by: Representatives Justus, Kiser, Thompson

9 **USE OF FEDERAL PRISON CONSTRUCTION GRANT FUNDS**

10 Section 17.18. Section 19.22 of S.L. 1997-443 reads as rewritten:

11 "Section 19.22. The Department of Correction shall use federal grant funds
 12 received from the U.S. Justice Department as part of the Violent Offender
 13 Incarceration Program and the Truth-In-Sentencing Incentive Grant Program and
 14 any State funds appropriated for the further planning and design and construction of
 15 the following State prison facilities, provided that the project meets the criteria of the
 16 federal grant program:

18 <u>Facility</u>	18 <u>Location</u>	18 <u>Number of Beds</u>	18 <u>Custody</u>
19 Central Prison	19 Wake	19 196	19 Close
20 Diagnostic Center			
21 Warren Correctional	21 Warren	21 168	21 Med/Close
22 Institution			
23 Improvements to	23 Wake	23 208	23 Med/Close
24 NCCIW			
25 Scotland Facility	25 Scotland	25 712	25 Close
26 Alexander Facility	26 Alexander	26 520	26 Close
27 <u>(or replacement site)</u>			
28 Metro Facility	28 Charlotte	28 520	28 Close
29	29 Area		

30 ~~No more than the sum of seventeen million five hundred thousand dollars~~
 31 ~~(\$17,500,000) in federal funds may be allocated to the Central Prison Diagnostic~~
 32 ~~Center Project, the proposed revised Phase I of the Central Prison Master Plan, or the~~
 33 ~~planning and design of the Warren, NCCIW, or Metro projects until federal funds~~
 34 ~~have been allocated to complete the working drawings phase of planning and design~~
 35 ~~for the Alexander and Scotland Close Custody Prison Facilities.~~

36 If the Department of Correction identifies a replacement for the Alexander
 37 Facility, the Department of Correction shall report on the site selected to the Chairs
 38 of the Senate and House Appropriations Committees, the Senate and House
 39 Appropriations Subcommittees on Justice and Public Safety, and the Joint Legislative
 40 Corrections and Crime Control Oversight Committee.

41 Prior to major redesign or expansion of plans for Scotland, Alexander, and Metro,
 42 the Department of Correction shall report to the Chairs of the Senate and House
 43 Appropriations Committees, the Senate and House Appropriations Subcommittees on
 44 Justice and Public Safety, and the Joint Legislative Corrections and Crime Control
 45 Oversight Committee.

46 The Department of Correction shall not initiate further construction on any of the
 47 projects listed in this section other than the Central Prison Diagnostic Center, which
 48 is already under contract, or on the Central Prison Medical Center project until the
 49 Department reports to the Chairs of the Senate and House Appropriations
 50 Committees, the Senate and House Appropriations Subcommittees on Justice and
 51 Public Safety, and the Joint Legislative Corrections and Crime Control Oversight
 52 Committee on the proposed construction plans and the short-term and long-term
 53 costs of the projects.

1 The Department of Correction shall report ~~quarterly~~ by October 1, 1998, to the
2 ~~Chairs of the Senate and House Appropriations Committees, the Senate and House~~
3 ~~Appropriations Subcommittees on Justice and Public Safety, to the Joint Legislative~~
4 ~~Commission on Governmental Operations and the Joint Legislative Corrections and~~
5 ~~Crime Control Oversight Committee~~ on the allocation of any federal funds received
6 and of anticipated future federal grant funds."

7
8 Requested by: Representatives Justus, Kiser, Thompson, Redwine, Sexton, Smith
9 **INCREASE PENALTY FOR DOMESTIC CRIMINAL TRESPASS IF THE TRESPASS**
10 **IS COMMITTED UPON PROPERTY OPERATED AS A SAFE HOUSE FOR**
11 **VICTIMS OF DOMESTIC VIOLENCE AND THE PERSON TRESPASSING IS**
12 **ARMED WITH A DEADLY WEAPON**

13 Section 17.19. (a) G.S. 14-134.3 reads as rewritten:

14 **"§ 14-134.3. Domestic criminal trespass.**

15 (a) Any person who enters after being forbidden to do so or remains after being
16 ordered to leave by the lawful occupant, upon the premises occupied by a present or
17 former spouse or by a person with whom the person charged has lived as if married,
18 shall be guilty of a misdemeanor if the complainant and the person charged are living
19 apart; provided, however, that no person shall be guilty if said person enters upon the
20 premises pursuant to a judicial order or written separation agreement which gives the
21 person the right to enter upon said premises for the purpose of visiting with minor
22 children. Evidence that the parties are living apart shall include but is not necessarily
23 limited to:

- 24 (1) A judicial order of separation;
- 25 (2) A court order directing the person charged to stay away from the
26 premises occupied by the complainant;
- 27 (3) An agreement, whether verbal or written, between the complainant
28 and the person charged that they shall live separate and apart, and
29 such parties are in fact living separate and apart; or
- 30 (4) Separate places of residence for the complainant and the person
31 charged.

32 ~~On~~ Except as provided in subsection (b) of this section, upon conviction, said person
33 is guilty of a Class 1 misdemeanor.

34 (b) A person convicted of a violation of this section is guilty of a Class G felony if
35 the person is trespassing upon property operated as a safe house or haven for victims
36 of domestic violence and the person is armed with a deadly weapon at the time of the
37 offense."

38 (b) This section becomes effective December 1, 1998, and applies to
39 offenses committed on or after that date.

40
41 Requested by: Representatives Dockham, Justus, Kiser, Thompson, McCrary
42 **REQUIRE INMATE ROAD SQUADS IN DAVIDSON COUNTY TO WEAR**
43 **UNIFORMS IDENTIFYING THEM AS INMATES**

44 Section 17.20. The Department of Correction and the Department of
45 Transportation shall require all inmate road squads, maintenance road squads, and
46 community work crews working in Davidson County to wear horizontally striped
47 uniforms with stripes of three inches in width and color-coded by inmate
48 classification in a manner consistent with the color-coding used by Davidson County
49 for its road squads.

50
51 Requested by: Representatives Justus, Kiser, Thompson
52 **REMOVE IMPACT AS OPTION FOR SPECIAL PROBATION**

53 Section 17.21. (a) G.S. 15A-1344(e) reads as rewritten:

"(e) Special Probation in Response to Violation. -- When a defendant has violated a condition of probation, the court may modify his probation to place him on special probation as provided in this subsection. In placing him on special probation, the court may continue or modify the conditions of his probation and in addition require that he submit to a period or periods of imprisonment, either continuous or noncontinuous, at whatever time or intervals within the period of probation the court determines. In addition to any other conditions of probation which the court may impose, the court shall impose, when imposing a period or periods of imprisonment as a condition of special probation, the condition that the defendant obey the Rules and Regulations of the Department of Correction governing conduct of inmates, and this condition shall apply to the defendant whether or not the court imposes it as a part of the written order. If imprisonment is for continuous periods, the confinement may be in either the custody of the Department of Correction or a local confinement facility. Noncontinuous periods of imprisonment under special probation may only be served in a designated local confinement or treatment facility. Except for probationary sentences for impaired driving under G.S. 20-138.1 and probationary sentences which include a period of imprisonment in the Intensive Motivational Program of Alternative Correctional Treatment (IMPACT) under G.S. 15A-1343(b1)(2a), G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, may not exceed six months or one fourth the maximum sentence of imprisonment imposed for the offense, whichever is less. For probationary sentences for impaired driving under G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, shall not exceed one-fourth the maximum penalty allowed by law. ~~For probationary sentences which include a period of imprisonment in the Intensive Motivational Program of Alternative Correctional Treatment (IMPACT) under G.S. 15A-1343(b1)(2a), the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, shall not exceed six months or one half the maximum term of the suspended sentence of imprisonment, whichever is less.~~ No confinement other than an activated suspended sentence may be required beyond the period of probation or beyond two years of the time the special probation is imposed, whichever comes first."

(b) G.S. 15A-1351(a) reads as rewritten:

"(a) The judge may sentence to special probation a defendant convicted of a criminal offense other than impaired driving under G.S. 20-138.1, if based on the defendant's prior record or conviction level as found pursuant to Article 81B of this Chapter, an intermediate punishment is authorized for the class of offense of which the defendant has been convicted. A defendant convicted of impaired driving under G.S. 20-138.1 may also be sentenced to special probation. Under a sentence of special probation, the court may suspend the term of imprisonment and place the defendant on probation as provided in Article 82, Probation, and in addition require that the defendant submit to a period or periods of imprisonment in the custody of the Department of Correction or a designated local confinement or treatment facility at whatever time or intervals within the period of probation, consecutive or nonconsecutive, the court determines. In addition to any other conditions of probation which the court may impose, the court shall impose, when imposing a period or periods of imprisonment as a condition of special probation, the condition that the defendant obey the Rules and Regulations of the Department of Correction governing conduct of inmates, and this condition shall apply to the defendant whether or not the court imposes it as a part of the written order. If imprisonment is for continuous periods, the confinement may be in the custody of either the Department of Correction or a local confinement facility. Noncontinuous periods of

1 imprisonment under special probation may only be served in a designated local
2 confinement or treatment facility. Except for probationary sentences of impaired
3 driving under G.S. 20-138.1 and probationary sentences which include a period of
4 imprisonment in the Intensive Motivational Program of Alternative Correctional
5 Treatment (IMPACT) under G.S. 15A-1343(b1)(2a), G.S. 20-138.1, the total of all
6 periods of confinement imposed as an incident of special probation, but not including
7 an activated suspended sentence, may not exceed six months or one fourth the
8 maximum sentence of imprisonment imposed for the offense, whichever is less, and
9 no confinement other than an activated suspended sentence may be required beyond
10 two years of conviction. For probationary sentences for impaired driving under G.S.
11 20-138.1, the total of all periods of confinement imposed as an incident of special
12 probation, but not including an activated suspended sentence, shall not exceed one-
13 fourth the maximum penalty allowed by law. For probationary sentences which
14 include a period of imprisonment in the Intensive Motivational Program of
15 Alternative Correctional Treatment (IMPACT) under G.S. 15A-1343(b1)(2a), the
16 total of all periods of confinement imposed as an incident of special probation, but
17 not including an activated suspended sentence, shall not exceed six months or
18 one half of the maximum term of the suspended sentence, whichever is less. In
19 imposing a sentence of special probation, the judge may credit any time spent
20 committed or confined, as a result of the charge, to either the suspended sentence or
21 to the imprisonment required for special probation. The original period of probation,
22 including the period of imprisonment required for special probation, shall be as
23 specified in G.S. 15A-1343.2(d), but may not exceed a maximum of five years, except
24 as provided by G.S. 15A-1342(a). The court may revoke, modify, or terminate special
25 probation as otherwise provided for probationary sentences."

26 (c) This section becomes effective December 1, 1998.

27
28 Requested by: Representatives Justus, Kiser

29 **ABOLISH EXECUTION BY LETHAL GAS AND PROVIDE THAT A PERSON**
30 **CONVICTED OF A CRIMINAL OFFENSE WHO IS SENTENCED TO DEATH**
31 **SHALL BE EXECUTED BY THE ADMINISTRATION OF LETHAL DRUGS**

32 Section 17.22. (a) G.S. 15-187 reads as rewritten:

33 "**§ 15-187. Death by administration of lethal gas or drugs.**

34 Death by electrocution under sentence of law is hereby abolished and death by the
35 administration of lethal gas substituted therefor, except that if any person sentenced
36 to death so chooses, he may at least five days prior to his execution date, elect in
37 writing to be executed by the administration of a lethal quantity of an
38 ultrashort-acting barbiturate in combination with a chemical paralytic agent. under
39 sentence of law are abolished. Any person convicted of a criminal offense and
40 sentenced to death shall be executed only by the administration of a lethal quantity of
41 an ultrashort-acting barbiturate in combination with a chemical paralytic agent."

42 (b) G.S. 15-188 reads as rewritten:

43 "**§ 15-188. Manner and place of execution.**

44 ~~Except as otherwise provided in~~ In accordance with G.S. 15-187, the mode of
45 executing a death sentence must in every case be by ~~causing~~ administering to the
46 ~~convict or felon to inhale lethal gas of sufficient quantity to cause death, and the~~
47 ~~administration of such lethal gas must be continued until such a lethal quantity of an~~
48 ultrashort-acting barbiturate in combination with a chemical paralytic agent until the
49 ~~convict or felon is dead; and when any person, convict or felon shall be sentenced by~~
50 ~~any court of the State having competent jurisdiction to be so executed, such the~~
51 ~~punishment shall only be inflicted within a permanent death chamber which the~~
52 ~~superintendent of the State penitentiary is hereby authorized and directed to provide~~
53 ~~within the walls of the North Carolina penitentiary at Raleigh, North Carolina. The~~

1 superintendent of the State penitentiary shall also cause to be provided, in conformity
2 with this Article and approved by the Governor and Council of State, the necessary
3 ~~appliances for the infliction of the punishment of death in accordance with the~~
4 ~~requirements of this Article.~~ appliances for the infliction of the punishment of death
5 and qualified personnel to set up and prepare the injection, administer the
6 preinjections, insert the IV catheter, and to perform other tasks required for this
7 procedure in accordance with the requirements of this Article."

8 (c) This section is effective when it becomes law and applies to all
9 executions after the effective date of this section.

10
11 Requested by: Representatives Justus, Kiser, Thompson
12 **PROHIBIT ESCAPE FROM PRIVATE CORRECTIONAL FACILITIES/PROPOSED**
13 **STANDARDS FOR PRIVATE PRISONS FOR OUT-OF-STATE INMATES/**
14 **CLARIFY MORATORIUM ON PRIVATE PRISONS FOR OUT-OF-STATE INMATES**

15 Section 17.23. (a) Chapter 14 of the General Statutes is amended by
16 adding a new section to read:

17 "**§ 14-256.1. Escape from private correctional facility.**

18 It is unlawful for any person convicted in a jurisdiction other than North Carolina
19 but housed in a private correctional facility located in North Carolina to escape from
20 that facility. Violation of this section is a Class I felony."

21 (b) Subsection (b) of Section 19.17 of S.L. 1997-443 reads as rewritten:

22 "(b) The Department of Correction, in cooperation with the Department of
23 Justice, Department of Insurance, and Office of State Construction, shall establish
24 proposed standards for any private correctional facilities in this State that are used to
25 confine inmates from a jurisdiction other than ~~North Carolina or North Carolina~~, a
26 political subdivision of ~~North Carolina~~. North Carolina, or the federal government.
27 These standards shall include provisions for all such facilities to:

- 28 (1) Meet minimum responsibility and insurance standards and may
29 provide for the posting of surety bonds;
- 30 (2) Meet or exceed all standards applicable to the State prison system,
31 particularly those standards relating to inmate care and treatment;
- 32 (3) Provide for the transfer or return of all inmates to the jurisdiction
33 in which the inmates were originally convicted prior to release of
34 the inmates;
- 35 (4) Permit officials of the State of North Carolina to conduct periodic
36 inspections of all such facilities; and
- 37 (5) Meet any other standards the departments deem advisable.

38 The Department of Correction shall report on these proposed standards
39 to the Joint Legislative Commission on Governmental Operations, the Joint
40 Legislative Corrections Oversight Committee, and the Chairs of the House and
41 Senate Appropriations Subcommittees on Justice and Public Safety by ~~May 1, 1998.~~
42 January 15, 1999. The report shall include a recommendation on the appropriate
43 regulatory agency or agencies to enforce these ~~standards.~~ standards and on the
44 necessary enforcement authority to be vested in that agency or agencies. The report
45 shall also include a draft of legislation necessary to enact the proposed standards and
46 regulatory authority.

47 The Department of Correction shall also consult with the Department of Justice on
48 the appropriateness of the penalty provided for in G.S. 14-256.1, enacted in
49 subsection (a) of this section, and on the implications of convicting inmates already
50 serving sentences imposed by other jurisdictions in private prisons located in North
51 Carolina. The Department of Correction shall include the conclusions reached
52 during its consultation with the Department of Justice in the report required by this
53 section."

1 (c) Subsection (c) of Section 19.17 of S.L. 1997-443 reads as rewritten:
2 "(c) No municipality, county, or private entity may authorize, construct, own, or
3 operate any type of correctional facility for the confinement of inmates from any
4 jurisdiction other than North ~~Carolina or Carolina~~, a political subdivision of North
5 ~~Carolina Carolina~~, or the federal government until the Department of Correction has
6 developed proposed standards for such private correctional facilities pursuant to
7 subsection (b) of this section and the General Assembly has acted upon those
8 standards. No private confinement facility authorized under G.S. 148-37(g) that
9 receives payment from this State for the housing of State prisoners may contain
10 inmates from any jurisdiction other than North Carolina or a political subdivision of
11 North Carolina without the written consent of the Secretary of Correction."

12 (d) Subsection (a) of this section becomes effective December 1, 1998,
13 and applies to offenses committed on or after that date.

14
15 Requested by: Representatives Justus, Kiser, Thompson

16 **WOMEN AT RISK FUNDS**

17 Section 17.24. Of the funds appropriated to the Department of
18 Correction for the 1998-99 fiscal year, the Department shall use the sum of thirty-five
19 thousand dollars (\$35,000) to expand the Women at Risk program into Burke and
20 Catawba Counties.

21
22 **PART XVIII. DEPARTMENT OF JUSTICE**

23 Requested by: Representatives Justus, Kiser, Thompson, Sexton, Smith

24 **SALARY EQUITY FOR SBI LAW ENFORCEMENT**

25 Section 18. Subsection (a) of Section 20.9 of S.L. 1997-443 reads as
26 rewritten:

27 "(a) Of the funds appropriated in this act to the Department of Justice for the
28 State Bureau of Investigation, the sum of two million seven hundred thousand dollars
29 (\$2,700,000) for the 1997-98 fiscal year and the sum of ~~two million seven hundred~~
30 ~~thousand dollars (\$2,700,000)~~ two million six hundred sixty-seven thousand five
31 hundred forty dollars (\$2,667,540) for the 1998-99 fiscal year shall be used to adjust
32 the salaries of law enforcement positions in the State Bureau of Investigation. These
33 adjustments shall be based on factors, such as employee salary, position class title,
34 position grade, and credible years of sworn service with the State Bureau of
35 Investigation. No salary adjustment shall result in an increase beyond the maximum
36 salary set for an officer's pay grade. If an officer's salary is near or at the top of the
37 officer's pay grade, the officer shall be eligible to receive a salary adjustment up to
38 the top of the officer's pay grade. If an officer is at the top of the officer's pay grade,
39 then the officer is not eligible to receive a salary adjustment. Sworn officers holding
40 the following management positions are not eligible to receive the salary adjustment:
41 SBI Director, SBI Assistant Directors of Support Services, SBI Assistant Director, SBI
42 Assistant Directors of Field Services, SBI Assistant Director of Crime Laboratory,
43 Deputy Director of Medicaid Fraud."

44
45 Requested by: Representatives Justus, Kiser, Thompson

46 **LIMITS ON COMPUTER SYSTEM UPGRADE**

47 Section 18.1. Section 20.4 of S.L. 1997-443 reads as rewritten:

48 "Section 20.4. Any ~~proposed increase in mainframe computer capacity or major~~
49 ~~new computer system or major computer system~~ upgrade for the Judicial
50 Department, the Department of Correction, the Department of Justice, or the
51 Department of Crime Control and Public Safety, to be funded all or in part from the
52 Continuation Budget, shall be reported to the Joint Legislative Commission on
53 Governmental Operations, to the Chairs of the Senate and House of Representatives

1 Appropriations Committees, and to the Chairs of the Senate and House
2 Appropriations Subcommittees on Justice and Public Safety before the department
3 enters into any contractual agreement. A major computer system upgrade includes
4 any proposed enhancement, modification, or capacity increase to the computing and
5 telecommunications infrastructure or to program applications where the total cost is
6 anticipated to exceed five hundred thousand dollars (\$500,000). This report is to be
7 made jointly by the Information Resource Management Commission, the Office of
8 State Budget and Management, and the requesting department."
9

10 Requested by: Representatives Justus, Kiser, Thompson

11 **CRIMINAL JUSTICE INFORMATION NETWORK REPORT**

12 Section 18.2. The Criminal Justice Information Network Governing
13 Board created pursuant to Section 23.3 of Chapter 18 of the Session Laws of the 1996
14 Second Extra Session shall report by March 1, 1999, to the Chairs of the Senate and
15 House Appropriations Committees, the Chairs of the Senate and House
16 Appropriations Subcommittees on Justice and Public Safety, and the Fiscal Research
17 Division of the General Assembly on:

- 18 (1) The operations of the Board, including the Board's progress in
19 developing data-sharing standards in cooperation with State and
20 local agencies and the estimated time of completion of the
21 standards.
- 22 (2) The operating budget of the Board, the expenditures of the Board
23 as of the date of the report, and the amount of funds in reserve for
24 the operation of the Board.
- 25 (3) A long-term strategic plan and cost analysis for statewide
26 implementation of the Criminal Justice Information Network, and
27 for each component of the Network, the initial cost estimate of the
28 component, the amount of funds spent to date on the component,
29 the source of funds for expenditures to date, and a timetable for
30 completion of that component, including additional resources
31 needed at each point.

32 The membership of the Criminal Justice Information Network Governing
33 Board established in G.S. 143-661 shall remain in effect for the 1998-99 fiscal year.
34

35 Requested by: Representatives Justus, Kiser, Thompson

36 **STUDY FEE ADJUSTMENT FOR CRIMINAL RECORDS CHECKS**

37 Section 18.3. The Office of State Budget and Management, in
38 consultation with the Department of Justice, shall study the feasibility of adjusting the
39 fees charged for criminal records checks conducted by the Division of Criminal
40 Information of the Department of Justice as a result of the increase in receipts from
41 criminal records checks. The study shall include an assessment of the Division's
42 operational, personnel, and overhead costs related to providing criminal records
43 checks and how those costs have changed since the 1995-96 fiscal year. The Office of
44 State Budget and Management shall report its findings and recommendations to the
45 Chairs of the Senate and House Appropriations Committees, the Chairs of the Senate
46 and House Appropriations Subcommittees on Justice and Public Safety, and the
47 Fiscal Research Division of the General Assembly on or before March 1, 1999.
48

49 Requested by: Representatives Justus, Kiser, Thompson, Sexton

50 **STUDY RECIPROCITY OF CONCEALED HANDGUN PERMITS**

51 Section 18.4. (a) The Joint Legislative Corrections and Crime Control
52 Oversight Committee shall study the issue of providing that a nonresident who has
53 been issued a valid handgun permit in a reciprocal state may carry a concealed

1 handgun in accordance with Article 54B of Chapter 14 of the General Statutes as if
2 the permit were issued by this State. The Committee shall report its findings and
3 recommendations to the 1999 General Assembly.

4 (b) The Attorney General shall prepare a list of those states that provide
5 for concealed handgun permits that are equal to or more stringent than those
6 required by North Carolina in order to assist the Joint Legislative Corrections and
7 Crime Control Oversight Committee in its study.

8
9 Requested by: Representatives Justus, Kiser, Thompson

10 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE LAW**
11 **ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

12 Section 18.5. Section 20.7(a) of S.L. 1997-443 reads as rewritten:

13 "(a) Assets transferred to the Department of Justice during the 1997-99 biennium
14 pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department and
15 shall result in an increase of law enforcement resources for the Department. Assets
16 transferred to the Department of Crime Control and Public Safety during the 1997-99
17 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the
18 Department and shall result in an increase of law enforcement resources for the
19 Department. The Departments of Justice and Crime Control and Public Safety shall
20 report to the Joint Legislative Commission on Governmental Operations and the
21 Joint Legislative Corrections and Crime Control Oversight Committee upon receipt
22 of the assets and, before using the assets, shall report on the intended use of the assets
23 and the departmental priorities on which the assets may be expended.

24 The General Assembly finds that the use of assets transferred pursuant to 19
25 U.S.C. § 1616a for new personnel positions, new projects, the acquisition of real
26 property, repair of buildings where the repair includes structural change, and
27 construction of or additions to buildings may result in additional expenses for the
28 State in future fiscal periods. Therefore, the Department of Justice and the
29 Department of Crime Control and Public Safety are prohibited from using these
30 assets for such purposes without the prior approval of the General Assembly, except
31 during the ~~1997-98~~ 1998-99 fiscal year, the Department of Justice may:

- 32 (1) Use an amount not to exceed the sum of twenty-five thousand
33 dollars (\$25,000) of the funds to extend the lease of space in the
34 Town of Salemburg for SBI training; and
35 (2) Use an amount not to exceed fifty thousand dollars (\$50,000) of
36 the funds to lease space for its technical operations unit, storage of
37 its equipment and vehicles, and command post vehicle."
38

39 Requested by: Representatives Justus, Kiser, Thompson

40 **SBI USE OF COURT-ORDERED REIMBURSEMENT FUNDS**

41 Section 18.6. Section 20.2 of S.L. 1997-443 reads as rewritten:

42 "Section 20.2. The State Bureau of Investigation (SBI) may use funds available
43 from court-ordered reimbursement in undercover drug operations. Any funds
44 received from the court may be budgeted upon receipt from the court and may be
45 used in addition to any funds appropriated by the General Assembly."
46

47 Requested by: Representative Creech

48 **ESTABLISH SETTLEMENT RESERVE FUND/ATTORNEY GENERAL REPORT OF**
49 **STATE SETTLEMENTS AND COURT ORDERS**

50 Section 18.7. (a) Article 1 of Chapter 143 of the General Statutes is
51 amended by adding a new section to read:

52 "§ 143-16.4. Settlement Reserve Fund.

1 The 'Settlement Reserve Fund' is established as a restricted reserve in the General
2 Fund. Except if prohibited by order of the court, funds in excess of seventy-five
3 thousand dollars (\$75,000) paid to the State or a State agency pursuant to a
4 settlement agreement or final order or judgment of the court shall be deposited to the
5 Settlement Reserve Fund. Funds shall be expended from the Settlement Reserve
6 Fund only by appropriation by the General Assembly."

7 (b) Article 1 of Chapter 114 of the General Statutes is amended by
8 adding a new section to read:

9 "§ 114-2.5. Attorney General to report payment of public monies pursuant to
10 settlement agreements and final court orders.

11 (a) The Attorney General shall report to the Joint Legislative Commission on
12 Governmental Operations and the Chairs of the Appropriations Subcommittees on
13 Justice and Public Safety of the Senate and House of Representatives on the
14 payments received pursuant to a settlement agreement or final order or judgment of
15 the court and deposited to the Settlement Reserve Fund in accordance with G.S. 143-
16 16.4. The Attorney General shall also report on the terms or conditions of payment
17 set forth in the agreement or order. The Attorney General shall submit a written
18 report to the Fiscal Research Division of the General Assembly.

19 (b) This section only applies to executed settlement agreements and final orders
20 or judgments of the court and shall in no way affect the authority of the Attorney
21 General to negotiate the settlement of cases in which the State or a State department,
22 agency, institution, or officer is a party."

23
24 Requested by: Representatives Justus, Thompson, Kiser

25 **SBI FUNDS/SPENDING PRIORITIES**

26 Section 18.8. Section 20.1 of S.L. 1997-443 reads as rewritten:

27 "Section 20.1. Of the funds appropriated in this act to the Department of Justice,
28 State Bureau of Investigation, for the 1997-99 biennium for overtime payments, the
29 first priority for use of the funds by the Department shall be:

30 (1) To make overtime payments to SBI agents in the Field
31 Investigations ~~Division, and Division and in the crime laboratories;~~
32 and

33 (2) To make overtime payments to supervisory personnel receiving
34 overtime payments as of June 30, 1997, up to a maximum of five
35 thousand two hundred dollars (\$5,200) annually per individual."

36
37 **PART XIX. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

38 Requested by: Representatives Justus, Kiser, Thompson, Esposito, Sexton

39 **ACTIVATION OF NATIONAL GUARD FOR SPECIAL OLYMPICS**

40 Section 19. With funds available, the Governor may place units or
41 portions of units of the North Carolina National Guard on State Active Duty during
42 the period from January 1, 1999, to September 30, 1999, to assist with the planning,
43 support, and execution of events associated with the International Special Olympic
44 Games.

45
46 Requested by: Representatives Justus, Kiser, Thompson, Sexton

47 **STUDY TARHEEL CHALLENGE PROGRAM**

48 Section 19.1. With funds available, the Department of Crime Control and
49 Public Safety shall contract with an external consultant to study the effectiveness of
50 the National Guard Tarheel Challenge Program as an intervention method for
51 preventing delinquent or criminal behavior and improving individual skills and
52 employment potential of the participants in the Program. The study shall include:

- 1 (1) An evaluation of the goals of the Program and long-term effects of
 - 2 participation in the Program;
 - 3 (2) A comparison of the Program to (i) other similar programs that
 - 4 offer job training and behavior modification and (ii) a control
 - 5 group of students not participating in intervention programs; and
 - 6 (3) A cost-benefit analysis of the Program.
- 7 The Department shall report the results of the study, including any recommendations,
8 to the Chairs of the Appropriations Subcommittees on Justice and Public Safety of
9 the Senate and House of Representatives by March 1, 1999.

10
11 Requested by: Representatives Justus, Kiser, Thompson
12 **VICTIMS ASSISTANCE NETWORK REPORT**

13 Section 19.2. The Department of Crime Control and Public Safety shall
14 report on the expenditure of funds allocated in Section 21.1 of S.L. 1997-443 for the
15 Victims Assistance Network. The Department shall also report on the Network's
16 efforts to gather data on crime victims and their needs, act as a clearinghouse for
17 crime victims' services, provide an automated crime victims' bulletin board for
18 subscribers, coordinate and support activities of other crime victims' advocacy groups,
19 identify the training needs of crime victims' services providers and criminal justice
20 personnel, and coordinate training for these personnel. The Department shall submit
21 its report to the Chairs of the Appropriations Subcommittees on Justice and Public
22 Safety of the Senate and House of Representatives and to the Joint Legislative
23 Corrections and Crime Control Oversight Committee by October 1, 1998.

24
25 [SECTIONS 19.3, 19.4, 19.5 RESERVED]

26
27 Requested by: Representatives Justus, Kiser, Thompson
28 **USE OF HIGHWAY PATROL AIRCRAFT**

29 Section 19.6. (a) G.S. 20-196.1 is repealed.

30 (b) G.S. 20-196.2 reads as rewritten:

31 ~~"§ 20-196.2. Use of airplanes aircraft to discover certain motor vehicle violations of §§~~
32 ~~20-138 to 20-171; testimony of pilots and observers; violations; declaration of policy.~~

33 The State Highway Patrol is hereby permitted the use of ~~airplanes aircraft~~ to
34 discover violations of Part 10 of Article 3 of Chapter 20 of the General Statutes
35 relating to operation of motor vehicles and rules of the road, ~~provided, however,~~
36 ~~neither the observer nor the pilot shall be competent to testify in any court of law in~~
37 ~~a criminal action charging violations of G.S. 20-141, 20-141.1, and 20-144. road.~~ It is
38 hereby declared the public policy of North Carolina that the ~~airplanes aircraft~~ should
39 be used primarily for accident prevention and should also be used incident to the
40 issuance of warning citations in accordance with the provisions of G.S. 20-183."

41
42 Requested by: Representatives Justus, Kiser, Thompson
43 **STUDY EMERGENCY MANAGEMENT POSITIONS**

44 Section 19.7. (a) The Joint Legislative Corrections and Crime Control
45 Oversight Committee shall study the State and local assistance funding eligibility
46 criteria of the Division of Emergency Management of the Department of Crime
47 Control and Public Safety that requires local governments to have a full-time or part-
48 time Emergency Program Manager. In its deliberations, the Committee shall
49 consider:

- 50 (1) The burden placed on local governments to maintain a full-time or
- 51 part-time position pursuant to the funding eligibility requirements.

- 1 (2) The feasibility and advisability of revising the funding eligibility
2 criteria of the Division of Emergency Management to allow small
3 local governments to:
4 a. Share federal funds and an Emergency Program Manager; or
5 b. Add the responsibilities of an Emergency Program Manager
6 to an appropriate official or employee of the local
7 government.
8 (3) The feasibility and advisability of opening regional emergency
9 management offices and allocating funds to regions rather than
10 local governments.
11 (b) The Committee shall report its findings and recommendations to the
12 1999 General Assembly.

13
14 Requested by: Representatives Justus, Kiser, Thompson

15 **UPGRADE CLERICAL POSITIONS IN DEPARTMENT OF CRIME CONTROL AND**
16 **PUBLIC SAFETY**

17 Section 19.8. Of the funds appropriated in this act to the Department of
18 Crime Control and Public Safety for the 1998-99 fiscal year, up to fifteen thousand
19 dollars (\$15,000) may be used to upgrade clerical positions to coordinator positions in
20 the community service work program established in the Department pursuant to G.S.
21 143B-475.1. The Office of State Personnel shall approve each upgrade of clerical
22 positions prior to the use of funds authorized by this section.
23

24 Requested by: Representatives Thompson, Justus, Kiser, Sexton

25 **STUDY DISASTER MITIGATION AND RELIEF FUNDING**

26 Section 19.9. The Department of Crime Control and Public Safety shall
27 study the feasibility and advisability of establishing a disaster mitigation and relief
28 fund to provide disaster relief and recovery assistance to individuals and local
29 governments adversely affected by natural or man-made disasters through grants
30 awarded to persons, corporations, nonprofit corporations, local governments, or other
31 political subdivisions of the State. The Department shall consider and make
32 recommendations regarding:

- 33 (1) Administration of the fund, including the membership of the body
34 that establishes grant criteria and awards grants to applicants.
35 (2) Objectives and criteria for awarding grants, including the eligibility
36 requirements that are appropriate for obtaining grants.
37 (3) Limitations on the amount of funds to be awarded to individuals
38 and private entities or corporations, including the requirement that
39 grant recipients obtain and maintain insurance against future loss
40 of the property to be replaced, restored, repaired, or constructed
41 with the funds awarded.
42 (4) Guidelines for prioritizing the allocation of funds to serve the
43 needs of those citizens of the State who cannot obtain financial
44 assistance under any other State or federal program or from any
45 other source and who do not have insurance, including
46 consideration of whether grants should be awarded on a
47 competitive basis only or should be distributed equally to local
48 governments for disaster mitigation on an annual basis.
49 (5) The intended use of the funds awarded to local governments,
50 including training, upgrade, and standardization of
51 communications capabilities statewide.
52 (6) Establishment of a system of damage assessment whereby the
53 Secretary of the Department of Crime Control and Public Safety

1 determines whether the damage involved and its effects are of a
2 severity and magnitude as to be beyond the response capabilities of
3 the affected local government or political subdivision and makes
4 recommendations regarding whether a grant should be awarded.

5 (7) The preferred method of funding a disaster mitigation and relief
6 fund.

7 The Department shall report its recommendations and legislative proposals to the
8 Joint Legislative Commission on Governmental Operations, the Chairs of the
9 Appropriations Committees of the House of Representatives and the Senate, the
10 Chairs of the Appropriations Subcommittees on Justice and Public Safety of the
11 House of Representatives and the Senate, and the Joint Legislative Corrections and
12 Crime Control Oversight Committee by March 1, 1999. A written copy of the report
13 shall be sent to the Fiscal Research Division of the General Assembly by March 1,
14 1999.

15
16 Requested by: Representative Hardy

17 **COMMUNITY SERVICE NONCOMPLIANCE REPORT**

18 Section 19.10. The Division of Victim and Justice Services of the
19 Department of Crime Control and Public Safety shall review its procedures on
20 response to offenders who do not comply with community service requirements. The
21 Division shall report to the Joint Legislative Corrections and Crime Control
22 Oversight Committee by March 1, 1999, on the extent to which offenders comply
23 with the Community Service Work Program. This report shall include statistics on
24 compliance/noncompliance by category of offender, statistics on the number of court
25 hearings and probation violations related to noncompliance, and any recommended
26 changes in sanctions related to failure to complete community service requirements.

27
28 Requested by: Representative Ellis

29 **TRANSFER BOXING COMMISSION TO DEPARTMENT OF CRIME CONTROL**
30 **AND PUBLIC SAFETY**

31 Section 19.11. (a) The statutory authority, powers, duties, functions,
32 records, property, and unexpended balances of appropriations, allocations, or other
33 funds of the North Carolina State Boxing Commission are transferred from the
34 Department of the Secretary of State to the Department of Crime Control and Public
35 Safety.

36 (b) G.S. 143-652 reads as rewritten:

37 **"§ 143-652. State Boxing Commission.**

38 (a) Creation. -- The North Carolina State Boxing Commission is created within
39 the Department of ~~the Secretary of State~~ Crime Control and Public Safety to regulate
40 in North Carolina live boxing and kickboxing matches, whether professional,
41 amateur, sanctioned amateur, or toughman events, in which admission is charged for
42 viewing, or the contestants compete for a purse or prize of value greater than twenty-
43 five dollars (\$25.00). The Commission shall consist of six voting members and two
44 nonvoting advisory members. All the members shall be residents of North Carolina
45 and shall meet requirements for membership under the Professional Boxing Safety
46 Act of 1996. The members shall be appointed as follows:

47 (1) One voting member shall be appointed by the Governor for an
48 initial term of two years.

49 (2) One voting member shall be appointed by the General Assembly
50 upon the recommendation of the President Pro Tempore of the
51 Senate for an initial term of one year, in accordance with G.S. 120-
52 121.

- (3) One voting member shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives for an initial term of one year.
- (4) Two voting members shall be appointed by the Secretary of ~~State~~ Crime Control and Public Safety. One shall serve for an initial term of three years, and the other shall serve for an initial term of two years.
- (4a) One member shall be appointed by the Tribal Council of the Eastern Band of the Cherokee for an initial term of three years.
- (5) One nonvoting advisory member shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives for an initial term of one year, in accordance with G.S. 120-121, from nominations made by the North Carolina Medical Society, which shall nominate two licensed physicians for the position.
- (6) One nonvoting advisory member shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate for an initial term of one year, in accordance with G.S. 120-121, from nominations made by the North Carolina Medical Society, which shall nominate two licensed physicians for the position.

The member appointed pursuant to subdivision (5) of subsection (a) of this section may serve on the Commission only if an agreement exists and remains in effect between the Tribal Council of the Eastern Band of the Cherokee and the Commission authorizing the Commission to regulate professional boxing matches within the Cherokee Indian Reservation as provided by the Professional Boxing Safety Act of 1996.

The two nonvoting advisory members appointed pursuant to subdivisions (6) and (7) of subsection (a) of this section shall advise the Commission on matters concerning the health and physical condition of boxers and health issues relating to the conduct of exhibitions and boxing matches. They may prepare and submit to the Commission for its consideration and approval any rules that in their judgment will safeguard the physical welfare of all participants engaged in boxing.

Terms for all members of the Commission except for the initial appointments shall be for three years.

The Secretary of ~~State~~ Crime Control and Public Safety shall designate which member of the Commission is to serve as chair. A member of the Commission may be removed from office by the Secretary of ~~State~~ Crime Control and Public Safety for cause. Each member before entering upon the duties of a member shall take and subscribe an oath to perform the duties of the office faithfully, impartially, and justly to the best of the member's ability. A record of these oaths shall be filed in the Department of ~~the Secretary of State~~ Crime Control and Public Safety.

(b) Vacancies. -- Members shall serve until their successors are appointed and have been qualified. Any vacancy in the membership of the Commission shall be filled in the same manner as the original appointment. Vacancies for members appointed by the General Assembly shall be filled in accordance with G.S. 120-122. A vacancy in the membership of the Commission other than by expiration of term shall be filled for the unexpired term only.

(c) Meetings. -- Meetings of the Commission shall be called by the chair or by any two members of the Commission, and meetings shall be held at least quarterly. Any three voting members of the Commission shall constitute a quorum at any meeting. Action may be taken and motions and resolutions adopted by the Commission at any meeting by the affirmative vote of a majority of the members of the Commission

1 present at a meeting at which a quorum exists. Any or all members may participate in
2 a regular or special meeting by, or conduct the meeting through the use of, any
3 means of communication by which all members participating may simultaneously
4 hear each other during the meeting. A member participating in the meeting by this
5 means is deemed to be present in person at the meeting.

6 (d) Rule-Making Authority of the Commission. -- The Commission shall have the
7 exclusive authority to approve and issue rules for the regulation of the conduct,
8 promotion, and performances of live boxing, kickboxing, sanctioned amateur,
9 amateur, and toughman matches and exhibitions in this State. The rules shall be
10 issued pursuant to the provisions of Chapter 150B of the General Statutes and may
11 include, without limitation, the following subjects:

- 12 (1) Requirements for issuance of licenses and permits required by this
- 13 Article.
- 14 (2) Regulation of ticket sales.
- 15 (3) Physical requirements for contestants, including classification by
- 16 weight and skill.
- 17 (4) Supervision of matches and exhibitions by licensed physicians and
- 18 referees.
- 19 (5) Insurance and bonding requirements.
- 20 (6) Compensation of participants and licensees.
- 21 (7) Contracts and financial arrangements.
- 22 (8) Prohibition of dishonest, unethical, and injurious practices.
- 23 (9) Facilities.
- 24 (10) Approval of sanctioning amateur sports organizations.
- 25 (11) Procedures and requirements for compliance with the Professional
- 26 Boxing Safety Act of 1996.

27 (e) Compensation. -- None of the members of the Commission shall receive
28 compensation for serving on the Commission. However, members of the Commission
29 may be reimbursed for their expenses in accordance with the provisions of Chapter
30 138 of the General Statutes.

31 (f) Staff Assistance. -- The Secretary of State Crime Control and Public Safety
32 shall hire a person to serve as Executive Director of the Commission and shall
33 provide staff assistance to the Executive Director. The Executive Director shall
34 enforce this Article through the Division of Alcohol Law Enforcement. If necessary,
35 the Executive Director may train and contract with independent contractors for the
36 purpose of regulating and monitoring events, issuing licenses, collecting fees, and
37 enforcing rules of the Commission. The Executive Director may initiate criminal
38 background checks on persons requesting to work as independent contractors for the
39 Commission or persons applying to be licensed by the Commission."

40 (c) G.S. 143-654(c) reads as rewritten:

41 "(c) Surety Bond. -- An applicant for a promoter's license must submit, in
42 addition to any other forms, documents, or exhibits requested by the Commission, a
43 surety bond payable to the Commission for the benefit of any person injured or
44 damaged by (i) the promoter's failure to comply with any provision of this Article or
45 any rules adopted by the Commission or (ii) the promoter's failure to fulfill the
46 obligations of any contract between or among licensees related to the holding of a
47 boxing event. The surety bond shall be issued in an amount to be no less than five
48 thousand dollars (\$5,000). The amount of the surety bond shall be negotiable upon
49 the sole discretion of the Commission. All surety bonds shall be upon forms approved
50 by the Secretary of State Crime Control and Public Safety and supplied by the
51 Commission."

52 (d) G.S. 143-655(c) reads as rewritten:

1 "(c) State Boxing Commission Revenue Account. -- There is created the State
2 Boxing Commission Revenue Account within the Department of ~~the Secretary of~~
3 ~~State~~ Crime Control and Public Safety. Monies collected pursuant to the provisions
4 of this Article shall be credited to the Account and applied to the administration of
5 the Article."

6 (e) G.S. 143-658 reads as rewritten:

7 "**§ 143-658. Violations.**

8 (a) Civil Penalties. -- The Secretary of State Crime Control and Public Safety may
9 issue an order against a licensee or other person who willfully violates any provision
10 of this Article, imposing a civil penalty of up to five thousand dollars (\$5,000) for a
11 single violation or of up to twenty-five thousand dollars (\$25,000) for multiple
12 violations in a single proceeding or a series of related proceedings. No order under
13 this subsection may be entered without giving the licensee or other person 15 days'
14 prior notice and an opportunity for a contested case hearing conducted pursuant to
15 Article 3 of Chapter 150B of the General Statutes.

16 (b) Criminal Penalties. -- A willful violation of any provision of this Article shall
17 constitute a Class 2 misdemeanor. The Secretary of State Crime Control and Public
18 Safety may refer any available evidence concerning violations of this Article to the
19 proper district attorney, who may, with or without such a reference, institute the
20 appropriate criminal proceedings.

21 ~~The attorneys employed by the Secretary of State shall be available to prosecute or~~
22 ~~assist in the prosecution of criminal cases when requested to do so by a district~~
23 ~~attorney and the Secretary of State approves.~~

24 (c) Injunction. -- Whenever it appears to the Secretary of State Crime Control and
25 Public Safety that a person has engaged or is about to engage in an act or practice
26 constituting a violation of any provision of this Article or any rule or order
27 hereunder, the Secretary of State Crime Control and Public Safety may bring an
28 action in any court of competent jurisdiction to enjoin those acts or practices and to
29 enforce compliance with this Article or any rule or order issued pursuant to this
30 Article.

31 ~~(d) Enforcement. -- For purposes of enforcing this Article, the Department of the~~
32 ~~Secretary of State's law enforcement agents have statewide jurisdiction. These law~~
33 ~~enforcement agents may assist local law enforcement agencies in their investigations~~
34 ~~and may initiate and carry out, in coordination with local law enforcement agencies,~~
35 ~~investigations of violations of this Article. These law enforcement agents have all the~~
36 ~~powers and authority of law enforcement officers when executing arrest warrants."~~

37 (f) G.S. 18B-502(a) reads as rewritten:

38 "(a) Authority. -- To procure evidence of violations of the ABC law, alcohol
39 law-enforcement agents, employees of the Commission, local ABC officers, and
40 officers of local law-enforcement agencies that have contracted to provide ABC
41 enforcement under G.S. 18B-501(f) shall have authority to investigate the operation
42 of each licensed premises for which an ABC permit has been issued, to make
43 inspections that include viewing the entire premises, and to examine the books and
44 records of the permittee. The inspection authorized by this section may be made at
45 any time it reasonably appears that someone is on the premises. Alcohol law-
46 enforcement agents are also authorized to be on the premises to the extent necessary
47 to enforce the provisions of Article 68 of Chapter 143 of the General Statutes."

48 (g) Section 9 of S.L. 1997-504, as rewritten by Section 18 of S.L. 1998-23,
49 reads as rewritten:

50 "Section 9. Except as otherwise specified herein, this act is effective when it
51 becomes law. ~~This act expires October 1, 1998."~~

52
53 **PART XX. DEPARTMENT OF ADMINISTRATION**

1 Requested by: Representatives Holmes, Esposito, Creech, Crawford, Ives, McCombs,
2 Sherrill

3 **STATE VETERANS NURSING HOME LOCATION STUDY**

4 Section 20. Of funds appropriated to the Department of Administration
5 by this act, the Division of Veterans Affairs shall use up to twenty-five thousand
6 dollars (\$25,000) for the 1998-99 fiscal year to conduct a study for the siting and
7 construction of state veterans nursing homes in Western and Eastern North Carolina.

8 The study shall make recommendations on matters relevant to the siting,
9 construction, and operations of the veterans nursing homes, including:

- 10 (1) The need for geographical diversity in the location of the facilities
11 across North Carolina to serve the veterans and their families.
- 12 (2) The size and number of facilities required to meet the needs of the
13 present and predicted veterans population.
- 14 (3) The estimated cost of constructing and operating the needed
15 facilities and sources of funding for the construction and operations
16 of the facilities.

17 The Division of Veterans Affairs shall report the findings of the study to
18 the 1999 Session of the General Assembly by submitting a report to the Joint
19 Legislative Commission on Governmental Operations and the Joint Appropriations
20 Subcommittee on General Government by February 1, 1999.

21
22 Requested by: Representative Sherrill

23 **DOMESTIC VIOLENCE--ADMINISTRATION OF GRANTS**

24 Section 20.1. (a) The North Carolina Council for Women of the
25 Department of Administration, the Division of Social Services of the Department of
26 Health and Human Services, and the Governor's Crime Commission shall develop a
27 simplified process by which eligible public and nonprofit entities may apply using a
28 simplified grants process with one application form for any domestic violence grant
29 funds and other grant funds administered by the North Carolina Council for Women,
30 the Division of Social Services, and the Governor's Crime Commission.

31 (b) The three State agencies listed in subsection (a) of this section shall
32 jointly report on the new process to the Joint Legislative Commission on
33 Governmental Operations by November 1, 1998.

34
35 Requested by: Representatives Ives, McCombs, Sherrill

36 **DOMESTIC VIOLENCE PREVENTION FUNDS**

37 Section 20.2. Of the funds appropriated to the Department of
38 Administration, the sum of one million dollars (\$1,000,000) for the 1998-99 fiscal year
39 for the North Carolina Council for Women for the prevention of domestic violence
40 and the continuation of domestic violence programs within the State. The Council
41 for Women shall provide grants from these funds to existing domestic violence
42 programs, including the North Carolina Coalition Against Domestic Violence, Inc.,
43 and for the development of new domestic violence programs. The Department of
44 Administration or the Council for Women shall not use any of the funds for
45 operating expenses.

46
47 Requested by: Representatives Ives, McCombs, Sherrill

48 **PROCUREMENT CARD PILOT PROGRAM**

49 Section 20.3. (a) Except as provided by this section, no State agency,
50 community college, constituent institution of The University of North Carolina, or
51 local school administrative unit may use procurement cards for the purchase of
52 equipment or supplies before March 31, 1999.

(b) The Secretary of Administration shall designate no more than 15 governmental entities to participate in a pilot program on the purchase of supplies and equipment by procurement card. Those designated shall represent a cross section of governmental entities and shall include at least one State agency, one community college, two constituent institutions of The University of North Carolina, and one local school administrative unit.

(c) The Division of Purchase and Contract and the State Controller shall report to the Joint Legislative Commission on Governmental Operations and the Joint Appropriations Subcommittee on General Government on November 1, 1998, on this pilot program.

The report shall include all of the following:

(1) Estimates from the pilot program of:

a. How many purchasing and accounts payable personnel hours could be saved or redirected or both as a result of the procurement card.

b. The impact of the procurement card on accounting and budgeting records and on purchasing history records.

(2) A discussion of the effect of the procurement card on the State's ability to track both:

a. Out-of-state sales taxes.

b. North Carolina State and local sales tax payments by county.

(3) A discussion of any other costs and benefits of the procurement card.

(d) This section does not affect contracts for procurement cards entered into prior to March 31, 1997.

Requested by: Representatives Ives, McCombs, Sherrill

ELIMINATE FUNDING FOR STATE HEALTH PLAN PURCHASING ALLIANCE BOARD

Section 20.4. Of funds appropriated to the Department of Administration, no funds, from either General Fund accounts or Special Fund accounts shall be expended for the operating expenses of the State Health Plan Purchasing Alliance Board after December 31, 1998. Upon ratification of this act through December 31, 1998, funds may be used to phase out the operations of the State Health Plan Purchasing Alliance Board. Any funds remaining in either General Fund or Special Fund accounts on December 31, 1998 shall revert to the General Fund.

Effective January 1, 1999, the Secretary of Administration shall perform the statutory duties and have the statutory authority of the State Health Plan Purchasing Alliance Board under Article 66 of Chapter 143 of the General Statutes.

PART XXI. DEPARTMENT OF CULTURAL RESOURCES

Requested by: Representatives Ives, McCombs, Sherrill

MARITIME MUSEUM/DISPOSITION OF OBJECTS

Section 21.1. (a) G.S. 106-22.2 is recodified as G.S. 143B-344.22 and reads as rewritten:

~~"§ 106-22.2. 143B-344.22. Museum of Natural Sciences; Maritime Museum; disposition of objects.~~

Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the Department of Agriculture and Consumer Services Environment and Natural Resources may sell or exchange any object from the ~~collections~~ collection of the Museum of Natural Sciences ~~and the Maritime Museum~~ when it would be in the best ~~interests~~ interest of the ~~Museums~~

1 Museum to do so. Sales or exchanges shall be conducted in accordance with
2 generally accepted practices for accredited museums. If an object is sold, the net
3 proceeds of the sale shall be deposited in the State treasury to the credit of a special
4 fund to be used for the improvement of the ~~Museums'~~ Museum's collections or
5 exhibits."

6 (b) Chapter 121 of the General Statutes is amended by adding a new
7 section to read:

8 **"§ 121-7.1. Maritime Museum; disposition of artifacts.**

9 Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4),
10 or any other law pertaining to surplus State property, the Department of Cultural
11 Resources, with the approval of the North Carolina Historical Commission, may sell,
12 trade, or place on permanent loan any artifact from the collection of the North
13 Carolina Maritime Museum unless the sale, trade, or loan would be contrary to the
14 terms of the acquisition. Sales or exchanges shall be conducted in accordance with
15 generally accepted practices for accredited museums. If an artifact is sold, the net
16 proceeds of the sale shall be deposited in the State treasury to the credit of a special
17 fund to be used for the improvement of the Museum's collections or exhibits."

18 (c) G.S. 121-7(a) reads as rewritten:

19 "(a) The Department of Cultural Resources shall maintain and administer State
20 historic attractions under the management of the Division of Archives and History
21 and the North Carolina Museum of History Division for the collection, preservation,
22 study, and exhibition of authentic artifacts and other historical materials relating to
23 the history and heritage of North Carolina. The Department, with the approval of the
24 Historical Commission, may acquire, either by purchase, gift, or loan such artifacts
25 and materials, and, having acquired them, shall according to accepted museum
26 practices classify, accession, preserve, and where feasible exhibit such materials and
27 make them available for study. Within available funds, one or more branch museums
28 of history or specialized regional history museums may be established and
29 administered by the Department. The Department of Cultural Resources, subject to
30 the availability of staff and funds, may give financial, technical, and professional
31 assistance to nonstate historical museums sponsored by governmental agencies and
32 nonprofit organizations according to regulations adopted by the North Carolina
33 Historical Commission.

34 The Department of Cultural Resources may, with the explicit approval of the
35 North Carolina Historical Commission sell, trade, or place on permanent loan any
36 artifact owned by the State of North Carolina and in the custody of and curated by
37 the Museum of History Division or Division of Archives and History, unless the sale,
38 trade, or loan would be contrary to the terms of acquisition. Before a donated
39 artifact is sold, the Museum of History Division or Division of Archives and History
40 may make a reasonable attempt to notify the donor to allow the donor the first
41 opportunity to purchase the artifact. If the donor is deceased, the Museum of History
42 Division or Division of Archives and History shall make reasonable attempts to notify
43 the donor's immediate family through publication or other means reasonably likely to
44 provide them notice. For purposes of this section, 'immediate family' means spouse,
45 parents, siblings, children, and grandchildren. The net proceeds of any sale, after
46 deduction of the expenses attributable to that sale, shall be deposited to the State
47 treasury to the credit of either the Division of Archives and History Artifact Fund or
48 the Museum of History Artifact Fund, as appropriate, and shall be used only for the
49 purchase of other artifacts. No artifact curated by any agency of the Department of
50 Cultural Resources may be pledged or mortgaged."

51 **PART XXIA. GENERAL ASSEMBLY**

52 Requested by: Representative Gray

1 **PERMIT LEGISLATIVE SERVICES COMMISSION TO OPERATE FOOD**
2 **FACILITIES IN THE LEGISLATIVE OFFICE BUILDING**

3 Section 21A. (a) G.S. 111-42(c) reads as rewritten:

4 "(c) 'State property or State building' means building and land owned, leased, or
5 otherwise controlled by the State, exclusive of schools, colleges and universities, the
6 North Carolina State Fair, the Legislative Office Building, and the State Legislative
7 Building."

8 (b) G.S. 66-58(c)(5) reads as rewritten:

9 "(5) The operation of a snack bar and cafeteria in the Legislative Office
10 Building and the State Legislative Building."

11
12 **PART XXII. OFFICE OF ADMINISTRATIVE HEARINGS**

13 Requested by: Representatives Ives, McCombs, Sherrill

14 **EEOC DEFERRED CASES TO OAH/REPEAL SUNSET**

15 Section 22. Section 5 of S.L. 1997-513 reads as rewritten:

16 "Section 5. Section 1 of this act is effective when it becomes law, applies to
17 charges pending or filed on and after that date, ~~and expires December 31, 1998.~~ date.
18 The remainder of this act becomes effective July 1, 1997, and applies to all
19 suggestions and innovations pending on that date that were submitted under the
20 former State Employee Suggestion Program as authorized by G.S. 143-340(1) on or
21 before June 30, 1997."

22
23 **PART XXIII. OFFICE OF SECRETARY OF STATE**

24 **[RESERVED]**

25
26 **PART XXIV. STATE BOARD OF ELECTIONS**

27 Requested by: Representatives Ives, McCombs, Sherrill

28 **EXTEND STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM**

29 Section 24. Section 31(a) of S.L. 1997-443 reads as rewritten:

30 "(a) The State Board of Elections shall establish a statewide data elections
31 management system. The system shall prescribe data format standards, data
32 communication standards, and data content standards. The State Board of Elections
33 shall establish the system no later than November 1, 1997. Counties shall adhere to
34 the standards prescribed by the system no later than ~~August 31, 1998.~~ July 1, 1999.
35 The State Board of Elections may adopt rules to implement this section. Chapter
36 150B of the General Statutes governs the adoption of rules by the State Board of
37 Elections."

38
39 Requested by: Representatives Ives, McCombs, Sherrill

40 **NO STATE FUNDS FOR COUNCIL OF STATE MEMBER ADS**

41 Section 24.1. (a) G.S. 163-278.16A reads as rewritten:

42 "~~§ 163-278.16A. Restriction Prohibition~~ on use of State funds by declared candidate
43 for Council of State members for advertising or public service announcements using
44 their names, pictures, or voices.

45 ~~After December 31 prior to a general election in which a Council of State office~~
46 ~~will be on the ballot, no declared candidate for that Council of State office shall use~~
47 ~~or permit the use of State funds for any advertisement or public service~~
48 ~~announcement in a newspaper, on radio, or on television that contains that declared~~
49 ~~candidate's name, picture, or voice, except in case of State or national emergency~~
50 ~~and only if the announcement is reasonably necessary to that candidate's official~~
51 ~~function. For purposes of this section, "declared candidate" means someone who has~~
52 ~~publicly announced an intention to run.~~

The use of State funds for an advertisement or public service announcement in a newspaper, on radio, or on television that contains a Council of State member's name, picture, or voice is strictly prohibited unless it is a legal notice where the name of the officer is required under State or federal law to appear in the advertisement. Appearances of members of the Council of State on bona fide noncommercial radio or television broadcasting station programs are not public service announcements."

(b) This section is effective when it becomes law.

Requested by: Representative McMahan

CHARTER AMENDMENT

Section 24.2. (a) The second sentence of G.S. 160A-104 is amended by deleting the term "State Board of Elections or 5,000, whichever is less." and substituting the term "county board of elections."

(b) This section applies only to the City of Charlotte.

(c) This section becomes effective January 1, 1999.

PART XXV. OFFICE OF STATE BUDGET AND MANAGEMENT

Requested by: Representatives Ives, McCombs, Sherrill

ALLOW VOLUNTEER FIRE DEPARTMENT/RESCUE EMS GRANT FUNDS TO BE USED TO PAY HIGHWAY USE TAX ON EQUIPMENT PURCHASES

Section 25. (a) G.S. 58-87-1(a) reads as rewritten:

"(a) There is created the Volunteer Fire Department Fund to provide matching grants to volunteer fire departments to purchase equipment and make capital improvements. The Fund shall be set up in the Department of Insurance. The State Treasurer shall invest its assets according to law, and the earnings shall remain in the Fund. The Fund shall be distributed under the direction of the Commissioner of Insurance. Beginning January 1, 1988, an eligible fire department may apply to the Commissioner of Insurance for a grant under this section. Beginning May 1, 1988, and on each May 15, thereafter, the Commissioner shall make grants to eligible fire departments subject to the following limitations:

(1) The size of a grant may not exceed twenty thousand dollars (\$20,000);

(2) The applicant shall match the grant on a dollar-for-dollar basis;

(3) The grant may be used only for equipment ~~purchases~~ purchases, payment of highway use taxes on those purchases, or capital expenditures necessary to provide fire protection services; and

(4) An applicant may receive no more than one grant per fiscal year.

In awarding grants under this section, the Commissioner shall to the extent possible select applicants from all parts of the State based upon need. Up to two percent (2%) of the Fund may be used for additional staff and resources to administer the Fund in each fiscal year.

No fire department may be declared ineligible for a grant under this section solely because it is classified as a municipal fire department."

(b) G.S. 58-87-5(a) reads as rewritten:

"(a) There is created in the Department of Insurance the Volunteer Rescue/EMS Fund to provide grants to volunteer rescue units providing rescue or rescue and emergency medical services to purchase equipment and make capital improvements. An eligible rescue or rescue/EMS unit may apply to the Department of Insurance for a grant under this section. The application form and criteria for grants shall be established by the Department. The Department of Health and Human Services shall provide the Department with an advisory priority listing of EMS equipment eligible for funding. The State Treasurer shall invest the Fund's assets according to law, and the earnings shall remain in the Fund. On December 15 of each year, the Department

shall make grants to eligible rescue or rescue/EMS units subject to all of the following limitations:

- (1) A grant to an applicant who is required to match the grant with non-State funds may not exceed fifteen thousand dollars (\$15,000), and a grant to an applicant who is not required to match the grant with non-State funds may not exceed three thousand dollars (\$3,000).
- (2) An applicant whose liquid assets, when combined with the liquid assets of any corporate affiliate or subsidiary of the applicant, are more than one thousand dollars (\$1,000) shall match the grant on a dollar-for-dollar basis with non-State funds.
- (3) The grant may be used only for equipment ~~purchases~~ purchases, ~~payment of highway use taxes on those purchases~~, or capital expenditures.
- (4) An applicant may receive no more than one grant per fiscal year.

In awarding grants under this section, the Department shall to the extent possible select applicants from all parts of the State based upon need. Up to two percent (2%) of the Fund may be used for additional staff and resources to administer the Fund in each fiscal year. In addition, notwithstanding G.S. 58-78-20, up to four percent (4%) of the Fund may be used for additional staff and resources for the North Carolina Fire and Rescue Commission."

PART XXVI. OFFICE OF STATE CONTROLLER

Requested by: Representatives Ives, McCombs, Sherrill

PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES

Section 26. (a) The General Assembly finds that a significant number of bad debts are owed to State agencies, and even expansion of the Debt Collection Setoff Act scheduled for 2000 may still leave room for improvement. The General Assembly has been presented information on the extent of the debts but lacks sufficient information to determine if the lack of collection in some cases relates to inability to the debtor to pay, contractual discharges that may have been taken to receive partial recovery from third parties, or need to improve collection procedures within State agencies. Focusing on health care institutions within State government will allow maximum information without disrupting other agencies which have small amounts of bad debts.

(b) The Office of State Controller shall establish a procedure by which health care institutions under or affiliated with the Department of Health and Human Services or The University of North Carolina shall report on collection of bad debts. This pilot program is intended to concentrate on agencies that have a large amount of bad debts, in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government.

(c) The procedures shall require that in the case of each bad debt, that debt is reported to the Office of State Controller with its total amount and with standardized codes indicating the type of debt, the actions taken to collect the debt, and the estimate of the agency on the likelihood of being able to collect the bad debt.

(d) The Office of State Controller shall report the results of the pilot study to the General Assembly no later than April 1, 1999, along with recommendations on changes in law or procedure to better collect the bad debts.

Requested by: Representative Church

RECOVERY OF OVERPAYMENTS BY STATE AGENCIES

Section 26.1. G.S. 147-86.22(c) reads as rewritten:

"(c) Collection Techniques. -- The State Controller, in conjunction with the Office of the Attorney General, shall establish policies and procedures to govern techniques for collection of accounts receivable. These techniques may include use of credit reporting bureaus, judicial remedies authorized by law, and administrative setoff by a reduction of an individual's tax refund pursuant to the Setoff Debt Collection Act, Chapter 105A of the General Statutes, or a reduction of another payment, other than payroll, due from the State to a person to reduce or eliminate an account receivable that the person owes the State.

No later than October 1, 1998, the State Controller shall negotiate a contract with a third party to perform an audit and collection process of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors. The third party shall be compensated only from funds recovered as a result of the audit. Savings realized in excess of costs shall be transferred from the agency to the Office of State Budget and Management and placed in a special reserve account for future direction by the General Assembly. Any disputed savings shall be settled by the State Controller."

PART XXVIA. OFFICE OF STATE TREASURER

Requested by: Representatives Ives, Sherrill, McCombs

DEPARTMENT OF STATE TREASURER/OFFICE SPACE IN ALBEMARLE BUILDING AND FUNDS FOR MOVING EXPENSES

Section 26A. (a) The Secretary of Administration may allocate to the Department of State Treasurer in the Albemarle Building the remaining space on the fifth floor that is not already allocated to the Department, as the space becomes available during the 1998-99 fiscal year, and 7,000 square feet of contiguous space on the sixth floor, as the space becomes available during the 1998-99 fiscal year.

(b) If the Secretary of Administration allocates space as described in subsection (a) of this section, the Department may expend up to four hundred seventy thousand seven hundred fifty dollars (\$470,750) from departmental receipts and up to forty-four thousand dollars (\$44,000) from funds appropriated in this act for expenses that are incurred as a result of the Department's relocation.

Requested by: Representatives Ives, Sherrill, McCombs

IMPROVE DISABILITY INCOME PLAN

Section 26A.1. If House Bill 1669, 1997 Session, entitled "Improve Disability Income Plan", becomes law, the Treasurer may expend departmental receipts in an amount that does not exceed five hundred ninety-four thousand one hundred forty-seven dollars (\$594,147) to implement the requirements of that act. This includes provision for six additional employees and the necessary operating and initial preparation costs.

PART XXVII. DEPARTMENT OF TRANSPORTATION

Requested by: Representatives Bowie, Dockham, McMahan

DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS AUTHORIZED

Section 27. Notwithstanding any other provision of law, the Board of Transportation may award up to three contracts annually for construction of transportation projects on a design-build basis. These contracts may be awarded after a determination by the Department of Transportation that delivery of the projects must be expedited and that it is not in the public interest to comply with normal design and construction contracting procedures. Prior to the award of a design-build contract, the Secretary of Transportation shall report to the Joint Legislative

1 Transportation Oversight Committee and to the Joint Legislative Commission on
2 Governmental Operations on the nature and scope of the project and the reasons an
3 award on a design-build basis will best serve the public interest.

4
5 **[SECTION 27.1 RESERVED]**

6
7 Requested by: Representatives Bowie, Dockham, McMahan
8 **DISCONTINUE BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO**
9 **HIGHWAY TRUST FUND FOR ONE YEAR**

10 Section 27.2. G.S. 136-176(a)(4) and G.S. 136-183 are suspended from
11 July 1, 1998, to June 30, 1999.

12
13 Requested by: Representatives Bowie, Dockham, McMahan
14 **FEDERAL FUNDS FOR PUBLIC TRANSPORTATION IMPROVEMENTS**

15 Section 27.3. Section 32.18 of S.L. 1997-443 reads as rewritten:
16 "Section 32.18. To the extent allowable by federal law, the Department of
17 Transportation shall use ten million dollars (\$10,000,000) of federal highway funds
18 during each year of the 1997-99 biennium for improvements to public
19 transportation."

20
21 Requested by: Representatives Bowie, Dockham, McMahan
22 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS**

23 Section 27.4. Section 32.13 of S.L. 1997-443 reads as rewritten:
24 "Section 32.13. The General Assembly authorizes and certifies anticipated
25 revenues of the Highway Fund as follows:

26 FY 1999-2000	~~\$1,182.2~~ <u>\$1,190.8</u> million
27 FY 2000-2001	~~\$1,211.2~~ <u>\$1,225.7</u> million
28 FY 2001-2002	~~\$1,241.2~~ <u>\$1,265.4</u> million
29 FY 2002-2003	~~\$1,271.9~~ <u>\$1,301.0</u> million

30 The General Assembly authorizes and certifies anticipated revenues of the
31 Highway Trust Fund as follows:

32 FY 1999-2000	~~\$861.7~~ <u>\$871.4</u> million
33 FY 2000-2001	~~\$891.0~~ <u>\$901.8</u> million
34 FY 2001-2002	~~\$921.6~~ <u>\$934.7</u> million
35 FY 2002-2003	~~\$953.3~~ <u>\$967.2</u> million."

36
37 Requested by: Representatives Bowie, Dockham, McMahan
38 **OUTDOOR ADVERTISING JUST COMPENSATION SUNSET EXTENDED**

39 Section 27.5. Section 2 of Chapter 1147 of the 1981 Session Laws, as
40 amended by all of the following:

41 Chapter 318 of the 1983 Session Laws
42 Chapter 1024 of the 1987 Session Laws
43 Section 1 of Chapter 166 of the 1989 Session Laws
44 Section 1 of Chapter 725 of the 1993 Session Laws

45 reads as rewritten:

46 "Sec. 2. This act is effective upon ratification, but shall expire ~~June 30, 1998~~, June
47 30, 2000, and shall have no force or effect after that date."

48
49 Requested by: Representatives Bowie, Dockham, McMahan
50 **PAYMENTS TO CONTRACT AGENTS FOR COLLECTING EMISSION CONTROL**
51 **CIVIL PENALTIES AND FOR MAKING SALES OF INSPECTION STICKERS TO**
52 **LICENSED INSPECTION STATIONS, AND A TECHNICAL CHANGE TO A**
53 **RELATED STATUTE**

1 Section 27.6. (a) G.S. 20-63(h) reads as rewritten:

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

21 A transaction is any of the following activities:

- 22 (1) Issuance of a registration plate, a registration card, a registration
23 renewal sticker, or a certificate of title.
- 24 (2) Issuance of a handicapped placard or handicapped identification
25 card.
- 26 (3) Acceptance of an application for a personalized registration plate.
- 27 (4) Acceptance of a surrendered registration plate, registration card, or
28 registration renewal sticker, or acceptance of an affidavit stating
29 why a person cannot surrender a registration plate, registration
30 card, or registration renewal sticker.
- 31 (5) Cancellation of a title because the vehicle has been junked.
- 32 (6) Acceptance of an application for, or issuance of, a refund for a fee
33 or a tax, other than the highway use tax.
- 34 (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in
35 financial responsibility or receipt of the restoration fee imposed by
36 that statute.
- 37 (8) Acceptance of a notice of failure to maintain financial
38 responsibility for a motor vehicle.
- 39 (8a) Collection of civil penalties imposed for violations of G.S. 20-
40 183.8A.
- 41 (8b) Sale of one or more inspection stickers in a single transaction to a
42 licensed inspection station.
- 43 (9) Collection of the highway use tax.

44 Performance at the same time of any combination of the items that are listed
45 within each subdivision or are listed within subdivisions (1) through ~~(8)~~ (8b) of this
46 section is a single transaction for which a dollar and thirty-five cent (\$1.35)
47 compensation shall be paid. Performance of the item listed in subdivision (9) of this
48 subsection in combination with any other items listed in this subsection is a separate
49 transaction for which a one dollar and twenty cent (\$1.20) compensation shall be
50 paid."

51 (b) G.S. 20-183.8A reads as rewritten:

52 "§ 20-183.8A. Civil penalties against motorists for emissions violations.

1 The Division ~~must~~ shall assess a civil penalty against a person who owns or leases
2 a vehicle that is subject to an emissions inspection and who does any of the following:

- 3 (1) Fails to have the vehicle inspected within four months after it is
4 required to be inspected under this Part.
- 5 (2) Instructs or allows a person to tamper with an emission control
6 device of the vehicle so as to make the device inoperative or fail to
7 work properly.
- 8 (3) Incorrectly states the county of registration of the vehicle to avoid
9 having an emissions inspection of the vehicle.

10 The amount of penalty is one hundred dollars (\$100.00) if the vehicle is a pre-1981
11 vehicle and two hundred fifty dollars (\$250.00) if the vehicle is a 1981 or newer
12 model vehicle. As provided in G.S. 20-54, the registration of a vehicle may not be
13 renewed until a penalty imposed under this ~~subsection~~ section has been paid."

14
15 [SECTION 27.7 RESERVED]

16
17 Requested by: Representative Weatherly

18 **BRANDED TITLE CLARIFICATION**

19 Section 27.8. G.S. 20-71.3 reads as rewritten:

20 "**§ 20-71.3. Titles and registration cards to be branded.**

21 (a) Motor Vehicle certificates of title and registration cards issued pursuant to
22 G.S. 20-57 ~~shall~~ may be branded.

23 As used ~~herein~~ in this section, 'branded' means that the title and registration card
24 shall contain a designation that discloses if the vehicle is classified as any of the
25 following:

- 26 (1) ~~(a) Flood Vehicle, Vehicle.~~
- 27 (2) ~~(b) Non-U.S.A. Vehicle, Vehicle.~~
- 28 (3) ~~(c) Reconstructed Vehicle, Vehicle.~~
- 29 (4) ~~(d) Salvage Motor Vehicle, or Vehicle.~~
- 30 (5) ~~(e) Salvage Rebuilt Vehicle or Vehicle.~~
- 31 (6) Any other classification authorized by law.

32 (b) Any motor vehicle up to six to, and including, five model years old damaged
33 by collision or other occurrence occurrence, which requires a disclosure pursuant to
34 G.S. 20-71.4, and which which, as a result of such damage, is to be retitled in this
35 State shall be subject to preliminary and final inspections by the Enforcement Section
36 of the Division, and Division, the The Division shall refuse to not issue a title to
37 retitle a vehicle up to six model years old described in the first sentence of this
38 subsection which has not undergone a preliminary inspection. inspection required by
39 this subsection.

40 These inspections serve as antitheft measures and do not certify the safety or
41 roadworthiness of a vehicle.

42 (c) Any motor vehicle more than five model years old damaged by collision or
43 other occurrence which requires a disclosure pursuant to G.S. 20-71.4 and which, as a
44 result of such damage, is to be retitled by the State shall, without inspection, be
45 retitled with an unbranded or branded title, as appropriate, based upon a title
46 application by the rebuilder with a supporting affidavit disclosing all of the following:

- 47 (1) The parts used or replaced.
- 48 (2) The major components replaced.
- 49 (3) The total cost of repair, including labor costs.

50 The Division shall maintain these affidavits and make them available for review
51 and copying by persons researching the salvage and repair history of the vehicle.

52 ~~These inspections serve as an antitheft measure and do not certify the safety or~~
53 ~~roadworthiness of a vehicle.~~

(d) Any motor vehicle which has been branded in another state shall be branded with the nearest applicable brand specified in this section, except that no junk vehicle or vehicle that has been branded junk in another state shall be titled or registered.

(e) A motor vehicle titled in another state and damaged by collision or other occurrence may be repaired and an unbranded title issued in North Carolina only if the cost of repairs, including parts and labor, does not exceed seventy-five percent (75%) of its fair market retail value.

(f) Once a branded title has been issued for a motor vehicle, subsequent titles shall continue to reflect the branding until the title for that motor vehicle is either surrendered to the Division or cancelled by the Division.

(g) The Commissioner Division shall prepare necessary forms and may adopt regulations rules required to carry out the provisions of this Part 3A. Part. The title shall reflect the branding until surrendered to or cancelled by the Commissioner.

All title and title application forms shall contain a notice that indicates that the complete repair or salvage history of the vehicle might not be disclosed on the face of the title."

Requested by: Representatives Bowie, Dockham, McMahan

DMV ENFORCEMENT SECTION PAY EQUITY PLAN LIMITATIONS

Section 27.9. Of the funds appropriated in this act to the Department of Transportation, up to three million three hundred ninety thousand seven hundred eight dollars (\$3,390,708) may be used to adjust the salaries and benefits of the enforcement officers assigned to the Enforcement Section of the Division of Motor Vehicles.

These adjustments shall be based on factors such as: employee salary, position class title, position grade, and creditable years of sworn service with the Enforcement Section.

No salary adjustment shall result in an increase beyond the maximum salary set for an officer's pay grade. If an officer's salary is near or at the top of the officer's pay grade, the officer shall be eligible to receive a salary adjustment up to the top of the officer's pay grade. If an officer is at the top of the officer's pay grade, then the officer is not eligible to receive a salary adjustment.

Before adjusting salaries or benefits pursuant to this section, the Department of Transportation shall do all of the following:

- (1) Consult with and get approval of the Office of State Personnel.
- (2) Report to the Joint Legislative Transportation Oversight Committee.
- (3) Report to the Joint Legislative Commission on Governmental Operations.

Requested by: Representative C. Wilson

PERFORMANCE AUDIT OF PUBLIC TRANSPORTATION AND RAIL DIVISIONS

Section 27.10. The State Auditor shall conduct a performance audit of the Public Transportation and Rail Divisions of the Department of Transportation. The performance audit shall be conducted according to Government Auditing Standards as promulgated by the Comptroller General of the United States. The results of the audit shall be presented to the Fiscal Research Division of the General Assembly no later than February 1, 1999.

Requested by: Representative Bowie

BOARD OF TRANSPORTATION TO REPORT BEFORE ADDING PERSONNEL

Section 27.11. The Board of Transportation shall report a proposed staffing plan to the Joint Legislative Transportation Oversight Committee before

1 hiring or reclassifying personnel as a result of any reorganization or restructuring of
2 the Board or staff mandated by the General Assembly.

3
4 Requested by: Representatives McMahan, Bowie, Dockham

5 **REGIONAL TRANSPORTATION COMMITTEE OF CENTRALINA COUNCIL OF**
6 **GOVERNMENTS FUNDS**

7 Section 27.12. From funds appropriated to the Department of
8 Transportation from the Highway Fund, the Department shall expend up to one
9 hundred thousand dollars (\$100,000) for the 1998-99 fiscal year and each of the
10 subsequent four fiscal years to fund an ongoing regional transportation study by the
11 Regional Transportation Committee of Centralina Council of Governments.

12 Funds expended for the regional transportation study shall be approved
13 by the Department of Transportation which shall make written reports to the Joint
14 Legislative Transportation Oversight Committee on the progress of the study.

15
16 Requested by: Representatives Cansler, Sherrill

17 **NONBETTERMENT RELOCATION COSTS**

18 Section 27.13. (a) G.S. 136-27.1 reads as rewritten:

19 **"§ 136-27.1. Relocation of water and sewer lines of municipalities and nonprofit**
20 **water or sewer corporations or associations.**

21 The Department of Transportation shall pay the nonbetterment cost for the
22 relocation of water and sewer lines, located within the existing State highway right-of-
23 way, that are necessary to be relocated for a State highway improvement project and
24 that are owned by: (i) a municipality with a population of 5,500 or less according to
25 the latest decennial census; (ii) a nonprofit water or sewer association or corporation;
26 (iii) any water or sewer system organized pursuant to Chapter 162A of the General
27 Statutes; (iv) a rural water system operated by county as an enterprise system; (v) any
28 sanitary district organized pursuant to Part 2 of Article 2 of Chapter 130A of the
29 General Statutes; ~~or~~ (vi) constructed by a water or sewer system organized pursuant
30 to Chapter 162A of the General Statutes and then sold or transferred to a
31 municipality with a population of greater than 5,500 according to the latest decennial
32 ~~census; or~~ census; or (vii) constructed by a water or sewer system organized pursuant to
33 Article 20 of Chapter 160A of the General Statutes."

34 (b) This section is effective when it becomes law and shall not affect
35 pending litigation.

36
37 [SECTION 27.14 RESERVED]

38
39 Requested by: Representatives McMahan, Bowie, Dockham

40 **BLUE RIBBON TRANSPORTATION FINANCE STUDY COMMISSION**

41 Section 27.15. (a) Commission established. -- There is established a Blue
42 Ribbon Transportation Finance Study Commission.

43 (b) Membership. -- The Commission shall be composed of 18 members,
44 as follows:

- 45 (1) Four members of the House of Representatives appointed by the
46 Speaker of the House.
- 47 (2) Four members of the Senate appointed by the President Pro
48 Tempore of the Senate.
- 49 (3) Three members of the public appointed by the Governor, two of
50 whom shall have expertise in transportation matters.
- 51 (4) Three members of the public appointed by the Speaker of the
52 House, two of whom have expertise in transportation matters.

- 1 (5) Three members of the public appointed by the President Pro
2 Tempore of the Senate, two of whom have expertise in
3 transportation matters.
- 4 (6) The Secretary of Transportation or his designee who shall serve as
5 a nonvoting ex officio member.
- 6 (c) Duties of Commission. -- The Commission shall study the following
7 matters related to Transportation Finance:
- 8 (1) The Highway Trust Fund Act of 1989. -- The Commission shall
9 review the current law and recommend any revisions that may be
10 necessary, based on the nine-year history of the fund and the
11 current transportation needs of the State.
- 12 (2) Current revenue sources. -- The Commission shall review all
13 current revenue sources that support State transportation programs,
14 and recommend changes, additions, or deletions based on
15 projected needs for the next 25 years.
- 16 (3) Transportation system maintenance. -- The Commission shall
17 review current financing of transportation system maintenance, and
18 recommend changes to accommodate maintenance of new
19 construction and increased traffic volume.
- 20 (4) Public transportation. -- The Commission shall evaluate funding
21 public transportation with dedicated sources of funds. The
22 Commission's recommendation shall include specific sources and
23 amounts of any dedicated funds, if recommended.
- 24 (5) Transfers from the Highway Fund to other State agencies;
25 including whether or not those funds would more appropriately
26 come from the General Fund.
- 27 (6) Other transportation financing issues. -- The Commission may
28 study any other transportation finance-related issue approved by
29 the cochair, or recommended by the Secretary of Transportation
30 and approved by the cochair.
- 31 (d) Vacancies. -- Any vacancy on the Commission shall be filled by the
32 appointing authority.
- 33 (e) Cochair. -- Cochair persons of the Commission shall be designated
34 by the Speaker of the House and the President Pro Tempore of the Senate from
35 among their respective appointees. The Commission shall meet upon the call of the
36 chair. A quorum of the Commission shall be eight members.
- 37 (f) Expenses of Members. -- Members of the Commission shall receive
38 per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5,
39 or 138-6, as appropriate.
- 40 (g) Staff. -- Adequate staff shall be provided to the Commission by the
41 Legislative Services Office.
- 42 (h) Consultants. -- The Commission may hire consultants to assist with
43 the study. Before expending any funds for a consultant, the Commission shall report
44 to the Joint Legislative Commission on Governmental Operations on the consultant
45 selected, the work products to be provided by the consultant, and the cost of the
46 contract, including an itemization of the cost components.
- 47 (i) Meeting Location. -- The Legislative Services Commission shall grant
48 adequate meeting space to the Commission in the State Legislative Building or the
49 Legislative Office Building.
- 50 (j) Report. -- The Commission shall submit a final report to the General
51 Assembly by February 1, 2000. Upon the filing of its report, the Commission shall
52 terminate.

(k) Appropriation. -- From appropriations to the General Assembly, the Legislative Services Commission may allocate up to two hundred thousand dollars (\$200,000) for the expenses of the Commission.

Requested by: Representatives Bowie, Dockham, McMahan

MEDIUM CUSTODY ROAD CREW COMPENSATION

Section 27.16. (a) Of funds appropriated to the Department of Transportation by this act six million five hundred thousand dollars (\$6,500,000) shall be used by the Department to reimburse the Department of Correction during the 1998-99 fiscal year for costs authorized by G.S. 148-26.5 for reimbursement for highway related labor performed by medium custody prisoners. The Department of Transportation may use funds appropriated by this act to pay requested reimbursements submitted by the Department of Correction over and above the six million five hundred thousand dollars (\$6,500,000) but those reimbursement requests shall be subject to negotiations among the Department of Transportation, the Department of Correction, and the Office of State Budget and Management prior to payment by the Department of Transportation.

(b) Sections 19.16 and 32.2 of S.L. 1997-443 are repealed.

Requested by: Representative Hiatt

DMV MEDICAL EVALUATION PROGRAM ENHANCEMENT FUNDS

Section 27.17. Of funds appropriated from the Highway Fund to the Division of Motor Vehicles the sum of ninety-three thousand five hundred thirteen dollars (\$93,513) for the 1998-99 fiscal year shall be used to fund an additional Public Health Physician II in the Department of Health and Human Services to review the medical records of the growing number of drivers referred to the Drivers Medical Evaluation Program. This implements a recommendation of the Driver Medical Evaluation Program Study Commission.

PART XXVIII. SALARIES AND BENEFITS

Requested by: Representatives Holmes, Esposito, Creech, Crawford

GOVERNOR AND COUNCIL OF STATE/SALARY INCREASES

Section 28. (a) G.S. 147-11(a) reads as rewritten:

"(a) The salary of the Governor shall be ~~one hundred seven thousand one hundred thirty two dollars (\$107,132)~~ one hundred ten thousand three hundred forty six dollars (\$110,346) annually, payable monthly."

(b) Section 33(b) of Chapter 443 of the 1997 Session Laws reads as rewritten:

"(b) The annual salaries for the members of the Council of State, payable monthly, for the ~~1997-98 and 1998-99 fiscal years, year,~~ beginning ~~July 1, 1997, July 1, 1998,~~ are:

<u>Council of State</u>	<u>Annual Salary</u>	
Lieutenant Governor	\$94,552	\$97,388
Attorney General	94,552	97,388
Secretary of State	94,552	97,388
State Treasurer	94,552	97,388
State Auditor	94,552	97,388
Superintendent of Public Instruction	94,552	97,388
Agriculture Commissioner	94,552	97,388
Insurance Commissioner	94,552	97,388
Labor Commissioner	94,552.	97,388."

1 Requested by: Representatives Holmes, Esposito, Creech, Crawford

2 **NONELECTED DEPARTMENT HEADS/SALARY INCREASES**

3 Section 28.1. Section 33.1 of Chapter 443 of the 1997 Session Laws
4 reads as rewritten:

5 "Section 33.1. In accordance with G.S. 143B-9, the maximum annual salaries,
6 payable monthly, for the nonelected heads of the principal State departments for the
7 ~~1997-98 and 1998-99 fiscal years, year, beginning July 1, 1997, July 1, 1998,~~ are:

8	9		
10	11	<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
11	12	Secretary of Administration	~~\$92,378~~ <u>\$95,149</u>
12	13	Secretary of Correction	~~92,378~~ <u>95,149</u>
13	14	Secretary of Cultural Resources	~~92,378~~ <u>95,149</u>
14	15	Secretary of Commerce	~~92,378~~ <u>95,149</u>
15	16	Secretary of ~~Environment, Health,~~	
16	17	<u>Environment</u> and Natural Resources	~~92,378~~ <u>95,149</u>
17	18	Secretary of <u>Health and Human Resources</u>	
18	19	<u>Services</u>	~~92,378~~ <u>95,149</u>
19	20	Secretary of Revenue	~~92,378~~ <u>95,149</u>
20	21	Secretary of Transportation	~~92,378~~ <u>95,149</u>
21	22	Secretary of Crime Control and Public Safety	~~92,378~~ <u>95,149."</u>

23 Requested by: Representatives Holmes, Esposito, Creech, Crawford

24 **CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES**

25 Section 28.2A. Section 33.2 of Chapter 443 of the 1997 Session Laws
26 reads as rewritten:

27 "Section 33.2. The annual salaries, payable monthly, for the ~~1997-98 and 1998-99~~
28 ~~fiscal years, year, beginning July 1, 1997, July 1, 1998,~~ for the following executive
29 branch officials are:

30	31		
32	33	<u>Executive Branch Officials</u>	<u>Annual Salary</u>
33	34	Chairman, Alcoholic Beverage Control	
34	35	Commission	~~\$ 84,080~~ <u>\$86,602</u>
35	36	State Controller	~~117,669~~ <u>121,199</u>
36	37	Commissioner of Motor Vehicles	~~84,080~~ <u>86,602</u>
37	38	Commissioner of Banks	~~94,552~~ <u>97,389</u>
38	39	Chairman, Employment Security Commission	~~117,520~~ <u>121,046</u>
39	40	State Personnel Director	~~92,378~~ <u>95,149</u>
40	41	Chairman, Parole Commission	~~76,775~~ <u>79,078</u>
41	42	Members of the Parole Commission	~~70,881~~ <u>73,008</u>
42	43	Chairman of the Utilities Commission	~~95,592~~ <u>98,388</u>
43	44	Commissioners of the Utilities Commission	~~94,552~~ <u>97,388</u>
44	45	Executive Director, Agency for Public	
45	46	Telecommunications	~~70,881~~ <u>73,008</u>
46	47	General Manager, Ports Railway Commission	~~64,005~~ <u>65,925</u>
47	48	Director, Museum of Art	~~86,155~~ <u>88,739</u>
48	49	Executive Director, Wildlife Resources	
49	50	Commission	~~72,569~~ <u>74,746</u>
50	51	Executive Director, North Carolina Housing	
51	52	Finance Agency	~~104,057~~ <u>107,179</u>
52	53	Executive Director, North Carolina Agricultural	
53		Finance Authority	~~81,839~~ <u>84,294</u>

Director, Office of Administrative Hearings 83,141".

Requested by: Representatives Holmes, Esposito, Creech, Crawford

JUDICIAL BRANCH OFFICIALS/SALARY INCREASES

Section 28.3A. (a) Section 33.7 of Chapter 443 of the 1997 Session Laws reads as rewritten:

"Section 33.7. (a) The annual salaries, payable monthly, for specified judicial branch officials for the ~~1997-98 and~~ 1998-99 fiscal years, year, beginning July 1, 1997, July 1, 1998, are:

Judicial Branch Officials

Annual Salary

Chief Justice, Supreme Court	\$107,132	\$110,346
Associate Justice, Supreme Court	104,333	107,463
Chief Judge, Court of Appeals	101,724	104,776
Judge, Court of Appeals	99,986	102,985
Judge, Senior Regular Resident Superior Court	97,269	100,187
Judge, Superior Court	94,552	97,388
Chief Judge, District Court	85,857	88,433
Judge, District Court	83,141	85,635
District Attorney	87,596	90,224
Administrative Officer of the Courts	97,269	100,187
Assistant Administrative Officer of the Courts	81,684	84,134
Public Defender	87,596.	90,224.

~~(b) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed fifty three thousand eight hundred eighty three dollars (\$53,883) and the minimum salary of any assistant district attorney or assistant public defender is at least twenty seven thousand five hundred nine dollars (\$27,509), effective July 1, 1997.~~

~~(c) The salaries in effect for the 1996-97 fiscal year on June 30, 1997, for permanent, full-time employees of the Judicial Department, except for those whose salaries are itemized in this Part, shall be increased by four percent (4%), commencing July 1, 1997.~~

~~(d) The salaries in effect on June 30, 1997, June 30, 1998, for all permanent, part-time employees of the Judicial Department shall be increased on and after July 1, 1997, by pro rata amounts of four percent (4%)."~~

(b) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed fifty-five thousand five hundred dollars (\$55,500) and the minimum salary of any assistant district attorney or assistant public defender is at least twenty-eight thousand three hundred thirty-four dollars (\$28,334), effective July 1, 1998.

(c) The salaries in effect for the 1997-98 fiscal year on June 30, 1998, for permanent, full-time employees of the Judicial Department, except for those whose salaries are itemized in this Part, shall be increased by three percent (3%), commencing July 1, 1998.

(d) The salaries in effect on June 30, 1998, for all permanent, part-time employees of the Judicial Department shall be increased on and after July 1, 1998, by pro rata amounts of three percent (3%).

Requested by: Representatives Holmes, Esposito, Creech, Crawford
CLERKS OF SUPERIOR COURT/SALARY INCREASES

Section 28.4. G.S. 7A-101(a) reads as rewritten:

"(a) The clerk of superior court is a full-time employee of the State and shall receive an annual salary, payable in equal monthly installments, based on the population of the county as determined in subsection (a1) of this section, according to the following schedule:

Population		Annual Salary
Less than 100,000	\$62,676	\$64,556
100,000 to 149,999	70,403	72,515
150,000 to 249,999	78,130	80,474
250,000 and above	85,857.	88,433.

The salary schedule in this subsection is intended to represent the following percentage of the salary of a chief district court judge:

Population	Annual Salary
Less than 100,000	73%
100,000 to 149,999	82%
150,000 to 249,999	91%
250,000 and above	100%.

When a county changes from one population group to another, the salary of the clerk shall be changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate for the new population group, except that the salary of an incumbent clerk shall not be decreased by any change in population group during his continuance in office."

Requested by: Representatives Holmes, Esposito, Creech, Crawford

ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT/SALARY INCREASES

Section 28.5. (a) Effective July 1, 1998, those State employees whose salaries are determined by G.S. 7A-102 shall receive across-the-board salary increases in the amount of three percent (3%) in addition to step increases associated with their respective pay plans.

(b) G.S. 7A-102(c1) reads as rewritten:

"(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the following minimum and maximum rates:

Assistant Clerks and Head Bookkeeper		Annual Salary
Minimum	\$23,420	\$24,122
Maximum	41,466	42,710
Deputy Clerks		Annual Salary
Minimum	\$18,724	\$19,286
Maximum	31,940.	32,899."

Requested by: Representatives Holmes, Esposito, Creech, Crawford

MAGISTRATES/SALARY INCREASES

Section 28.6A. Effective July 1, 1998, magistrates shall receive salary increases in the amount of three percent (3%), except that any person entitled to a step increase pursuant to G.S. 7A-171.1 for the 1998-99 fiscal year shall not receive the three percent increase provided by this section.

Requested by: Representatives Holmes, Esposito, Creech, Crawford

GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

Section 28.7A. (a) G.S. 120-37(c) is repealed.

(b) G.S. 120-37 is amended by adding a new subsection to read:

"(c1) 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 set by the Legislative Services Commission payable monthly."

Requested by: Representatives Holmes, Esposito, Creech, Crawford

SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES

Section 28.8. 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 fifty eight dollars (\$258.00)~~ two hundred sixty-six dollars (\$266.00) 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, Esposito, Creech, Crawford

LEGISLATIVE EMPLOYEES/SALARY INCREASES

Section 28.9. The Legislative Administrative Officer shall increase the salaries of nonelected employees of the General Assembly in effect for fiscal year 1997-98 by three percent (3%). Nothing in this act limits any of the provisions of G.S. 120-32.

Requested by: Representatives Holmes, Esposito, Creech, Crawford

COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

Section 28.10. The Director of the Budget shall transfer from the Reserve for Salary Increases created in this act for fiscal year 1998-99 funds to the Department of Community Colleges necessary to provide an average annual salary increase of three percent (3%), including funds for the employer's retirement and social security contributions, commencing July 1, 1998, 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 three percent (3%) to all full-time employees and part-time employees on a pro rata basis.

Requested by: Representatives Holmes, Esposito, Creech, Crawford

UNIVERSITY OF NORTH CAROLINA SYSTEM - EPA SALARY INCREASES

Section 28.11. (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 Compensation Increase created in this act for fiscal year 1998-99 to provide an

1 annual average salary increase of three percent (3%), including funds for the
2 employer's retirement and social security contributions, commencing July 1, 1998, for
3 all 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 1998-99 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, 1998, 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, Esposito, Creech, Crawford

25 **SCHOOL CENTRAL OFFICE SALARIES**

26 Section 28.12. (a) The following monthly salary ranges apply to assistant
27 superintendents, associate superintendents, directors/coordinators, supervisors, and
28 finance officers for the 1998-99 fiscal year, beginning July 1, 1998:

29	(1)	School Administrator I:	\$2,846 - \$4,857
30	(2)	School Administrator II:	\$3,021 - \$5,155
31	(3)	School Administrator III:	\$3,206 - \$5,471
32	(4)	School Administrator IV:	\$3,335 - \$5,692
33	(5)	School Administrator V:	\$3,469 - \$5,923
34	(6)	School Administrator VI:	\$3,681 - \$6,286
35	(7)	School Administrator VII:	\$3,830 - \$6,540

36 The local board of education shall determine the appropriate category and placement
37 for each assistant superintendent, associate superintendent, director/coordinator,
38 supervisor, or finance officer within the salary ranges and within funds appropriated
39 by the General Assembly for central office administrators and superintendents. The
40 category in which an employee is placed shall be included in the contract of any
41 employee hired on or after July 1, 1998.

42 (b) The following monthly salary ranges apply to public school
43 superintendents for the 1998-99 fiscal year, beginning July 1, 1998:

44	(1)	Superintendent I (Up to 2,500 ADM):	\$4,065 - \$6,941
45	(2)	Superintendent II (2,501 - 5,000 ADM):	\$4,315 - \$7,364
46	(3)	Superintendent III (5,001 - 10,000 ADM):	\$4,578 - \$7,815
47	(4)	Superintendent IV (10,001 - 25,000 ADM):	\$4,859 - \$8,293
48	(5)	Superintendent V (Over 25,000 ADM):	\$5,157 - \$8,801

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

1 Notwithstanding the provisions of this subsection, a local board of
2 education may pay an amount in excess of the applicable range to a superintendent
3 who is entitled to receive the higher amount under Section 9.6 of this act.

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

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

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

19 (f) The Director of the Budget shall transfer from the Reserve for Salary
20 Increases created in this act for fiscal year 1998-99, beginning July 1, 1998, funds
21 necessary to provide an average annual salary increase of three percent (3%),
22 including funds for the employer's retirement and social security contributions,
23 commencing July 1, 1998, for all permanent full-time personnel paid from the Central
24 Office Allotment. The State Board of Education shall allocate these funds to local
25 school administrative units. The local boards of education shall establish guidelines
26 for providing their salary increases to these personnel.

27
28 Requested by: Representatives Holmes, Esposito, Creech, Crawford

29 **NONCERTIFIED PERSONNEL SALARY FUNDS/TEACHER ASSISTANT SALARY**
30 **FUNDS**

31 Section 28.13. (a) The Director of the Budget may transfer from the
32 Reserve for Compensation Increase created in this act for fiscal year 1998-99,
33 commencing July 1, 1998, funds necessary to provide a salary increase of three
34 percent (3%), including funds for the employer's retirement and social security
35 contributions, commencing July 1, 1998, for all noncertified public school employees
36 whose salaries are supported from the State's General Fund. Local boards of
37 education shall increase the rates of pay for all such employees who were employed
38 during fiscal year 1997-98 and who continue their employment for fiscal year 1998-99
39 by at least three percent (3%), commencing July 1, 1998. These funds shall not be
40 used for any purpose other than for the salary increases and necessary employer
41 contributions provided by this section.

42 The Director of the Budget may transfer from the Reserve for
43 Compensation Increase created in this act for fiscal year 1998-99, beginning July 1,
44 1998, funds necessary to provide the salary increases for noncertified public school
45 employees whose salaries are supported from the State's General Fund in accordance
46 with the provisions of this section.

47 The State Board of Education may enact or create salary ranges for
48 noncertified personnel to support increases of three percent (3%) for the 1998-99
49 fiscal year.

50 (b) G.S. 115C-12(16)b. reads as rewritten:

51 "b. Salary schedules for the following public school support
52 personnel shall be adopted by the State Board of Education:
53 school finance officer, office support personnel, teacher

1 assistants, maintenance supervisors, custodial personnel, and
2 transportation personnel. The Board shall classify these
3 support positions in terms of uniform pay grades included in
4 the salary schedule of the State Personnel Commission.

5 By the end of the third payroll period of the 1995-96 fiscal
6 year, local boards of education shall place State-allotted
7 office support personnel, teacher assistants, and custodial
8 personnel on the salary schedule adopted by the State Board
9 of Education so that the average salary paid is the State-
10 allotted amount for the category. In placing employees on
11 the salary schedule, the local board ~~shall~~ may consider the
12 education, training, and experience of each ~~employee.~~
13 employee, including experience in other local school
14 administrative units. It is the intent of the General Assembly
15 that a local school administrative unit not fail to employ an
16 employee who was employed for the prior school year in
17 order to implement the provisions of this sub-subdivision. A
18 local board of education is in compliance with this sub-
19 subdivision if the average salary paid is at least ninety-five
20 percent (95%) of the State-allotted amount for the category
21 at the end of the third payroll period of the 1995-96 fiscal
22 year, and at least ninety-eight percent (98%) of the State-
23 allotted amount for the category at the end of the third
24 payroll period of each subsequent fiscal year. The
25 Department of Public Instruction shall provide technical
26 assistance to local school administrative units regarding the
27 implementation of this sub-subdivision."

28 (c) Subsection (b) of this section applies beginning with the 1999-2000
29 school year.
30

31 Requested by: Representatives Holmes, Esposito, Creech, Crawford
32 **COMPENSATION BONUS/STATE EMPLOYEES/SCHOOL PERSONNEL**

33 Section 28.14A. (a) Any person:

- 34 (1) Whose salary is set by or under this Part, other than Sections 28,
35 28.1, 28.2A, 28.3A(a), 28.4, 28.15(a); and 28.15(c), 28.15(d),
36 28.15(e), except that the exclusion of those under 28.15(c),
37 28.15(d), and 28.15(e) only applies to those whose salaries are set
38 by the State Personnel Act; and
39 (2) Who was, on July 1, 1998, a permanent officer or permanent
40 employee whose salary is set by or under this Part shall receive not
41 later than September of 1998 a compensation bonus of one percent
42 (1%), except that:
43 a. The compensation bonus for persons subject to Section
44 28.10 of this act shall be an average of one percent (1%) per
45 year and shall be allocated in accordance with guidelines
46 adopted by the State Board of Community Colleges;
47 b. The compensation bonus for persons subject to Section
48 28.11 of this act shall be an average of one percent (1%) per
49 year and shall be allocated to individuals according to the
50 rules adopted by the Board of Governors, or the Board of
51 Trustees of the North Carolina School of Science and
52 Mathematics, as appropriate; and

c. The guidelines and rules adopted under sub-subdivisions a. and b. of this subdivision may cover employees of those institutions whose first day of employment for the 1998-99 academic year came after July 1, 1998.

(a1) Any person:

(1) Who did not receive a compensation bonus under subsection (a) of this section; and

(2) Who was employed on the first day of the 1998-99 school year as a permanent public school employee whose salary is set by or under this Part

shall receive in the third payroll period of the 1998-99 school year a compensation bonus of one percent (1%) of the annual salary for that position.

(b) The annual salary on which the percentage compensation bonus is based is the annual salary in effect during the pay period in which the bonus is paid.

(c) The Director of the Budget shall transfer from the Reserve for Compensation Bonus provided by this act sufficient funds to implement this section.

Requested by: Representatives Holmes, Esposito, Creech, Crawford

MOST STATE EMPLOYEES/SALARY INCREASES

Section 28.15A. (a) The salaries in effect June 30, 1998, of all permanent full-time State employees whose salaries are set in accordance with the State Personnel Act, and who are paid from the General Fund or the Highway Fund shall be increased, on or after July 1, 1998, unless otherwise provided by this act, pursuant to the Comprehensive Compensation System set forth in G.S. 126-7 and rules adopted by the State Personnel Commission, as follows:

(1) Career growth recognition awards in the amount of two percent (2%);

(2) A cost-of-living adjustment in the amount of one percent (1%); and

(3) A performance bonus in the amount of one percent (1%).

Notwithstanding G.S. 126-7(4a), any permanent full-time State employee whose salary is set in accordance with the State Personnel Act and whose salary is at the top of the salary range or within two percent (2%) of the top of the salary range shall receive a one-time bonus of two percent (2%) less the career growth recognition award the employee receives. The employee shall receive the career growth bonus at the time the employee is eligible for the career growth recognition award, but not earlier than July 1, 1998.

(b) Except as otherwise provided in this act, salaries in effect June 30, 1998, for permanent full-time State officials and persons in exempt positions that are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall be increased by three percent (3%), commencing July 1, 1998.

(c) The salaries in effect June 30, 1998, for all permanent part-time State employees shall be increased on and after July 1, 1998, by pro rata amounts of the salary increases provided for permanent full-time employees covered under subsection (a) of this section.

(d) The Director of the Budget may allocate out of special operating funds or from other sources of the employing agency, except tax revenues, sufficient funds to allow a salary increase on and after July 1, 1998, in accordance with subsections (a), (b), or (c) of this section, including funds for the employer's retirement and social security contributions, of the permanent full-time and part-time employees of the agency.

(e) Within regular Executive Budget Act procedures as limited by this act, all State agencies and departments may increase on an equitable basis the rate of pay of temporary and permanent hourly State employees, subject to availability of funds in the particular agency or department, by pro rata amounts the salary increase provided for permanent full-time employees covered by the provisions of subsection (a) of this section, commencing July 1, 1998.

(f) No State employee or officer shall receive a merit increment during the 1998-99 fiscal year except as otherwise provided by this act.

Requested by: Representatives Holmes, Esposito, Creech, Crawford

ALL STATE-SUPPORTED PERSONNEL

Section 28.16A. (a) Salaries and related benefits for positions that are funded partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.

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

(c) The salary increases provided in this Part are to be effective July 1, 1998, do not apply to persons separated from State service due to resignation, dismissal, reduction in force, death, or retirement, whose last workday is prior to July 1, 1998, or to employees involved in final written disciplinary procedures. The employee shall receive the increase on a current basis when the final written disciplinary procedure is resolved.

Payroll checks issued to employees after July 1, 1998, which represent payment of services provided prior to July 1, 1998, shall not be eligible for salary increases provided for in this act. This subsection shall apply to all employees, subject to or exempt from the State Personnel Act, paid from State funds, including public schools, community colleges, and The University of North Carolina.

(d) The Director of the Budget shall transfer from the Reserve for Compensation Increase in this act for fiscal year 1998-99 all funds necessary for the salary increases provided by this act, including funds for the employer's retirement and social security contributions.

(d1) The Director of the Budget shall transfer from the Reserve for compensation Increase in this act for fiscal year 1998-99 one million four hundred thousand dollars (\$1,400,000) to the University of North Carolina Board of Governors for allocation to the Agricultural Research and Cooperative Extension budget codes of North Carolina State University in order to provide sufficient operating support for those programs.

(d2) The Director of the Budget shall transfer from the Reserve for Compensation Increase in this act for fiscal year 1998-99 funds necessary to provide statewide teacher supplements for State agency teachers who are paid on the teacher salary schedule as set out in Section 9.1 of this act based on five percent (5%) of their salaries.

(e) Nothing in this act authorizes the transfer of funds between the General Fund and the Highway Fund for salary increases.

Requested by: Representatives Holmes, Esposito, Creech, Crawford

SALARY ADJUSTMENT FUND

Section 28.17. Any remaining appropriations for legislative salary increases not required for that purpose may be used to supplement the Salary Adjustment Fund. These funds shall first be used to provide reclassifications of those

positions already approved by the Office of State Personnel. The Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations prior to the allocation of these funds.

[SECTIONS 28.18, 28.19, 28.20 RESERVED]

Requested by: Representatives Holmes, Esposito, Creech, Crawford, Daughtry
INCREASE THE MONTHLY PENSION FOR MEMBERS OF THE FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND

Section 28.21. (a) G.S. 58-86-55 reads as rewritten:

"§ 58-86-55. Monthly pensions upon retirement.

Any member who has served 20 years as an 'eligible fireman' or 'eligible rescue squad worker' in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30, and who has attained the age of 55 years is entitled to be paid a monthly pension from this fund. The monthly pension shall be in the amount of ~~one hundred forty-one dollars (\$141.00)~~ one hundred forty-six dollars (\$146.00) per month. Any retired fireman receiving a pension shall, effective ~~July 1, 1997~~, July 1, 1998, receive a pension of ~~one hundred forty-one dollars (\$141.00)~~ one hundred forty-six dollars (\$146.00) per month.

Members shall pay ten dollars (\$10.00) per month as required by G.S. 58-86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No 'eligible rescue squad member' shall receive a pension prior to July 1, 1983. No member shall be entitled to a pension hereunder until the member's official duties as a fireman or rescue squad worker for which the member is paid compensation shall have been terminated and the member shall have retired as such according to standards or rules fixed by the board of trustees.

A member who is totally and permanently disabled while in the discharge of the member's official duties as a result of bodily injuries sustained or as a result of extreme exercise or extreme activity experienced in the course and scope of those official duties and who leaves the fire or rescue squad service because of this disability shall be entitled to be paid from the fund a monthly benefit in an amount of ~~one hundred forty-one dollars (\$141.00)~~ one hundred forty-six dollars (\$146.00) per month beginning the first month after the member's fifty-fifth birthday. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application, and annually thereafter. Any disabled member shall not be required to make the monthly payment of ten dollars (\$10.00) as required by G.S. 58-86-35 and G.S. 58-86-40.

A member who is totally and permanently disabled for any cause, other than line of duty, who leaves the fire or rescue squad service because of this disability and who has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten dollars (\$10.00) to the fund until the member has made contributions for a total of 240 months. The member shall upon attaining the age of 55 years be entitled to receive a pension as provided by this section. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application and annually thereafter.

A member who, because his residence is annexed by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the General Statutes, or whose department is closed because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the General Statutes, and because of such annexation is unable to perform as a fireman of any status, and if the member has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten

1 dollars (\$10.00) to the fund until the member has made contributions for a total of
2 240 months. The member upon attaining the age of 55 years and completion of such
3 contributions shall be entitled to receive a pension as provided by this section. Any
4 application to make monthly contributions under this section shall be subject to a
5 finding of eligibility by the Board of Trustees upon application of the member.

6 The pensions provided shall be in addition to all other pensions or benefits under
7 any other statutes of the State of North Carolina or the United States,
8 notwithstanding any exclusionary provisions of other pensions or retirement systems
9 provided by law."

10 (b) This section becomes effective July 1, 1998.

11
12 Requested by: Representatives Holmes, Esposito, Creech, Crawford, Barbee

13 **RETIREE COLAS AND FORMULA INCREASE**

14 Section 28.22. (a) G.S. 135-5 is amended by adding a new subsection to
15 read:

16 "(eee) From and after July 1, 1998, the retirement allowance to or on account of
17 beneficiaries whose retirement commenced on or before July 1, 1997, shall be
18 increased by two and one-half percent (2.5%) of the allowance payable on June 1,
19 1998, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1998, the
20 retirement allowance to or on account of beneficiaries whose retirement commenced
21 after July 1, 1997, but before June 30, 1998, shall be increased by a prorated amount
22 of two and one-half percent (2.5%) of the allowance payable as determined by the
23 Board of Trustees based upon the number of months that a retirement allowance was
24 paid between July 1, 1997, and June 30, 1998."

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

26 "(s) From and after July 1, 1998, the retirement allowance to or on account of
27 beneficiaries whose retirement commenced on or before July 1, 1997, shall be
28 increased by two and one-half percent (2.5%) of the allowance payable on June 1,
29 1998. Furthermore, from and after July 1, 1998, the retirement allowance to or on
30 account of beneficiaries whose retirement commenced after July 1, 1997, but before
31 June 30, 1998, shall be increased by a prorated amount of two and one-half percent
32 (2.5%) of the allowance payable as determined by the Board of Trustees based upon
33 the number of months that a retirement allowance was paid between July 1, 1997,
34 and June 30, 1998."

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

36 "(m) In accordance with subsection (a) of this section, from and after July 1, 1998,
37 the retirement allowance to or on account of beneficiaries whose retirement
38 commenced on or before January 1, 1998, shall be increased by two and one-half
39 percent (2.5%) of the allowance payable on June 1, 1998. Furthermore, from and
40 after July 1, 1998, the retirement allowance to or on account of beneficiaries whose
41 retirement commenced after January 1, 1998, but before June 30, 1998, shall be
42 increased by a prorated amount of two and one-half percent (2.5%) of the allowance
43 payable as determined by the Board of Trustees based upon the number of months
44 that a retirement allowance was paid between January 1, 1998, and June 30, 1998."

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

46 "(uu) From and after July 1, 1998, the retirement allowance to or on account of
47 beneficiaries whose retirement commenced on or before July 1, 1997, shall be
48 increased by two and one-half percent (2.5%) of the allowance payable on June 1,
49 1998, in accordance with subsection (k) of this section. Furthermore, from and after
50 July 1, 1998, the retirement allowance to or on account of beneficiaries whose
51 retirement commenced after July 1, 1997, but before June 30, 1998, shall be increased
52 by a prorated amount of two and one-half percent (2.5%) of the allowance payable as

1 determined by the Board of Trustees based upon the number of months that a
2 retirement allowance was paid between July 1, 1997, and June 30, 1998."

3 (e) G.S. 128-27(b16) reads as rewritten:

4 "(b16) Service Retirement Allowance of Member Retiring on or after July 1, 1997.
5 1997, but before July 1, 1998. -- Upon retirement from service in accordance with
6 subsection (a) or (a1) above, on or after July 1, 1997, but before July 1, 1998, a
7 member shall receive the following service retirement allowance:

8 (1) A member who is a law enforcement officer or an eligible former
9 law enforcement officer shall receive a service retirement
10 allowance computed as follows:

11 a. If the member's service retirement date occurs on or after
12 his 55th birthday, and completion of five years of creditable
13 service as a law enforcement officer, or after the completion
14 of 30 years of creditable service, the allowance shall be
15 equal to one and seventy-six hundredths percent (1.76%) of
16 his average final compensation, multiplied by the number of
17 years of his creditable service.

18 b. If the member's service retirement date occurs on or after
19 his 50th birthday and before his 55th birthday with 15 or
20 more years of creditable service as a law enforcement officer
21 and prior to the completion of 30 years of creditable service,
22 his retirement allowance shall be equal to the greater of:

23 1. The service retirement allowance payable under G.S.
24 128-27(b16)(1)a. reduced by one-third of one percent
25 (1/3 of 1%) thereof for each month by which his
26 retirement date precedes the first day of the month
27 coincident with or next following the month the
28 member would have attained his 55th birthday; or

29 2. The service retirement allowance as computed under
30 G.S. 128-27(b16)(1)a. reduced by five percent (5%)
31 times the difference between 30 years and his
32 creditable service at retirement.

33 (2) A member who is not a law enforcement officer or an eligible
34 former law enforcement officer shall receive a service retirement
35 allowance computed as follows:

36 a. If the member's service retirement date occurs on or after
37 his 65th birthday upon the completion of five years of
38 creditable service or after the completion of 30 years of
39 creditable service or on or after his 60th birthday upon the
40 completion of 25 years of creditable service, the allowance
41 shall be equal to one and seventy-six hundredths percent
42 (1.76%) of average final compensation, multiplied by the
43 number of years of creditable service.

44 b. If the member's service retirement date occurs after his 60th
45 birthday and before his 65th birthday and prior to his
46 completion of 25 years or more of creditable service, his
47 retirement allowance shall be computed as in G.S. 128-
48 27(b16)(2)a. but shall be reduced by one-quarter of one
49 percent (1/4 of 1%) thereof for each month by which his
50 retirement date precedes the first day of the month
51 coincident with or next following his 65th birthday.

52 c. If the member's early service retirement date occurs on or
53 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)."

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

"(b17) Service Retirement Allowance of Member Retiring on or After July 1, 1998. -- Upon retirement from service in accordance with subsection (a) or (a1) above, on or after July 1, 1998, a member shall receive the following service retirement allowance:

(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(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

- 1 2. The service retirement allowance as computed under
2 G.S. 128-27(b17)(1)a. reduced by five percent (5%)
3 times the difference between 30 years and his
4 creditable service at retirement.
5 (2) A member who is not a law enforcement officer or an eligible
6 former law enforcement officer shall receive a service retirement
7 allowance computed as follows:
8 a. If the member's service retirement date occurs on or after
9 his 65th birthday upon the completion of five years of
10 creditable service or after the completion of 30 years of
11 creditable service or on or after his 60th birthday upon the
12 completion of 25 years of creditable service, the allowance
13 shall be equal to one and seventy-seven hundredths percent
14 (1.77%) of average final compensation, multiplied by the
15 number of years of creditable service.
16 b. If the member's service retirement date occurs after his 60th
17 birthday and before his 65th birthday and prior to his
18 completion of 25 years or more of creditable service, his
19 retirement allowance shall be computed as in G.S. 128-
20 27(b17)(2)a. but shall be reduced by one-quarter of one
21 percent (1/4 of 1%) thereof for each month by which his
22 retirement date precedes the first day of the month
23 coincident with or next following his 65th birthday.
24 c. If the member's early service retirement date occurs on or
25 after his 50th birthday and before his 60th birthday and after
26 completion of 20 years of creditable service but prior to the
27 completion of 30 years of creditable service, his early service
28 retirement allowance shall be equal to the greater of:
29 1. The service retirement allowance as computed under
30 G.S. 128-27(b17)(2)a. but reduced by the sum of five-
31 twelfths of one percent (5/12 of 1%) thereof for each
32 month by which his retirement date precedes the first
33 day of the month coincident with or next following
34 the month the member would have attained his 60th
35 birthday, plus one-quarter of one percent (1/4 of 1%)
36 thereof for each month by which his 60th birthday
37 precedes the first day of the month coincident with or
38 next following his 65th birthday; or
39 2. The service retirement allowance as computed under
40 G.S. 128-27(b17)(2)a. reduced by five percent (5%)
41 times the difference between 30 years and his
42 creditable service at retirement; or
43 3. If the member's creditable service commenced prior
44 to July 1, 1995, the service retirement allowance
45 equal to the actuarial equivalent of the allowance
46 payable at the age of 60 years as computed in G.S.
47 128-27(b17)(2)b.
48 d. Notwithstanding the foregoing provisions, any member
49 whose creditable service commenced prior to July 1, 1965,
50 shall not receive less than the benefit provided by G.S. 128-
51 27(b)."
52 (g) 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(b16)(1)b.~~ G.S. 128-27(b17)(1)b. or ~~G.S. 128-27(b16)(2)c.,~~ G.S. 128-27(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 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 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."

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

"(vv) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1998. -- From and after July 1, 1998, the retirement allowance to or on account of beneficiaries on the retirement rolls as of June 1, 1998, shall be increased by six-tenths of one percent (0.6%) of the allowance payable on June 1, 1998. This allowance shall be calculated on the allowance payable and in effect on June 30, 1998, so as not to be compounded on any other increase payable under subsection (k) of this section or otherwise granted by act of the 1997 General Assembly."

(i) This section becomes effective July 1, 1998.

Requested by: Representatives Holmes, Esposito, Creech, Crawford, Barbee
EMPLOYER CONTRIBUTION RATES

Section 28.23A. (a) Section 33.23(c) of S.L. 1997-443 reads as rewritten:

"(c) Effective July 1, 1998, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 1998-99 fiscal year are (i) ~~ten and eighty-three hundredths percent (10.83%)~~ ten and one-tenth percent (10.10%) - Teachers and State Employees; (ii) ~~fifteen and eighty-three hundredths percent (15.83%)~~ fifteen and one-tenth percent (15.10%) - State Law Enforcement Officers; (iii) nine and thirty-six hundredths percent (9.36%) - University Employees' Optional Retirement Program; (iv) ~~twenty-two and sixty-five hundredths percent (22.65%)~~ eighteen and ninety-seven hundredths percent (18.97%) - Consolidated Judicial Retirement System; and (v) twenty-four and fifty-eight hundredths percent (24.58%) - Legislative Retirement System. Each of the foregoing contribution rates includes two percent (2%) for hospital and medical benefits. The rate for State Law Enforcement Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and State Employees,

1 State Law Enforcement Officers, and for the University Employees' Optional
2 Retirement Program include fifty-two hundredths percent (0.52%) for the Disability
3 Income Plan."

4 (b) Required employer salary-related contributions for employees whose
5 salaries are paid from department, office, institution, or agency receipts shall be paid
6 from the same source as the source of the employees' salary. If an employee's salary
7 is paid in part from the General Fund or Highway Fund and in part from
8 department, office, institution, or agency receipts, required employer salary-related
9 contributions may be paid from the General Fund or Highway Fund only to the
10 extent of the proportionate part paid from the General Fund or Highway Fund in
11 support of the salary of the employee, and the remainder of the employer's
12 requirements shall be paid from the source that supplies the remainder of the
13 employee's salary. The requirements of this section as to source of payment are also
14 applicable to payments on behalf of the employee for hospital-medical benefits,
15 longevity pay, unemployment compensation, accumulated leave, workers'
16 compensation, severance pay, separation allowances, and applicable disability income
17 and disability salary continuation benefits.

18
19 [SECTION 28.24 RESERVED]

20
21 Requested by: Representatives Holmes, Esposito, Creech, Crawford
22 **SALARY CONTINUATION BENEFITS FOR UNIVERSITY SYSTEM CAMPUS LAW**
23 **ENFORCEMENT OFFICERS**

24 Section 28.25. (a) G.S. 143-166.13(a) is amended by adding a new
25 subdivision to read:

26 "(19) Sworn State Law-Enforcement Officers with the power of arrest,
27 University System."

28 (b) This section becomes effective July 1, 1998, and applies to
29 incapacities that occur on or after that date.

30
31 [SECTION 28.26 RESERVED]

32
33 Requested by: Representatives Holmes, Esposito, Creech, Crawford, Barbee
34 **INCREASE RETIREE DEATH BENEFIT**

35 Section 28.27. (a) G.S. 135-5(l) reads as rewritten:

36 "(1) Death Benefit Plan. -- There is hereby created a Group Life Insurance Plan
37 (hereinafter called the 'Plan') which is established as an employee welfare benefit
38 plan that is separate and apart from the Retirement System and under which the
39 members of the Retirement System shall participate and be eligible for group life
40 insurance benefits. Upon receipt of proof, satisfactory to the Board of Trustees in
41 their capacity as trustees under the Group Life Insurance Plan, of the death, in
42 service, of a member who had completed at least one full calendar year of
43 membership in the Retirement System, there shall be paid to such person as he shall
44 have nominated by written designation duly acknowledged and filed with the Board
45 of Trustees, if such person is living at the time of the member's death, otherwise to
46 the member's legal representatives, a death benefit. Such death benefit shall be equal
47 to the greater of:

48 (1) The compensation on which contributions were made by the
49 member during the calendar year preceding the year in which his
50 death occurs, or

51 (2) The greatest compensation on which contributions were made by
52 the member during a 12-month period of service within the 24-

1 month period of service ending on the last day of the month
2 preceding the month in which his last day of actual service occurs;
3 (3), (4) Repealed by Session Laws 1983 (Regular Session, 1984), c.
4 1049, s. 2.
5 subject to a minimum of twenty-five thousand dollars (\$25,000) and to a maximum of
6 fifty thousand dollars (\$50,000). Such death benefit shall be payable apart and
7 separate from the payment of the member's accumulated contributions under the
8 System on his death pursuant to the provisions of subsection (f) of this section. For
9 the purpose of the Plan, a member shall be deemed to be in service at the date of his
10 death if his death occurs within 180 days from the last day of his actual service.

11 The death benefit provided in this subsection (1) shall not be payable,
12 notwithstanding the member's compliance with all the conditions set forth in the
13 preceding paragraph, if his death occurs

- 14 (1) After December 31, 1968 and after he has attained age 70; or
- 15 (2) After December 31, 1969 and after he has attained age 69; or
- 16 (3) After December 31, 1970 and after he has attained age 68; or
- 17 (4) After December 31, 1971 and after he has attained age 67; or
- 18 (5) After December 31, 1972 and after he has attained age 66; or
- 19 (6) After December 31, 1973 and after he has attained age 65; or
- 20 (7) After December 31, 1978, but before January 1, 1987, and after he
21 has attained age 70.

22 Notwithstanding the above provisions, the death benefit shall be payable on
23 account of the death of any member who died or dies on or after January 1, 1974, but
24 before January 1, 1979, after attaining age 65, if he or she had not yet attained age 65,
25 if he or she had not yet attained age 66, was at the time of death completing the work
26 year for those individuals under specific contract, or during the fiscal year for those
27 individuals not under specific contract, in which he or she attained 65, and otherwise
28 met all conditions for payment of the death benefit.

29 Notwithstanding the above provisions, the Board of Trustees may and is
30 specifically authorized to provide the death benefit according to the terms and
31 conditions otherwise appearing in this Plan in the form of group life insurance, either
32 (i) by purchasing a contract or contracts of group life insurance with any life
33 insurance company or companies licensed and authorized to transact business in this
34 State for the purpose of insuring the lives of members in service, or (ii) by
35 establishing a separate trust fund qualified under Section 501(c)(9) of the Internal
36 Revenue Code of 1954, as amended, for such purpose. To that end the Board of
37 Trustees is authorized, empowered and directed to investigate the desirability of
38 utilizing group life insurance by either of the foregoing methods for the purpose of
39 providing the death benefit. If a separate trust fund is established, it shall be operated
40 in accordance with rules and regulations adopted by the Board of Trustees and all
41 investment earnings on the trust fund shall be credited to such fund.

42 In administration of the death benefit the following shall apply:

- 43 (1) For the purpose of determining eligibility only, in this subsection
44 'calendar year' shall mean any period of 12 consecutive months or,
45 if less, the period covered by an annual contract of employment.
46 For all other purposes in this subsection "calendar year" shall
47 mean the 12 months beginning January 1 and ending December 31.
- 48 (2) Last day of actual service shall be:
 - 49 a. When employment has been terminated, the last day the
50 member actually worked.
 - 51 b. When employment has not been terminated, the date on
52 which an absent member's sick and annual leave expire,

1 unless he is on approved leave of absence and is in service
2 under the provisions of G.S. 135-4(h).

3 (3) For a period when a member is on leave of absence, his status with
4 respect to the death benefit will be determined by the provisions of
5 G.S. 135-4(h).

6 (4) A member on leave of absence from his position as a teacher or
7 State employee for the purpose of serving as a member or officer
8 of the General Assembly shall be deemed to be in service during
9 sessions of the General Assembly and thereby covered by the
10 provisions of the death benefit. The amount of the death benefit
11 for such member shall be the equivalent of the salary to which the
12 member would have been entitled as a teacher or State employee
13 during the 12-month period immediately prior to the month in
14 which death occurred, not to be less than twenty-five thousand
15 dollars (\$25,000) nor to exceed fifty thousand dollars (\$50,000).

16 The provisions of the Retirement System pertaining to Administration, G.S. 135-6,
17 and management of funds, G.S. 135-7, are hereby made applicable to the Plan.

18 A member who is a beneficiary of the Disability Income Plan provided for in
19 Article 6 of this Chapter shall be eligible for group life insurance benefits as provided
20 in this subsection, notwithstanding that the member is no longer an employee or
21 teacher or that the member's death occurs after the eligibility period after active
22 service. The basis of the death benefit payable hereunder shall be the higher of the
23 death benefit computed as above or a death benefit based on compensation used in
24 computing the benefit payable under G.S. 135-105 and G.S. 135-106, as may be
25 adjusted for percentage post-disability increases, all subject to the maximum dollar
26 limitation as provided above. A member in receipt of benefits from the Disability
27 Income Plan under the provisions of G.S. 135-112 whose right to a benefit accrued
28 under the former Disability Salary Continuation Plan shall not be covered under the
29 provisions of this paragraph.

30 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under
31 this subsection, of the death of a retired member of the Retirement System on or after
32 July 1, 1988, but before January 1, 1999, there shall be paid a death benefit to the
33 surviving spouse of the deceased retired member or to the deceased retired member's
34 legal representative if not survived by a spouse; provided the retired member has
35 elected, when first eligible, to make, and has continuously made, in advance of his
36 death required contributions as determined by the Board of Trustees on a fully
37 contributory basis, through retirement allowance deductions or other methods
38 adopted by the Board of Trustees, to a group death benefit trust fund administered by
39 the Board of Trustees separate and apart from the Retirement System's Annuity
40 Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-
41 sum payment in the amount of five thousand dollars (\$5,000) upon the completion of
42 twenty-four months of contributions required under this subsection. Should death
43 occur before the completion of twenty-four months of contributions required under
44 this subsection, the deceased retired member's surviving spouse or legal
45 representative if not survived by a spouse shall be paid the sum of the retired
46 member's contributions required by this subsection plus interest to be determined by
47 the Board of Trustees.

48 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under
49 this subsection, of the death of a retired member of the Retirement System on or after
50 January 1, 1999, there shall be paid a death benefit to the surviving spouse of the
51 deceased retired member or to the deceased retired member's legal representative if
52 not survived by a spouse; provided the retired member has elected, when first
53 eligible, to make, and has continuously made, in advance of his death required

1 contributions as determined by the Board of Trustees on a fully contributory basis,
2 through retirement allowance deductions or other methods adopted by the Board of
3 Trustees, to a group death benefit trust fund administered by the Board of Trustees
4 separate and apart from the Retirement System's Annuity Savings Fund and Pension
5 Accumulation Fund. This death benefit shall be a lump-sum payment in the amount
6 of six thousand dollars (\$6,000) upon the completion of 24 months of contributions
7 required under this subsection. Should death occur before the completion of 24
8 months of contributions required under this subsection, the deceased retired
9 member's surviving spouse or legal representative if not survived by a spouse shall be
10 paid the sum of the retired member's contributions required by this subsection plus
11 interest to be determined by the Board of Trustees."

12 (b) G.S. 135-64(g) reads as rewritten:

13 "(g) Upon the death of a retired member on or after July 1, 1988, but before
14 January 1, 1999, there shall be paid a death benefit to the surviving spouse of a
15 deceased retired member or to the deceased retired member's legal representative if
16 not survived by a spouse; provided the retired member has elected, when first
17 eligible, to make, and has continuously made, in advance of his death required
18 contributions as determined by the Board of Trustees on a fully contributory basis,
19 through retirement allowance deductions or other methods adopted by the Board of
20 Trustees, to a group death benefit trust fund administered by the Board of Trustees
21 separate and apart from the Retirement System's Annuity Savings Fund and Pension
22 Accumulation Fund. This death benefit shall be a lump-sum payment in the amount
23 of five thousand dollars (\$5,000) upon the completion of 24 months of contributions
24 required under this subsection. Should death occur before the completion of 24
25 months of contributions required under this subsection, the deceased retired
26 member's surviving spouse or legal representative if not survived by a spouse shall be
27 paid the sum of the retired member's contributions required by this subsection plus
28 interest to be determined by the Board of Trustees."

29 (c) G.S. 135-64 is amended by adding a new subsection to read:

30 "(h) Upon the death of a retired member on or after January 1, 1999, there shall
31 be paid a death benefit to the surviving spouse of a deceased retired member or to
32 the deceased retired member's legal representative if not survived by a spouse;
33 provided the retired member has elected, when first eligible, to make, and has
34 continuously made, in advance of his death required contributions as determined by
35 the Board of Trustees on a fully contributory basis, through retirement allowance
36 deductions or other methods adopted by the Board of Trustees, to a group death
37 benefit trust fund administered by the Board of Trustees separate and apart from the
38 Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This
39 death benefit shall be a lump-sum payment in the amount of six thousand dollars
40 (\$6,000) upon the completion of 24 months of contributions required under this
41 subsection. Should death occur before the completion of 24 months of contributions
42 required under this subsection, the deceased retired member's surviving spouse or
43 legal representative if not survived by a spouse shall be paid the sum of the retired
44 member's contributions required by this subsection plus interest to be determined by
45 the Board of Trustees."

46 (d) G.S. 120-4.27 reads as rewritten:

47 "**§ 120-4.27. Death benefit.**

48 The designated beneficiary of a member who dies while in service after completing
49 one year of creditable service shall receive a lump-sum payment of an amount equal
50 to the deceased member's highest annual salary, to a maximum of fifteen thousand
51 dollars (\$15,000). For purposes of this death benefit 'in service' means currently
52 serving as a member of the North Carolina General Assembly.

1 The death benefit provided by this section shall be designated a group life
2 insurance benefit payable under an employee welfare benefit plan that is separate and
3 apart from the Retirement System but under which the members of the Retirement
4 System shall participate and be eligible for group life insurance benefits. The Board
5 of Trustees is authorized to provide the death benefit in the form of group life
6 insurance either by purchasing a contract or contracts of group life insurance with
7 any life insurance company or companies licensed and authorized to transact business
8 in the State of North Carolina for the purpose of insuring the lives of qualified
9 members in service, or by establishing or affiliating with a separate trust fund
10 qualified under Section 501(c)(9) of the Internal Revenue Code of 1954, as amended.

11 Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a
12 retired member of the Retirement System or Retirement Fund on or after July 1,
13 1988, but before January 1, 1999, there shall be paid a death benefit to the surviving
14 spouse of a deceased retired member, or to the deceased retired member's legal
15 representative if not survived by a spouse; provided the retired member has elected,
16 when first eligible, to make, and has continuously made, in advance of his death
17 required contributions as determined by the Retirement System on a fully
18 contributory basis, through retirement allowance deductions or other methods
19 adopted by the Retirement System, to a group death benefit trust fund administered
20 by the Board of Trustees separate and apart from the Retirement System's Annuity
21 Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-
22 sum payment in the amount of five thousand dollars (\$5,000) upon the completion of
23 twenty-four months of contributions required under this subsection. Should death
24 occur before the completion of twenty-four months of contributions required under
25 this subsection, the deceased retired member's surviving spouse or legal
26 representative if not survived by a spouse shall be paid the sum of the retired
27 member's contributions required by this subsection plus interest to be determined by
28 the Board of Trustees.

29 Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a
30 retired member of the Retirement System or Retirement Fund on or after January 1,
31 1999, there shall be paid a death benefit to the surviving spouse of a deceased retired
32 member, or to the deceased retired member's legal representative if not survived by a
33 spouse; provided the retired member has elected, when first eligible, to make, and has
34 continuously made, in advance of his death required contributions as determined by
35 the Retirement System on a fully contributory basis, through retirement allowance
36 deductions or other methods adopted by the Retirement System, to a group death
37 benefit trust fund administered by the Board of Trustees separate and apart from the
38 Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This
39 death benefit shall be a lump-sum payment in the amount of six thousand dollars
40 (\$6,000) upon the completion of 24 months of contributions required under this
41 subsection. Should death occur before the completion of 24 months of contributions
42 required under this subsection, the deceased retired member's surviving spouse or
43 legal representative if not survived by a spouse shall be paid the sum of the retired
44 member's contributions required by this subsection plus interest to be determined by
45 the Board of Trustees."

46 (e) G.S. 128-27(12) reads as rewritten:

47 "(12) Death Benefit for Retired Members. -- Upon receipt of proof, satisfactory to
48 the Board of Trustees in its capacity under this subsection, of the death of a retired
49 member of the Retirement System on or after July 1, 1988, but before January 1,
50 1999, there shall be paid a death benefit to the surviving spouse of the deceased
51 retired member or to the deceased retired member's legal representative if not
52 survived by a spouse; provided the retired member has elected, when first eligible, to
53 make, and has continuously made, in advance of his death required contributions as

1 determined by the Board of Trustees on a fully contributory basis through retirement
2 allowance deductions or other methods adopted by the Board of Trustees, to a group
3 death benefit trust fund administered by the Board of Trustees separate and apart
4 from the Retirement System's Annuity Savings Fund and Pension Accumulation
5 Fund. This death benefit shall be a lump-sum payment in the amount of five
6 thousand dollars (\$5,000) upon the completion of 24 months of contributions
7 required under this subsection. Should death occur before the completion of 24
8 months of contributions required under this subsection, the deceased retired
9 member's surviving spouse or legal representative if not survived by a spouse shall be
10 paid the sum of the retired member's contributions required by this subsection plus
11 interest to be determined by the Board of Trustees."

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

13 "(13) Death Benefit for Retired Members. -- Upon receipt of proof, satisfactory to
14 the Board of Trustees in its capacity under this subsection, of the death of a retired
15 member of the Retirement System on or after January 1, 1999, there shall be paid a
16 death benefit to the surviving spouse of the deceased retired member or to the
17 deceased retired member's legal representative if not survived by a spouse; provided
18 the retired member has elected, when first eligible, to make, and has continuously
19 made, in advance of his death required contributions as determined by the Board of
20 Trustees on a fully contributory basis through retirement allowance deductions or
21 other methods adopted by the Board of Trustees, to a group death benefit trust fund
22 administered by the Board of Trustees separate and apart from the Retirement
23 System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit
24 shall be a lump-sum payment in the amount of six thousand dollars (\$6,000) upon the
25 completion of 24 months of contributions required under this subsection. Should
26 death occur before the completion of 24 months of contributions required under this
27 subsection, the deceased retired member's surviving spouse or legal representative if
28 not survived by a spouse shall be paid the sum of the retired member's contributions
29 required by this subsection plus interest to be determined by the Board of Trustees."

30 (g) This section becomes effective January 1, 1999.

31
32 Requested by: Representatives Holmes, Esposito, Creech, Crawford

33 **RIF ABUSES PROHIBITED**

34 Section 28.28. G.S. 143-27.2 reads as rewritten:

35 **"§ 143-27.2. Discontinued service retirement allowance and severance wages for**
36 **certain State employees.**

37 (a) When the Director of the Budget determines that the closing of a State
38 institution or a reduction in force will accomplish economies in the State Budget, he
39 shall pay either a discontinued service retirement allowance or severance wages to
40 any affected State employee, provided reemployment is not available. As used in this
41 section, "economies in the State Budget" means economies resulting from elimination
42 of a job and its responsibilities or from a lack of funds to support the job. In
43 determining whether to pay a discontinued service retirement allowance or severance
44 wages, the Director of the Budget shall consider the recommendation of the
45 department head involved and any recommendation of the State Personnel Director.
46 Severance wages shall not be paid to an employee who chooses a discontinued
47 service retirement. Severance wages shall not be subject to employer or employee
48 retirement contributions. Severance wages shall be paid according to the policies
49 adopted by the State Personnel Commission.

50 Notwithstanding any other provisions of the State's retirement laws, any employee
51 of the State who is a member of the Teachers' and State Employees' Retirement
52 System or the Law-Enforcement Officers' Retirement System and who has his job
53 involuntarily terminated as a result of economies in the State Budget may be entitled

1 to a discontinued service retirement allowance, subject to the approval of the
2 employing agency and the availability of agency funds. An unreduced discontinued
3 service retirement allowance, not otherwise allowed, may be approved for employees
4 with 20 or more years of creditable retirement service who are at least 55 years of
5 age; or a discontinued service retirement allowance, not otherwise allowed, may be
6 approved for employees with 20 or more years of creditable retirement service who
7 are at least 50 years of age, reduced by one-fourth of one percent (1/4 of 1%) for
8 each month that retirement precedes his fifty-fifth birthday. In cases where a
9 discontinued service retirement allowance is approved, the employing agency shall
10 make a lump sum payment to the Administrator of the State Retirement Systems
11 equal to the actuarial present value of the additional liabilities imposed upon the
12 System, to be determined by the System's consulting actuary, as a result of the
13 discontinued service retirement, plus an administrative fee to be determined by the
14 Administrator.

15 The salary used to determine severance wages under this section is the last annual
16 salary except that if the employee was promoted within the previous 12 months, the
17 last annual salary is that annual salary prior to the promotion. If the annual salary
18 prior to the promotion is used, it shall be adjusted to account for any across-the-
19 board legislative salary increases. Excluded from any calculation are any benefits
20 such as, but not limited to, overtime pay, shift pay, holiday premium, or longevity
21 pay.

22 (b) Any employee separated from State government and paid severance wages
23 under this section shall not be employed under a contractual arrangement by any
24 State agency until 12 months have elapsed since the separation. This subsection does
25 not affect any reduction in force rights that the employee may have."

27 PART XXIX. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

28 CAPITAL APPROPRIATIONS/GENERAL FUND

29 Section 29. Appropriations are made from the General Fund of the State
30 for the 1998-99 fiscal year for use by the State departments, institutions, and agencies
31 to provide for capital improvement projects according to the following schedule:

33 Capital Improvements - General Fund

34 1998-99

35 ADMINISTRATION

37 Reserve for Land Acquisitions-Government Complex	\$500,000
38 Reserve for State Veterans Nursing Home-Salisbury	
39 Renovation of a 100-bed nursing care unit	\$1,000,000

41 AGRICULTURE AND CONSUMER SERVICES

43 N.C. State Fair

44 Construction of Multipurpose Building-	
45 Site Development/Construction	\$3,000,000

47 Cattle and Livestock Exposition Center-

48 Construction of part of complex	\$6,000,000

50 Center for Environmental Farming Planning and	
51 Development at Cherry Farm-Design	\$600,000

53 Umstead Farm Unit

1 Authorizes the Department to use timber receipts
2 for fiscal year 1998-99 for the construction of nutrition
3 and animal care facilities at the Umstead Farm
4 Unit in Butner

5
6 Total Requirements \$533,000
7 Less Receipts (\$533,000)
8 -----
9 Appropriation 0

10
11 **COMMUNITY COLLEGES**

12
13 Center for Applied Textile Technology
14 Lab and Administration Building \$2,000,000
15
16 Yadkin County Satellite of Surry County
17 Community College \$1,500,000
18
19 Blue Ridge Community College \$2,000,000
20
21 Franklin County Satellite of Vance-
22 Granville Community College \$1,000,000
23

24 **CORRECTION**

25
26 Central Prison-Acute Care Hospital
27 Design of a new 90-bed facility \$2,500,000
28

29 **CULTURAL RESOURCES**

30
31 Museum of Art-Expansion and Renovation
32 Design funds \$2,400,000
33

34 **ENVIRONMENT AND NATURAL RESOURCES**

35
36 State Match-Water Resources Projects
37 Funds for the State share of federal civil \$7,000,000
38 works projects
39

40 Forestry-Construction of County Headquarters
41 Facilities in Moore and Sampson Counties \$700,000
42

43 Museum of Natural Sciences-Project Supplement
44 to cover cost overruns \$1,000,000
45

46 Land Acquisition-Jocassee Lake-Transylvania County
47 Purchase land adjacent to Jocassee Lake to be preserved
48 as a park, recreational, and scenic areas \$5,000,000
49

50 Channel Widening/Deepening-Wilmington Port
51 To improve navigation for shipping terminals and industries \$4,800,000
52

53 **HEALTH AND HUMAN SERVICES**

1	Eastern School for the Deaf	
2	Construction of 11,000 square foot Independent Living	
3	Complex in Wilson	\$1,040,000
4		
5	Cherry Hospital/Children and Youth Facility	
6	Replace an existing building which no longer	
7	meets federal standards	\$5,000,000
8		
9	New Whitaker School-Planning	
10	Planning for a 33-bed facility	\$250,000
11		
12	Eastern Vocational Rehabilitation Facility/Goldsboro	
13	Purchase an existing building for the expansion of the	
14	Traumatic Brain Injured Program	\$300,000
15		
16	Dorothea Dix Hospital-Planning and General Design	
17	of new Hospital Facility	\$2,000,000
18		
19	STATE PORTS	
20		
21	Reserve for Continued Development of State Ports	
22	Continued development of the State ports	\$6,000,000
23		
24	UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS	
25		
26	Appalachian State University:	
27	Rankin Science Building Addition and Renovations	\$6,276,500
28		
29	East Carolina University	
30	Science Laboratories and Technology Building-	
31	Site Development	\$4,000,000
32		
33	North Carolina Central University	
34	Health and Safety Repairs and Renovations	\$2,000,000
35		
36	North Carolina State University	
37	Toxicology Building-Construction	\$13,806,100
38	Engineering Instructional Facility-Advanced Planning	\$2,500,000
39	Upfit and Equip Center for Marine Science and	
40	Technology Building	\$2,400,000
41	Undergraduate Science Teaching Laboratories	\$4,500,000
42	College of Veterinary Medicine Main Building	
43	Addition-Planning	\$2,000,000
44		
45	UNC-Asheville	
46	Highsmith Center Renovation and Addition-Planning	\$1,000,000
47	Justice Center Gymnasium	
48	Partial renovation	\$500,000
49		
50	UNC-Chapel Hill	
51	Addition and renovation of the Knapp Building	
52	Completion	\$6,570,600
53		

1	UNC-Public Television	
2	Advanced Planning, Conversion to Digital TV	\$1,100,000
3		
4	UNC-Charlotte	
5	Academic Facilities-Humanities-Site Development/	
6	Construction	\$12,000,000
7		
8	UNC-Wilmington	
9	School of Education Building Planning	\$2,000,000
10		
11	Western Carolina University	
12	Fine and Performing Arts Center-Site Development	\$2,500,000
13		
14	University-Board of Governors:	
15	a. Land Acquisition	\$5,000,000
16	b. Technology Infrastructure	\$20,000,000
17	TOTAL CAPITAL APPROPRIATION	\$143,743,200

18
19 Requested by: Representatives Russell, G. Wilson
20 **EXPENDITURE OF FUNDS FROM RESERVE FOR REPAIRS AND RENOVATIONS**
21 Section 29.1. Of the funds in the Reserve for Repairs and Renovations
22 for the 1998-99 fiscal year, forty-six percent (46%) shall be allocated to the Board of
23 Governors of The University of North Carolina for repairs and renovations pursuant
24 to G.S. 143-15.3A, in accordance with guidelines developed in The University of
25 North Carolina Funding Allocation Model for Reserve for Repairs and Renovations,
26 as approved by the Board of Governors of The University of North Carolina, and
27 fifty-four percent (54%) shall be allocated to the Office of State Budget and
28 Management for repairs and renovations pursuant to G.S. 143-15.3A.

29 Notwithstanding G.S. 143-15.3A, the Board of Governors may allocate
30 funds for the repair and renovation of facilities not supported from the General Fund
31 if the Board determines that sufficient funds are not available from other sources and
32 that conditions warrant General Fund assistance. Any such finding shall be included
33 in the Board's submission to the Joint Legislative Commission on Governmental
34 Operations on the proposed allocation of funds.

35 The Board of Governors and the Office of State Budget and Management
36 shall submit to the Joint Legislative Commission on Governmental Operations and to
37 the Fiscal Research Division of the Legislative Services Office, for their review, the
38 proposed allocations of these funds. Subsequent changes in the proposed allocations
39 shall be reported prior to expenditure to the Joint Legislative Commission on
40 Governmental Operations and to the Fiscal Research Division of the Legislative
41 Services Office.

42
43 Requested by: Representatives Russell, G. Wilson

44 **UNC REPAIRS AND RENOVATIONS**

45 Section 29.2. The Board of Governors of The University of North
46 Carolina may allocate up to ten million dollars (\$10,000,000) of its funding from the
47 Reserve for Repairs and Renovations for improvements to the technology
48 infrastructure on the campuses of the constituent institutions. Such improvements to
49 the technology infrastructure shall include repairs to existing systems, improvements
50 to improve the use and suitability of existing space for technology, and other
51 improvements to utilities infrastructure that will allow the increased use of advanced
52 technology for educational and research purposes.

53 These funds shall be used in accordance with G.S. 143-15.3A.

1 Requested by: Representatives Russell, G. Wilson

2 **HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS**

3 Section 29.3. (a) Funds allocated in this act to the Office of State Budget
4 and Management for the Repairs and Renovations Fund may be used to make
5 needed repairs and renovations at the State Historic Sites.

6 (b) There is established the Historic Sites Repairs and Renovations
7 Review Committee. The Committee shall consist of the following members: the
8 three cochair of the Senate Appropriations and Base Budget Committee and the
9 four cochair of the House of Representatives Appropriations Committee. The Office
10 of State Budget and Management shall submit its proposal for the use of funds from
11 the Repairs and Renovations Fund for Historic Sites to the Committee before
12 submitting the proposal to the Joint Legislative Commission on Governmental
13 Operations in accordance with this act.

14
15 Requested by: Representatives Russell, G. Wilson

16 **STATE CAPITOL AND VISITOR'S CENTER SITE**

17 Section 29.4. The new State Capitol and Visitor Center being planned
18 for construction shall be located at the site bounded by Blount Street, Wilmington
19 Street, Edenton Street, and Jones Street in Raleigh, unless that construction site is
20 unacceptable for structural reasons.

21
22 Requested by: Representatives Russell, G. Wilson

23 **TIMBER RECEIPTS FOR CAPITAL CONSTRUCTION**

24 Section 29.5. The sum of five hundred thirty-three thousand dollars
25 (\$533,000) shall be transferred from the Department of Agriculture and Consumer
26 Services' timber sales capital improvement account, established pursuant to G.S. 146-
27 30, to the Department of Agriculture and Consumer Services for the 1998-99 fiscal
28 year for construction of nutrition and animal care facilities at the Umstead Farm Unit
29 in Butner.

30
31 Requested by: Representatives Gardner, Cansler, Clary

32 **FUNDS FOR DOROTHEA DIX HOSPITAL DESIGN**

33 Section 29.5B. Of the funds appropriated in this act to the Department
34 of Health and Human Services, the sum of two million dollars (\$2,000,000) for the
35 1998-99 fiscal year shall be allocated for planning and general design of a new
36 Dorothea Dix Hospital and to study the costs of construction and operation of new
37 facilities as compared to redesign and long-term operation of other existing State
38 psychiatric hospitals. The general design and planning and the study shall be done in
39 coordination with the Study of the State Psychiatric Hospitals/Area Mental Health
40 Programs. Actual design of a new Dorothea Dix Hospital with respect to the number
41 and type of beds is subject to completion of the Study of the State Psychiatric
42 Hospitals/Area Mental Health Programs. The Department shall make an interim
43 progress report on the status of the general design and the study to the members of
44 the Senate Appropriations Committee on Human Resources and the House of
45 Representatives Appropriations Subcommittee on Human Resources not later than
46 February 1, 1999.

47
48 Requested by: Representatives Gardner, Cansler, Clary

49 **WHITAKER SCHOOL PLANNING FUNDS**

50 Section 29.5C. (a) Of the funds appropriated in this act to the
51 Department of Health and Human Services, the sum of two hundred fifty thousand
52 dollars (\$250,000) for the 1998-99 fiscal year shall be used to plan and design a
53 replacement facility for the Whitaker School reeducation facility for behaviorally and

1 emotionally disturbed youth. These funds shall be used to plan and design a facility
2 with a bed capacity of up to 33 beds.

3 (b) The Department of Health and Human Services shall provide the
4 results of the planning and design including estimated costs to build and operate the
5 facility to the House Appropriations Subcommittee on Human Resources and the
6 Senate Appropriations Committee on Human Resources no later than one week after
7 the convening of the 1999 General Assembly.

8
9 Requested by: Representatives Russell, G. Wilson

10 **SOUTH BROAD PARK LAKE AND WATER CONSERVATION FUND**
11 **CONVERSION**

12 Section 29.6. Lands purchased by the State to establish a new State park
13 in Transylvania County shall be used as replacement property to fulfill the
14 requirements of the federal Land and Water Conservation Fund for the conversion of
15 land within South Broad Park in Brevard to a use other than outdoor recreation.
16 Except for the tract currently used for an arboretum, Transylvania County may use
17 for library purposes lands in South Broad Park converted under this section.

18
19 Requested by: Representatives Russell, G. Wilson

20 **CONSTRUCTION FUNDS FOR STATE PORTS**

21 Section 29.7. The State Ports Authority may expend the sum of six
22 million dollars (\$6,000,000) appropriated in this act in Section 29 in accordance with
23 its schedule of priority for capital improvements.

24
25 Requested by: Representatives Russell, G. Wilson

26 **WATER RESOURCES DEVELOPMENT PROJECTS FUNDS**

27 Section 29.8. (a) The Department of Environment and Natural
28 Resources shall allocate the funds appropriated in this act for water resources
29 development projects to the following projects whose estimated costs are as indicated:

30
31 Name of Project

32		
33	1. Morehead City Harbor Turning Basin	\$ 2,000,000
34		
35	2. Wilmington Harbor Maintenance Dredging	200,000
36		
37	3. B. Everett Jordan Lake Water Supply	110,000
38		
39	4. Wilmington Harbor Long-Term Disposal	1,400,000
40		
41	5. Aquatic Plant Control Statewide and Lake Gaston	150,000
42		
43	6. Beaufort Harbor Maintenance Dredging	80,000
44		
45	7. North Channel Maintenance Dredging	
46	and Disposal Site	1,000,000
47		
48	8. Manteo Shallowbag Bay Maintenance Dredging	200,000
49		
50	9. Rollinson Channel Maintenance Dredging	
51	(Dare County)	400,000
52		
53	10. State-Local Projects	

1	a. Frisco Ditch Snagging (Dare County)	3,500
2	b. Moccasin Creek Restoration (Johnston County)	78,800
3	c. Avery Pond Jetties and Dredging	
4	(Town of Kitty Hawk)	140,800
5	d. High Rock Lake Dredging Feasibility Study	20,000
6	e. Other Stream Restoration Projects	256,900
7	Subtotal	500,000
8		
9	11. Pine Knolls Shores Protection (Carteret Co.)	200,000
10		
11	12. Tar River Road Streambank Protection	50,000
12	(City of Greenville)	
13		
14	13. Battery Island Bird Habitat Restoration	140,000
15	(Brunswick County)	
16		
17	14. Dare County Beaches Feasibility Study	70,000
18		
19	15. Deep Creek Watershed Project (Yadkin Co.)	500,000
20		
21	Total	\$ 7,000,000

(b) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects listed in subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 1998-99 fiscal year, or if the projects listed in subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

- (1) Corps of Engineers project feasibility studies.
- (2) Corps of Engineers projects whose schedules have advanced and require State matching funds in fiscal year 1998-99.
- (3) State-local water resources development projects.

Funds not expended or encumbered for these purposes shall revert to the General Fund at the end of the 1999-2000 fiscal year.

(c) The Department shall make quarterly reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) All projects listed in this section.
- (2) The estimated cost of each project.
- (3) The date that work on each project began or is expected to begin.
- (4) The date that work on each project was completed or is expected to be completed.
- (5) The actual cost of each project.

The quarterly reports shall also show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

[SECTIONS 29.9, 29.10 RESERVED]

Requested by: Representatives Russell, G. Wilson

**CAPITAL IMPROVEMENT PROJECTS/SUPPLEMENTAL
APPROVAL/REPORTING REQUIREMENT**

FUNDING

1 Section 29.11. Each department receiving capital improvement
2 appropriations from the Highway Fund under this act shall report quarterly to the
3 Director of the Budget on the status of those capital projects. The reporting
4 procedure to be followed shall be developed by the Director of the Budget.

5 Capital improvement projects authorized in this act that have not been
6 placed under contract for construction due to insufficient funds may be supplemented
7 with funds identified by the Director of the Budget, provided:

- 8 (1) That the project was designed and bid within the scope as
9 authorized by the General Assembly;
- 10 (2) That the funds to supplement the project are the same source as
11 authorized for the original project;
- 12 (3) That the department to which the project was authorized has
13 unsuccessfully pursued all statutory authorizations to award the
14 contract; and
- 15 (4) That the action be reported to the Fiscal Research Division of the
16 Legislative Services Office.

17
18 Requested by: Representatives Russell, G. Wilson
19 **RELOCATE GLOBAL TRANSPARK AUTHORITY**

20 Section 29.12. Of funds available to the North Carolina Global
21 TransPark Authority from funds appropriated in this act for the 1998-99 fiscal year,
22 the Authority shall relocate its administrative offices from Raleigh to the site of the
23 TransPark in Kinston. No State funds shall be spent to lease office space in Raleigh
24 after June 30, 1999. At the request of the Authority, the State Property Office shall
25 assist the Authority in locating State uses for that space, if practical and economical.

26 The Authority may maintain a contact person housed in the offices of the
27 Department of Transportation in Raleigh.

28
29 **[SECTION 29.13 RESERVED]**

30
31 Requested by: Representatives Russell, G. Wilson
32 **UNC AGRICULTURAL RESEARCH FACILITIES**

33 Section 29.14. Of the funds appropriated in this act to the Board of
34 Governors of The University of North Carolina for land acquisition, up to one
35 million five hundred thousand dollars (\$1,500,000) may be allocated for development
36 of replacement facilities and associated expenses of moving agricultural research
37 facilities to a newly acquired site.

38
39 **PART XXX. MISCELLANEOUS PROVISIONS**

40 Requested by: Representatives Holmes, Esposito, Creech, Crawford
41 **EXECUTIVE BUDGET ACT APPLIES**

42 Section 30. The provisions of the Executive Budget Act, Chapter 143,
43 Article 1 of the General Statutes, are reenacted and shall remain in full force and
44 effect and are incorporated in this act by reference.

45
46 Requested by: Representatives Holmes, Esposito, Creech, Crawford
47 **COMMITTEE REPORT**

48 Section 30.1. (a) The House Appropriations Committee Report on the
49 Continuation, Expansion and Capital Budget, dated July 20, 1998, which was
50 distributed in the Senate and the House of Representatives and used to explain this
51 act, shall indicate action by the General Assembly on this act and shall therefore be
52 used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act,

1 and for these purposes shall be considered a part of this act and as such shall be
2 printed as a part of the Session Laws.

3 (b) The budget enacted by the General Assembly for the maintenance of
4 the various departments, institutions, and other spending agencies of the State for the
5 1998-99 fiscal year is a line item budget, in accordance with the Budget Code
6 Structure and the State Accounting System Uniform Chart of Accounts set out in the
7 Administrative Policies and Procedures Manual of the Office of the State Controller.
8 This budget includes the appropriations made from all sources including the General
9 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
10 receipts.

11 The General Assembly amended the itemized budget requests submitted
12 to the General Assembly by the Director of the Budget, in accordance with the steps
13 that follow and the line item detail in the budget enacted by the General Assembly
14 may be derived accordingly:

15 (1) The base budget was adjusted in accordance with the base budget
16 cuts and additions that were set out in the House Appropriations
17 Committee Report on the Continuation, Expansion and Capital
18 Budget, dated July 20, 1998, together with any accompanying
19 correction sheets.

20 (2) Transfers of funds supporting programs were made in accordance
21 with the House Appropriations Committee Report on the
22 Continuation, Expansion and Capital Budget, dated July 20, 1998,
23 together with any accompanying correction sheets.

24 The budget enacted by the General Assembly shall also be interpreted in
25 accordance with the special provisions in this act and in accordance with other
26 appropriate legislation.

27 In the event that there is a conflict between the line item budget certified
28 by the Director of the Budget and the budget enacted by the General Assembly, the
29 budget enacted by the General Assembly shall prevail.
30

31 Requested by: Representatives Holmes, Esposito, Creech, Crawford

32 **MOST TEXT APPLIES ONLY TO 1998-99**

33 Section 30.2. Except for statutory changes or other provisions that clearly
34 indicate an intention to have effects beyond the 1998-99 fiscal year, the textual
35 provisions of this act apply only to funds appropriated for, and activities occurring
36 during, the 1998-99 fiscal year.
37

38 Requested by: Representatives Holmes, Esposito, Creech, Crawford

39 **1997-98 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

40 Section 30.3. (a) Except where expressly repealed or amended by this
41 act, the provisions of S.L. 1997-443, S.L. 1998-1 Extra Session, and S.L. 1998-9
42 remain in effect.

43 (b) Notwithstanding any modifications by this act in the amounts
44 appropriated, except where expressly repealed or amended, the limitations and
45 directions for the 1998-99 fiscal year in S.L. 1997-443, S.L. 1998-1 Extra Session, and
46 S.L. 1998-9 that applied to appropriations to particular agencies or for particular
47 purposes apply to the newly enacted appropriations and budget reductions of this act
48 for those same particular purposes.
49

50 Requested by: Representatives Holmes, Esposito, Creech, Crawford

51 **EFFECT OF HEADINGS**

1 Section 30.4. The headings to the parts and sections of this act are a
2 convenience to the reader and are for reference only. The headings do not expand,
3 limit, or define the text of this act, except for effective dates referring to a Part.

4
5 Requested by: Representatives Holmes, Esposito, Creech, Crawford

6 **SEVERABILITY CLAUSE**

7 Section 30.5. If any section or provision of this act is declared
8 unconstitutional or invalid by the courts, it does not affect the validity of this act as a
9 whole or any part other than the part so declared to be unconstitutional or invalid.

10
11 Requested by: Representatives Holmes, Esposito, Creech, Crawford

12 **EFFECTIVE DATE**

13 Section 30.6. Except as otherwise provided, this act becomes effective
14 July 1, 1998.



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Date _____, 1998

Comm. Sub. [YES]
Amends Title []
PCS2901-LH2

Representative Ellis

1 moves to amend the bill on page 221, lines 29-52; page 222, lines 1-
2 53; page 223, lines 1-53; and page 224, lines 1-35,
3 by deleting those lines;

4
5 and on page 218, lines 3 and 4,
6 by inserting between those lines the following:

7
8 "Requested by: Representative Ellis
9 **TRANSFER BOXING COMMISSION TO DEPARTMENT OF CRIME CONTROL AND PUBLIC**
10 **SAFETY.**

1 Section 19.11. (a) The statutory authority, powers, duties,
2 functions, records, property, and unexpended balances of
3 appropriations, allocations, or other funds of the North Carolina
4 State Boxing Commission are transferred from the Department of the
5 Secretary of State to the Department of Crime Control and Public
6 Safety.

7 (b) G.S. 143-652 reads as rewritten:
8 '§ 143-652. State Boxing Commission.

9 (a) Creation. -- The North Carolina State Boxing Commission is
10 created within the Department of ~~the Secretary of State~~ Crime
11 Control and Public Safety to regulate in North Carolina live boxing
12 and kickboxing matches, whether professional, amateur, sanctioned
13 amateur, or toughman events, in which admission is charged for
14 viewing, or the contestants compete for a purse or prize of value
15 greater than twenty-five dollars (\$25.00). The Commission shall
16 consist of six voting members and two nonvoting advisory members.
17 All the members shall be residents of North Carolina and shall meet
18 requirements for membership under the Professional Boxing Safety Act
19 of 1996. The members shall be appointed as follows:



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- 1 (1) One voting member shall be appointed by the Governor
- 2 for an initial term of two years.
- 3 (2) One voting member shall be appointed by the General
- 4 Assembly upon the recommendation of the President Pro
- 5 Tempore of the Senate for an initial term of one year,
- 6 in accordance with G.S. 120-121.
- 7 (3) One voting member shall be appointed by the General
- 8 Assembly upon the recommendation of the Speaker of the
- 9 House of Representatives for an initial term of one
- 10 year.
- 11 (4) Two voting members shall be appointed by the Secretary
- 12 of ~~State~~ Crime Control and Public Safety. One shall
- 13 serve for an initial term of three years, and the
- 14 other shall serve for an initial term of two years.
- 15 (4a) One member shall be appointed by the Tribal Council of
- 16 the Eastern Band of the Cherokee for an initial term
- 17 of three years.
- 18 (5) One nonvoting advisory member shall be appointed by
- 19 the General Assembly upon the recommendation of the
- 20 Speaker of the House of Representatives for an initial
- 21 term of one year, in accordance with G.S. 120-121,
- 22 from nominations made by the North Carolina Medical
- 23 Society, which shall nominate two licensed physicians
- 24 for the position.
- 25 (6) One nonvoting advisory member shall be appointed by
- 26 the General Assembly upon the recommendation of the
- 27 President Pro Tempore of the Senate for an initial
- 28 term of one year, in accordance with G.S. 120-121,
- 29 from nominations made by the North Carolina Medical
- 30 Society, which shall nominate two licensed physicians
- 31 for the position.

32 The member appointed pursuant to subdivision (5) of subsection (a)
33 of this section may serve on the Commission only if an agreement
34 exists and remains in effect between the Tribal Council of the
35 Eastern Band of the Cherokee and the Commission authorizing the
36 Commission to regulate professional boxing matches within the
37 Cherokee Indian Reservation as provided by the Professional Boxing
38 Safety Act of 1996.

39 The two nonvoting advisory members appointed pursuant to
40 subdivisions (6) and (7) of subsection (a) of this section shall
41 advise the Commission on matters concerning the health and physical



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1 condition of boxers and health issues relating to the conduct of
2 exhibitions and boxing matches. They may prepare and submit to the
3 Commission for its consideration and approval any rules that in
4 their judgment will safeguard the physical welfare of all
5 participants engaged in boxing.

6 Terms for all members of the Commission except for the initial
7 appointments shall be for three years.

8 The Secretary of State Crime Control and Public Safety shall
9 designate which member of the Commission is to serve as chair. A
10 member of the Commission may be removed from office by the Secretary
11 of State Crime Control and Public Safety for cause. Each member
12 before entering upon the duties of a member shall take and subscribe
13 an oath to perform the duties of the office faithfully, impartially,
14 and justly to the best of the member's ability. A record of these
15 oaths shall be filed in the Department of ~~the Secretary of State.~~
16 Cime Control and Public Safety.

17 (b) Vacancies. -- Members shall serve until their successors are
18 appointed and have been qualified. Any vacancy in the membership of
19 the Commission shall be filled in the same manner as the original
20 appointment. Vacancies for members appointed by the General Assembly
21 shall be filled in accordance with G.S. 120-122. A vacancy in the
22 membership of the Commission other than by expiration of term shall
23 be filled for the unexpired term only.

24 (c) Meetings. -- Meetings of the Commission shall be called by
25 the chair or by any two members of the Commission, and meetings
26 shall be held at least quarterly. Any three voting members of the
27 Commission shall constitute a quorum at any meeting. Action may be
28 taken and motions and resolutions adopted by the Commission at any
29 meeting by the affirmative vote of a majority of the members of the
30 Commission present at a meeting at which a quorum exists. Any or all
31 members may participate in a regular or special meeting by, or
32 conduct the meeting through the use of, any means of communication
33 by which all members participating may simultaneously hear each
34 other during the meeting. A member participating in the meeting by
35 this means is deemed to be present in person at the meeting.

36 (d) Rule-Making Authority of the Commission. -- The Commission
37 shall have the exclusive authority to approve and issue rules for
38 the regulation of the conduct, promotion, and performances of live
39 boxing, kickboxing, sanctioned amateur, amateur, and toughman
40 matches and exhibitions in this State. The rules shall be issued



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- 1 pursuant to the provisions of Chapter 150B of the General Statutes
2 and may include, without limitation, the following subjects:
- 3 (1) Requirements for issuance of licenses and permits
4 required by this Article.
 - 5 (2) Regulation of ticket sales.
 - 6 (3) Physical requirements for contestants, including
7 classification by weight and skill.
 - 8 (4) Supervision of matches and exhibitions by licensed
9 physicians and referees.
 - 10 (5) Insurance and bonding requirements.
 - 11 (6) Compensation of participants and licensees.
 - 12 (7) Contracts and financial arrangements.
 - 13 (8) Prohibition of dishonest, unethical, and injurious
14 practices.
 - 15 (9) Facilities.
 - 16 (10) Approval of sanctioning amateur sports organizations.
 - 17 (11) Procedures and requirements for compliance with the
18 Professional Boxing Safety Act of 1996.
- 19 (e) Compensation. -- None of the members of the Commission shall
20 receive compensation for serving on the Commission. However, members
21 of the Commission may be reimbursed for their expenses in accordance
22 with the provisions of Chapter 138 of the General Statutes.
- 23 (f) Staff Assistance. -- The Secretary of State Crime Control and
24 Public Safety shall hire a person to serve as Executive Director of
25 the Commission and shall provide staff assistance to the Executive
26 Director. The Executive Director shall enforce this Article through
27 the Division of Alcohol Law Enforcement. If necessary, the
28 Executive Director may train and contract with independent
29 contractors for the purpose of regulating and monitoring events,
30 issuing licenses, collecting fees, and enforcing rules of the
31 Commission. The Executive Director may initiate criminal background
32 checks on persons requesting to work as independent contractors for
33 the Commission or persons applying to be licensed by the
34 Commission.'
- 35 (c) G.S. 143-654 (c) reads as rewritten:
- 36 '(c) Surety Bond. -- An applicant for a promoter's license must
37 submit, in addition to any other forms, documents, or exhibits
38 requested by the Commission, a surety bond payable to the Commission
39 for the benefit of any person injured or damaged by (i) the
40 promoter's failure to comply with any provision of this Article or
41 any rules adopted by the Commission or (ii) the promoter's failure



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1 to fulfill the obligations of any contract between or among
2 licensees related to the holding of a boxing event. The surety bond
3 shall be issued in an amount to be no less than five thousand
4 dollars (\$5,000). The amount of the surety bond shall be negotiable
5 upon the sole discretion of the Commission. All surety bonds shall
6 be upon forms approved by the Secretary of State Crime Control and
7 Public Safety and supplied by the Commission.'

8 (d) G.S. 143-655 (c) reads as rewritten:

9 '(c) State Boxing Commission Revenue Account. -- There is created
10 the State Boxing Commission Revenue Account within the Department of
11 ~~the Secretary of State.~~ Crime Control and Public Safety. Monies
12 collected pursuant to the provisions of this Article shall be
13 credited to the Account and applied to the administration of the
14 Article.'

15 (e) G.S. 143-658 reads as rewritten:

16 '§ 143-658. Violations.

17 (a) Civil Penalties. -- The Secretary of State Crime Control and
18 Public Safety may issue an order against a licensee or other person
19 who willfully violates any provision of this Article, imposing a
20 civil penalty of up to five thousand dollars (\$5,000) for a single
21 violation or of up to twenty-five thousand dollars (\$25,000) for
22 multiple violations in a single proceeding or a series of related
23 proceedings. No order under this subsection may be entered without
24 giving the licensee or other person 15 days' prior notice and an
25 opportunity for a contested case hearing conducted pursuant to
26 Article 3 of Chapter 150B of the General Statutes.

27 (b) Criminal Penalties. -- A willful violation of any provision
28 of this Article shall constitute a Class 2 misdemeanor. The
29 Secretary of State Crime Control and Public Safety may refer any
30 available evidence concerning violations of this Article to the
31 proper district attorney, who may, with or without such a reference,
32 institute the appropriate criminal proceedings.

33 ~~The attorneys employed by the Secretary of State shall be~~
34 ~~available to prosecute or assist in the prosecution of criminal~~
35 ~~cases when requested to do so by a district attorney and the~~
36 ~~Secretary of State approves.~~

37 (c) Injunction. -- Whenever it appears to the Secretary of State
38 Crime Control and Public Safety that a person has engaged or is
39 about to engage in an act or practice constituting a violation of
40 any provision of this Article or any rule or order hereunder, the
41 Secretary of State Crime Control and Public Safety may bring an



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1 action in any court of competent jurisdiction to enjoin those acts
2 or practices and to enforce compliance with this Article or any rule
3 or order issued pursuant to this Article.

4 ~~(d) Enforcement. -- For purposes of enforcing this Article, the~~
5 ~~Department of the Secretary of State's law enforcement agents have~~
6 ~~statewide jurisdiction. These law enforcement agents may assist~~
7 ~~local law enforcement agencies in their investigations and may~~
8 ~~initiate and carry out, in coordination with local law enforcement~~
9 ~~agencies, investigations of violations of this Article. These law~~
10 ~~enforcement agents have all the powers and authority of law~~
11 ~~enforcement officers when executing arrest warrants.'~~

12 (f) G.S. 18B-502(a) reads as rewritten:

13 '(a) Authority. -- To procure evidence of violations of the ABC
14 law, alcohol law-enforcement agents, employees of the Commission,
15 local ABC officers, and officers of local law-enforcement agencies
16 that have contracted to provide ABC enforcement under G.S.
17 18B-501(f) shall have authority to investigate the operation of each
18 licensed premises for which an ABC permit has been issued, to make
19 inspections that include viewing the entire premises, and to examine
20 the books and records of the permittee. The inspection authorized
21 by this section may be made at any time it reasonably appears that
22 someone is on the premises. Alcohol law-enforcement agents are also
23 authorized to be on the premises to the extent necessary to enforce
24 the provisions of Article 68 of Chapter 143 of the General
25 Statutes.'

26 (g) Section 9 of S.L. 1997-504, as rewritten by Section 18
27 of S.L. 1998-23, reads as rewritten:

28 'Section 9. Except as otherwise specified herein, this act is
29 effective when it becomes law. ~~This act expires October 1, 1998.'~~".
30

31 and moves to amend the report on page C12 by transferring one
32 hundred thousand dollars (\$100,000) of the funds appropriated to the
33 Department of Commerce for the State Boxing Commission to the



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1 Department of Crime Control and Public Safety to be used to regulate
2 boxing in the State. The remaining funds appropriated to the
3 Department of Commerce for the State Boxing Commission shall revert
4 to the general fund.
5
6 and moves to amend the bill by adjusting the appropriate totals
7 accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



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S1366-ALE-26

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
S1366-PCS2901-LH2

Representative

1 moves to amend the bill on page 58, line 30,
2 by deleting the line and substituting the following:
3 "Section 9.24. G.S. 143-3.3(g) reads as rewritten:
4 "(g) Payroll Deduction for Payments to Certain Employees'
5 Associations Allowed. -- An employee of the State or any of its
6 institutions, departments, bureaus, agencies or commissions, or any
7 of its ~~local boards of education or~~ community colleges, who is a
8 member of a domiciled employees' association that has at least 2,000
9 members, the majority of whom are employees of the ~~State or public~~
10 ~~school employees, State,~~ may authorize, in writing, the periodic
11 deduction each payroll period from the employee's salary or wages a
12 designated lump sum to be paid to the employees' association. The
13 authorization shall remain in effect until revoked by the employee.
14 A plan of payroll deductions pursuant to this subsection for
15 employees of the State and other association members shall become
16 void if the employees' association engages in collective bargaining
17 with the ~~State, any State or any~~ political subdivision of the ~~State,~~
18 ~~or any local school administrative unit, State.~~ This subsection does
19 not apply to county or municipal governments or any local
20 governmental ~~unit, except for local boards of education, unit."~~

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

Amend # 3 Shubert Carried



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Date July 20, 1998

Comm. Sub. [YES]
Amends Title []
S1366-PCS2901-LH2

Representative Shubert

- 1 moves to amend the bill on page 65, line 7,
2 by adding after the line the following new section:
3 "Requested by: Representative Shubert
4 **ESTABLISHMENT OF UNION COMMUNITY COLLEGE**
5 Section 10.12. Notwithstanding Section 9.7 of S.L. 1997-
6 443 or any other provision of law, the State Board of Community
7 Colleges shall establish a new community college in Union County.
8 The institution shall begin operation with the second semester of
9 the 1998-99 community college year and shall operate under the
10 provisions of Chapter 115D of the General Statutes and shall be
11 dedicated primarily to the educational needs of Union County. No
12 legislators shall serve on the board of the new community college.
13 Community college bond proceeds that were allocated to the
14 Union County Satellite of Anson Community College prior to July 1,
15 1998, but not expended or encumbered by that date shall be
16 reallocated to the new community college for construction of a
17 planned community college facility in Union County.
18 Effective with the second semester of the 1998-99 community
19 college year, Union County shall no longer be assigned to either the
20 Anson Community College or the Stanly Community College service
21 delivery area. Union County shall be the only county in the service
22 delivery area of the new community college established in this act."

SIGNED Terrell Shubert
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

North Carolina Community College System
Expenses Incurred by Anson CC and Stanly CC In Union County Consortium
1994-95 Through 1997-98

Hand out for fund #3

AMOUNT SPENT IN UNION COUNTY

	1994-95	1995-96	1996-97	1997-98	Average
Current Operating	\$1,547,671	\$1,351,912	\$1,454,206	\$1,475,863	\$1,457,413
Equipment	\$50,682	\$67,165	\$26,305	\$65,477	\$52,407
Total	\$1,598,353	\$1,419,077	\$1,480,511	\$1,541,340	\$1,509,820



Current Operating and Equipment Budgets (State Formula Funds)

	1994-95	1995-96	1996-97	1997-98	Average
Current Operating:					
Anson CC	\$3,610,268	\$4,396,384	\$4,696,681	\$4,994,036	\$4,424,342
Stanly CC	\$5,613,285	\$5,804,583	\$5,996,153	\$6,346,909	\$5,940,233
Total	\$9,223,553	\$10,200,967	\$10,692,834	\$11,340,945	\$10,364,575

Equipment:

Anson CC	\$153,305	\$171,440	\$209,588	\$209,998	\$186,083
Stanly CC	\$299,461	\$275,594	\$275,368	\$272,387	\$280,703
Total	\$452,766	\$447,034	\$484,956	\$482,385	\$466,785



ANSON POPULATION ~ 25M
STANLY POPULATION ~ 50M
UNION POPULATION ~ 100M

4,424,342
186,083

4,610,425

UNION is 4X The size of Anson, but
Anson receives 3X as much \$???

Fern H Shubert

Please consider the following:

Union County did not ask for a college until we were denied access to adequate services. This is done as a last resort.

Originally, we had three community colleges competing to serve us. Then, because some people don't like competition, the best of the three was told by the state to quit competing. We were denied access to CPCC.

Excerpt from letter from the state president of the Community College System dated 4/28/81-

"As a result of concerns expressed in Monroe County last fall regarding the offering of similar and identical programs by three institutions in that county, I called in the presidents of Anson Technical College, Stanly Technical College, and Central Piedmont Community College. Although the State Board of Community Colleges has no authority to stop the programs which they were offering, I suggested that we work together to see that we might not unnecessarily duplicate offerings in this county." CPCC was run off.

The remaining colleges formed a consortium to supposedly serve Union County. But when, in 1989, the employers of Union County evaluated the quality of the services they received, they said:

"This evaluation indicates that continuing education for industrial training efforts are, in general, on a level of 2 on a 10-point scale (with 10 being the highest possible mark), with slightly higher support in computer training."

The provider response was hilarious:

"My position is not that ASCC can currently provide all of services and training one would find at a CPCC, Greenville, Spartanburg, or York Tech, but that ASCC, having served Union County since 1972 and displaying an attitude of eagerness and dedication, should continue to be considered as the provider for technical education and training until that time when the Union County leadership elects to charter its own technical college."

The leadership of Union County HAS decided that we want our own college, since that seems to be the only way we can receive fair treatment, but Anson Community College won't let go. Union County is 4 times the size of Anson, but Anson Community College insists on holding on to us by creating a new board with "equal representation." Why? \$\$\$\$\$

NOW, THEREFORE, BE IT FURTHER RESOLVED that the General Assembly permit one of these options. The Union County Board of Commissioners respectfully requests that Anson Community College withdraw completely from Union County and that all services needed by Union County citizens/students be provided through one of the options cited above either Stanly Community College or CPCC as needed to properly care for our students, and the Union County Board of Commissioners hereby directs all units of government of Union County to cease contracting for any services with Anson Community College.

BE IT FURTHER RESOLVED that the Union County Board of Commissioners will retain Stanly Community College as its fiscal agent until such time that one of the options cited above is implemented and the Union County Board of Commissioners remains committed to funding service for all Union County students.

Adopted this 23rd day of June, 1997, by the Union County Board of Commissioners.


Leroy J. Pittman, III, Chairman

Attest:


Barbara W. Moore, CMC, County Clerk

UNION COUNTY BOARD OF COMMISSIONERS:

Paul A. Standridge, Vice Chairman
John D. Feezor
Tom Tucker
Richard Stone, originator of resolution



OFFICE OF THE COMMISSIONERS AND MANAGER

P.O. Box 218 • Monroe, NC 28111-0218 • Phone (704) 283-3810 • Fax (704) 282-0121

RESOLUTION

WHEREAS, it has been shown that the community college system, after agreeing to "study the potential of the Union Technical Education Center and the best options for providing community college opportunities to Union County's citizens" failed to produce such a study; and

WHEREAS, it has been shown that certain members of the community college system participated in a biased approach in an effort to confuse residents of Union County into believing an independent study had been completed; and

WHEREAS, it has been shown that Anson Community College worked with certain members of the community college system to force an alliance with Anson Community College for the benefit of the college at the expense of Union County; and

WHEREAS, it has been shown that certain members of the community college system, including the chairman of the committee, had reached their conclusion long before they began formation of the community college committee to study its own needs; and

WHEREAS, certain members of the community college system failed to inform the Board of the North Carolina Community College System of specific comments of Representative Fern Shubert when she approached them on the behalf of the Union County Commissioners, clearly demonstrating bias, and calling into question the validity of the Board's recommendation, since the Board was not presented with the full facts of the matter; and

WHEREAS, Union County is the only county with a population over 100,000 that does not have its own community college.

NOW, THEREFORE, BE IT RESOLVED that the Union County Board of Commissioners requests the General Assembly of North Carolina to either:

- a. Grant Union County a charter for its own college,
- b. Permit Union County to contract for community college services from any existing college,
- c. Authorize a referendum so that the people of Union County may choose the college that will provide them services. The Union County Board of Commissioners believes that the majority of the people of Union County would prefer to have direct access to CPCC rather than to affiliate with Anson Community College, but the Union County Board of Commissioners is certainly willing to abide by the will of our citizens.

Requested by: Representative Shubert

ESTABLISHMENT OF UNION COMMUNITY COLLEGE

1 Section @. Notwithstanding Section 9.7 of S.L. 1997-
2 443 or any other provision of law, the State Board of Community
3 Colleges shall establish a new community college in Union County.
4 The institution shall begin operation with the second semester of
5 the 1998-99 community college year and shall operate under the
6 provisions of Chapter 115D of the General Statutes and shall be
7 dedicated primarily to the educational needs of Union County. No
8 legislators shall serve on the board of the new community
9 college.

10 Community college bond proceeds that were allocated to
11 the Union County Satellite of Anson Community College prior to
12 July 1, 1998, but not expended or encumbered by that date shall
13 be reallocated to the new community college for construction of a
14 planned community college facility in Union County.

15 Effective with the second semester of the 1998-99
16 community college year, Union County shall no longer be assigned
17 to either the Anson Community College or the Stanly Community
18 College service delivery area. Union County shall be the only
19 county in the service delivery area of the new community college
20 established in this act.

House
Low Wealth Supplemental Funding
FY 1998-99

LEA No.	LEA Name	1998-99 Low Wealth Planning Allotment	1998-99 House Proposed Low Wealth Additional Funding	Total 1998-99 House Proposed Low Wealth Funding
010	Alamance County	\$0	\$0	\$0
020	Alexander County	273,592	51,284	324,876
030	Alleghany County	0	0	0
040	Anson County	635,220	119,071	754,291
050	Ashe County	99,622	18,674	118,296
060	Avery County	0	0	0
070	Beaufort County	542,631	101,715	644,346
080	Bertie County	689,250	129,198	818,448
090	Bladen County	562,359	105,413	667,772
100	Brunswick County	0	0	0
110	Buncombe County	0	0	0
120	Burke County	797,258	149,444	946,702
130	Cabarrus County	0	0	0
132	Kannapolis City	40,101	7,517	47,618
140	Caldwell County	893,238	167,436	1,060,674
150	Camden County	162,936	30,542	193,478
160	Carteret County	0	0	0
170	Caswell County	530,035	99,354	629,389
180	Catawba County	0	0	0
190	Chatham County	23,880	4,476	28,356
200	Cherokee County	248,622	46,604	295,226
210	Chowan County	256,227	48,029	304,256
220	Clay County	34,989	6,559	41,548
230	Cleveland County	570,492	106,937	677,429
231	Kings Mountain City	261,684	49,052	310,736
232	Shelby City	210,389	39,438	249,827
240	Columbus County	988,308	185,256	1,173,564
241	Whiteville City	370,938	69,532	440,470
250	Craven County	771,758	144,665	916,423
260	Cumberland County	2,167,520	406,297	2,573,817
270	Currituck County	0	0	0
280	Dare County	0	0	0
290	Davidson County	649,837	121,811	771,648
291	Lexington City	108,180	20,279	128,459
292	Thomasville City	80,591	15,105	95,696
300	Davie County	0	0	0
310	Duplin County	769,286	144,201	913,487
320	Durham County	0	0	0
330	Edgecombe County	874,684	163,958	1,038,642
340	Forsyth County	0	0	0
350	Franklin County	855,545	160,370	1,015,915
360	Gaston County	0	0	0
370	Gates County	355,448	66,628	422,076
380	Graham County	68,728	12,883	81,611
390	Granville County	861,331	161,455	1,022,786
400	Greene County	427,607	80,154	507,761
410	Guilford County	0	0	0
420	Halifax County	917,789	172,038	1,089,827
421	Roanoke Rapids City	462,908	86,771	549,679

House
Low Wealth Supplemental Funding
FY 1998-99

LEA No.	LEA Name	1998-99	1998-99	Total 1998-99
		Low Wealth Planning Allotment	House Proposed Low Wealth Additional Funding	House Proposed Low Wealth Funding
422	Weldon City	162,843	30,525	193,368
430	Harnett County	2,528,559	473,974	3,002,533
440	Haywood County	229,739	43,064	272,803
450	Henderson County	0	0	0
460	Hertford County	683,021	128,031	811,052
470	Hoke County	1,332,988	249,866	1,582,854
480	Hyde County	4,640	870	5,510
490	Iredell County	0	0	0
500	Jackson County	0	0	0
510	Johnston County	1,389,210	260,404	1,649,614
520	Jones County	146,811	27,520	174,331
530	Lee County	102,794	19,268	122,062
540	Lenoir County	723,730	135,662	859,392
550	Lincoln County	348,472	65,321	413,793
560	Macon County	0	0	0
570	Madison County	220,997	41,425	262,422
580	Martin County	593,331	111,219	704,550
590	McDowell County	519,624	97,402	617,026
600	Mecklenburg County	0	0	0
610	Mitchell County	137,840	25,838	163,678
620	Montgomery County	394,222	73,896	468,118
630	Moore County	0	0	0
640	Nash County	1,349,901	253,037	1,602,938
650	New Hanover County	0	0	0
660	Northampton County	583,002	109,282	692,284
670	Onslow County	2,520,114	472,391	2,992,505
680	Orange County	0	0	0
690	Pamlico County	171,507	32,149	203,656
700	Pasquotank County	686,249	128,636	814,885
710	Pender County	443,958	83,220	527,178
720	Perquimans County	284,223	53,277	337,500
730	Person County	77,716	14,568	92,284
740	Pitt County	1,008,087	188,964	1,197,051
750	Polk County	0	0	0
760	Randolph County	699,508	131,122	830,630
761	Asheboro City	183,375	34,373	217,748
770	Richmond County	1,328,997	249,118	1,578,115
780	Robeson County	4,395,932	824,010	5,219,942
790	Rockingham County	998,157	187,103	1,185,260
800	Rowan County	890,316	166,888	1,057,204
810	Rutherford County	637,735	119,542	757,277
820	Sampson County	861,121	161,416	1,022,537
821	Clinton City	279,437	52,380	331,817
830	Scotland County	859,269	161,069	1,020,338
840	Stanly County	802,219	150,375	952,594
850	Stokes County	486,330	91,161	577,491
860	Surry County	395,426	74,121	469,547
861	Elkin City	51,026	9,565	60,591
862	Mount Airy City	96,895	18,163	115,058

House Low Wealth Supplemental Funding FY 1998-99

LEA No.	LEA Name	1998-99	1998-99	Total 1998-99
		Low Wealth Planning Allotment	House Proposed Low Wealth Additional Funding	House Proposed Low Wealth Funding
870	Swain County	121,594	22,792	144,386
880	Transylvania County	0	0	0
890	Tyrrell County	123,457	23,141	146,598
900	Union County	689,535	129,252	818,787
910	Vance County	829,860	155,556	985,416
920	Wake County	0	0	0
930	Warren County	497,974	93,345	591,319
940	Washington County	407,625	76,408	484,033
950	Watauga County	0	0	0
960	Wayne County	1,910,460	358,113	2,268,573
970	Wilkes County	555,881	104,199	660,080
980	Wilson County	419,033	78,546	497,579
990	Yadkin County	326,302	61,165	387,467
995	Yancey County	141,429	26,511	167,940
Total LEAs		\$53,195,454	\$9,971,389	\$63,166,843

Funding Generated By
Charter School Students*

\$152,623

\$28,611

\$181,234

Total Funding

\$53,348,077

\$10,000,000

\$63,348,077

* Does not include new charter schools.

North Carolina Department of Public Instruction

Division of School Business

School Finance Section

July 14, 1998 (C:\123r5w\work\Cityp.Wk4)

Amend #4 by check of 10/18/98



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALG-4

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
PCS2901-LH2

①
Representative Insko

- 1 moves to amend the bill on page 75, line 45,
2 by rewriting the line to read: _____
3
4 "provisions of Articles 5, 6, 7, and 14 of Chapter 126 of the
5 General Statutes, the";
6
7 and further moves to amend the bill on page 80, line 16,
8 by rewriting the line to read:
9
10 "6, 7, and 14 of Chapter 126 of the General Statutes, the provisions
11 of Chapter 126 shall";
12
13 and further moves to amend the bill on page 82, line 16,
14 by rewriting the line to read:
15
16 "7, and 14 of Chapter 126 of the General Statutes, the provisions of
17 Chapter 126 shall not".
18

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALG-5

Date 7/20, 1998

Comm. Sub. [YES]
Amends Title []
PSC2901-LH2

Representative Insko

1 moves to amend the bill on page 76, lines 26 and 27,
2 by inserting between those lines the following:

3
4 "(5) The Board of Directors shall submit all initial
5 classification and pay plans and other rules and
6 regulations adopted pursuant to subdivisions (1)
7 through (4) of this subsection to the Office of State
8 Personnel for approval by the State Personnel
9 Commission as substantially equivalent to the
10 standards established under Chapter 126 of the General
11 Statutes for State employees. Subsequent changes to
12 these plans, rules, and policies shall be submitted to
13 the Office of State Personnel for review upon adoption
14 by the Board.";

15
16 and further moves to amend the bill on page 81, lines 3 and 4,
17 by inserting between those lines the following:

18
19 "(5) The Board of Trustees shall submit all initial
20 classification and pay plans and other rules and
21 regulations adopted pursuant to subdivisions (1)
22 through (4) of this subsection to the Office of State
23 Personnel for approval by the State Personnel
24 Commission as substantially equivalent to the
25 standards established under Chapter 126 of the General
26 Statutes for State employees. Subsequent changes to
27 these plans, rules, and policies shall be submitted to
28 the Office of State Personnel for review upon adoption
29 by the Board.";



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALG-5

1 and further moves to amend the bill on page 83, lines 2 and 3,
2 by inserting between those lines the following:

3
4 "(5) The Board of Trustees shall submit all initial
5 classification and pay plans and other rules and
6 regulations adopted pursuant to subdivisions (1)
7 through (4) of this subsection to the Office of State
8 Personnel for approval by the State Personnel
9 Commission as substantially equivalent to the
10 standards established under chapter 126 of the General
11 Statutes for State employees. Subsequent changes to
12 these plans, rules, and policies shall be submitted to
13 the Office of State Personnel for review upon adoption
14 by the Board."

SIGNED Vella Insh
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

amended by Moore # 6 Filed

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

S. B. No. _____

COMMITTEE SUBSTITUTE _____

DATE 7-20-98

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.) MOORE

~~Sen.)~~

*House Appropriations Committee Report on The
Continuation, Expansion and Capital Budget*

1 moves to amend the bill on page _____

2 () WHICH CHANGES THE TITLE

3 ~~by~~ on page A 8, by reducing the amount appropriated
4 in item # 53 for UNION CC - Operating Support
5 by \$1,000,000 NR; and

6

7 by adding a new item on page A 8 to read:
8 " 54 Multi-Campus Funds \$1,000,000 NR "

9

10

11

12

13

14

15

16

17

18

19

SIGNED Richard Moore

ADOPTED _____ FAILED _____ TABLED _____

Amendment #7 by Sherrill
Failed

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. _____

DATE 7/20/98

S. B. No. 1366

Amendment No. _____

House Committee Substitute

(to be filled in by
Principal Clerk)

Rep.) Sherrill

Sen.) _____

moves to amend the bill on page 165, line 10

by deleting line 10 through line 34 on Page
167

SIGNED M. Sherrill

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALD-23

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
PHCS S1366-PCS2901-LH2

Representative Watson

1 moves to amend the bill on page 176, line 29,
2 by deleting "\$8,950,000" and substituting "\$8,450,000"; and
3
4 on page 3, line 18, by decreasing that amount by \$500,000; and
5
6 on page 2, line 38, by increasing that amount by \$500,000; and
7
8 on page 163, lines 15 and 16, by inserting the following between
9 those lines:
10 "Requested by: Representative Watson
11 **BOTTLED WATER TO PERSONS WITH CONTAMINATED DRINKING WELLS**
12 Section 14.19. Of the funds appropriated to the Department
13 of Environment and Natural Resources in this act for the 1998-99
14 fiscal year, the sum of five hundred thousand dollars (\$500,000)
15 shall be used by the Division of Environmental Health to provide
16 funds to local health departments to provide bottled water or
17 vouchers for bottled water to any person whose water supply well, as
18 defined in G.S. 87-85, is contaminated by bacteria or nitrates from
19 effluent from an animal operation or a failing septic tank system,
20 from runoff containing fertilizer, or from any source of pollution
21 caused by another person. The bottled water provided pursuant to
22 this section shall be provided as a temporary measure until a
23 reliable drinking water supply is available for the person's
24 permanent use. The Department may seek recovery of the costs of any



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALD-23

- 1 bottled water provided pursuant to this section from any person
2 determined to have caused the contamination of the associated water
3 supply well."; and
4
5 by adjusting the appropriate totals accordingly.

SIGNED Cynthia B. Watson
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

Amend #9 - Sutton, Failed

EDITION No. PCS 2901-LH2

H. B. No. _____

DATE _____

S. B. No. 1366

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.)

Sutton

Sen.)

1 moves to amend the bill on page 203, line 34-36

2 () WHICH CHANGES THE TITLE

3 by inserting a quotation mark at the end of line

4 34 and by deleting lines 35 and 36.

5 _____

6 _____

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

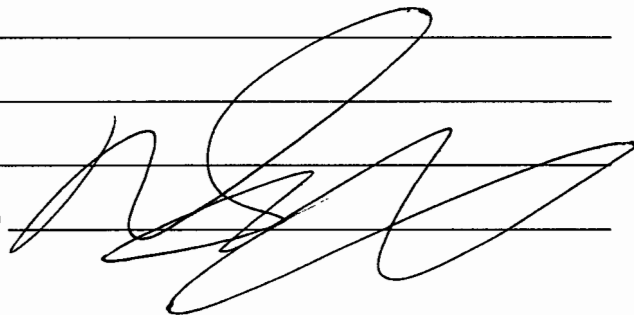
16 _____

17 _____

18 _____

19 _____

SIGNED



ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALR-1

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
PCS2901-LH2

Kiser
Representative Creech

1 moves to amend the bill on page 214, lines 33-53,
2 by rewriting those lines to read:
3 "Requested by: Representative Creech

4 **ESTABLISH SETTLEMENT RESERVE FUND/ATTORNEY GENERAL REPORT OF**
5 **STATE SETTLEMENTS AND COURT ORDERS**

6 Section 18.7. (a) Article 1 of Chapter 143 of the
7 General Statutes is amended by adding a new section to read:

8 '§ 143-16.4. Settlement Reserve Fund.'

9 The 'Settlement Reserve Fund' is established as a restricted
10 reserve in the General Fund. Except if prohibited by order of
11 the court, funds in excess of seventy-five thousand dollars
12 (\$75,000) paid to the State or a State agency pursuant to a
13 settlement agreement or final order or judgment of the court
14 shall be deposited to the Settlement Reserve Fund. Funds shall
15 be expended from the Settlement Reserve Fund only by
16 appropriation by the General Assembly.'

17 (b) Article 1 of Chapter 114 of the General Statutes is
18 amended by adding a new section to read:

19 '§ 114-2.5. Attorney General to report payment of public monies
20 pursuant to settlement agreements and final court orders.

21 (a) The Attorney General shall report to the Joint Legislative
22 Commission on Governmental Operations and the Chairs of the
23 Appropriations Subcommittees on Justice and Public Safety of the
24 Senate and House of Representatives on the payments received



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALR-1

Page 2 of ____

1 pursuant to a settlement agreement or final order or judgment of
2 the court and deposited to the Settlement Reserve Fund in
3 accordance with G.S. 143-16.4. The Attorney General shall also
4 report on the terms or conditions of payment set forth in the
5 agreement or order. The Attorney General shall submit a written
6 report to the Fiscal Research Division of the General Assembly.
7 (b) This section only applies to executed settlement
8 agreements and final orders or judgments of the court and shall
9 in no way affect the authority of the Attorney General to
10 negotiate the settlement of cases in which the State or a State
11 department, agency, institution, or officer is a party.'".

SIGNED *Charles Kiser*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____

FAILED _____

TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. Third

H. B. No. _____

DATE 7-20-98

S. B. No. 1366

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE S1366-PCS2901-LH2

Rep. Kiser and Justus
Sen. _____

1 moves to amend the bill on page 182, line 35

2 () WHICH CHANGES THE TITLE

3 by rewriting that line to read as follows:

4 _____
5 " (5) One member appointed by the North Carolina
6 Academy of Trial Lawyers."
7 _____

8 _____
9 _____
10 _____
11 _____
12 _____
13 _____
14 _____
15 _____
16 _____
17 _____
18 _____
19 _____

SIGNED *Sammy T. Justus*

ADOPTED _____ FAILED _____ TABLED _____

11. Kiser or Justus. Record

Human Resources attach to minutes

HIGHLIGHTS OF SMART START SPECIAL PROVISION (HOUSE Version)

- **Management Authority**
 - Strengthens the authority of the NC Partnership to approve local partnerships' plans, monitor their contracts, adjust their funding allocations on the basis of performance, and implement sanctions in the event of poor performance
- **NC Partnership Board Membership:**
 - Reduces total number of members from 38 to 25, as current terms expire
 - Removes legislators from state and local boards, effective immediately
 - Establishes conflict of interest standards for board members
 - Encourages Professional Advisory Boards, comprised of service providers and early childhood experts, to advise state and local boards
 - Directs the NC Partnership to establish a nominating committee, a member attendance policy, and a local board membership policy
- **Accounting and Contract Management Services:**
 - Provides centralized accounting and contract management services to local partnerships at no cost
 - Allows local partnerships to provide their own services if they demonstrate capacity and fund the services from within their administrative cost cap
- **Role of Department of Health and Human Services:**
 - Transfers all DHHS responsibilities to the NC Partnership (e.g., statewide needs and resource assessment, rulemaking, cost estimating/allocating, program evaluation)
- **Use of Smart Start Funds:**
 - Prohibits requiring local partnerships to fund child care resource & referral services
 - Prohibits use of public funds for activities disapproved by the General Assembly
 - Prohibits use of public and private funds for lobbying the General Assembly
 - Increases thresholds for mandatory competitive bidding of purchases
 - Requires bonding for all local partnerships, their contractors, and subcontractors
- **Program Funding:**
 - Transfers continuation budget funding (\$98,155,828) for the NC Partnership from DHHS to the Office of State Budget and Management
 - Provides \$31,619,697 in expansion funding for all 100 counties; may use up to \$2 million to support state-level administration
- **Regionalization:**
 - Directs the NC Partnership to implement a regionalization plan effective July 1, 1999
 - Requires the NC Partnership to report this plan to the House and Senate Appropriations Committees by March 15, 1999

#12 Cansler Passed 33-2



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALN-101

Date July 20, 1998

Comm. Sub. [yes]PCS2901-LH2
Amends Title []

Representative Cansler

- 1 moves to amend the bill on page 90, lines 35 through 40,
- 2 by rewriting the lines to read:
- 3 "providers. If the center or clinic provides services for sexually
- 4 transmitted diseases, reproductive health services, or family
- 5 planning services, then these services shall be specifically
- 6 identified in the listing of basic services. The school-based
- 7 center or clinic must make available, if requested by the parent, a
- 8 more detailed explanation of the types of services included within
- 9 the listed categories. The parent shall be advised in writing that
- 10 detailed explanations of services are available upon request. The
- 11 Department of Health and Human Services shall request the assistance
- 12 of the North Carolina Pediatric Society in developing a model
- 13 listing of services for consideration by the school-based health
- 14 centers or clinics and shall present the model listing to the Joint
- 15 Legislative Health Care Oversight Committee not later than December
- 16 1, 1998. Consent forms must be signed by the parent prior to the
- 17 provision of services, except that a signature shall be not required
- 18 for emergency services or treatment as authorized under Article 1A



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALN-101

1
2 of Chapter 90 of the General Statutes, and must contain all of the
3 following to provide parents the option to:"; and
4
5 further moves to amend the bill on page 90, line 43,
6 by inserting between the words "those" and "services" the words
7 "categories of health".
8
9

SIGNED

James M. Cantler
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED _____

FAILED _____

TABLED _____

(2R) # 13 Insko. Defeated



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALF-H003

Date 7/20, 1998

Comm. Sub. [YES]
Amends Title []
S1366-PCS-2901-LH2

Representative Insko

- 1 moves to amend the bill on page 108, lines 25 and 42,
- 2 by deleting the phrase "child care";
- 3 and on page 108, line 44,
- 4 by deleting the phrase "Work First, food stamp, or child care" and
- 5 substituting the phrase "Work First or food stamp";
- 6 and on page 108, line 47,
- 7 by deleting the phrase "Work First, food stamp, and child care" and
- 8 substituting the phrase "Work First and food stamp".
- 9

SIGNED *Debra Insko*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

(218) #14 - Davis, Referred

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

5 B C

EDITION No. _____

H. B. No. _____

DATE _____

S. B. No. S1366

Amendment No. _____

COMMITTEE SUBSTITUTE S1366-PLS 2901-LH2

(to be filled in by
Principal Clerk)

Rep.)

Sen.)

Davis

1 moves to amend the bill on page 90, line 5 17 through 96

2 () WHICH CHANGES THE TITLE

3 by deleting all the lines;

4 and on page 90, line 47,

5 by deleting the designation "(d)" and substituting

6 the designation "(c)".

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED

ADOPTED _____ FAILED _____ TABLED _____

61 R) #15 Ellis. Referred 27-30



HR

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALF-H002

Date _____, 1998

Comm. Sub. [yes]
Amends Title []
S1366-PCS2901-LH2

Representative Ellis

1 moves to amend the report on page B3,
2 by deleting Item 22, "Smart Start";
3
4 and on page B4,
5 by inserting a new Item to read:
6 "31.1 Waiting List for Services
7 for Developmentally Disabled \$31,619,697";
8
9 and moves to amend the bill on page 2, line 47,
10 by reducing the amount appropriated on that line by 31,619,697;
11
12 and, on page 3, line 4,
13 by increasing the amount appropriated on that line by 31,619,697;
14
15 and, on page 119, line 48,
16 by inserting a new section to read:
17 "Requested by: Representative Ellis
18 FUNDS TO REDUCE WAITING LIST FOR DEVELOPMENTAL DISABILITIES
19 SERVICES
20 Section 12.31B. Of the funds appropriated in this act to the
21 Department of Health and Human Services, Division of Mental Health,
22 Developmental Disabilities, and Substance Abuse Services, the sum of
23 thirty-one million six hundred nineteen thousand six hundred ninety-
24 seven dollars (\$31,619,697) shall be used to reduce the waiting list
25 for people waiting for developmental disabilities services."
26



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALF-H002

1 and on page 142, lines 32 through 36,
2 by deleting those lines.
3

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____

TABLED _____

#16- Alexander
Parker



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALN-100A

Date _____, 1998

Comm. Sub. [YES]PCS2901-LH2
Amends Title []

Representative Alexander

1 moves to amend the bill on page 148, lines 14 through 20,
2 by rewriting the lines to read:
3 "are provided to high-risk individuals. Contracts between local
4 health departments and community-based organizations shall provide
5 for the local health director or his or her designee to serve as a
6 liaison to the organization's board of directors."
7

SIGNED Martin B. Alexander
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

#17 Culp/ent of Oden



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALD-24

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
PHCS S1366-PCS2901-LH2

Representative Culp

- 1 moves to amend the bill on page 102, lines 16 and 17, by inserting
2 the following between those lines:
3 "Requested by: Representative Culp
4 **INCLUSIONS IN HEALTH CARE PERSONNEL REGISTRY**
5 Section 12.16E. (a) Of the funds appropriated to the Department
6 of Health and Human Services for the 1998-99 fiscal year, the
7 Department shall use the sum of two hundred thirty-three thousand
8 three hundred sixty-eight dollars (\$233,368) in available funds to
9 implement the requirements of House Bill 1435 of the 1997 Session of
10 the General Assembly to include State-operated facilities as well as
11 residential facilities and hospitals for the mentally ill,
12 developmentally disabled, and substance abusers in the Health Care
13 Personnel Registry.
14 (b) This section becomes effective only if House Bill 1435
15 is enacted by the 1997 Session (1998 Regular Session) of the General
16 Assembly and, as enacted, provides for the registry of State-
17 operated facilities as well as residential facilities and hospitals
18 for the mentally ill, developmentally disabled, and substance
19 abusers in the Health Care Personnel Registry."

SIGNED *Relic Thig*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of 2

S1366-ALR-4

Date _____, 1998

Comm. Sub. [yes]
Amends Title []
PCS2901-LH2

Representative Berry

1 moves to amend the Committee Report on page C11, Item 59, by
2 deleting the item; and
3
4 further moves to amend the Committee Report on page H2, by adding a
5 new item 21A to read:
6
7 "21A Division of Vocational Rehabilitation \$1,000,000 NR
8 Capital expenditures for community
9 rehabilitation programs.";
10
11 and by adjusting the appropriate totals in the Committee Report
12 accordingly;
13
14 and further moves to amend the bill on page 260, line 36,
15 by inserting the following:
16
17 "Requested by: Representative Berry
18 DIVISION OF VOCATIONAL REHABILITATION CAPITAL FUNDS
19 Section 29.5D. Of the funds appropriated in this act to
20 the Department of Health and Human Services, the sum of one million
21 dollars (\$1,000,000) for the 1998-99 fiscal year shall be used for
22 capital expenditures for community rehabilitation programs. The
23 funds shall be distributed through the Division of Vocational
24 Rehabilitation to community rehabilitation programs and Industries
25 of the Blind based on a needs list provided to the Division by the
26 North Carolina Association of Rehabilitation Facilities."; and



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALR-4

1 further moves to amend the bill on page 257, line 46,
2 by inserting the following:

3
4 Division of Vocational Rehabilitation
5 Capital expenditures for community
6 rehabilitation programs \$1,000,000;
7

8 and by adjusting the appropriate totals in the bill accordingly.

SIGNED Cherie Berry
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

ROLL CALL VOTE

do reconsider Ellis amendment

31 28 = _____ (TOTAL)
YES NO

HB# _____
SB# _____

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

Date _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
_____	☒	Holmes	☒	_____	Decker
☒	_____	Esposito	☒	_____	Dockham
☒	_____	Creech	_____	_____	Earle
_____	☒	Crawford	_____	☒	Easterling
_____	_____	Adams	☒	_____	Ellis
☒	_____	Aldridge	_____	☒	Fox
_____	☒	Alexander	☒	_____	Gardner
_____	_____	Allen	_____	_____	Grady
☒	_____	Arnold	☒	_____	Gulley
☒	_____	Baker	_____	_____	Hall
☒	_____	Barbee	_____	_____	Hardaway
☒	_____	Berry	_____	_____	Hardy
_____	_____	Black	_____	_____	Hiatt
_____	_____	Blue	_____	_____	Hunter, H.
_____	☒	Bonner	_____	☒	Hurley
_____	☒	Bowie	_____	☒	Insko
_____	_____	Braswell	_____	☒	Ives
_____	☒	Cansler	_____	☒	Jeffus
☒	_____	Carpenter	☒	_____	Justus
_____	☒	Church	_____	_____	Kinney
☒	_____	Clary	☒	_____	Kiser
☒	_____	Culp	_____	_____	McAllister
_____	☒	Culpepper	_____	_____	McCombs
☒	_____	Davis	_____	☒	McCrary

ROLL CALL VOTE

Page 2

YES

NO

HB#

SB#

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

Date

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
☒	☐	McMahan	☐	☒	Smith
☐	☐	Michaux	☐	☒	Sutton
☒	☐	Mitchell	☒	☐	Thompson
☐	☒	Moore	☐	☒	Tolson
☒	☐	Morgan	☐	☐	Wainwright
☐	☒	Mosley	☐	☒	Warner
☒	☐	Neeley	☐	☐	Warwick
☐	☐	Nye	☒	☐	Watson
☐	☐	Oldham	☒	☐	Weatherly
☐	☒	Owens	☒	☐	Wilson, G.
☒	☐	Preston	☐	☒	Yongue
☐	☒	Redwine			
☒	☐	Reynolds			
☐	☒	Rogers			
☐	☒	Russell			
☐	☐	Saunders			
☐	☒	Sexton			
☐	☒	Sherrill			
☒	☐	Shubert			

Ex officio Members

☐	☐	Wood, Speaker Pro Tem
☒	☐	Daughtry, Majority Leader
☒	☐	Howard, Majority Whip

ROLL CALL VOTE

Ellis Amendment

32 30 = _____ (TOTAL)
YES NO

HB# _____
SB# _____

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

Date _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
_____	☒	Holmes	☒	_____	Decker
☒	_____	Esposito	☒	_____	Dockham
☒	_____	Creech	_____	_____	Earle
_____	☒	Crawford	_____	☒	Easterling
_____	_____	Adams	☒	_____	Ellis
☒	_____	Aldridge	_____	☒	Fox
_____	☒	Alexander	☒	_____	Gardner
_____	_____	Allen	_____	_____	Grady
☒	_____	Arnold	☒	_____	Gulley
☒	_____	Baker	_____	_____	Hall
☒	_____	Barbee	_____	_____	Hardaway
☒	_____	Berry	_____	_____	Hardy
_____	_____	Black	☒	_____	Hiatt
_____	_____	Blue	_____	_____	Hunter, H.
_____	☒	Bonner	_____	☒	Hurley
_____	☒	Bowie	_____	☒	Insko
_____	_____	Braswell	_____	☒	Ives
_____	☒	Cansler	_____	☒	Jeffus
☒	_____	Carpenter	☒	_____	Justus
_____	☒	Church	_____	_____	Kinney
☒	_____	Clary	☒	_____	Kiser
☒	_____	Culp	_____	_____	McAllister
_____	☒	Culpepper	_____	☒	McCombs
☒	_____	Davis	_____	☒	McCrary

ROLL CALL VOTE

Page 2

YES

NO

HB#

SB#

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

Date

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
☒	☐	McMahan	☐	☒	Smith
☐	☐	Michaux	☐	☒	Sutton
☒	☐	Mitchell	☒	☐	Thompson
☐	☒	Moore	☐	☒	Tolson
☒	☐	Morgan	☐	☐	Wainwright
☐	☒	Mosley	☐	☒	Warner
☒	☐	Neeley	☐	☐	Warwick
☐	☒	Nye	☒	☐	Watson
☐	☐	Oldham	☒	☐	Weatherly
☐	☒	Owens	☒	☐	Wilson, G.
☒	☐	Preston	☐	☒	Yongue
☐	☒	Redwine			
☒	☐	Reynolds			
☐	☒	Rogers			
☐	☒	Russell			
☐	☐	Saunders			
☐	☒	Sexton			
☐	☒	Sherrill			
☒	☐	Shubert			

Ex officio Members

☐	☐	Wood, Speaker Pro Tem
☒	☐	Daughtry, Majority Leader
☒	☐	Howard, Majority Whip

e40- #19 Russell, Carried



Cyber

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALD-25

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
PHCS S1366-PCS2901-LH2

Representative Russell

- 1 moves to amend the bill on page 258, line 41, by decreasing the
- 2 amount appropriated on that line by \$3,500,000; and
- 3
- 4 on page 4, line 50, by increasing the amount appropriated on that
- 5 line by \$3,500,000; and
- 6
- 7 by adjusting the appropriate totals accordingly.

SIGNED *C. B. Russell*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. House Appropriations Report

H. B. No. _____

DATE 7/20/98

S. B. No. 1366

Amendment No. _____

COMMITTEE SUBSTITUTE PCS2901-LH2

(to be filled in by
Principal Clerk)

(Rep.) Mitchell
(Sen.) _____

- 1 moves to amend the ^{report} bill on page H1, ~~line~~ item 3
- 2 () WHICH CHANGES THE TITLE
- 3 by reducing that amount by \$2,000,000
- 4 and increasing item 4 by \$2,000,000.
- 5 _____
- 6 _____
- 7 _____
- 8 _____
- 9 _____
- 10 _____
- 11 _____
- 12 _____
- 13 _____
- 14 _____
- 15 _____
- 16 _____
- 17 _____
- 18 _____
- 19 _____

SIGNED W. F. Mitchell

ADOPTED _____ FAILED _____ TABLED _____

#20 Mitchell - Carried

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

Capital

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

DATE

7/20/98

S. B. No. *1366*

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE *PCS* *S1366-PCS2901-LH2*

Rep.) *BONNER*

Sen.) _____

1 moves to amend the bill on page *258*, line *7*

2 () WHICH CHANGES THE TITLE

3 by *adding the following language:*

4 _____
5 *"North Carolina A & T State University*
6 *Campus Security Improvements* *\$1,450,000"*
7 _____

8 *and further amends the bill on page 258, line 9*
9 *by increasing the amount on that line by*
10 *\$2,000,000*
11 _____

12 *and further amends the bill on page 258, line 32*
13 *by decreasing the amount on that line by*
14 *\$3,450,000*
15 _____

16 *and by adjusting the totals accordingly.*
17 _____
18 _____
19 _____

SIGNED

Donald J. Bonner

ADOPTED _____ FAILED _____ TABLED _____

C.A.B. #21 Bonner... Repeated



Capital

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366
PCS2901

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

SB1366PCS2901-ARA-001

Date _____, 1998

Comm. Sub. [YES]
Amends Title [NO]

Representative Carpenter

1 moves to amend the bill on page 260, line 46,
2 by inserting the following:

3
4 "JOCASSEE LAND ADMINISTERED BY THE WILDLIFE RESOURCES COMMISSION
5 Requested by Representative Carpenter.

6
7 Sec. _____. (a) The General Assembly authorizes the Wildlife
8 Resources Commission to acquire real property currently owned by
9 Duke Energy Corporation or its subsidiaries in Transylvania County
10 adjacent to Jocassee Lake.

11 (b) The acquired real property shall be known as the Jocassee
12 Gorges Multiple Use Recreational Area and shall be administered by
13 the Wildlife Resources Commission in the following manner:

14 (1) The Wildlife Resources Commission shall protect the
15 natural heritage values of the Jocassee Gorges
16 Multiple Use Recreation Area by dedicating eligible
17 portions as one or more nature preserves under the
18 Nature Preserves Act (Article 9A of Chapter 113A of
19 the General Statutes); and

20 (2) With input from the Department of Environment and
21 Natural Resources' Division of Parks and Recreation,
22 local governments, and other public and private
23 organizations with interests in conservation and
24 recreation in the Area, and with the intent to protect
25 and conserve the Area's natural characteristics and
26 wildlife, the Wildlife Resources Commission shall
27 develop a multiple use management plan for those
28 portions of the Jocassee Gorges Multiple Use

(CAB) # 22 Carpenter... Failed



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366
PCS2901

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

SB1366PCS2901-ARA-001

- 1 Recreation Area that are not dedicated as a nature
2 preserve under the Nature Preserves Act. The plan
3 shall identify portions of the Area that are best
4 suited for recreational activities, including, but not
5 limited to, camping, fishing, hiking, hunting, nature
6 study, swimming and wildlife photography.
7 (c) Of the funds appropriated in the act to the Department of
8 Environment and Natural Resources for Land Acquisition - Jocassee
9 Lake - Transylvania County land purchase, the sum of five million
10 dollars (\$5,000,000) shall be allocated to the Wildlife Resources
11 Commission to assist in the purchase of the land for the Jocassee
12 Gorges Multiple Use Area authorized by this Section. In purchasing
13 the real property for the Jocassee Gorges Multiple Use Area, the
14 Wildlife Resources Commission may use other funds available to it
15 and funds it may receive from donations by private citizens and
16 nonprofit conservation organizations and by grants from the Clean
17 Water Management Trust Fund, the Natural Heritage Trust Fund, and
18 the Wildlife Endowment Fund required to purchase land for the
19 Jocassee Gorges Multiple Use Area.
20 (d) SL 1997-276 is repealed.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

ROLL CALL VOTE

20 39 = ____ (TOTAL)
YES NO

*Rep. Carpenter's
Amendment*

HB# ____
SB# ____

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

Date

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
____	☒	Holmes	____	____	Decker
____	☒	Esposito	☒	____	Dockham
____	☒	Creech	____	____	Earle
____	☒	Crawford	____	☒	Easterling
____	____	Adams	☒	____	Ellis
____	☒	Aldridge	____	☒	Fox
____	☒	Alexander	____	☒	Gardner
____	____	Allen	____	____	Grady
☒	____	Arnold	☒	____	Gulley
☒	____	Baker	____	____	Hall
____	☒	Barbee	____	____	Hardaway
☒	____	Berry	____	____	Hardy
____	____	Black	☒	____	Hiatt
____	____	Blue	____	____	Hunter, H.
____	☒	Bonner	____	☒	Hurley
____	☒	Bowie	____	☒	Insko
____	____	Braswell	____	☒	Ives
☒	____	Cansler	____	☒	Jeffus
☒	____	Carpenter	☒	____	Justus
____	☒	Church	____	____	Kinney
____	☒	Clary	☒	____	Kiser
☒	____	Culp	____	____	McAllister
____	____	Culpepper	____	☒	McCombs
☒	____	Davis	____	☒	McCrary

ROLL CALL VOTE

Page 2

YES

NO

HB#

SB#

HOUSE STANDING COMMITTEE ON APPROPRIATIONS

Date

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
<u> </u>	<u>✓</u>	McMahan	<u> </u>	<u>✓</u>	Smith
<u> </u>	<u> </u>	Michaux	<u> </u>	<u>✓</u>	Sutton
<u> </u>	<u>✓</u>	Mitchell	<u> </u>	<u>✓</u>	Thompson
<u>✓</u>	<u> </u>	Moore	<u> </u>	<u>✓</u>	Tolson
<u>✓</u>	<u> </u>	Morgan	<u> </u>	<u> </u>	Wainwright
<u> </u>	<u>✓</u>	Mosley	<u> </u>	<u>✓</u>	Warner
<u> </u>	<u>✓</u>	Neeley	<u> </u>	<u> </u>	Warwick
<u> </u>	<u>✓</u>	Nye	<u> </u>	<u>✓</u>	Watson
<u> </u>	<u> </u>	Oldham	<u>✓</u>	<u> </u>	Weatherly
<u> </u>	<u>✓</u>	Owens	<u> </u>	<u>✓</u>	Wilson, G.
<u> </u>	<u>✓</u>	Preston	<u> </u>	<u>✓</u>	Yongue
<u> </u>	<u>✓</u>	Redwine			
<u>✓</u>	<u> </u>	Reynolds			
<u> </u>	<u>✓</u>	Rogers			
<u> </u>	<u>✓</u>	Russell			
<u> </u>	<u> </u>	Saunders			
<u>✓</u>	<u> </u>	Sexton			
<u> </u>	<u>✓</u>	Sherrill			
<u>✓</u>	<u> </u>	Shubert			

Ex officio Members

<u> </u>	<u> </u>	Wood, Speaker Pro Tem
<u>✓</u>	<u> </u>	Daughtry, Majority Leader
<u> </u>	<u> </u>	Howard, Majority Whip

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

DATE 7-20-98

S. B. No. 1366

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) Creech
Sen.) _____

1 moves to amend the bill on page 240, line 43

2 () WHICH CHANGES THE TITLE

3 by rewriting the line to read:

4 "the salary schedule, the local board shall may
5 consider the "

6 _____

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED 

ADOPTED _____ FAILED _____ TABLED _____

#22 Creech Carried



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALN-106

Date _____, 1998

Comm. Sub. [yes]PCS2901-LH2
Amends Title []

Representatives *Holmes, Esposito, Creech, Crawford*

- 1 moves to amend the bill on page 258, line 22,
2 by inserting at the end of the line, the following:
3 "Justice Center Gymnasium
4 Partial renovation \$500,000";
5
6 and further moves to amend the bill on page 258, line 41.
7 by reducing the amount allocated on that line by \$500,000; and
8
9 by adjusting the appropriate totals accordingly.
10
11

SIGNED *George Holmes*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



Church

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALH-3

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
S1366-PCS2901-LH2

1 moves to amend the bill on page 226, line 53,
2 by adding to that line the following:

3 "Requested by: Representative

4 **RECOVERY OF OVERPAYMENTS BY STATE AGENCIES**

5 Section 26.1. G.S. 147-86.22(c) reads as rewritten:

6 '(c) Collection Techniques. -- The State Controller, in
7 conjunction with the Office of the Attorney General, shall establish
8 policies and procedures to govern techniques for collection of
9 accounts receivable. These techniques may include use of credit
10 reporting bureaus, judicial remedies authorized by law, and
11 administrative setoff by a reduction of an individual's tax refund
12 pursuant to the Setoff Debt Collection Act, Chapter 105A of the
13 General Statutes, or a reduction of another payment, other than
14 payroll, due from the State to a person to reduce or eliminate an
15 account receivable that the person owes the State.

16 No later than October 1, 1998, the State Controller shall
17 negotiate a contract with a third party to perform an audit and
18 collection process of inadvertent overpayments by State agencies to
19 vendors as a result of pricing errors, neglected rebates and
20 discounts, miscalculated freight charges, unclaimed refunds,
21 erroneously paid excise taxes, and related errors. The third party
22 shall be compensated only from funds recovered as a result of the
23 audit. Savings realized in excess of costs shall be transferred
24 from the agency to the Office of State Budget and Management and
25 placed in a special reserve account for future direction by the



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALH-3

1 General Assembly. Any disputed savings shall be settled by the
2 State Controller.'"
3
4

SIGNED Walter Church Sr
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

#25. Duane Carried

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. _____

DATE _____

S. B. No. 1366

Amendment No. _____

S1366-PCS2901-2H2

(to be filled in by
Principal Clerk)

Rep.) _____

Sen.) _____

moves to amend the bill on page 48, lineS 50-52,

by deleting those lines;

and on page 49, line 1, by deleting
"(d)" and by substituting "(c)".

SIGNED _____

W.C. Davis Jr

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALN-105

Date _____, 1998

Comm. Sub. [yes]PCS2901-LH2
Amends Title []

Representative Creech

1 moves to amend the bill on page 84, line 4,
2 by inserting the following:
3
4 "Requested by: Representative Creech
5 FOREST BIOTECHNOLOGY/NCSU FUNDS
6 Section 11.15. Of the funds appropriated in this act to
7 The Board of Governors of The University of North Carolina, the sum
8 of one hundred two thousand seven hundred seventy dollars (\$102,770)
9 for the 1998-99 fiscal year shall be allocated to the Forest
10 Biotechnology Group at North Carolina State University for faculty
11 or technical positions and operating funds."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

#28 Mc Mahan carried

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

DATE _____

S. B. No. 1366

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE PCS 2901

Rep.) _____

Sen.) _____

Budget Report

F5

Item 29

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

2 () WHICH CHANGES THE TITLE

3 by rewriting the text of that item to read:

4
5 "29 Funds for Legislative Increase
6 Provides funding for a 10%
7 cost of living adjustment,
8 a 2% career growth recognition
9 award, and a 1% bonus for
10 Highway Fund employees."
11
12
13
14
15
16
17
18
19

SIGNED

W. Mahan

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

#29 Mc Mahan carried

EDITION No. _____

H. B. No. House Appropriations

DATE _____

S. B. No. Committee Report

Amendment No. _____

COMMITTEE SUBSTITUTE July 20, 1998

(to be filled in by
Principal Clerk)

Rep.

Sen.)

Mc Mahan

Revenues Based On
item: Existing Tax Structure,
line _____

1 moves to amend the ^{report} bill on page 1111

2 () WHICH CHANGES THE TITLE

3 by rewriting the list in (b)(1) to read:

4 "(b) Tax Changes:

5 (1) SB 1092:

6 Personal Income Tax Exemption (56.1)

7 Food Tax Repeal, Effective Oct 1, 1998 (122.8)

8 Inheritance Tax Repeal 0.0

9 Homestead Exemption 0.0

10 Expand Corporate Charitable Deduction 0.0

11 Increase Non Itemizer Charitable Credit 0.0 "

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED

W. L. Mahan

ADOPTED _____ FAILED _____ TABLED _____

29 Mc Mahan Carried



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ARR-003

Date _____, 1998

Comm. Sub. [yes]
Amends Title []
PHCS S1366-PCS2901-LH2

Representative McMahan

1 moves to amend the bill on page 225, line 19,
2 by inserting after that line the following:

3

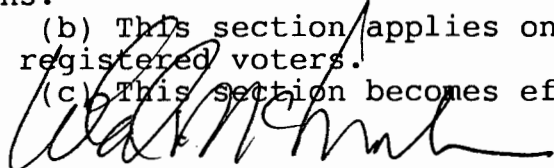
4 "Requested by: Representative McMahan

5 **CHARTER AMENDMENT**

1 Section 24.2. (a) The second sentence of G.S. 160A-104 is
2 amended by deleting the term 'State Board of Elections or 5,000,
3 whichever is less.' and substituting the term 'county board of
4 elections.'

5 (b) This section applies only to cities with more than
6 300,000 registered voters.

7 (c) This section becomes effective January 1, 1999."

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALH-4

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
S1366-PCS2901-LH2

Representative Mitchell

1 moves to amend the bill on page 152, line 25,
2 by inserting the following:

3

4 "Requested by: Representative Mitchell

5 **TRANSPORTATION AGRICULTURAL PRODUCTS EXEMPTION**

6 Section 13.11. The definitions set out in 49 Code of
7 Federal Regulations § 171.8 apply to this section. The citations to
8 the Code of Federal Regulations (CFR) refer to the 1 October 1997
9 Edition of the CFR. The transportation of an agricultural product,
10 other than a Class 2 material, over local roads between fields of
11 the same farm by a farmer operating as an intrastate private motor
12 carrier is exempt from the requirements of Parts 171 through 180 of
13 49 CFR as provided in 49 CFR § 173.5. The Department of
14 Transportation may adopt temporary rules to implement this section."

SIGNED W. F. Mitchell
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALE-27

Date 7/20, 1998

Comm. Sub. [YES]
Amends Title []
S1366-PCS2901-LH2

Representative Insko

- 1 moves to amend the bill on page 255, line 53,
2 by adding a new section after the line to read:
3 "Requested by: Representative Insko
4 **EMPLOYEE PROTECTION/UNC HOSPITALS**
5 Section 28.30. For the calendar year beginning November 1,
6 1998, and for subsequent calendar years, all initial classifications
7 and pay plans and other employee rules and regulations adopted by
8 the board of directors of the University of North Carolina Hospitals
9 at Chapel Hill or the Board of Trustees of the University of North
10 Carolina at Chapel Hill for employees of the UNC Physicians
11 Associates or adopted by the Board of Trustees of East Carolina
12 University for the Employees of the Medical Faculty Practice Plan
13 shall be submitted to the Office of State Personnel for approval by
14 the State Personnel Commission as substantially equivalent to the
15 standards established under Chapter 126 of the General Statutes for
16 State employees. Subsequent changes to these plans, rules, and
17 policies shall be also be submitted to the Office of State Personnel
18 for review upon adoption."

SIGNED

Ullie Insko
Amendment Sponsor

SIGNED _____

Committee Chair if Senate Committee Amendment

ADOPTED _____

FAILED _____

TABLED _____

33 Redwine, started 24-25

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

DATE _____

S. B. No. 1366
S1366 - PCS 2901-LH2
COMMITTEE SUBSTITUTE _____

Amendment No. _____
(to be filled in by
Principal Clerk)

Rep.) Redwine
Sen.) _____

1 moves to amend the bill on page 255, line 49-52

2 () WHICH CHANGES THE TITLE

3 by deleting these lines and

4 _____
5 on page 255, line 11 by deleting
6 "(a)"

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED [Signature]

ADOPTED _____ FAILED _____ TABLED _____



*General
Prose*

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALG-3

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
PCS2901-LH2

Representative Russell

1 moves to amend the bill on page 255, line 53,
2 by inserting the following:

3
4 "Requested by: Representative Russell
5 **COVERAGE FOR THERAPY**

6 Section 28.29. G.S. 135-40.1(7a) reads as rewritten:
7 '(7a) Experimental/Investigational Medical Procedures.
8 -- The use of a service, supply, drug, or device
9 not recognized as standard medical care for the
10 condition, disease, illness, or injury being
11 treated as determined by the Executive
12 Administrator and Board of Trustees upon the
13 advice of the Claims Processor. Determinations
14 are made after independent review of scientific
15 data. Opinions of experts in a particular field
16 and opinions and assessments of nationally
17 recognized review organizations shall also be
18 considered by the Plan but are not determinative
19 or conclusive. The fact that an
20 experimental/investigational treatment is the
21 only available treatment for a particular
22 condition will not result in coverage if the
23 treatment is experimental/investigational in the
24 treatment of the particular condition, nor is it
25 relevant for purposes of coverage that the member
26 has tried other more conventional therapies
27 without success. The following criteria are the
28 basis for determination that a service or supply
29 is investigational:



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALG-3

- a. Services or supplies requiring federal or other governmental body approval, such as drugs and devices that do not have market approval from the Food and Drug Administration (FDA) or final approval from any other governmental regulatory body for use in treatment of the condition being treated, or are not recognized for the treatment of a condition in one of the standard reference compendia or in generally accepted peer-reviewed medical literature;
 - b. There is insufficient or inconclusive scientific evidence in peer review medical literature to permit the Plan's evaluation of the therapeutic value of the service or supply;
 - c. There is inconclusive evidence that the service or supply has a beneficial effect on health outcomes;
 - d. Is provided as part of a research or clinical trial;
 - e. Are provided pursuant to a written protocol or other document that lists an evaluation of the service's safety, toxicity, or efficacy as among its objectives;
 - f. Are subject to approval or review of an Institutional Review Board or other body that approves or reviews research; or
 - g. Are provided pursuant to informed consent documents that describe the service as experimental, investigational, or part of a research study.
- Coverage shall be extended to therapies still under investigation when the treatment is being provided pursuant to a Phase II, III, or IV clinical trial that has been approved by the National Institutes of Health (NIH) or the Department of Defense. The coverage of new therapy provided pursuant to a Phase II clinical trial shall be required only for such portion of that treatment as is provided as part of the Phase II clinical trial and is not otherwise funded by a national agency or by commercial organizations. Any portions of a Phase II



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366**

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 3 of ____

S1366-ALG-3

1 trial that are customarily funded by government,
2 biotechnical or pharmaceutical or medical
3 device industry sources in North Carolina or in other
4 states shall continue to be so funded in North
5 Carolina and coverage pursuant to this section shall
6 supplement not supplant such customary funding.'".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALG-2

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
PCS2901-LH2

Representative Russell

1 moves to amend the bill on page 255, line 53,
2 by inserting the following:

3

4 "Requested by: Representative Russell

5 **CLINICAL TRIALS COVERAGE**

6 Section 28.29. G.S. 135-40.6(8) is amended by adding the
7 following paragraph to read:

8

9

10

11

12

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14

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22

23

'u. Clinical Trials: Notwithstanding the provisions
of this Article, coverage shall be extended to
therapies still under investigation when the
treatment is being provided pursuant to a Phase
II, III, or IV clinical trial that has been
approved by the National Institutes of Health
(NIH) or the Department of Defense. The coverage
of new therapy provided pursuant to a Phase II
clinical trial shall be required only for such
portion of that treatment as is provided as part
of the Phase II clinical trial and is not
otherwise funded by a national agency or by
commercial organizations. Any portions of a
Phase II trial that are customarily funded by
government, biotechnical or pharmaceutical or
medical device industry sources in North



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1366

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

S1366-ALG-2

1 Carolina or in other states shall continue to be
2 so funded in North Carolina and coverage pursuant
3 to this section shall supplement not supplant
4 such customary funding."

SIGNED CB Russell
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

#34 Creech carried

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.)

Sen.)

~~B~~ Creech

1 moves to amend the bill on page 3, line 36

2 () WHICH CHANGES THE TITLE

3 by increasing the figure on that line
4 by \$102,770 and by adjusting
5 the appropriate totals accordingly.

6
7 ~~by amending the Committee Report~~
8 ~~to include the following~~
9 ~~item~~

10 "Also"
11

SIGNED

Billy Creech

ADOPTED _____ FAILED _____ TABLED _____

**1998 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. 1366 A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT
OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997
AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

☐ With a favorable report.

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

☐ With a favorable report, as amended.

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

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

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

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

3/25/98

VISITOR REGISTRATION SHEET

APPROPRIATIONS

July 20, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Ben Douglas, Speaker	Senior Tar Heel Legislature
Wesley Wick	Senior Tar Heel Legislators
A.C. Dawson	N.C. Pub Sch Personnel
Lacy Presnell	" " " "
Carol Grimmer	DOT
BJ Farmer	DCD
K. Chester	NC - ICC
Ann Grant, APP Coord.	Johnston County Dept of Solid Services
Jenette Hodge, APP Coord	Johnston County Dept of Social Services
Lynne Browne	Exchange AP Center Raleigh
Pees Brooks	NC Health Care Facilities Assn.
Gwain Marchman	EGHS
Greg Hancock	EGHS
Melissa Howell	DOJ
Jane P. Gray	DOJ
Phil Carmichael	NC State Supporter
Charlie Sutton	Cultural Resources
Frank N. Brown, III	Cultural Resources
Walter Stagers	INCLURWA
Dr. Rector Jr.	Opening Davis Preschool Whiteville
Paul Rector	NCCCA 201 S Lee H. Whiteville, 28472
Jane Clark	CCR&R, 4 N. Blount, Raleigh 27601
Shirley Hansen	CCR&R, 4 N Blount St, Raleigh 27601
D. J. Rogers	NC DOT
Phyllis Cotton	DMH/DOHSA
D. L. Smith	NCPC
Dan Wadsworth	NC DOT

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Bucic Lattimore	INDUSTRIAL COMMISSION
Chenier	DOHS
Shannon Szymczyk	The Nature Conservancy, NC Chapter
Carol Tingley	Division of Parks and Recreation
Nancy Herritt	DHHS / Div. of Epidemiology
Steve Cline	DHHS / Div. of Epidemiology
~~William~~	Triangle Area Agency on Aging
Ann P. Dick	N.C. Senate
Janet Pittard	OSBM
Elaine Pitt, Brewster	OSBM
Debra Miles	OSBM
David Brown	OSBM
Alice Sharpe	State Construction
Charles ~~Stam~~	SEANC
Donna Moffitt	DENR - Coastal Management
Carroll Pair	DENR Soil & Water
Karen Gottiari	Div. of Aging DHHS
Thi McNulty	DENR / DPR
Leslie Starosheck	Gov's Commission on Crime
George Bradley	SENC
Alfred Hattard	Committee on Schools H.C.
Deanne Nigra	Research Division
P. Nilters	State Bd of Ed
Ann Beaman	SBE
Jack Kimbrell	Senior Tar Heel Legis. Wake County
Marie McBride	Senior Tar Heel Legislator
Ann B. Johnson	N.C. Coalition on Aging
Barbara L. Harris	OSBM

[illegible]

MINUTES
HOUSE COMMITTEE ON APPROPRIATIONS
October 26, 1998

The House Appropriations Committee met on Monday, October 26, 1998 in Room 643 of the Legislative Office Building at 5:00 P. M. Representative George Holmes, Cochair, presided. There were 58 members present including the Majority Leader, Representative Leo Daughtry.

Representative Holmes called the meeting to order and announced that Rep. Daughtry would explain House Bill 1321: Future of the Courts.

Rep. Billy Creech moved that the proposed house committee substitute for HB 1321 be taken up by the committee. Rep. Holmes announced that without objection the committee substitute would be before the body.

Rep. Daughtry said that the bill came about as the result of a study commission to establish a judicial council of 18 members to reform the court system. The council will help the governor, if he so desires, to select judges for vacant positions, will assist the director of the administrative office of the courts to recommend performance standards for all courts and all judicial officers, will monitor case loads of the appellate courts to determine whether cases are being handled expeditiously and whether the courts have adequate resources, and study and recommend guidelines for the assignment and management of the cases.

Rep. Sutton asked if the council will assist the governor at his request or will this be done automatically. Rep. Daughtry referred him to Line 17, Page 3 which states "if requested by the governor." Rep. Sutton asked about the impact of the language on Line 11, Page 3. Rep. Daughtry said this is a way for the council to study the court system to see where judges are needed and has nothing to do with appointments.

Rep. Owens presented an amendment (attached) to Page 4, Lines 19-20 rewriting those lines to read "the General Assembly." He explained that the purpose is to remove the \$200-per-day fee for the council members (which corresponds with most other boards in the state) and reimburses the members for travel, food and lodging. The motion carried by voice vote.

Rep. Creech moved that the original bill be given an unfavorable vote and the amendment be rolled into a new committee substitute bill and be given a favorable vote.

Rep. Sutton said that the council will have no power this year but four or five years from now he is afraid it will be hard to control, he sees no real need for it, and he cannot support the bill. Rep. Michaux said that this council does not do anything and urged members not to support the bill. Rep. Daughtry spoke in favor saying that the average

person feels the court system does not work right and is too expensive, and this council is the first step to reform.

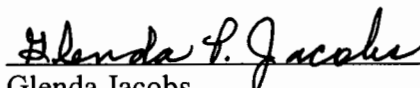
The motion carried by voice vote.

Rep. Holmes read the numbers of the bills left in the Appropriations Committee for which this is no funding. (The list is attached.)

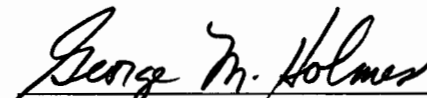
Rep. Crawford moved that the bills be postponed indefinitely. The motion carried by voice vote.

Rep. Holmes thanked the members for attending and adjourned the meeting at 5:25 P.M.

Respectfully submitted,



Glenda Jacobs
Committee Clerk



Representative George M. Holmes
Presiding Cochair

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

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1321*
Committee Substitute Favorable 7/8/98
Proposed Committee Substitute H1321-PCS6482-LL001

Short Title: Future of the Courts/Judicial Council.

(Public)

Sponsors:

Referred to:

May 19, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO IMPROVE THE STATE COURT SYSTEM BY IMPLEMENTING
3 THE RECOMMENDATION OF THE COMMISSION FOR THE FUTURE OF
4 JUSTICE AND THE COURTS IN NORTH CAROLINA TO CREATE A
5 STATE JUDICIAL COUNCIL.
6 The General Assembly of North Carolina enacts:
7 Section 1. Chapter 7A of the General Statutes is amended by adding a
8 new Article to read:
9 "ARTICLE 7A.
10 "State Judicial Council.
11 "§ 7A-49.4. Composition of State Judicial Council.
12 (a) The State Judicial Council shall consist of 18 members as follows:
13 (1) The Chief Justice, who chairs the Council;
14 (2) The Chief Judge of the Court of Appeals;
15 (3) A district attorney chosen by the Conference of District Attorneys;
16 (4) A public defender chosen by the public defenders;
17 (5) A superior court judge chosen by the Conference of Superior
18 Court Judges;
19 (6) A district court judge chosen by the Conference of District Court
20 Judges;
21 (7) An attorney appointed by the Council of the State Bar;
22 (8) One attorney and one nonattorney appointed by the Chief Justice;

(9) Two nonattorneys and one attorney appointed by the Governor;

(10) Two nonattorneys and one attorney appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives; and

(11) Two nonattorneys and one attorney appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.

(b) The Chief Justice and the Chief Judge shall be members of the State Judicial Council during their terms in those judicial offices. The terms of the other members selected initially for the State Judicial Council shall be as follows:

(1) One year. -- The district court judge, the nonattorney appointed by the Chief Justice, one nonattorney appointed upon the recommendation of the Speaker of the House of Representatives, and the attorney appointed upon the recommendation of the President Pro Tempore of the Senate.

(2) Two years. -- The district attorney, one nonattorney appointed by the Governor, the attorney appointed upon the recommendation of the Speaker of the House of Representatives, and one nonattorney appointed upon the recommendation of the President Pro Tempore of the Senate.

(3) Three years. -- The public defender, the attorney appointed by the Governor, one nonattorney appointed by the President Pro Tempore of the Senate, and one nonattorney appointed upon the recommendation of the Speaker of the House of Representatives.

(4) Four years. -- The superior court judge, the attorney appointed by the State Bar Council, the attorney appointed by the Chief Justice, and one nonattorney appointed by the Governor.

After these initial terms, the members of the State Judicial Council shall serve terms of four years. All terms of members shall begin on January 1 and end on December 31. No member may serve more than two consecutive full terms. Any vacancy on the Council shall be filled by a person appointed by the official or entity who appointed the person vacating the position.

(c) If an official or entity is authorized to appoint more than one member of the State Judicial Council, the members appointed by that official or entity must reside in different judicial districts.

(d) No incumbent member of the General Assembly or any incumbent judicial official, other than the ones specifically identified by office in subsection (a) of this section, may serve on the State Judicial Council.

(e) The appointing authorities shall confer with each other and attempt to arrange their appointments so that the members of the State Judicial Council fairly represent each area of the State, both genders, and each major racial group.

§ 7A-49.5. Duties of the State Judicial Council.

(a) The State Judicial Council shall:

- 1 (1) Study the judicial system and report periodically to the Chief
- 2 Justice on its findings;
- 3 (2) Advise the Chief Justice on priorities for funding;
- 4 (3) Review and advise the Chief Justice on the budget prepared by the
- 5 Director of the Administrative Office of the Courts for submission
- 6 to the General Assembly;
- 7 (4) Study and recommend to the General Assembly the salaries of
- 8 justices and judges;
- 9 (5) Recommend to the General Assembly changes in the expense
- 10 allowances, benefits, and other compensation for judicial officials;
- 11 (6) If a judgeship becomes vacant, review whether the judgeship is still
- 12 needed for that district and, if it is not, recommend to the Chief
- 13 Justice whether the judgeship should be transferred to another
- 14 district or should be abolished; and
- 15 (7) Advise or assist the Chief Justice, as requested, on any other
- 16 matter concerning the operation of the courts.
- 17 (b) If requested to do so by the Governor, the 12 members of the State Judicial
- 18 Council who are not judges, district attorneys, or public defenders shall constitute an
- 19 appellate nominating panel to nominate candidates to the Governor for appointment
- 20 to vacancies on the Supreme Court and Court of Appeals.
- 21 (c) The State Judicial Council, with the assistance of the Director of the
- 22 Administrative Office of the Courts, shall recommend to the Chief Justice
- 23 performance standards for all courts and all judicial officials and shall recommend
- 24 procedures for periodic evaluation of the court system and individual judicial officials
- 25 and employees. If these standards are implemented by the Chief Justice, the
- 26 Director of the Administrative Office of the Courts shall inform each judicial official
- 27 of the standards being used to evaluate that official's performance. If implemented,
- 28 the evaluation of each judge shall include assessments from other judges, litigants,
- 29 jurors, and attorneys, as well as a self-evaluation by the judge. Summaries of the
- 30 evaluations of justices and judges shall be made available to the public, in a manner
- 31 to be determined by the Council.
- 32 (d) The State Judicial Council shall monitor caseloads in the appellate courts to
- 33 determine whether cases are being handled expeditiously, whether those courts have
- 34 adequate resources, and whether the courts are able to maintain a proper balance
- 35 between criminal and civil matters. If needed to assure such a balance, the Council
- 36 may recommend the establishment of separate divisions of the Court of Appeals for
- 37 criminal and civil cases and establish procedures for the regular rotation of individual
- 38 judges between those divisions.
- 39 (e) The State Judicial Council shall study and recommend guidelines for the
- 40 assignment and management of cases, including the identification of different kinds of
- 41 cases for different kinds of resolution. If the Chief Justice decides to implement these
- 42 guidelines, they may provide that, except for good cause, each civil case subject to
- 43 assignment to a trial judge should be directed first to an appropriate form of
- 44 alternative dispute resolution. The guidelines may also provide for posttrial

1 alternative dispute resolution before or as part of an appeal. The guidelines should
2 not require absolute uniformity from district to district and should allow case
3 management personnel within each circuit the flexibility to direct cases to the most
4 appropriate means of resolution in that district.

5 (f) The State Judicial Council shall monitor the use of alternative dispute
6 resolution throughout the court system and, with the assistance of the Director of the
7 Administrative Office of the Courts and the Dispute Resolution Commission,
8 evaluate the effectiveness of those programs.

9 (g) The State Judicial Council may recommend to the Chief Justice changes in the
10 boundaries of the judicial districts.

11 (h) The State Judicial Council shall perform other functions as needed to monitor
12 the administration of justice and assess the effectiveness of the Judicial Branch in
13 serving the public and to advise the Chief Justice and the General Assembly on
14 changes needed to assist the General Court of Justice in better fulfilling its mission.

15 "§ 7A-49.6. Compensation of the State Judicial Council.

16 Members of the State Judicial Council who are not judicial officials or salaried
17 public officials shall be reimbursed for their travel, meal, and lodging expenses while
18 on Council business at the same rate as provided in G.S. 120-3.1(a)(3) for members of
19 the General Assembly."

20 Section 2. This act becomes effective January 1, 1999.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 1321

DATE 10/26/98

S. B. No. _____

Amendment No. _____

COMMITTEE SUBSTITUTE ✓

(to be filled in by
Principal Clerk)

Rep.) Owens
Sen.) _____

1 moves to amend the bill on page 4, line 5 ~~19-20~~ ~~20-21~~

2 () WHICH CHANGES THE TITLE

3 by rewriting those lines to read

4 "the General Assembly."
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SIGNED W.C. Owens Jr

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

H.B. 1321 A BILL TO BE ENTITLED AN ACT TO IMPROVE THE STATE COURT SYSTEM BY IMPLEMENTING CERTAIN RECOMMENDATIONS OF THE COMMISSION FOR THE FUTURE OF JUSTICE AND THE COURTS IN NORTH CAROLINA AND TO MAKE OTHER CHANGES IN THE OPERATIONS OF THE COURTS.

- ☐ 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 ^{HOUSE}Senate committee substitute bill. # 2
- ☐ 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)

**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.

☒ With an indefinite postponement report.

Bill Number	Short Title
H 126	INCREASE PENSION BENEFITS
H 127	UP STATE EMPLOYEE TRAVEL RATES
H 162	INCREASE DRUG PENALTIES
H 209	MOTOR VEHICLE SALVAGE CHANGES-2
H 232	DMV MEDICAL EVALUATION FUNDS
H 264	FIRE/RESCUE OPEN ENROLLMENT
H 329	SMALL FARMS ASSISTANCE FUNDS
H 352	HYDRILLA ERADICATION FUNDS
H 392	1997 CURRENT OPERATIONS BUDGET
H 480	WOMENWORK FUND
H 489	MOUNTAIN STATE FAIR FUNDS-2
H 492	CAPITAL IMPROVEMENTS APPROP. ACT
H 493	CURRENT OPERATIONS APPROPRIATIONS
H 543	COCHLEAR IMPLANT FUNDS
H 639	AGRICULTURAL LOAN FUNDS
H 641	AFFORDABLE HOUSING ASSIST. FUNDS
H 642	1997 RETIREMENT BENEFITS ACT
H 749	ONSLOW EMERGENCY CTR. FUNDS
H 802	DUPLIN AGRI. CENTER FUNDS
H 805	BATTERERS' PROGRAM FUNDS
H 813	RECONSTRUCTIVE SURGERY/COVERAGE
H 849	PT CAM FUNDS
H 911	NC COUNCIL FOR WOMENS FUNDS
H 960	VISITING ARTISTS FUNDS
H 983	NC RAILROAD ACQUISITION
H 1022	RETIREMENT SERVICE TRANSFERS
H 1031	RETIREMENT INCENTIVE
H 1081	CONDEMNATION AWARDS
H 1103	LAKE NORMAN/WILDLIFE OFFICER FUNDS
H 1167	MAKING IT UPSTREAM FUNDS
H 1179	ECONOMIC DEVELOPMENT FUNDS-2
H 1196	TRANSYLVANIA VOCATIONAL FUNDS
H 1209	RESEARCH STUDIES/WOMEN/FUNDS
H 1215	OAH INJUNCTIVE RELIEF/FUNDS
H 1250	EXPAND MARINE FISHERIES COMMISSION
H 1265	ROWLAND RECREATION PARK FUNDS
H 1266	FAIRMONT RECREATION PARK FUNDS
H 1267	MAXTON RECREATION CENTER FUNDS
H 1269	COMPETITIVE GOVT. INITIATIVE
H 1270	CTR. APPLIED TEXTILE TECH. FUNDS
H 1282	MUSEUM OF FORESTRY FUNDS-1

Bill Number	Short Title
H 1283	MUSEUM OF FORESTRY FUNDS
H 1287	WNC AGRICULTURAL CENTER FUNDS
H 1291	WILKES COURTHOUSE FUNDS
H 1292	NCSU CAPITAL FUNDS
H 1313	SANDHILLS REGION CAPITAL FUNDS
H 1322	BEACH RENOURISH/RESERVE FUNDS
H 1323	CLASS SIZE/LOW-PERFORMING SCHOOLS
H 1331	KEYS REHABILITATION CAPITAL FUNDS
H 1333	PUBLISH RULES ON INTERNET
H 1337	FIRE AND RESCUE SQUAD PENSIONS
H 1350	SMALL BUSINESS INFO. ASSISTANCE
H 1390	FUNDS FOR LOW-INCOME HOUSING
H 1395	PRINCIPALS INCENTIVE FUNDS
H 1414	SCHOOL UTIL. COSTS SHARED BY STATE
H 1425	ADDITIONAL SCHOOL DAYS PILOT
H 1435	HEALTH CARE REGISTRY
H 1440	CONFORM WITNESS TRAVEL FEES
H 1467	SOUTHERN DAIRY COMPACT FUNDS
H 1470	DISTRICT CT SETTLEMENT PROCEDURES
H 1486	NEUSE MODELING PROJECT FUNDS
H 1488	ASSISTANCE TEAMS ADD'L FUNDS
H 1516	1998 RETIREMENT BENEFITS ACT
H 1531	HOME/COMMUNITY PARTNERSHIP FUNDS
H 1543	POULTRY/RATITE DEALERS REGISTRATION
H 1545	BRANDED TITLE CLARIFICATION
H 1553	EASTERN AGRICULTURE CENTER FUNDS
H 1560	SMALL FAMILY FARMS FUNDS
H 1582	SEAT BELTS ON NEW SCHOOL BUSES
H 1584	INCREASE RETIREE DEATH BENEFITS
H 1606	UNION COMMUNITY COLLEGE FUNDS
H 1621	NONLAGOON SYSTEMS DEMO FUNDS
H 1644	CHATHAM LLRW SITING FUNDS
H 1646	SEAT BELTS ON ACTIVITY BUSES
H 1649	PIEDMONT TRIAD FARMERS MARKET FUNDS
H 1669	IMPROVE DISABILITY INCOME PLAN
H 1681	INFORMATION TECHNOLOGY TRUST FUND
H 1687	DISASTER RELIEF TRUST FUND
H 1701	ALAMANCE WORK RELEASE PILOT
H 1706	SEX OFFENDER MH TREATMENT/FUNDS
H 1715	VFD/EMS DEFIBRILLATOR FUNDS
H 1719	SUBSTITUTE TEACHER PAY RAISE
H 1721	LAKE GASTON STATE PARK STUDY

VISITOR REGISTRATION SHEET

APPROPRIATIONS

October 26, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
<i>John Gray</i>	<i>Public School System of NC</i>
JOHANY GRAY	OSBM
Jim Nowell	OSBM
J.W. Reel	OSBM
Milton Alford	OSBM
Byron K. Harris	OSBM
DAVE BLUTON	DHHS
Jim Edgert	DHHS
David Simmons	ZDA PA
Stephanie Mansur	NC Assoc. of Realtors
<i>Allen Duffey</i>	<i>DHHS</i>
Frank LeBlond	SO.S
Alan Alda	CBS
Dianne Reasley	Ford
Brenda Summers	NC Ecology
Chris Fitzsimon	Comm. State Fidelity
Suei Schmidt	NCJCDG
Alan Seary	NEHAC
Anna Tefft	OSBM
WES ROSECRAND	OSBM
Wheeler	OSBM
Angie McMillan	TNC: NC Chap
Jim Kent	NC Conf of DA
Wendy Mills	SEANC
Katherine Joyce	SEANC

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Michael Miller	Family
Charles Cromer	WATL
Al Dora	IATO
Galtus & Galt	DYHNDAS
Lynne Cuylock	Dept of Commerce
Christina Marks	AOC
Flannery Bonds	AOC
Ken Howell	NCBA
Ann Beilam	SBE
Starla McHenry	Insurance
S. Ransom	DSS
By Farmer	DHHS-DCD
MICHELLE COTTINI	DRAT / DD / SAs
Harriet Diehl	NCAE
Daphne Lynn	NCAE
Alfred Gregory	DMA - DHHS
Jane Goshorn	Poyner & Spruill
Jim Brown	UNC-GA / NCSU Ag Pgm
Zeb Alley	State Parks
Gailyn Hawthorne	ZDA PA
Annette Ethridge	UNC-CH
Marsha Glass	Governor's Office
Heather E. Fabbey	DOA
Edward Allen	OSA
Carolyn Hovine	SOS
John Bowditch	MAssaly House
Charker	Zeb Alley P.A.
	Bone & Associates

[illegible]

Box 11

1. 1997 House Appropriations – Capital & Budget
2. 1998 House Appropriations – Capital & Budget
3. 1997 House Appropriations – Education
4. 1998 House Appropriations – Education
5. 1997 House Appropriations – General Government
6. 1998 House Appropriations – General Government
7. 1997 House Appropriations – Human Resources (cont'd. to Box 12)