

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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2

SENATE BILL 1366

Appropriations Committee Substitute With Amendments Adopted 6/30/98

Short Title: Appropriations Act of 1998.

(Public)

Sponsors:

Referred to:

May 27, 1998

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.

The General Assembly of North Carolina enacts:

PART I. INTRODUCTION AND TITLE OF ACT

INTRODUCTION

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

TITLE OF ACT

Section 1.1. This act shall be known as the "Current Operations Appropriations and Capital Improvement Appropriations Act of 1998".

PART II. CURRENT OPERATIONS/GENERAL FUND

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

<u>Current Operations - General Fund</u>	<u>1998-99</u>
General Assembly	\$ -
0-	
Judicial	Department
29	6,743,5
Office of the Governor	
01. Office of the Governor	30,704
02. Office of State Budget and Management	1,000,737
03. Office of State Planning	1,293,882
04. Housing Finance Agency	2,000,000
Office of the Lieutenant Governor	25,000
Department of Secretary of State	2,037,7
19	
Department of State Auditor	1,583,2
58	
Department of State Treasurer	1,417,5
25	
Department of Public Education	131,388
,109	

1	Department	of	Justice
2			1,562,0
3	81		
4			
5	Department of Administration		988,641
6			
7	Department of Agriculture and		
8	Consumer		Services
9			1,955,2
10	96		
11			
12	Department of Labor		190,000
13			
14	Department	of	Insurance
15			2,518,8
16	93		
17			
18	Department of Transportation		-
19			
20	Department of Environment and		
21	Natural		Resources
22			24,983,
23	448		
24			
25	Office of Administrative Hearings		277,641
26			
27	Rules Review Commission		-
28			
29	Department of Health and Human Services		
30	01. Office of the Secretary	11,088,375	
31	02. Division of Aging	4,000,000	
32	03. Division of Child Development	55,603,289	
33	04. Division of Services for the		
34	Deaf and Hard of Hearing	185,000	
35	05. Division of Social Services	(16,371,926)	
36	06. Division of Health Services	9,824,000	
37	07. Division of Medical Assistance	(64,710,957)	
38	08. Division of Services		
39	for the Blind	300,000	
40	09. Division of Mental Health,		
41	Developmental Disabilities, and		
42	Substance Abuse Services	52,905,001	
43	10. Division of Facility Services	300,000	

1	03.	Related Educational Programs	7,177,770		
2	04.	University of North Carolina			
3		at Chapel Hill			
4		a. Academic Affairs	(665,108)		
5		b. Health Affairs	(702,514)		
6		c. Area Health Education			
7		Centers	(39,753)		
8	05.	North Carolina State University			
9		at Raleigh			
10		a. Academic Affairs	(355,191)		
11		b. Agricultural Research Service		(42,451)	
12		c. Cooperative Extension Service		(33,652)	
13	06.	University of North Carolina at			
14		Greensboro	(232,914)		
15	07.	University of North Carolina at			
16		Charlotte	(111,070)		
17	08.	University of North Carolina at			
18		Asheville	(20,866)		
19	09.	University of North Carolina at			
20		Wilmington	(40,663)		
21	10.	East Carolina University			
22		a. Academic Affairs	(191,207)		
23		b. Division of Health Affairs		(42,480)	
24	11.	North Carolina Agricultural and			
25		Technical State University	(51,643)		
26	12.	Western Carolina University	(70,087)		
27	13.	Appalachian State University	(151,650)		
28	14.	The University of North			
29		Carolina at Pembroke	(19,141)		
30	15.	Winston-Salem State University		(20,759)	
31	16.	Elizabeth City State			
32		University	(58,252)		
33	17.	Fayetteville State University	(24,605)		
34	18.	North Carolina Central			
35		University	(3,525)		
36	19.	North Carolina School of the			
37		Arts	(12,280)		
38	20.	North Carolina School of			
39		Science and Mathematics.	(9,897)		
40	UNC	Hospitals	at	Chapel	Hill
41					(36,783
42)				
43	Total	University of North			

1	Carolina	-	Board	of	Governors
2					84,000,
3	469				
4					
5	Department		of	Community	Colleges
6					44,776,
7	373				
8					
9	State		Board	of	Elections
10					1,741,1
11	68				
12					
13	Contingency and Emergency				-
14					
15	Reserve	for		Compensation	Increase
16					385,042
17	,966				
18					
19	Retirement Rate Adjustment				
20	(44,381,870)				
21					
22	Reserve for Salary Adjustments				-
23					
24	Debt				Service
25					(14,179
26	,574)				
27					
28	Debt Service - Federal				-
29					
30	Postage Reduction				-
31	Reserve	for	Juvenile	Justice	Initiatives
32					17,347,
33	487				
34	Reserve for Travel Rate Increase				
35	for		State		Employees
36	1,000,000				
37	Reserve	for		Global	TransPark
38					5,325,0
39	00				
40					
41	GRAND TOTAL CURRENT OPERATIONS –				

1 GENERAL FUND
 2 \$781,76
 3 5,822
 4

PART III. CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

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

11
 12 Current Operations - Highway Fund 1998-99

13
 14 Department of Transportation

- 15 01. Administration \$ 14,219,314
- 16 02. Operations -
- 17 03. Construction and Maintenance
 - 18 a. Construction
 - 19 (01) Primary Construction -
 - 20 (02) Secondary Construction (2,050,000)
 - 21 (03) Urban Construction -
 - 22 (04) Access and Public Service Roads -
 - 23 (05) Discretionary Fund -
 - 24 (06) Spot Safety Construction -
 - 25 b. State Funds to Match Federal Highway Aid (33,153,153)
 - 26 c. State Maintenance 37,707,354
 - 27 d. Ferry Operations -
 - 28 e. Capital Improvements 4,070,348
 - 29 f. State Aid to Municipalities (2,050,000)
 - 30 g. State Aid for Public Transportation and Railroads 12,400,000
 - 31 h. OSHA - State -
- 32 04. Governor's Highway Safety Program -
- 33 05. Division of Motor Vehicles 881,140
- 34 06. Reserves and Transfers (25,641,370)

41 GRAND TOTAL CURRENT OPERATIONS/
 42 HIGHWAY FUND \$
 43 6,383,633

PART IV. HIGHWAY TRUST FUND

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

<u>Highway Trust Fund</u>	<u>1998-99</u>
01. Intrastate System(\$ 20,194,558)	
02. Secondary Roads Construction(393,452)	
03. Urban Loops (8,165,838)	
04. State Aid - Municipalities (2,118,880)	
05. Program Administration <u>143,380</u>	
GRAND TOTAL/HIGHWAY TRUST FUND	(\$
30,729,348)	

PART V. BLOCK GRANT FUNDS

Requested by: Senator Martin of Guilford

DHHS BLOCK GRANT PROVISIONS

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

COMMUNITY SERVICES BLOCK GRANT

01. Community Action Agencies	\$ 11,573,346
02. Limited Purpose Agencies	642,964
03. Department of Health and Human Services to administer and monitor the activities of the Community Services Block Grant	642,964
TOTAL COMMUNITY SERVICES BLOCK GRANT	\$
12,859,274	

SOCIAL SERVICES BLOCK GRANT

01. County departments of social services	\$ 30,395,663
02. Allocation for in-home services provided by county departments of	

1	social services	2,101,113
2		
3	03. Division of Mental Health, Developmental	
4	Disabilities, and Substance Abuse Services	4,764,124
5		
6	04. Division of Services for the Blind	3,205,711
7		
8	05. Division of Youth Services	950,674
9		
10	06. Division of Facility Services	343,341
11		
12	07. Division of Aging - Home and Community	
13	Care Block Grant	1,915,234
14		
15	08. Day care services	13,853,152
16		
17	09. Division of Vocational Rehabilitation -	
18	United Cerebral Palsy	71,484
19		
20	10. State administration	1,954,237
21		
22	11. Child Medical Evaluation Program	238,321
23		
24	12. Adult day care services	2,255,301
25		
26	13. County departments of social services for	
27	child abuse/prevention and	
28	permanency planning	394,841
29		
30	14. Transfer to Preventive Health	
31	Block Services Grant for	
32	emergency medical services	213,128
33		
34	15. Transfer to Preventive Health Block	
35	Services Grant for AIDS education, counseling,	
36	and testing	66,939
37		
38	16. Department of Administration	
39	for the N.C. Commission of Indian Affairs	
40	In-Home Services Program for the elderly	203,198
41		
42	17. Division of Vocational Rehabilitation -	
43	Easter Seals Society	116,779

1			
2	18.	UNC-CH CARES Program for training and	
3		consultation services 247,920	
4			
5	19.	Allocation to the Adolescent	
6		Pregnancy Prevention Program 239,261	
7			
8	20.	Office of the Secretary - Office of Economic	
9		Opportunity for N.C. Senior Citizens'	
10		Federation for outreach services to	
11		low-income elderly persons 41,302	
12			
13	21.	County departments of social services	
14		for child welfare improvements 2,211,687	
15			
16	22.	Transfer from TANF - Division of	
17		Mental Health, Developmental	
18		Disabilities, and Substance Abuse	
19		Services for juvenile offenders 1,182,280	
20			
21	23.	Transfer from TANF - Enhanced	
22		Employee Assistance Program 1,000,000	
23			
24	24.	Transfer from TANF - Teen Pregnancy	
25		Prevention 2,000,000	
26			
27		TOTAL SOCIAL SERVICES BLOCK GRANT	\$
28		69,965,690	
29			
30		LOW-INCOME ENERGY BLOCK GRANT	
31			
32	01.	Energy Assistance Programs \$ 6,350,240	
33			
34	02.	Crisis Intervention 6,461,000	
35			
36	03.	Administration 1,443,572	
37			
38	04.	Department of Commerce -	
39		Weatherization Program 4,171,960	
40			
41	05.	Department of Administration -	
42		N.C. Commission of Indian Affairs 33,228	
43			

1	TOTAL LOW-INCOME ENERGY BLOCK GRANT	\$
2	18,460,000	
3		
4	MENTAL HEALTH SERVICES BLOCK GRANT	
5		
6	01. Provision of community-based	
7	services in accordance with the	
8	Mental Health Study Commission's	
9	Adult Severe and Persistently	
10	Mentally Ill Plan \$ 3,794,179	
11		
12	02. Provision of community-based	
13	services in accordance with the	
14	Mental Health Study Commission's	
15	Child Mental Health Plan 1,819,931	
16		
17	03. Administration 624,231	
18		
19	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$
20	6,238,341	
21		
22	SUBSTANCE ABUSE PREVENTION	
23	AND TREATMENT BLOCK GRANT	
24		
25	01. Provision of community-based	
26	alcohol and drug abuse services,	
27	tuberculosis services, and services	
28	provided by the Alcohol, Drug Abuse	
29	Treatment Centers \$ 11,502,939	
30		
31	02. Continuation of services for	
32	pregnant women and women	
33	with dependent children5,065,766	
34		
35	03. Continuation and expansion of	
36	services to IV drug abusers and others	
37	at risk for HIV diseases 4,843,456	
38		
39	04. Provision of services in accordance with	
40	the Mental Health Study Commission's	
41	Child and Adolescent Alcohol and Other	
42	Drug Abuse Plan5,964,093	
43		

1	05.	Services for former SSI recipients	1,123,757	
2				
3	06.	Juvenile Services - Family Focus	893,811	
4				
5	07.	Juvenile offender services and substance		
6		abuse pilot	300,000	
7				
8	08.	Administration	2,171,228	
9				
10	TOTAL SUBSTANCE ABUSE PREVENTION			
11	AND TREATMENT BLOCK GRANT			\$
12	31,865,050			
13				
14	CHILD CARE AND DEVELOPMENT BLOCK GRANT			
15				
16	01.	Before and After School Child Care Programs		
17		and Early Childhood Development Programs	\$845,598	
18				
19	02.	Quality improvement activities	752,281	
20				
21	TOTAL CHILD CARE AND DEVELOPMENT			
22	BLOCK GRANT			\$
23	1,597,879			
24				
25	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT			
26				
27	01.	Child care subsidies	\$108,625,251	
28				
29	02.	Quality and availability initiatives	4,774,736	
30				
31	03.	Administrative expenses	5,968,420	
32				
33	04.	Transfer from TANF Block Grant for		
34		child care subsidies and support	55,075,185	
35				
36	05.	Transfer from TANF Block Grant for three		
37		child care centers at community colleges	500,000	
38				
39	TOTAL CHILD CARE AND DEVELOPMENT FUND			
40	BLOCK			GRANT
41				\$1
42	74,943,592			
43				

1 TEMPORARY ASSISTANCE TO NEEDY FAMILIES
2 (TANF) BLOCK GRANT

- 3
- 4 01. Work First Cash Assistance:
- 5 Standard Counties \$160,230,540
- 6 Electing Counties 43,084,638
- 7
- 8 02. Work First County Block Grants 50,174,419
- 9
- 10 03. Transfer to Child Care and Development
- 11 Fund Block Grant for three child
- 12 care centers at community colleges 500,000
- 13
- 14 04. Transfer to the Child Care and
- 15 Development Fund Block Grant
- 16 for child care subsidies 55,075,185
- 17
- 18 05. Allocation to the Division of Mental
- 19 Health, Developmental Disabilities, and
- 20 Substance Abuse Services for Work First
- 21 substance abuse treatment services
- 22 and drug testing 2,000,000
- 23
- 24 06. Allocation to the Division of Social
- 25 Services for evaluation 1,000,000
- 26
- 27 07. Allocation to the Division of Social
- 28 Services for State and county
- 29 staff development 500,000
- 30
- 31 08. Reduction of out-of-wedlock births 1,600,000
- 32
- 33 09. Allocation to the Division of Mental
- 34 Health, Developmental Disabilities, and
- 35 Substance Abuse Services for screening,
- 36 diagnostic, and counseling services
- 37 related to substance abuse services
- 38 for Work First participants 2,300,000
- 39
- 40 10. Transfer to the Social Services Block Grant
- 41 for substance abuse services for juveniles 1,182,280
- 42
- 43 11. Transfer to the Social Services Block Grant

1	to establish the Special Children				
2	Adoption Fund	300,000			
3					
4	12. Department of Commerce -				
5	First Stop/Employment Security Commission	750,000			
6					
7	13. Transfer to Social Services Block Grant -				
8	Enhanced Employee Assistance Program	1,000,000			
9					
10	14. Specialized Vocational				
11	Rehabilitation	Staff	for	Work	First
12	477,529				
13					
14	15. Planning for "Next Step" for TANF				
15	children and families	150,000			
16					
17	16. Work First Substance Abuse Coordinator				
18	in Division of Mental Health, Developmental				
19	Disabilities, and Substance Abuse Services	75,000			
20					
21	17. Work First Job Retention and Follow-up				
22	Initiatives	2,600,000			
23					
24	18. Work First Substance Abuse Model				
25	Programs	900,000			
26					
27	19. Transfer to Social Services Block Grant				
28	for Teen Pregnancy Prevention	2,000,000			
29					
30	TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES				
31	(TANF)	BLOCK		GRANT	
32				\$3	
33	25,899,591				
34					
35	MATERNAL AND CHILD HEALTH BLOCK GRANT				
36					
37	01. Healthy Mother/Healthy Children				
38	Block Grants to Local Health				
39	Departments	\$ 9,838,074			
40					
41	02. High Risk Maternity Clinic Services,				
42	Perinatal Education and Training,				
43	Childhood Injury Prevention,				

1	Public Information and Education, and	
2	Technical Assistance to Local Health	
3	Departments	1,722,869
4		
5	03. Services to Children With Special Health	
6	Care Needs	4,969,002
7		
8	TOTAL MATERNAL AND CHILD	
9	HEALTH BLOCK GRANT	\$ 16,529,945
10		
11	PREVENTIVE HEALTH SERVICES BLOCK GRANT	
12		
13	01. Transfer from Social Services	
14	Block Grant -	
15	Emergency Medical Services	\$ 213,128
16		
17	02. Hypertension and Statewide	
18	Health Promotion Programs	3,320,637
19		
20	03. Dental Health for Fluoridation	
21	of Water Supplies	213,308
22		
23	04. Rape Prevention and Rape	
24	Crisis Programs	190,134
25		
26	05. Rape Prevention and Rape Education	1,144,957
27		
28	06. Transfer from Social Services	
29	Block Grant -	
30	AIDS/HIV Education, Counseling,	
31	and Testing	66,939
32		
33	07. Office of Minority Health and	
34	Minority Health Council	177,442
35		
36	08. Administrative and Indirect Cost	207,210
37		
38	TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	\$ 5,533,755

39 (b) Decreases in Federal Fund Availability -
 40 Decreases in federal fund availability in all Block Grants except the TANF Block Grant,
 41 the Maternal and Child Health Block Grant, and the Preventive Health Services Block
 42 Grant shall be reduced as follows: if federal funds are reduced below the amounts
 43

1 specified above after the effective date of this act, then every program in each of the
2 federal block grants listed above shall be reduced by equal percentages to total the
3 reduction in federal funds.

4 The Department of Health and Human Services shall cooperate with all other
5 State and local agencies and public and private entities (i) that are impacted by the Social
6 Services or the TANF Block Grant and (ii) that will be affected by future reductions in
7 the Social Services Block Grant in the preparation of a State/local report, setting out
8 concrete plans for dealing with future cuts in the Social Services Block Grant. The
9 Department shall present this report to the members of the Senate Appropriations
10 Committee on Human Resources and the House of Representatives Appropriations
11 Subcommittee on Human Resources within a week of the convening of the 1999 General
12 Assembly.

13 If the United States Congress reduces the amount of TANF funds below the
14 amounts specified above after the effective date of this act, then the Department shall
15 reduce every item in the TANF Block Grant section listed above pro rata. Any TANF
16 funds appropriated by the United States Congress in addition to the funds specified in this
17 act shall not be expended until appropriated by the General Assembly. Any TANF Block
18 Grant fund changes shall be reported to the members of the Senate Appropriations
19 Committee on Human Resources and the House of Representatives Appropriations
20 Subcommittee on Human Resources
21 and to the Fiscal Research Division.

22 Decreases in federal fund availability shall be allocated for the Maternal and
23 Child Health and Preventive Health Services federal block grant as follows: if federal
24 funds are reduced less than ten percent (10%) below the amounts specified above after
25 the effective date of this act, then every program in the Maternal and Child Health and in
26 the Preventive Health Services Block Grants shall be reduced by the same percentage as
27 the reduction in federal funds. If federal funds are reduced by ten percent (10%) or more
28 below the amounts specified above after the effective date of this act, then for the
29 Maternal and Child Health and the Preventive Health Services Block Grants the
30 Department of Health and Human Services shall allocate the decrease in funds after
31 considering the effectiveness of the current level of services.

32 (c) Increases in Federal Fund Availability -

33 Any increases in the Community Services Block Grant and the Low-Income Energy
34 Block Grant Funds Grant shall be expended as follows: any block grant funds
35 appropriated by the United States Congress in addition to the funds specified in this act
36 shall be expended by the Department of Health and Human Services, provided that the
37 resultant increases are in accordance with federal block grant requirements, by allocating
38 the additional funds for direct services only among the programs funded in this section.

39 Any block grant funds appropriated by the United States Congress for the
40 Social Services Block Grant in addition to the funds specified in this act shall be
41 expended by the Department of Health and Human Services, provided the resultant
42 increases are in accordance with federal block grant requirements, as follows:

- 1 (1) Fifty percent (50%) of the funds shall be allocated to the county
2 departments of social services for mandatory services; and
3 (2) The remaining fifty percent (50%) shall be allocated for direct services
4 only among the programs funded in this section.

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

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

- 13 (1) For the Maternal and Child Health Block Grant – Thirty percent (30%)
14 of these additional funds shall be allocated to services for children with
15 special health care needs and seventy percent (70%) shall be allocated to
16 local health departments to assist in the reduction of infant mortality.
17 (2) For the Preventive Health Services Block Grants – These additional
18 funds may be budgeted by the appropriate department, with the approval
19 of the Office of State Budget and Management, after considering the
20 effectiveness of the current level of services and the effectiveness of
21 services to be funded by the increase, provided the resultant increases
22 are in accordance with federal block grant requirements and are within
23 the scope of the block grant plan approved by the General Assembly.

24 (d) Changes to the budgeted allocations to the Block Grants appropriated in
25 this act due to decreases or increases in federal funds shall be reported to the Joint
26 Legislative Commission on Governmental Operations, the members of the Senate
27 Appropriations Committee on Human Resources and the House of Representatives
28 Appropriations Subcommittee on Human Resources and to the Fiscal Research Division.

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

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

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

1 (f) The sum of one million dollars (\$1,000,000) appropriated in this section to
2 the Department of Health and Human Services in the TANF Block Grant for the 1998-99
3 fiscal year for evaluation shall be used:

4 (1) To evaluate the Work First Program to assess the success of the current
5 waiver program in effect until the General Assembly's approval of the
6 new TANF State Plan in order to determine the impact on TANF
7 recipients and their children. The Department shall contract with an
8 independent consultant to develop an evaluation design that shall ensure
9 that the evaluation includes an assessment of the impact of the Program
10 on the economic security and health of children and families, child
11 abuse and neglect, caseloads for child protective services and foster
12 care, school attendance, and academic and behavioral performance. The
13 Department shall report the results of this evaluation study, together
14 with any recommendations, to the Senate Appropriations Committee on
15 Human Resources and the House of Representatives Appropriations
16 Subcommittee on Human Resources by March 1, 1999; and

17 (2) To contract with an independent consultant with expertise in evaluating
18 large social programs to plan and design an evaluation of the Work First
19 Program established by Part 2 of Article 2 of Chapter 108A of the
20 General Statutes that will come into full effect upon the approval of the
21 new TANF State Plan. The evaluation plan and design shall ensure that
22 the evaluation includes an assessment of the impact of the Program on
23 the economic security and health of children and families, child abuse
24 and neglect, caseloads for child protective services and foster care,
25 school attendance, and academic and behavioral performance. The
26 independent consultant shall report on the evaluation plan and design to
27 the Senate Appropriations Committee on Human Resources and the
28 House of Representatives Appropriations Subcommittee on Human
29 Resources by December 1, 1998.

30 (g) The sum of one hundred fifty thousand dollars (\$150,000) appropriated to
31 the Department of Health and Human Services in this section in the TANF Block Grant
32 for the 1998-99 fiscal year for "Next Step" shall be used to develop a substance abuse
33 program plan that meets the specialized substance abuse services needs of TANF children
34 and their families. This plan shall include a strong evaluation model/design to assess
35 services' effectiveness in order to facilitate decision making regarding expansion of the
36 program. The Department shall report on this plan, together with any recommendations,
37 to the Senate Appropriations Committee on Human Resources and the House of
38 Representatives Appropriations Subcommittee on Human Resources no later than
39 January 1, 1999.

40 (h) The sum of two million six hundred thousand dollars (\$2,600,000)
41 appropriated to the Department of Health and Human Services in this section in the
42 TANF Block Grant in the 1998-99 fiscal year for the Work First job retention and
43 follow-up model programs shall be used to implement pilots and strategies that support

1 TANF recipients in attaining and maintaining self-sufficiency through job retention,
2 family support services, pre-and post-TANF follow-up. The pilots and strategies shall be
3 developed with a strong evaluation component that looks at outcomes such as
4 child/family well-being, family economic progress, and in consultation with local
5 departments of social services, area mental health programs, the Employment Security
6 Commission, work force development boards, businesses, institutions of higher
7 education, advocacy groups, and faith communities. The Department shall report on its
8 progress in developing and implementing these pilots and strategies to the Senate
9 Appropriations Committee on Human Resources and the House of Representatives
10 Appropriations Subcommittee on Human Resources by January 15, 1999.

11 (i) The Department of Health and Human Services shall develop a plan for
12 implementation of a specialized vocational rehabilitation counseling component for
13 certain TANF recipients with substance abuse services needs. The Department shall
14 coordinate with the Division of Vocational Rehabilitation and the Department of
15 Commerce, Employment Security Commission, and collaborate with local human
16 services agencies and the business community to develop the plan. The Department shall
17 report on this plan to the Senate Appropriations Committee on Human Resources and the
18 House of Representatives Appropriations Subcommittee on Human Resources by
19 November 15, 1998.

20 (j) If, during the 1998-99 fiscal year, the Department of Health and Human
21 Services determines that a child care subsidy waiting list for prior or current TANF
22 recipients is detrimental to the continued success of the Work First Program, the Office
23 of State Budget and Management may make additional allocations from the TANF Block
24 Grant to the Child Care Development Fund Block Grant. Prior to making these
25 allocations, the Office of State Budget and Management shall report to the Senate
26 Appropriations Committee on Human Resources and the House of Representatives
27 Appropriations Subcommittee on Human Resources or to the Joint Legislative
28 Commission on Governmental Operations, whichever meets earlier.

29 (k) The sum of two million dollars (\$2,000,000) appropriated to the
30 Department of Health and Human Services in this section in the TANF Block Grant for
31 the 1998-99 fiscal year and transferred to the Social Services Block Grant for Teen
32 Pregnancy Prevention shall be used to develop and implement local programs and
33 initiatives aimed at reducing teen pregnancy. The programs developed with these funds
34 shall be based on model programs that have been proven successful by extensive
35 evaluation. The programs and initiatives shall include:

- 36 (1) Adolescent parenting programs;
- 37 (2) Adolescent pregnancy prevention programs;
- 38 (3) Local coalition programs combining adolescent parenting and
39 adolescent pregnancy prevention components;
- 40 (4) Teen care coordination projects;
- 41 (5) A media campaign, to raise awareness of teens and their parents.

42 (l) The sum of one million three hundred thousand dollars (\$1,300,000)
43 appropriated in this section in the Social Services Block Grant to the Department of

1 Health and Human Services, Division of Social Services, for the 1998-99 fiscal year shall
2 be allocated to county departments of social services for hiring or contracting for
3 additional child protective services, foster care, and adoption worker and supervisor
4 positions created after this act becomes law based upon a formula which takes into
5 consideration the number of child protective services, foster care, and adoption cases, and
6 child protective services, foster care, and adoption workers and supervisors necessary to
7 meet recommended standards adopted by the North Carolina Association of County
8 Directors of Social Services. No local match shall be required as a condition for receipt
9 of these funds.

10 (m) The sum of nine hundred eleven thousand six hundred eighty-seven dollars
11 (\$911,687) appropriated in this section in (i) the Social Services Block Grant and (ii) in
12 the TANF Block Grant transferred to the Social Services Block Grant to the Department
13 of Health and Human Services, Special Children Adoption Fund, for the 1998-99 fiscal
14 year shall be used to implement this subsection. Of the monies in the Special Children
15 Adoption Fund, the Department shall award a minimum of four hundred thousand dollars
16 (\$400,000) to licensed private adoption agencies. The Department of Health and Human
17 Services, Division of Social Services, in consultation with the North Carolina Association
18 of County Directors of Social Services and representatives of licensed private adoption
19 agencies, shall develop guidelines for the awarding of funds to licensed public and
20 private adoption agencies upon successful placement for adoption of children described
21 in G.S. 108A-50 and in foster care. No local match shall be required as a condition for
22 receipt of these funds.

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

29 (n) If funds appropriated through the Child Care and Development Fund,
30 which includes the Child Care and Development Block Grant, for any program cannot be
31 obligated or spent in that program within the obligation or liquidation periods allowed by
32 the federal grants, the Department may move funds to other programs, in accordance with
33 federal requirements of the grant, in order to use the federal funds fully.

34 (o) The sum of five hundred thousand dollars (\$500,000) appropriated in this
35 section in the TANF Block Grant to the Department of Health and Human Services for
36 the 1998-99 fiscal year and transferred to the Child Care and Development Fund Block
37 Grant for transfer to the Department of Community Colleges shall be used to continue the
38 three model early childhood education centers in three community colleges, one in the
39 eastern part of the State, one in the western part of the State, and one in the Piedmont.

40 (p) Notwithstanding the amounts specified in this section for the components
41 of the Temporary Assistance for Needy Families (TANF) Block Grant, the Department
42 may expend TANF Block Grant funds during the first quarter of the 1998-99 fiscal year

1 for the same purposes for which those funds were expended during the last quarter of the
2 fiscal year ending June 30, 1998.

3
4 Requested by: Senator Martin of Pitt

5 **NER BLOCK GRANT FUNDS**

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

8
9 WELFARE-TO-WORK BLOCK GRANT \$25,000,000

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

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

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

41 (d) Limitations on Community Development Block Grant Funds – Of the funds
42 appropriated in this section for the Community Development Block Grant, the following
43 shall be allocated in each category for each program year: up to nine hundred thousand

1 dollars (\$900,000) may be used for State administration; up to one million two hundred
2 seventy-seven thousand four hundred dollars (\$1,277,400) may be used for Urgent Needs
3 and Contingency; up to two million seven hundred sixty-seven thousand seven hundred
4 dollars (\$2,767,700) may be used for Community Empowerment; up to eight million five
5 hundred sixteen thousand dollars (\$8,516,000) may be used for Economic Development;
6 not less than twenty-eight million five hundred twenty-eight thousand six hundred dollars
7 (\$28,528,600) shall be used for Community Revitalization; up to four hundred forty
8 thousand dollars (\$440,000) may be used for State Technical Assistance; up to one
9 million four hundred ninety thousand three hundred dollars (\$1,490,300) may be used for
10 Housing Development. If federal block grant funds are reduced or increased by the
11 Congress of the United States after the effective date of this act, then these reductions or
12 increases shall be allocated in accordance with subsection (b) or (c) of this section, as
13 applicable.

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

22 (f) Welfare-to-Work Block Grant – The Office of State Budget and
23 Management may identify in the budgets of the Department of Commerce, the
24 Employment Security Commission, and the Department of Health and Human Services,
25 potential sources of State funds which may be used as match for the federal Welfare-to-
26 Work Block Grant. If funds are not sufficient from these sources, the Office of State
27 Budget and Management may identify potential sources from other State agencies and
28 departments.

29

30 PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY 31 STATEMENTS

32 GENERAL FUND AVAILABILITY STATEMENTS

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

35 (\$ Millions)

36	01. Composition of the 1998-99 beginning availability:	
37	a. Revenue collections unaddressed in 1997-98	\$ 121.5
38	b. Revenue collections in 1997-98 in excess of	
39	authorized	estimates
40	614.4	
41	c. Unexpended appropriations during 1997-98 (reversions)	100.0
42	d. Adjustment for Emergency Appro./Yr. 2000 Conversion	(20.5)

1	Beginning	Credit	Balance
2	815.4		
3			
4	02. Earmarked Transfers from Credit Balance:		
5	a. Transfer to Savings Reserve (21.6)		
6	b. Transfer for Reserve for Repairs & Renovations (145.0)		
7	c. Transfer to Clean Water Management Reserve (53.0)		
8	d. Transfer to Reserve for Bailey/Emory/Patton Cases Refunds (400.0)		
9	Total		Transfers
10	(619.6)		
11			
12	03. Beginning Unrestricted Fund Balance 195.8		
13			
14	04. Revenues Based on Existing Tax Structure:		
15	a. Tax Revenues Originally Projected 11,547.7		Revenue
16	Additional Projected Tax		
17	152.5		
18	Total Tax		Revenues
19	11,700.2		
20	b. Tax Changes:		
21	01. Repeal Food Tax Effective Nov. 1 (53.9)		
22	02. Repeal Income Tax on Retired Gov't. Emp. (Bailey Case) (128.6)		
23	03. Continue Earmarked Refund for Federal Retirees (35.5)		
24	Total Tax		Changes
25	(218.0)		
26			
27	c. Non-Tax Revenues 472.4		
28	Additional Non-Tax Revenue:		
29	Treasurer's Banking Division		1.1
30	Secretary of State Fees		0.5
31	DHHS-Certificate of Need Fees		1.5
32	Fed. Retiree Refund Program-Administration		0.7
33	Intangibles Tax Reserve Balance		7.4
34	Fed. Retiree Refund Reserve Balance		9.7
35	Transfer from Insurance Regulatory Fund		3.1
36	Total Non-Tax		Revenues
37	496.4		
38			
39	d. Disproportionate Share Receipts 85.0		
40	1997-98 Reserved DSH		Receipts
41	35.4		
42	Total DSH		Receipts
43	120.4		

1
2 e. Highway Trust Fund Transfer 170.0

3
4 TOTAL GENERAL FUND AVAILABILITY \$
5 12,464.8

6
7 TOTAL 1998-99 APPROPRIATIONS
8 BY 1997 AND 1998 EXTRA SESSION \$
9 11,547.6

10
11 REMAINING GENERAL FUND AVAILABILITY \$
12 917.2

13
14 **HIGHWAY FUND AVAILABILITY**

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

17
18 1998-99
19 Beginning Credit Balance \$
20 5,159,370
21 Estimated Revenue
22 1,224,263
23 TOTAL HIGHWAY FUND AVAILABILITY \$
24 6,383,633

25
26 **PART VII. GENERAL PROVISIONS**

27 Requested by: Senators Odom, Plyler, Perdue

28 **CONTINGENCY AND EMERGENCY FUND ALLOCATIONS**

29 Section 7. Section 7.2(a) of S.L. 1997-43 reads as rewritten:

30 "(a) Of the funds appropriated in this act to the Contingency and Emergency Fund,
31 the sum of nine hundred thousand dollars (\$900,000) for the 1997-98 fiscal year and the
32 sum of nine hundred thousand dollars (\$900,000) for the 1998-99 fiscal year shall be
33 designated for emergency allocations, which are ~~for the purposes outlined in G.S. 143-~~
34 ~~23(a1)(3), (4), and (5).~~ for expenditures:

- 35 (1) Required by a court, Industrial Commission, or administrative hearing
36 officer's order or award or to match unanticipated federal funds;
37 (2) Required to respond to an unanticipated disaster such as a fire,
38 hurricane, or tornado; or
39 (3) Required to call out the National Guard.

40 Two hundred twenty-five thousand dollars (\$225,000) for the 1997-98 fiscal year and
41 two hundred twenty-five thousand dollars (\$225,000) for the 1998-99 fiscal year shall be
42 designated for other allocations from the Contingency and Emergency Fund."
43

PART VIII. RESERVES**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.

JUVENILE JUSTICE RESERVE

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 the recommendations of the Governor's Commission on Juvenile Crime and Justice, which are set forth in Senate Bill 1260 and House Bill 1373 of the 1998 Regular Session of the 1997 General Assembly and entitled "Juvenile Justice Reform Act". There is appropriated from the General Fund to the Office of State Budget and Management the sum of seventeen million three hundred forty-seven thousand four hundred eighty-seven dollars (\$17,347,487) 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) \$1,000,000 nonrecurring to the Department of Health and Human Services for planning and design of 208 new training school beds.
- (2) \$32,980 nonrecurring and \$726,666 recurring to the Department of Health and Human Services to make 32 beds at Umstead Detention Center permanent effective October 1, 1998.
- (3) \$4,800,000 nonrecurring to the Department of Health and Human Services for renovation of two existing GPAC units and construction at those units to provide 24 detention beds at each unit, if practicable. Any funds remaining after allocation of funds for renovation of the two GPAC units shall be used for planning and design of four additional 24-bed detention units, for which the General Assembly intends to appropriate construction funds.
- (4) \$930,427 recurring and \$563,298 nonrecurring to the Administrative Office of the Courts for court counselors and support staff (100 counselors, 6 counselor supervisors, and 20 support staff effective April 1, 1999, and June 1, 1999).
- (5) \$506,776 nonrecurring to the Administrative Office of the Courts for three family court pilots beginning December 1, 1998, and expiring December 1, 2000, pursuant to Section 16.17 of this act.

- 1 (6) \$25,000 nonrecurring to the Department of Crime Control and Public
2 Safety for an external study of the Tarheel Challenge Project pursuant to
3 Section 19.1 of this act.
- 4 (7) \$700,000 nonrecurring to the Department of Public Instruction for the
5 Communities in Schools Program, a public/private partnership working
6 with at-risk students.
- 7 (8) \$500,000 nonrecurring to the Board of Governors of The University of
8 North Carolina for the Center for the Prevention of School Violence for
9 operating support of this research, training, and information center at
10 North Carolina State University.
- 11 (b) The Director of the Budget shall allocate funds for the following purposes
12 only if Senate Bill 1260 or House Bill 1373 becomes law during the 1998 Regular
13 Session of the 1997 General Assembly:
- 14 (1) \$5,435,000 for local grant funds as follows:
- 15 a. \$1,425,000 nonrecurring for local home-based family services
16 programs.
- 17 b. \$750,000 nonrecurring for local substance abuse programs
18 established in enacted Senate Bill 1260 or House Bill 1373.
- 19 c. \$1,500,000 nonrecurring and \$1,760,000 recurring to be
20 distributed as provided in enacted Senate Bill 1260 or House Bill
21 1373.
- 22 (2) \$200,000 recurring for house arrest as defined in enacted Senate Bill
23 1260 or House Bill 1373.
- 24 (3) \$33,000 nonrecurring and \$200,000 recurring for contractual services
25 for three sites for the Guard Response Alternate Sentencing Program as
26 established in enacted Senate Bill 1260 or House Bill 1373.
- 27 (4) \$8,626 nonrecurring and \$21,206 recurring for two counselors for the
28 On Track Program as established in enacted Senate Bill 1260 or House
29 Bill 1373. The positions will become effective April 1, 1999.
- 30 (5) \$1,100,000 nonrecurring and \$200,000 recurring for the juvenile
31 information system, including a project coordinator and two business
32 system analysts effective October 1, 1998, as established in enacted
33 Senate Bill 1260 or House Bill 1373.
- 34 (6) \$100,000 nonrecurring to study the At-Risk Assessment System
35 established in enacted Senate Bill 1260 or House Bill 1373.
- 36 (7) \$50,000 nonrecurring for the Substance Abuse Prevention Plan
37 established in enacted Senate Bill 1260 or House Bill 1373.
- 38 (8) \$119,512 nonrecurring for contractual services and \$94,996 recurring
39 for two positions for the Sentencing Commission, effective October 1,
40 1998.

41 Prior to awarding local grants, the department administering the grants
42 pursuant to enacted Senate Bill 1260 or House Bill 1373 shall submit to the Joint
43 Legislative Commission on Governmental Operations and the Appropriations

1 Committees of the Senate and House of Representatives a list of the proposed recipients
2 of the grants awarded from the Juvenile Justice Reserve Fund. The list shall include for
3 each recipient the amount of the grant awarded, the membership of the local committee
4 or council administering the award funds on the local level, and a description of the local
5 services, programs, or projects that will receive funds. A written copy of the list and
6 other information regarding the projects shall also be sent to the Fiscal Research Division
7 of the General Assembly.

8 (c) The Department of Health and Human Services shall review the membership
9 of local Community-Based Alternatives Youth Services Advisory Committees
10 established pursuant to G.S. 7A-289.13 and the proposed membership of the local
11 committees or councils established pursuant to enacted Senate Bill 1260 or House Bill
12 1373. In its deliberations, the Department shall consider and make recommendations
13 regarding the membership of local committees or councils administering grant funds for
14 the purpose of ensuring that the funds are distributed in an appropriate manner. The
15 Department shall report its recommendations to the 1999 General Assembly on or before
16 March 1, 1999. In addition, prior to any notification of proposed grant awards to local
17 Community-Based Alternatives Youth Services Advisory Committees, the Department of
18 Health and Human Services shall report to the Joint Legislative Commission on
19 Governmental Operations for its review of the proposed grant awards.

20 (d) If North Carolina receives Juvenile Accountability Incentive Block Grants, or a
21 notice of funds to be awarded, the Office of State Budget and Management and the
22 Governor's Crime Commission of the Department of Crime Control and Public Safety
23 shall report to the Appropriations Committees of the Senate and House of
24 Representatives and the Joint Legislative Commission on Governmental Operations prior
25 to allocation of these funds. The report shall identify the amount of funds to be received
26 for the 1998-99 fiscal year, the amount of funds anticipated for the 1999-2000 fiscal year,
27 and the allocation of funds by program and purpose.

28 (e) The Department of Health and Human Services shall report to the Joint
29 Legislative Commission on Governmental Operations prior to finalizing site selection for
30 training school beds and detention beds authorized pursuant to this section.

31 32 **PART IX. PUBLIC SCHOOLS**

33 Requested by: Senators Plyler, Perdue, Odom

34 **ALLOCATIONS FOR PUBLIC SCHOOLS**

35 Section 9. (a) There is allocated from unexpended 1997-98 General Fund
36 appropriations the sum of fifty-five million twenty-seven thousand six hundred eighty
37 dollars (\$55,027,680) which shall be used as follows:

- 38 (1) \$17,118,003 to fulfill the State's obligations to public school employees
39 who qualified for performance bonuses for the 1997-98 school year
40 under the ABC's of Public Education Program;
- 41 (2) \$9,010,274 to fulfill the State's obligations to public school teachers
42 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.

(b) This section shall not become effective if the allocations in subsection (a) of this section are enacted in other legislation by the 1997 General Assembly.

Requested by: Senators Winner, Lee, Plyler, Perdue, Odom

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
4	2,678	2,999
5	2,779	3,112
6	2,826	3,165
7	2,874	3,218
8	2,923	3,273
9	2,972	3,328

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

1	16	3,550	3,976
2	17	3,610	4,043
3	18	3,672	4,112
4	19	3,736	4,184
5	20	3,801	4,257
6	21	3,868	4,332
7	22	3,934	4,406
8	23	4,002	4,482
9	24	4,072	4,560
10	25	4,143	4,640
11	26	4,216	4,721
12	27	4,290	4,804
13	28	4,366	4,889
14	29+	4,443	4,976

15 (2) Certified public school teachers with certification based on academic
16 preparation at the six-year degree level shall receive a salary supplement
17 of one hundred twenty-six dollars (\$126.00) per month in addition to the
18 compensation provided for certified personnel of the public schools who
19 are classified as "G"teachers. Certified public school teachers with
20 certification based on academic preparation at the doctoral degree level
21 shall receive a salary supplement of two hundred fifty-three dollars
22 (\$253.00) per month in addition to the compensation provided for
23 certified personnel of the public schools who are classified as
24 "G"teachers.

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

32 Certified psychologists with certification based on academic preparation at the
33 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars
34 (\$126.00) per month in addition to the compensation provided for certified psychologists.
35 Certified psychologists with certification based on academic preparation at the doctoral
36 degree level shall receive a salary supplement of two hundred fifty-three dollars
37 (\$253.00) per month in addition to the compensation provided for certified psychologists.

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

1 Speech pathologists and audiologists with certification based on academic
2 preparation at the six-year degree level shall receive a salary supplement of one hundred
3 twenty-six dollars (\$126.00) per month in addition to the compensation provided for
4 speech pathologists and audiologists. Speech pathologists and audiologists with
5 certification based on academic preparation at the doctoral degree level shall receive a
6 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
7 the compensation provided for speech pathologists and audiologists.

8 (e) Effective for the 1998-99 school year, certified school nurses who are
9 employed in the public schools as nurses shall be paid on the "G" salary schedule.

10
11 Requested by: Senators Winner, Lee, Perdue

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

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

14 "Section 8.36. (a) Of the funds appropriated to State Aid to Local School
15 Administrative Units, the State Board of Education ~~may use up to seventy-two million~~
16 ~~four hundred thousand dollars (\$72,400,000) for the 1997-98 fiscal year to shall provide~~
17 incentive funding for schools that meet or exceed the projected levels of improvement in
18 student performance, in accordance with the ABC's of Public Education Program. In
19 accordance with State Board of Education policy, incentive awards in schools that
20 achieve higher than expected improvements may be up to: (i) one thousand five hundred
21 dollars (\$1,500) for each teacher and for certified personnel; and (ii) five hundred dollars
22 (\$500.00) for each teacher assistant. In accordance with State Board of Education policy,
23 incentive awards in schools that meet the expected improvements may be up to: (i) seven
24 hundred fifty dollars (\$750.00) for each teacher and for certified personnel; and (ii) three
25 hundred seventy-five dollars (\$375.00) for each teacher assistant.

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

28
29 Requested by: Senators Winner, Lee

30 **EXTRA PAY FOR MENTOR TEACHERS**

31 Section 9.3. (a) Funds appropriated to State Aid to Local School
32 Administrative Units, shall be used to provide qualified and well-trained mentors for
33 newly certified teachers, teachers who had mentors during the 1997-98 school year, and
34 entry-level instructional support personnel who have not previously been teachers. These
35 funds shall be used to compensate each mentor at the rate of (i) one hundred dollars
36 (\$100.00) per month for a maximum of 10 months for serving as a mentor for a first or
37 second year teacher during the school year, and (ii) one hundred dollars (\$100.00) for
38 serving as a mentor for a first-year teacher for one day prior to the beginning of the
39 school year.

40 (b) The State Board of Education may use funds for the mentor program to
41 evaluate the program. The State Board shall report the results of its evaluation to the
42 Joint Legislative Education Oversight Committee prior to March 5, 2000.

1 Requested by: Senators Winner, Lee, Perdue

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

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

- 5 (1) Elementary schools at which fifty percent (50%) of the students are
6 below grade level on previous year's end-of-grade test, during the 1997-
7 98 school year or the 1998-99 school year;
- 8 (2) Middle schools at which fifty percent (50%) of the students in the sixth
9 grade were below grade level on their end-of-grade fifth grade tests
10 during the 1997-98 school year or the 1998-99 school year; and
- 11 (3) The five percent (5%) of high schools in the State that have the lowest
12 composite scores on the ABC's accountability measures.

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

- 17 (1) Up to ten percent (10%) of the nonrecurring funds on a statewide basis
18 may be used for salary supplements for teachers assigned to local
19 assessment teams;
- 20 (2) The remainder of the funds shall be used for extra pay for extra duties
21 for teachers for such activities as Saturday academies and after school
22 tutoring, for professional development, and for additional days of work
23 outside of the 220 paid days in the school calendar. These days should
24 be cooperatively planned by the principal and the faculty.

25 These funds shall be allocated by the State Board based on the average daily membership
26 of the school.

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

29 (c) Funds for nonsalary items in the amount of two million dollars
30 (\$2,000,000) shall be used only for staff development costs, and for textbooks,
31 instructional supplies, materials, and equipment.

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

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

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

1 membership. The State Board of Education shall allocate funds in subsection (b) of this
 2 section on the basis of on teacher days based on average daily membership of the school.

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

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

8 (g) The State Board of Education shall report to the Joint Legislative
 9 Education Oversight Committee prior to December 1, 1998, on the plans and on the use
 10 of funds for Aid to Low-Performing and At-Risk Schools.

11
 12 Requested by: Senators Winner, Lee, Perdue

13 **ABC'S HIGH SCHOOL ACCOUNTABILITY MODEL**

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

22
 23 Requested by: Senators Winner, Lee, Perdue

24 **SCHOOL-BASED ADMINISTRATOR SALARIES**

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

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

Step	Base	Assistant Principals		Base	Principal I	
		Base + 1%	Base + 2%		Base + 1%	Base + 2%
4	\$2,873	\$2,902	\$2,930	—	—	—
5	2,983	3,013	3,043	—	—	—
6	3,033	3,063	3,094	—	—	—
7	3,085	3,116	3,147	—	—	—
8	3,137	3,168	3,200	\$3,137	\$3,168	\$3,200
9	3,190	3,222	3,254	3,190	3,222	3,254
10	3,242	3,274	3,307	3,242	3,274	3,307
11	3,296	3,329	3,362	3,296	3,329	3,362

1	12	3,351	3,385	3,418	3,351	3,385	3,418
2	13	3,409	3,443	3,477	3,409	3,443	3,477
3	14	3,466	3,501	3,535	3,466	3,501	3,535
4	15	3,525	3,560	3,596	3,525	3,560	3,596
5	16	3,586	3,622	3,658	3,586	3,622	3,658
6	17	3,646	3,682	3,719	3,646	3,682	3,719
7	18	3,709	3,746	3,783	3,709	3,746	3,783
8	19	3,773	3,811	3,848	3,773	3,811	3,848
9	20	3,839	3,877	3,916	3,839	3,877	3,916
10	21	3,907	3,946	3,985	3,907	3,946	3,985
11	22	3,973	4,013	4,052	3,973	4,013	4,052
12	23	4,042	4,082	4,123	4,042	4,082	4,123
13	24	4,113	4,154	4,195	4,113	4,154	4,195
14	25	4,184	4,226	4,268	4,184	4,226	4,268
15	26	4,258	4,301	4,343	4,258	4,301	4,343
16	27	4,333	4,376	4,420	4,333	4,376	4,420
17	28	4,410	4,454	4,498	4,410	4,454	4,498
18	29	4,487	4,532	4,577	4,487	4,532	4,577
19	30	4,577	4,623	4,669	4,577	4,623	4,669
20	31	4,669	4,716	4,762	4,669	4,716	4,762
21	32	—	—	—	4,762	4,810	4,857
22							
23			Principal II			Principal III	
24	Step	Base	Base	Base	Base	Base	Base
25			+ 1%	+ 2%		+ 1%	+ 2%
26							
27	4	—	—	—	—	—	—
28	5	—	—	—	—	—	—
29	6	—	—	—	—	—	—
30	7	—	—	—	—	—	—
31	8	—	—	—	—	—	—
32	9	—	—	—	—	—	—
33	10	\$3,296	\$3,329	\$3,362	—	—	—
34	11	3,351	3,385	3,418	—	—	—
35	12	3,409	3,443	3,477	\$3,466	\$3,501	\$3,535
36	13	3,466	3,501	3,535	3,525	3,560	3,596
37	14	3,525	3,560	3,596	3,586	3,622	3,658
38	15	3,586	3,622	3,658	3,646	3,682	3,719
39	16	3,646	3,682	3,719	3,709	3,746	3,783
40	17	3,709	3,746	3,783	3,773	3,811	3,848
41	18	3,773	3,811	3,848	3,839	3,877	3,916
42	19	3,839	3,877	3,916	3,907	3,946	3,985
43	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

1	26	4,487	4,532	4,577	4,577	4,623	4,669
2	27	4,577	4,623	4,669	4,669	4,716	4,762
3	28	4,669	4,716	4,762	4,762	4,810	4,857
4	29	4,762	4,810	4,857	4,857	4,906	4,954
5	30	4,857	4,906	4,954	4,954	5,004	5,053
6	31	4,954	5,004	5,053	5,053	5,104	5,154
7	32	5,053	5,104	5,154	5,154	5,206	5,257
8	33	5,154	5,206	5,257	5,257	5,310	5,362
9	34	5,257	5,310	5,362	5,362	5,416	5,469
10	35	5,362	5,416	5,469	5,469	5,524	5,578
11	36	5,469	5,524	5,578	5,578	5,634	5,690
12	37	5,578	5,634	5,690	5,689	5,746	5,803
13	38	—	—	—	5,803	5,861	5,919
14	39	—	—	—	—	—	—
15	40	—	—	—	—	—	—
16	41	—	—	—	—	—	—
17							
18			Principal VI			Principal VII	
19	Step	Base	Base	Base	Base	Base	Base
20			+ 1%	+ 2%		+ 1%	+ 2%
21							
22	4	—	—	—	—	—	—
23	5	—	—	—	—	—	—
24	6	—	—	—	—	—	—
25	7	—	—	—	—	—	—
26	8	—	—	—	—	—	—
27	9	—	—	—	—	—	—
28	10	—	—	—	—	—	—
29	11	—	—	—	—	—	—
30	12	—	—	—	—	—	—
31	13	—	—	—	—	—	—
32	14	—	—	—	—	—	—
33	15	—	—	—	—	—	—
34	16	\$3,907	\$3,946	\$3,985	—	—	—
35	17	3,973	4,013	4,052	\$4,113	\$4,154	\$4,195
36	18	4,042	4,082	4,123	4,184	4,226	4,268
37	19	4,113	4,154	4,195	4,258	4,301	4,343
38	20	4,184	4,226	4,268	4,333	4,376	4,420
39	21	4,258	4,301	4,343	4,410	4,454	4,498
40	22	4,333	4,376	4,420	4,487	4,532	4,577
41	23	4,410	4,454	4,498	4,577	4,623	4,669
42	24	4,487	4,532	4,577	4,669	4,716	4,762
43	25	4,577	4,623	4,669	4,762	4,810	4,857

1	26	4,669	4,716	4,762	4,857	4,906	4,954
2	27	4,762	4,810	4,857	4,954	5,004	5,053
3	28	4,857	4,906	4,954	5,053	5,104	5,154
4	29	4,954	5,004	5,053	5,154	5,206	5,257
5	30	5,053	5,104	5,154	5,257	5,310	5,362
6	31	5,154	5,206	5,257	5,362	5,416	5,469
7	32	5,257	5,310	5,362	5,469	5,524	5,578
8	33	5,362	5,416	5,469	5,578	5,634	5,690
9	34	5,469	5,524	5,578	5,689	5,746	5,803
10	35	5,578	5,634	5,690	5,803	5,861	5,919
11	36	5,689	5,746	5,803	5,920	5,979	6,038
12	37	5,803	5,861	5,919	6,038	6,098	6,159
13	38	5,920	5,979	6,038	6,159	6,221	6,282
14	39	6,038	6,098	6,159	6,282	6,345	6,408
15	40	6,159	6,221	6,282	6,407	6,471	6,535
16	41	—	—	—	6,536	6,601	6,667

17							
18			Principal VIII				
19	Step	Base	Base	Base			
20			+ 1%	+ 2%			
21							
22	4	—	—	—			
23	5	—	—	—			
24	6	—	—	—			
25	7	—	—	—			
26	8	—	—	—			
27	9	—	—	—			
28	10	—	—	—			
29	11	—	—	—			
30	12	—	—	—			
31	13	—	—	—			
32	14	—	—	—			
33	15	—	—	—			
34	16	—	—	—			
35	17	—	—	—			
36	18	\$4,258	\$4,301	\$4,343			
37	19	4,333	4,376	4,420			
38	20	4,410	4,454	4,498			
39	21	4,487	4,532	4,577			
40	22	4,577	4,623	4,669			
41	23	4,669	4,716	4,762			
42	24	4,762	4,810	4,857			
43	25	4,857	4,906	4,954			

1	26	4,954	5,004	5,053
2	27	5,053	5,104	5,154
3	28	5,154	5,206	5,257
4	29	5,257	5,310	5,362
5	30	5,362	5,416	5,469
6	31	5,469	5,524	5,578
7	32	5,578	5,634	5,690
8	33	5,689	5,746	5,803
9	34	5,803	5,861	5,919
10	35	5,920	5,979	6,038
11	36	6,038	6,098	6,159
12	37	6,159	6,221	6,282
13	38	6,282	6,345	6,408
14	39	6,407	6,471	6,535
15	40	6,536	6,601	6,667
16	41	6,667	6,734	6,800

17
 18 (c) The appropriate classification for placement of principals and assistant
 19 principals on the salary schedule, except for principals in alternative schools, shall be
 20 determined in accordance with the following schedule:

21	Classification	Number of Teachers Supervised
22	Assistant Principal	
23	Principal I	Fewer than 11 Teachers
24	Principal II	11-21 Teachers
25	Principal III	22-32 Teachers
26	Principal IV	33-43 Teachers
27	Principal V	44-54 Teachers
28	Principal VI	55-65 Teachers
29	Principal VII	66-100 Teachers
30	Principal VIII	More than 100 Teachers

31
 32 The number of teachers supervised includes teachers and assistant principals paid from
 33 State funds only; it does not include teachers or assistant principals paid from non-State
 34 funds or the principal or teacher assistants.

35 The beginning classification for principals in alternative schools shall be the
 36 Principal III level. Principals in alternative schools who supervise 33 or more teachers
 37 shall be classified according to the number of teachers supervised.

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

41 (e) For the 1998-99 fiscal year, a principal or assistant principal shall be placed
 42 on the appropriate step plus one percent (1%) if:

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

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

7 The principal or assistant principal shall be placed on the appropriate step plus two
8 percent (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied. The
9 principal or assistant principal shall receive a lump-sum payment for the 1998-99 fiscal
10 year service if the conditions set out in subdivision (1) or (2) or both are satisfied. The
11 lump sum shall be paid as determined by guidelines adopted by the State Board.
12 Placement on the salary schedule in the following year shall be based upon these
13 increases.

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

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

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

23 The principal or assistant principal shall receive a lump-sum payment of two percent
24 (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied. The lump
25 sum shall be paid as determined by guidelines adopted by the State Board. Placement on
26 the salary schedule in the following year shall be based upon these increases.

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

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

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

42 (j)(1) If a principal is reassigned to a higher job classification because the
43 principal is transferred to a school within a local school administrative

1 unit with a larger number of State-allotted teachers, the principal shall
2 be placed on the salary schedule as if the principal had served the
3 principal's entire career as a principal at the higher job classification.

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

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

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

20
21 Requested by: Senators Winner, Lee, Perdue

22 **PRINCIPAL SALARY STUDIES**

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

24 "(d) The State Board of Education may use up to fifty thousand dollars (\$50,000) of
25 funds appropriated by this act to State Aid to Local School Administrative Units for the
26 ~~1997-98-1998-99~~ fiscal year to study principals' salaries ~~including the~~ including:

27 (1) The relationship of principals' salaries to the salaries of teachers and
28 other certified school ~~personnel.~~ ~~personnel~~;

29 (2) Whether the current relationship between the teacher and principal
30 salary schedules should be increased to a three percent (3%) differential;

31 (3) Whether assistant principals should be given additional steps for years
32 of experience; and

33 (4) The appropriate relationship of principal's salary to size of school.

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

36
37 Requested by: Senators Cooper, Winner, Lee

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

39 Section 9.8. (a) Funds allocated to Communities in Schools of the Rocky Mount
40 Region, Inc., for the 1997-98 fiscal year shall not revert at the end of the fiscal year but
41 shall remain available for expenditure during the 1998-99 fiscal year.

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

1 Requested by: Senators Winner, Lee, Perdue

2 **SCHOOL ACTIVITY BUS USAGE AUTHORIZED UNDER CERTAIN**
3 **CIRCUMSTANCES**

4 Section 9.9. G.S. 66-58(c) is amended by adding a new subdivision to read:

5 "(9b) The use of a public school activity bus by a nonprofit corporation or a
6 unit of local government to provide transportation services to school-
7 aged and preschool-aged children and their caretakers and instructors."

8
9 Requested by: Senators Winner, Lee

10 **SCHOOL BOARD QUICK TAKE**

11 Section 9.10. G.S. 40A-42(a) reads as rewritten:

12 "(a) When a local public condemnor is acquiring property by condemnation for a
13 purpose set out in G.S. 40A-3(b)(1), (4) or (7), or when a city is acquiring property for a
14 purpose set out in G.S. 160A-311(1), (2), (3), (4), (6), or (7), or when a county is
15 acquiring property for a purpose set out in G.S. 153A-274(1), (2) or (3), or when a local
16 board of education or any combination of local boards is acquiring property for any
17 purpose set forth in G.S. 115C-517, or when a condemnor is acquiring property by
18 condemnation as authorized by G.S. 40A-3(c)(8), (9), (10) or (12), title to the property
19 and the right to immediate possession shall vest pursuant to this subsection. Unless an
20 action for injunctive relief has been initiated, title to the property specified in the
21 complaint, together with the right to immediate possession thereof, shall vest in the
22 condemnor upon the filing of the complaint and the making of the deposit in accordance
23 with G.S. 40A-41."

24
25 Requested by: Senators Winner, Lee

26 **LITIGATION RESERVE**

27 Section 9.11. (a) Funds in the State Board of Education's Litigation Reserve
28 that are not expended or encumbered on June 30, 1998, shall not revert on July 1, 1998,
29 but shall remain available for expenditure until June 30, 1999.

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

33 (c) Subsection (a) of this section becomes effective June 30, 1998.

34
35 Requested by: Senators Winner, Lee

36 **EXCEPTIONAL CHILDREN FUNDS**

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

39 (1) Each local school administrative unit shall receive for academically
40 gifted children the sum of seven hundred forty-six dollars and ninety-
41 five cents (\$746.95) per child for four percent (4%) of the 1998-99
42 allocated average daily membership in the local school administrative
43 unit, regardless of the number of children identified as academically

1 gifted in the local school administrative unit. The total number of
2 children for which funds shall be allocated pursuant to this subdivision
3 is 49,828 for the 1998-99 school year.

- 4 (2) Each local school administrative unit shall receive for exceptional
5 children other than academically gifted children the sum of two
6 thousand two hundred forty-eight dollars and thirty-nine cents
7 (\$2,248.39) per child for the lesser of (i) all children who are identified
8 as exceptional children other than academically gifted children or (ii)
9 twelve and five-tenths percent (12.5%) of the 1998-99 allocated average
10 daily membership in the local school administrative unit. The maximum
11 number of children for which funds shall be allocated pursuant to this
12 subdivision is 147,334 for the 1998-99 school year.

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

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

20
21 Requested by: Senators Winner, Lee

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

23 Section 9.13. The State Board of Education may use up to two hundred
24 thousand dollars (\$200,000) of the funds in the Alternative Schools/At-Risk Student
25 allotment for the 1998-99 fiscal year to:

- 26 (1) Implement G.S. 115C-12(24), and
27 (2) Conduct studies of alternative schools and access to alternative schools,
28 as required by Senate Bill 1260 or House Bill 1373, if enacted by the
29 1998 Regular Session of the 1997 General Assembly.

30
31 Requested by: Senators Winner, Lee

32 **CHARTER SCHOOLS**

33 Section 9.14. (a) If the projected average daily membership of schools other
34 than charter schools in a county school administrative unit with 3,000 or fewer students is
35 decreased by more than four percent (4%) due to projected shifts of enrollment to charter
36 schools, the State Board of Education may use funds appropriated to State Aid to Local
37 School Administrative Units for the 1998-99 fiscal year to reduce the loss of funds to the
38 schools other than charter schools in the unit to a maximum of four percent (4%). This
39 subsection applies to the 1998-99 fiscal year only.

40 (b) G.S. 115C-238.29D reads as rewritten:

41 **"§ 115C-238.29D. Final approval of applications for charter schools.**

42 (a) The State Board shall grant final approval of an application if it finds that the
43 application meets the requirements set out in this Part or adopted by the State Board of

1 Education and that granting the application would achieve one or more of the purposes
2 set out in G.S. 115C-238.29A. The State Board shall act by March 15 of a calendar year
3 on all applications and appeals it receives prior to February 15 of that calendar year.

4 (b) The State Board shall authorize no more than five charter schools per year in
5 one local school administrative unit. The State Board shall authorize no more than 100
6 charter schools statewide. If more than five charter schools in one local school
7 administrative unit or more than 100 schools statewide meet the standards for final
8 approval, the State Board shall give priority to applications that are most likely to further
9 State education policies and to strengthen the educational program offered in the local
10 school administrative units in which they are located.

11 (c) The State Board of Education may authorize a school before the applicant has
12 secured its space, equipment, facilities, and personnel if the applicant indicates the
13 authority is necessary for it to raise working capital. The State Board shall not allocate
14 any funds to the school until the school has obtained space.

15 (d) The State Board of Education may grant the initial charter for a period not to
16 exceed five years and may renew the charter upon the request of the chartering entity for
17 subsequent periods not to exceed five years each. A material revision of the provisions of
18 a charter application shall be made only upon the approval of the State Board of
19 Education. Beginning with the charter school's second year of operation and annually
20 thereafter, the State Board shall allow a charter school to increase its enrollment by ten
21 percent (10%) of the school's previous year's enrollment or as is otherwise provided in
22 the charter. This enrollment growth shall not be considered a material revision of the
23 charter application and shall not require the prior approval of the State Board.

24 (e) The State Board of Education shall not grant an initial charter to a school or
25 approve a material change to a charter that is projected to result in a decrease in one
26 school year, due to shifts of enrollment to charter schools, of more than four percent (4%)
27 of the average daily membership of schools other than charter schools in a local school
28 administrative unit."

29 (c) G.S. 115C-238.29F(d) reads as rewritten:

30 "(d) Instructional Program. –

- 31 (1) The school shall provide instruction each year for at least 180 days.
32 (2) The school shall design its programs to at least meet the student
33 performance standards adopted by the State Board of Education and the
34 student performance standards contained in the charter.
35 (3) A charter school shall conduct the student assessments required for
36 charter schools by the State Board of Education. In conducting these
37 assessments, the school shall be subject to the State Board's policies and
38 guidelines on testing ethics.
39 (4) A charter school is a local educational agency for the purpose of G.S.
40 115C-110. The school shall comply with policies adopted by the State
41 Board of Education for charter schools relating to the education of
42 children with special needs.

1 (5) The school is subject to and shall comply with Article 27 of Chapter
2 115C of the General Statutes, except that a charter school may also
3 exclude a student from the charter school and return that student to
4 another school in the local school administrative unit in accordance with
5 the terms of its charter."

6 (d) G.S. 115C-238.29F(e)(3) reads as rewritten:

7 "(3) If a teacher employed by a local school administrative unit makes a
8 written request for an extended leave of absence to teach at a charter
9 school, the local school administrative unit shall grant the leave. The
10 local school administrative unit ~~shall~~ is required to grant a leave of
11 absence for any number of years requested by the ~~teacher,~~ teacher up to
12 four years and shall to extend the leave of absence for any number of
13 years requested by the ~~teacher, and shall extend the leave at the teacher's~~
14 ~~request.~~ teacher, so long as the total number of years requested does not
15 exceed four. The local school administrative unit is authorized to grant a
16 leave of absence or an extension of a leave of absence for a total of
17 more than four years if it finds it is in the best interest of the unit to do
18 so. For the initial year of a charter school's operation, the local school
19 administrative unit may require that the request for a leave or extension
20 of leave be made up to 45 days before the teacher would otherwise have
21 to report for duty. For subsequent years, the local school administrative
22 unit may require that the request for a leave or extension of leave be
23 made up to 90 days before the teacher would otherwise have to report
24 for duty. A teacher who has career status under G.S. 115C-325 prior to
25 receiving an extended leave of absence to teach at a charter school may
26 return to a public school in the local school administrative unit with
27 career status at the end of the leave of absence or upon the end of
28 employment at the charter school if an appropriate position is available.
29 If an appropriate position is unavailable, the teacher's name shall be
30 placed on a list of available teachers and that teacher shall have priority
31 on all positions for which that teacher is qualified in accordance with
32 G.S. 115C-325(e)(2)."

33 (e) The State Board of Education may spend up to fifty thousand dollars
34 (\$50,000) from State Aid to Local School Administrative Units for the 1998-99 fiscal
35 year to establish a charter school advisory committee.

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

37 "(f) Accountability. –

38 (1) The school is subject to the financial audits, the audit procedures, and
39 the audit requirements adopted by the State Board of Education for
40 charter schools. These audit requirements may include the requirements
41 of the School Budget and Fiscal Control Act.

1 (2) The school shall comply with the reporting requirements established by
2 the State Board of Education in the Uniform Education Reporting
3 System.

4 (3) The school shall report at least annually to the chartering entity and the
5 State Board of Education the information required by the chartering
6 entity or the State Board.

7 (4) The school shall report electronically to the local board of education on
8 students enrolled in the school and on students who withdraw or drop
9 out of the school. The State Board of Education shall determine the
10 content, format, and timing of this report."

11 (g) The State Board of Education shall examine the funding formula for charter
12 schools and its impact on public schools, giving special attention to the impact of the
13 formula on instructional programs, school-building administration, and school
14 transportation.

15 The State Board shall report electronically its findings to the Joint Legislative
16 Education Oversight Committee prior to December 15, 1998.

17
18 Requested by: Senators Winner, Lee

19 **TESTING**

20 Section 9.15. (a) Of the funds appropriated for State Aid to Local School
21 Administrative Units, the State Board of Education may use up to two million dollars
22 (\$2,000,000) for the 1998-99 fiscal year to:

23 (1) Cover cost increases in end-of-grade, end-of-course, and other tests
24 previously authorized by the SBE and the General Assembly, that are
25 caused by increases in average daily membership;

26 (2) Reestablish high school end-of-course tests previously established by
27 the State Board of Education in accordance with Section 8.27 of S.L.
28 1997-443;

29 (3) Develop new end-of-course tests required for high school, in accordance
30 with Section 8.27 of S.L. 1997-443; and

31 (4) Begin the development of alternative assessments for children with
32 special needs.

33 The General Assembly encourages the Director of the Budget to include these
34 funds in the continuation budget request for the 1999-2000 fiscal year and subsequent
35 fiscal years.

36 (b) G.S. 115C-174.11(c)(1) reads as rewritten:

37 "(1) The State Board of Education shall adopt a system of annual testing for
38 grades three through 12. These tests shall be designed to measure
39 progress toward reading, communication skills, and mathematics for
40 grades three through eight, and toward competencies designated by the
41 State Board for grades nine through 12. Notwithstanding subsection (a)
42 of this section, the State Board shall develop and implement a study
43 allowing selected local school administrative units that volunteer to

1 administer a standardized test in May, 12 months prior to the third grade
2 end-of-grade test, in order to establish a baseline that will be used to
3 measure academic growth at the end of third grade. Initially, the State
4 Board shall select 12 volunteer local school administrative units that are
5 diverse in geography and size to participate in the study. If the State
6 Board determines that a standardized test administered in May, 12
7 months prior to the third grade end-of-grade test, is more reliable than a
8 standardized test administered at the beginning of third grade for the
9 purpose of measuring academic growth, the State Board may change the
10 test date for additional local school units. The State Board shall report
11 the results of the study to the Joint Legislative Education Oversight
12 Committee by October 15, 2000.

13 Baseline measurements administered in May, 12 months prior to the
14 third grade end-of-grade test, are not public records as provided in
15 Chapter 132 of the General Statutes."

16
17 Requested by: Senators Winner, Lee

18 **SUBSTITUTE TEACHERS**

19 Section 9.16. (a) G.S. 115C-12(8) reads as rewritten:

20 "(8) Power to Make Provisions for Sick Leave and for Substitute Teachers. –
21 The Board shall provide for sick leave with pay for all public school
22 employees in accordance with the provisions of this Chapter and shall
23 promulgate rules and regulations providing for necessary substitutes on
24 account of sick leave and other teacher absences.

25 ~~The pay for a substitute shall be fixed by the Board. The minimum~~
26 pay for a substitute teacher who holds a teaching certificate shall be
27 fifty-four percent (54%) of the daily pay rate of an entry-level teacher
28 with an 'A' certificate. The minimum pay for a substitute teacher who
29 does not hold a teaching certificate shall be thirty-eight percent (38%) of
30 the daily pay rate of an entry-level teacher with an 'A' certificate. The
31 pay for noncertified substitutes shall not exceed the pay of certified
32 substitutes.

33 Local boards may use State funds allocated for substitute teachers to
34 hire full-time substitute teachers.

35 If a teacher assistant acts as a substitute teacher, the salary of the
36 teacher assistant for the day shall be the same as the daily salary of an
37 entry-level teacher with an 'A' certificate.

38 ~~The Board may provide to each local school administrative unit not~~
39 ~~exceeding one percent (1%) of the cost of instructional services for the~~
40 ~~purpose of providing substitute teachers for those on sick leave as~~
41 ~~authorized by law or by regulations of the Board, but not exceeding the~~
42 ~~provisions made for other State employees."~~

1 (b) If the average number of substitute teacher days taken by teachers in a local
2 school administrative unit is higher than the statewide average, the local board of
3 education shall determine the reasons unit average is high and shall develop a plan for
4 decreasing the unit average.

5
6 Requested by: Senators Winner, Lee

7 **TORT CLAIM LIABILITY/SCHOOL BUSES**

8 Section 9.17. (a) G.S. 115C-257 reads as rewritten:

9 **"§ 115C-257. Attorney General to pay claims.**

10 The Attorney General is hereby authorized to pay reasonable medical expenses, not to
11 exceed ~~six hundred dollars (\$600.00)~~, three thousand dollars (\$3,000), incurred within
12 one year from the date of accident to or for each pupil who sustains bodily injury or death
13 caused by accident, while boarding, riding on, or alighting from a school bus operated by
14 any local school administrative unit."

15 (b) G.S. 143-300.1 reads as rewritten:

16 **"§ 143-300.1. Claims against county and city boards of education for accidents
17 involving school buses or school transportation service vehicles.**

18 (a) The North Carolina Industrial Commission shall have jurisdiction to hear and
19 determine tort claims against any county board of education or any city board of
20 education, which claims arise as a result of any alleged mechanical defects or other
21 defects which may affect the safe operation of a public school bus or school
22 transportation service vehicle resulting from an alleged negligent act of maintenance
23 personnel or as a result of any alleged negligent act or omission of the ~~driver-driver,~~
24 volunteer, or monitor of a public school bus or school transportation service vehicle
25 when:

26 (1) The salary of that driver is paid or authorized to be paid from the State
27 Public School Fund, and the driver is an employee of the county or city
28 administrative unit of which that board is the governing body,

29 (1a) The monitor was appointed and acting in accordance with G.S. 115C-
30 245(d),

31 (1b) The volunteer was aboard the bus with the permission of the principal or
32 was assisting a student in entering or leaving the bus, or

33 (2) The driver is an unpaid school bus driver trainee under the supervision
34 of an authorized employee of the Department of Transportation,
35 Division of Motor Vehicles, or an authorized employee of that board or
36 a county or city administrative unit thereof,

37 and which driver was at the time of the alleged negligent act or omission operating a
38 public school bus or school transportation service vehicle in the course of his
39 employment by or training for that administrative unit or ~~board-board,~~ which monitor
40 was acting as such in the course of serving under G.S. 115C-245(d), or which volunteer
41 was aboard the bus with the permission of the principal or was assisting a student in
42 entering or leaving the bus. The liability of such county or city board of education, the
43 defenses which may be asserted against such claim by such board, the amount of

1 damages which may be awarded to the claimant, and the procedure for filing, hearing and
2 determining such claim, the right of appeal from such determination, the effect of such
3 appeal, and the procedure for taking, hearing and determining such appeal shall be the
4 same in all respects as is provided in this Article with respect to tort claims against the
5 State Board of Education except as hereinafter provided. Any claim filed against any
6 county or city board of education pursuant to this section shall state the name and address
7 of such board, the name of the employee upon whose alleged negligent act or omission
8 the claim is based, and all other information required by G.S. 143-297 in the case of a
9 claim against the State Board of Education. Immediately upon the docketing of a claim,
10 the Industrial Commission shall forward one copy of the plaintiff's affidavit to the
11 superintendent of the schools of the county or city administrative unit against the
12 governing board of which such claim is made, one copy of the plaintiff's affidavit to the
13 State Board of Education and one copy of the plaintiff's affidavit to the office of the
14 Attorney General of North Carolina. All notices with respect to tort claims against any
15 such county or city board of education shall be given to the superintendent of schools of
16 the county or city administrative unit of which such board is a governing board, to the
17 State Board of Education and also to the office of the Attorney General of North
18 Carolina.

19 (b) The Attorney General shall be charged with the duty of representing the city or
20 county board of education in connection with claims asserted against them pursuant to
21 this section where the amount of the claim, in the opinion of the Attorney General, is of
22 sufficient import to require and justify such appearance.

23 (c) In the event that the Industrial Commission shall make award of damages
24 against any county or city board of education pursuant to this section, the Attorney
25 General shall draw a voucher for the amount required to pay such award. The funds
26 necessary to cover vouchers written by the Attorney General for claims against county
27 and city boards of education for accidents involving school buses and school
28 transportation service vehicles shall be made available from funds appropriated to the
29 Department of Public Instruction. Neither the county or city boards of education, or the
30 county or city administrative unit shall be liable for the payment of any award made
31 pursuant to the provisions of this section in excess of the amount paid upon such voucher
32 by the Attorney General. Settlement and payment may be made by the Attorney General
33 as provided in G.S. 143-295.

34 (d) The Attorney General may defend any civil action which may be brought
35 against the ~~driver~~driver, volunteer, or monitor of a public school bus or school
36 transportation service vehicle or school bus maintenance mechanic when such driver or
37 mechanic is paid or authorized to be paid from the State Public School ~~Fund~~Fund, when
38 the monitor is acting in accordance with G.S. 115C-245(d), when the volunteer was
39 aboard the bus with the permission of the principal or was assisting a student in entering
40 or leaving the bus, or when the driver is an unpaid school bus driver trainee under the
41 supervision of an authorized employee of the Department of Transportation, Division of
42 Motor Vehicles, or an authorized employee of a county or city board of education or
43 administrative unit thereof. The Attorney General may afford this defense through the use

1 of a member of his staff or, in his discretion, employ private counsel. The Attorney
2 General is authorized to pay any judgment rendered in such civil action not to exceed the
3 limit provided under the Tort Claims Act. The Attorney General may compromise and
4 settle any claim covered by this section to the extent that he finds the same to be valid,
5 up to the limit provided in the Tort Claims Act, provided that the authority granted in this
6 subsection shall be limited to only those claims which would be within the jurisdiction of
7 the Industrial Commission under the Tort Claims Act."

8 (c) This section applies as to claims arising on or after July 1, 1998.

9
10 Requested by: Senators Winner, Lee

11 **EXTRA PAY FOR FORFEITED VACATION DAYS**

12 Section 9.18. (a) Of the funds appropriated to State Aid to Local School
13 Administrative Units, the sum of four million two hundred fifty thousand dollars
14 (\$4,250,000) for the 1998-99 fiscal year shall be used by local boards of education to pay
15 teachers for working on, and thereby forfeiting, vacation days, in accordance with G.S.
16 115C-302.1(c). The State Board of Education shall make available to each local school
17 administrative unit sufficient funds to provide pay for a maximum of six days for each
18 teacher who is qualified to receive additional pay for forfeited vacation days under G.S.
19 115C-302.1(c). For the 1998-99 fiscal year, the funds allotted under this subsection shall
20 be available for days scheduled by local boards and individual schools as follows: two for
21 days scheduled by the local board of education under G.S. 115C-84.2(a)(4); and four for
22 days scheduled by school principals in consultation with school improvement teams
23 under G.S. 115C-84.2(a)(5).

24 (b) G.S. 115C-84.2 reads as rewritten:

25 **"§ 115C-84.2. School calendar.**

26 (a) School Calendar. – Each local board of education shall adopt a school calendar
27 consisting of 220 days all of which shall fall within the fiscal year. A school calendar
28 shall include the following:

29 (1) A minimum of 180 days and 1,000 hours of instruction covering at least
30 nine calendar months. The local board shall designate when the 180
31 instructional days shall occur. The number of instructional hours in an
32 instructional day may vary according to local board policy and does not
33 have to be uniform among the schools in the administrative unit. Local
34 boards may approve school improvement plans that include days with
35 varying amounts of instructional time. If school is closed early due to
36 inclement weather, the day and the scheduled amount of instructional
37 hours may count towards the required minimum to the extent allowed
38 by State Board policy. The school calendar shall include a plan for
39 making up days and instructional hours missed when schools are not
40 opened due to inclement weather.

41 (2) A minimum of 10 annual vacation leave days.

- 1 (3) The same or an equivalent number of legal holidays occurring within
2 the school calendar as those designated by the State Personnel
3 Commission for State employees.
- 4 (4) Ten days, as designated by the local board, for use as teacher workdays,
5 additional instructional days, or other lawful purposes. A local board
6 may delegate to the individual schools some or all of the 10 days to
7 schedule under subdivision (5) of this subsection. A local board may
8 schedule different purposes for different personnel on any given day and
9 is not required to schedule the same dates for all personnel.
- 10 (5) The remaining days shall be scheduled by each individual school by the
11 school's principal in consultation with the school improvement team.
12 Days may be scheduled for any of the purposes allowed under
13 subdivision (4) of this subsection. Days may be scheduled for different
14 purposes for different personnel and there is no requirement to schedule
15 the same dates for all personnel.

16 Local boards and individual schools are encouraged to use the calendar flexibility in
17 order to meet the annual performance standards set by the State Board. Local boards of
18 education shall consult with parents and the employed public school personnel in the
19 development of the school calendar.

20 Local boards and individual schools shall give teachers at least 14 calendar days'
21 notice before requiring a teacher to work instead of taking vacation leave on days
22 scheduled in accordance with subdivision (4) or (5) of this subsection. A teacher may
23 elect to waive this notice requirement for one or more such days.

24 (b) Limitations. – The following limitations apply when developing the school
25 calendar:

- 26 (1) The total number of teacher workdays for teachers employed for a 10
27 month term shall not exceed 200 days.
- 28 (2) The calendar shall include at least ~~30~~42 consecutive days when teacher
29 attendance is not required unless: (i) the school is a year-round school;
30 or (ii) the teacher is employed for a term in excess of 10 months. At the
31 request of the local board of education or of the principal of a school, a
32 teacher may elect to work on one of the 42 days when teacher
33 attendance is not required in lieu of another scheduled workday.
- 34 (3) School shall not be held on Sundays.
- 35 (4) Veteran's Day shall be a holiday for all students enrolled in the public
36 schools.

37 (c) Emergency Conditions. –

38 (1) During any period of emergency in any section of the State where
39 emergency conditions make it necessary, the State Board of Education
40 may order general, and if necessary, extended recesses or adjournment
41 of the public schools.

42 (2) The State Board of Education may adopt rules to allow a local board to
43 request that the State Board suspend one or more days from the school

1 calendar for an individual school. In order to suspend days under this
2 subdivision a local board shall show and the State Board shall find that
3 extraordinary circumstances that could not have been reasonably
4 predicted justify the action.

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

10 (c) The amendments to G.S. 115C-84.2(b)(2) set out in subsection (b) of this
11 section apply to school years beginning with the 1999-2000 school year.

12
13 Requested by: Senators Winner, Lee, Perdue

14 **TEACHING FELLOWS PROGRAM**

15 Section 9.19. (a) G.S. 115C-363.23A(a) reads as rewritten:

16 "(a) A Teaching Fellows Program shall be administered by the North Carolina
17 Teaching Fellows Commission. The Teaching Fellows Program shall be used to provide
18 a four-year scholarship loan of ~~five thousand dollars (\$5,000)~~ six thousand five hundred
19 dollars (\$6,500) per year to North Carolina high school seniors interested in preparing to
20 teach in the public schools of the State. The Commission shall adopt very stringent
21 standards, including minimum grade point average and scholastic aptitude test scores, for
22 awarding these scholarship loans to ensure that only the best high school seniors receive
23 them."

24 (b) Notwithstanding the provisions of G.S. 115C-363.23A(f), the Public School
25 Forum, as administrator for the North Carolina Teaching Fellows Program, may spend, in
26 addition to funds required for collection costs related to loan repayments, up to one
27 hundred fifty thousand dollars (\$150,000) for the 1998-99 fiscal year from the fund
28 balance for the Program for costs associated with administration of the Program.

29
30 Requested by: Senators Winner, Lee

31 **LIMITED ENGLISH PROFICIENCY**

32 Section 9.20. (a) The State Board of Education shall develop guidelines for
33 identifying and providing services to students with limited proficiency in the English
34 language.

35 The State Board shall allocate the funds to local school administrative units on
36 the basis of the number of students they serve with limited English proficiency, with a
37 minimum of 20 students per unit and a maximum of ten and six-tenths percent (10.6%) of
38 the average daily membership of the unit.

39 Local school administrative units shall use funds allocated to them to pay for
40 classroom teachers, textbooks, classroom materials/instructional supplies/equipment, and
41 staff development for students with limited English proficiency. A unit may use the
42 funds for a program like the Bilingual Teacher Assistant Demonstration Project.

1 A county in which a local school administrative unit receives funds under this
2 section shall use the funds to supplement local current expense funds and shall not
3 supplant local current expense funds.

4 (b) G.S. 115C-105.25(b)(4) reads as rewritten:

5 "(4) Funds allocated for children with special needs, for students with
6 limited English proficiency, and funds allocated for driver's education
7 shall not be transferred."

8 (c) The State Board of Education shall review its certification requirements for
9 English as a Second Language (ESL) and determine whether the requirements should be
10 revised in order to assist local school administrative units to quickly obtain adequate
11 numbers of qualified teachers. The State Board and the Board of Governors of The
12 University of North Carolina shall coordinate efforts to provide ESL certification
13 programs that are geographically disbursed throughout the State. The Board of
14 Governors shall examine providing ESL certification programs through distance learning
15 methods and off-campus programs.

16 (d) The State Board of Education shall identify existing or develop new
17 programs that provide instructional personnel with in-service, noncertificate training for
18 assisting students with limited English proficiency in the regular classroom. The Board
19 of Governors of The University of North Carolina and the State Board of Community
20 Colleges shall collaborate with the State Board of Education in order to deliver these
21 programs to geographically diverse locations.

22 (e) The State Board of Education shall survey local school administrative units
23 to determine whether schools are able to recruit and retain ESL certified teachers. The
24 State Board shall provide the results of this survey to the Joint Legislative Education
25 Oversight Committee prior to December 15, 1999.

26
27 Requested by: Senators Winner, Lee

28 **DRIVERS EDUCATION FUNDS DO NOT REVERT**

29 Section 9.21. (a) Of the funds appropriated for drivers education for the 1997-
30 98 fiscal year, but not expended for that purpose, up to thirty-five thousand dollars
31 (\$35,000) shall not revert at the end of the fiscal year. The State Board of Education may
32 use these funds during the 1998-99 fiscal year for forms to implement S.L. 1997-507, AN
33 ACT TO PROVIDE THAT CERTAIN STUDENTS WHO DROP OUT OF SCHOOL
34 OR DO NOT MAKE PROGRESS TOWARD GRADUATION SHALL NOT BE
35 ELIGIBLE FOR DRIVERS PERMITS OR LICENSES.

36 (b) The State Board of Education may use funds appropriated for drivers education
37 for the 1998-99 fiscal year to implement S.L. 1997-507.

38 (c) Subsection (a) of this section becomes effective June 30, 1998.

39
40 Requested by: Senators Winner, Lee

41 **ADDITIONAL TEACHERS FOR MIDDLE SCHOOL CHILDREN WHO ARE** 42 **ACADEMICALLY BELOW GRADE LEVEL**

43 Section 9.22. Section 8.29(c) of S.L. 1997-443 reads as rewritten:

1 (c) Of the funds appropriated to State Aid to Local School Administrative Units,
2 the sum of three million two hundred thousand dollars (\$3,200,000) for the 1997-98
3 fiscal year and the sum of three million two hundred thousand dollars (\$3,200,000) for
4 the 1998-99 fiscal year shall be used to provide additional teachers for middle school
5 children who are academically below grade level. Middle school children are children in
6 a school that serves grades six, seven, and eight, and no other grades.

7 (1) The State Board of Education shall allocate these teacher positions to
8 pilot middle schools on the basis of the number of students in grade six
9 who scored at proficiency Level I on the end-of-grade test in
10 mathematics, on the end-of-grade test in reading, or on both, at the end
11 of their last school year. The funds shall be used in schools ~~that have at~~
12 ~~least 50 such students~~ at a ratio of one teacher to every 50 students. ~~No~~
13 ~~partial positions shall be allocated.~~ Positions shall be rounded to the
14 nearest one-half position.

15 (2) The purpose of these funds is to improve the academic performance and
16 the behavior of these students during the first school year after
17 elementary school by placing them in classes with a low student-to-
18 teacher ratio for either all of their core academic subjects or for the
19 subject or subjects in which they are below grade level. In order to
20 accomplish this purpose, local school administrative units shall use (i)
21 the teachers allocated for these students pursuant to the regular teacher
22 allotment and (ii) the teachers allocated for these students under this
23 section only to improve the academic performance and the behavior of
24 these students. Local boards of education shall adopt rules to ensure that
25 each student for whom funds for additional teacher positions are
26 allocated under this section shall be assigned a teacher who is
27 responsible for monitoring the academic progress of the student.

28 (3) Of the funds appropriated in this section, the State Board of Education
29 may use up to twenty-five thousand dollars (\$25,000) to evaluate the
30 effectiveness of these smaller classes in improving academic
31 performance and discipline in middle schools."
32

33 Requested by: Senators Winner, Lee

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

36 Section 9.23. Section 8.25(b) of S.L. 1997-443 reads as rewritten:

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

1 The revised Uniform Education Reporting System shall be implemented beginning with
2 the ~~1998-99~~1999-2000 school year."

3
4 Requested by: Senators Reeves, Perdue

5 **DUES DEDUCTION FOR RETIREES**

6 Section 9.24. (a) Article 1 of Chapter 135 of the General Statutes is amended
7 by adding a new section to read:

8 **"§ 135-18.8. Deduction for payments to certain employees' associations allowed.**

9 Any member who is a member of a domiciled employees' association that has at least
10 2,000 members, the majority of whom are employees of the State or public school
11 employees, may authorize, in writing, the periodic deduction from the member's
12 retirement benefits a designated lump sum to be paid to the employees' association. The
13 authorization shall remain in effect until revoked by the member. A plan of deductions
14 pursuant to this section shall become void if the employees' association engages in
15 collective bargaining with the State, any political subdivision of the State, or any local
16 school administrative unit."

17 (b) This section becomes effective July 1, 1998, and applies to retirement
18 benefits paid on or after that date.

19
20 Requested by: Senators Winner, Lee, Odom

21 **SCHOOL BUS ALLOCATION**

22 Section 9.25. If funds for school bus replacement are insufficient for the full
23 scheduled allocation of school buses for all local school administrative units, the
24 reductions to allocations should be spread proportionally among the local school
25 administrative units.

26
27 Requested by: Senators Winner, Lee

28 **UNIFORM EDUCATION REPORTING SYSTEM (UERS)/STUDENT** 29 **INFORMATION MANAGEMENT SYSTEM (SIMS) FUNDS**

30 Section 9.26. (a) The State Board of Education shall use funds appropriated for
31 the Uniform Education Reporting System and the Student Information Management
32 System for the 1998-99 fiscal year to begin the development of a replacement for the
33 existing Student Information System. In developing the new system, the State Board
34 shall give priority to the development of applications that maintain student records,
35 maintain ABC accountability data, allow for the transfer of student records between local
36 school administrative units, and facilitate the transfer of transcripts to institutions of
37 higher education.

38 In designing the new system, the State Board shall develop a model for
39 statewide implementation that maximizes the economies of scale with respect to
40 operations, personnel, and hardware. The State Board's goal shall be to develop a new
41 system that provides information to local schools, local school boards, and the State
42 Board in the most cost-efficient manner.

1 The new system shall follow guidelines established by the Information
2 Resources Management System.

3 The State Board may develop pilots of the new system.

4 (b) The State Board shall provide periodic reports to the Joint Legislative
5 Education Oversight Committee on the development of the new system and shall report
6 to the 1999 General Assembly on implementation of the pilot projects.

7 (c) Funds appropriated for the Uniform Education Reporting System and the
8 Student Information Management System shall not revert at the end of the fiscal year but
9 shall remain available until expended on the project.

10
11 Requested by: Senators Winner, Lee

12 **SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

13 Section 9.27. (a) Funds for small school systems. – Except as provided in subsection
14 (b) of this section, the State Board of Education shall allocate funds appropriated for
15 small school system supplemental funding (i) to each county school administrative unit
16 with an average daily membership of less than 3,150 students and (ii) to each county
17 school administrative unit with an average daily membership of from 3,150 to 4,000
18 students if the county in which the local school administrative unit is located has a county
19 adjusted property tax base per student that is below the State adjusted property tax base
20 per student and if the total average daily membership of all local school administrative
21 units located within the county is from 3,150 to 4,000 students. The allocation formula
22 shall:

- 23 (1) Round all fractions of positions to the next whole position.
- 24 (2) Provide five and one-half additional regular classroom teachers in
25 counties in which the average daily membership per square mile is
26 greater than four, and seven additional regular classroom teachers in
27 counties in which the average daily membership per square mile is four
28 or less.
- 29 (3) Provide additional program enhancement teachers adequate to offer the
30 standard course of study.
- 31 (4) Change the duty-free period allocation to one teacher assistant per 400
32 average daily membership.
- 33 (5) Provide a base for the consolidated funds allotment of at least \$355,000,
34 excluding textbooks.
- 35 (6) Allot vocational education funds for grade 6 as well as for grades 7-12.

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

1 (b) Nonsupplant requirement. – A county in which a local school administrative
2 unit receives funds under this section shall use the funds to supplement local current
3 expense funds and shall not supplant local current expense funds. For the 1997-99 fiscal
4 biennium, the State Board of Education shall not allocate funds under this section to a
5 county found to have used these funds to supplant local per student current expense
6 funds. The State Board of Education shall make a finding that a county has used these
7 funds to supplant local current expense funds in the prior year, or the year for which the
8 most recent data are available, if:

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

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

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

25 (d) Definitions. – As used in this section:

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

1 (4a) " Supplant" means to decrease local per student current expense
2 appropriations from one fiscal year to the next fiscal year.

3 (5) " Weighted average of the three most recent annual sales assessment
4 ratio studies" means the weighted average of the three most recent
5 annual sales assessment ratio studies in the most recent years for which
6 county current expense appropriations and adjusted property tax
7 valuations are available. If real property in a county has been revalued
8 one year prior to the most recent sales assessment ratio study, a
9 weighted average of the two most recent sales assessment ratios shall be
10 used. If property has been revalued the year of the most recent sales
11 assessment ratio study, the sales assessment ratio for the year of
12 revaluation shall be used.

13 (e) Reports. – The State Board of Education shall report to the Joint
14 Legislative Education Oversight Committee prior to May 1, 1999, on the results of its
15 analysis of whether counties supplanted funds.

16 17 **PART X. COMMUNITY COLLEGES**

18 Requested by: Senators Plyler, Purcell, Lee, Winner

19 **EXTEND FOR ONE YEAR THE DEADLINE FOR MATCHING COMMUNITY** 20 **COLLEGE BOND FUNDS**

21 Section 10. (a) Section 6(b)IV of Chapter 542 of the 1993 Session Laws, as
22 added by Section 4 of Chapter 515 of the 1995 Session Laws, reads as rewritten:

23 "IV. If the State Board of Community Colleges determines that a community college
24 has not met the matching requirements of G.S. 115D-31(a)(1) by July 1, ~~1998, 1999~~, with
25 respect to a capital improvement project for which bond proceeds are allocated in
26 subdivision I or pursuant to subdivision II of this subsection, the Board shall certify that
27 fact to the State Treasurer by October 1, ~~1998, 1999~~. All of these bond proceeds with
28 respect to which the Board certifies that the matching requirement has not been met by
29 July 1, ~~1998, 1999~~, shall be placed by the State Treasurer in a special account within the
30 Community Colleges Bond Fund and shall be used for making grants to community
31 colleges. Bond proceeds in the special account shall be allocated among the community
32 colleges in accordance with the following conditions:

33 (1) The State Board of Community Colleges shall generate, by October 1,
34 ~~1998, 1999~~, a priority ranking of legitimate community college capital
35 improvement needs using a formula based on objective meaningful
36 factors relevant to capital needs, including space to population ratio,
37 population served ratio, capacity enrollment ratio, local to State and
38 vocational education ratios, type of project, and readiness to implement.

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

- 1 a. No projected allocation shall be made for a community college
2 that the Board certified in accordance with this subdivision IV
3 had failed to meet a matching requirement.
4 b. No more than four million dollars (\$4,000,000) shall be allocated
5 to a single community college.
6 c. Funds shall not be allocated for more than one project per
7 community college.

8 (3) The proceeds of grants made from bond proceeds in the special account
9 shall be allocated and expended for paying the cost of community
10 college capital improvements in accordance with this allocation by the
11 State Board of Community Colleges, to the extent and as provided in
12 this act. The Director of the Budget is empowered, when the Director of
13 the Budget determines it is in the best interest of the State and the North
14 Carolina Community College System to do so, and if the cost of a
15 particular project is less than the projected allocation, to use the excess
16 funds to increase the size of that project or increase the size of any other
17 project itemized in this section, or to increase the amount allocated to a
18 particular community college within the aggregate amount of funds
19 available under this section. The Director of the Budget shall consult
20 with the Advisory Budget Commission and the Joint Legislative
21 Commission on Governmental Operations before making these
22 changes."

23 (b) This section becomes effective June 30, 1998.
24

25 Requested by: Senators Lee, Winner

26 **INDEPENDENT STUDY OF CAPITAL BUDGET AND OPERATING BUDGET**
27 **FUND ALLOCATIONS**

28 Section 10.1. The State Board of Community Colleges shall contract with an
29 outside consultant to:

- 30 (1) Review the community college capital allocation process and to
31 recommend modifications to the process necessary to make the process
32 more equitable; and
33 (2) Study performance budget measures and recommend options for
34 allocating community college funds on a performance budgeting basis.

35 The State Board may use funds from the State Board Reserve to implement this section.

36 The State Board shall report to the Joint Legislative Appropriations Subcommittees on
37 Education and the Fiscal Research Division prior to February 1, 1999, on the
38 implementation of this section.
39

40 Requested by: Senators Lee, Winner, Dalton

41 **COMMUNITY COLLEGE EQUIPMENT RESERVE FUND**

42 Section 10.2. (a) G.S. 115D-31 reads as rewritten:

43 **"§ 115D-31. State financial support of institutions.**

1 (a) The State Board of Community Colleges shall be responsible for providing,
2 from sources available to the State Board, funds to meet the financial needs of
3 institutions, as determined by policies and regulations of the State Board, for the
4 following budget items:

5 (1) Plant Fund. – Furniture and equipment for administrative and
6 instructional purposes, library books, and other items of capital outlay
7 approved by the State Board. Provided, the State Board may, on an
8 equal matching-fund basis from appropriations made by the State for the
9 purpose, grant funds to individual institutions for the purchase of land,
10 construction and remodeling of institutional buildings determined by the
11 State Board to be necessary for the instructional programs or
12 administration of such institutions. For the purpose of determining
13 amount of matching State funds, local funds shall include expenditures
14 made prior to the enactment of this Chapter or prior to an institution
15 becoming a community college pursuant to the provisions of this
16 Chapter, when such expenditures were made for the purchase of land,
17 construction, and remodeling of institutional buildings subsequently
18 determined by the State Board to be necessary as herein specified, and
19 provided such local expenditures have not previously been used as the
20 basis for obtaining matching State funds under the provisions of this
21 Chapter or any other laws of the State. Notwithstanding the provisions
22 of this subdivision, G.S. 116-53(b), or G.S. 143-31.4, appropriations by
23 the State of North Carolina for capital or permanent improvements for
24 community colleges may be matched with any prior expenditure of non-
25 State funds for capital construction or land acquisition not already used
26 for matching purposes.

27 (2) Current Operating Expenses:

- 28 a. General administration. – Salaries and other costs as determined
29 by the State Board necessary to carry out the functions of general
30 administration.
31 b. Instructional services. – Salaries and other costs as determined by
32 the State Board necessary to carry out the functions of
33 instructional services.
34 c. Support services. – Salaries and other costs as determined by the
35 State Board necessary to carry out the functions of support
36 services.

37 (3) Additional Support for Regional Institutions as Defined in G.S. 115D-
38 2(4). – Matching funds to be used with local funds to meet the financial
39 needs of the regional institutions for the items set out in G.S. 115D-
40 32(a)(2)a. Amount of matching funds to be provided by the State under
41 this section shall be determined as follows: The population of the
42 administrative area in which the regional institution is located shall be
43 called the 'local factor,' the combined populations of all other counties

1 served by the institution shall be called the 'State factor.' When the
2 budget for the items listed in G.S. 115D-32(a)(2)a has been approved
3 under the procedures set out in G.S. 115D-45, the administrative area in
4 which the regional institution is located shall provide a percentage to be
5 determined by dividing the local factor by the sum of the local factor
6 and the State factor. The State shall provide a percentage of the
7 necessary funds to meet this budget, the percentage to be determined by
8 dividing the State factor by the sum of the local factor and the State
9 factor. If the local administrative area provides less than its
10 proportionate share, the amount of State funds provided shall be reduced
11 by the same proportion as were the administrative area funds.

12 Wherever the word 'population' is used in this subdivision, it shall
13 mean the population of the particular area in accordance with the latest
14 United States census.

15 (b) The State Board is authorized to accept, receive, use, or reallocate to the
16 institutions any federal funds or aids that have been or may be appropriated by the
17 government of the United States for the encouragement and improvement of any phase of
18 the programs of the institutions.

19 (c) State funds appropriated to the State Board of Community Colleges for
20 equipment and library ~~books~~—books, except for funds appropriated to the Equipment
21 Reserve Fund, shall revert to the General Fund 12 months after the close of the fiscal year
22 for which they were appropriated. Encumbered balances outstanding at the end of each
23 period shall be handled in accordance with existing State budget policies. The
24 Department shall identify to the Office of State Budget and Management the funds that
25 revert at the end of the 12 months after the close of the fiscal year.

26 (d) State funds appropriated to the State Board of Community Colleges for the
27 Equipment Reserve Fund shall be allocated to institutions in accordance with the
28 equipment allocation formula for the fiscal period. An institution to which these funds
29 are allocated shall spend the funds only in accordance with an equipment acquisition plan
30 developed by the institution and approved by the State Board.

31 These funds shall not revert and shall remain available until expended in accordance
32 with an approved plan."

33 (b) The State Board of Community Colleges shall allocate equipment funds
34 appropriated for the 1998-99 fiscal year, including funds appropriated to the Equipment
35 Reserve Fund, in accordance with the formula proposed to the General Assembly by the
36 Board at its May 1998 meeting.

37
38 Requested by: Senators Lee, Winner

39 **BUDGET REALIGNMENT TO IMPLEMENT REORGANIZATION**
40 **AUTHORIZED**

41 Section 10.3. Notwithstanding G.S. 143-23 or any other provision of law, the
42 State Board of Community Colleges may transfer funds within the budget of the
43 Department of Community Colleges to the extent necessary to implement the

1 departmental reorganization plan recommended by the President of the North Carolina
2 Community College System and adopted by the State Board.

3
4 Requested by: Senators Lee, Winner

5 **CONTINUING BUDGET CONCEPT**

6 Section 10.4. (a) The State Board of Community Colleges shall implement the
7 continuing budget concept for full-time equivalent students (FTE) earned for the 1998-99
8 fiscal year as follows:

9 (1) Community colleges that experience a decline in enrollment shall not
10 receive a decrease in full-time equivalent student (FTE) enrollment
11 funds until their enrollment declines more than three percent (3%). At
12 that time, they shall experience a decline of only the amount over three
13 percent (3%);

14 (2) Community colleges that experience an increase in enrollment shall not
15 receive an increase in full-time equivalent student (FTE) enrollment
16 funds until their enrollment increases more than two percent (2%). At
17 that time, they shall experience an increase of only the amount over two
18 percent (2%).

19 (b) The State Board of Community Colleges shall implement the continuing
20 budget concept for subsequent fiscal years by funding (i) the average earned full-time
21 equivalent student (FTE) enrollment for the prior three fiscal years, or (ii) the earned full-
22 time equivalent student (FTE) enrollment for the prior fiscal year, whichever is greater.

23
24 Requested by: Senators Lee, Winner

25 **ANNUAL REVIEW ACCOUNTABILITY ENHANCED**

26 Section 10.5. The General Assembly finds that the current annual program
27 review standards are not adequate to ensure that programs are meeting the needs of
28 students, employers, and the general public; therefore, the State Board of Community
29 Colleges shall review the current standard to ensure a higher degree of program
30 accountability and shall establish appropriate levels of performance for each measure
31 based on sound methodological practices.

32 The State Board shall make an interim report to the Joint Legislative Education
33 Oversight Committee and to the Fiscal Research Division on its improved accountability
34 measures prior to November 1, 1998, and a final report prior to February 1, 1999.

35
36 Requested by: Senators Lee, Winner

37 **DEVELOPMENT OF MANAGEMENT INFORMATION SYSTEM**

38 Section 10.6. The State Board of Community Colleges shall develop a plan for
39 an efficient and effective technology and management information system. The system
40 shall be designed to support the Community College System's planning, evaluation,
41 communication, resource management, full-time equivalent student (FTE) reporting, and
42 decision-making processes. The plan shall identify the technology and management

1 information needs of the local colleges and the Department of Community Colleges, the
2 costs of meeting these needs, and the benefits of meeting 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: Senators Lee, Winner

7 **COOPERATIVE HIGH SCHOOL EDUCATION PROGRAM**
8 **ACCOUNTABILITY**

9 Section 10.7. (a) It is the goal of the General Assembly to increase the number of
10 qualified high school students participating in cooperative high school education
11 programs that are provided by local community colleges through cost-effective programs
12 that do not duplicate high school Advanced Placement courses that are currently being
13 offered or that could feasibly be offered. These programs shall provide additional higher
14 education opportunities for qualified high school students while minimizing overlapping
15 costs to the State for public schools and community colleges.

16 (b) The State Board of Community Colleges and the State Board of Education
17 shall create a joint task force to study the existing policies for cooperative high school
18 education programs and to recommend changes necessary to improve the programs'
19 success and accountability. The Boards shall report their findings and recommendations
20 to the Joint Legislative Education Oversight Committee and the Fiscal Research Division
21 prior to March 1, 1999.

22
23 Requested by: Senators Lee, Winner

24 **REPORTING REQUIREMENTS**

25 Section 10.8. The local institutions of the North Carolina Community College
26 System shall comply with annual reporting requirements established by the State Board
27 of Community Colleges; therefore, the State Board of Community Colleges shall develop
28 an action plan to improve the timeliness and accuracy of the data that are required to be
29 reported to the State Board by each institution. This plan may include withholding State
30 funds from the institution if an institution is not in compliance.

31 The plan shall be approved and implemented by October 30, 1998.

32
33 Requested by: Senators Lee, Winner

34 **COMMUNITY COLLEGE TUITION STUDY**

35 Section 10.9. The Joint Legislative Education Oversight Committee shall study
36 community college tuition in light of (i) recent proposals intended to maximize the
37 opportunities of North Carolina residents to continue their education after high school
38 and (ii) federal "Hope Scholarships". The Committee shall report the results of its study
39 to the Appropriations Subcommittees on Education of the Senate and the House of
40 Representatives prior to January 15, 1999.

41
42 Requested by: Senators Hoyle, Lee, Winner

43 **HOSPITALITY AND TOURISM JOB TRAINING PROGRAMS**

1 Section 10.10. (a) The State Board of Community Colleges shall study
2 hospitality and tourism job training programs offered by the local institutions of the
3 North Carolina Community College System. The State Board of Community Colleges
4 shall collaborate with the Board of Governors of The University of North Carolina, the
5 State Board of Education, and the Department of Commerce to improve articulation
6 between institutions with regard to hospitality and tourism job training programs. The
7 efforts to improve articulations shall be considered a joint venture of these educational
8 institutions that are participating members of the Culinary, Hospitality, Tourism
9 Education Alliance (CHTEA), and of the Department of Commerce and the travel and
10 tourism industry.

11 (b) The State Board of Community Colleges, the State Board of Education, the
12 Board of Governors of The University of North Carolina, and the Department of
13 Commerce shall report jointly to the Joint Legislative Education Oversight Committee
14 on the following:

- 15 (1) An inventory of all curriculum, continuing education, and job training
16 programs offered in the State that support the travel, tourism, and
17 hospitality industries;
- 18 (2) Recommendations for improvements to the programs and a system of
19 program accountability; and
- 20 (3) Recommendations on ways to improve communication between the
21 industry and the Boards and to enhance efforts to promote the programs.

22
23 Requested by: Senators Lee, Winner

24 **ROANOKE-CHOWAN COMMUNITY COLLEGE/SHELTERED WORKSHOP**

25 Section 10.11. Roanoke-Chowan Community College may use proceeds
26 derived from the lease of buildings associated with the sheltered workshop to phase out
27 the sheltered workshop operation.

28
29 Requested by: Senators Rand, Lee

30 **COMMUNITY COLLEGE TUITION WAIVER**

31 Section 10.12. It is the intent of the General Assembly to provide a tuition
32 waiver for up to two years, to the extent that funds are appropriated expressly for that
33 purpose, to deserving students who graduate from a North Carolina high school and are
34 enrolled full-time in a North Carolina community college within six months of
35 graduation.

36 37 **PART XI. UNIVERSITIES**

38 Requested by: Senators Lee, Winner

39 **UNC INCENTIVE FUNDING**

40 Section 11. (a) G.S. 116-30.3(d) reads as rewritten:

41 "(d) For fiscal year 1997-98 and ~~each subsequent fiscal year~~, fiscal year 1998-99,
42 one-half of the reversions required in subsections (a) and (b) of this section shall be
43 available to each special responsibility constituent institution of The University of North

1 Carolina. Those funds shall be used by the institution at the campus level for any of the
2 following: the nonrecurring costs of technology, including the installation of technology
3 infrastructure for academic facilities on the campus of the special responsibility
4 constituent institution, the implementation by the constituent institution of its campus
5 technology plan as approved by the Board of Governors, or for libraries. The funds shall
6 not be used to support positions. Each special responsibility constituent institution shall
7 report annually to the Board of Governors regarding how the institution spent the funds
8 made available under this section."

9 (b) Effective July 1, 1999, G.S. 116-30.3 as amended by subsection (a) of this
10 section reads as rewritten:

11 "**§ 116-30.3. Reversions.**

12 (a) Of the General Fund current operations appropriations credit balance
13 remaining at the end of each fiscal year in each budget code of a special responsibility
14 constituent institution, except for the budget code of the Area Health Education Centers
15 of the University of North Carolina at Chapel Hill, any amount ~~greater than two percent~~
16 ~~(2%)~~ of the General Fund appropriation for that fiscal year may be carried forward by the
17 institution to the next fiscal year and may be used for one-time expenditures that will not
18 impose additional financial obligations on the State. Of the General Fund current
19 operations appropriations credit balance remaining in the budget code of the Area Health
20 Education Centers of the University of North Carolina at Chapel Hill, any amount ~~greater~~
21 ~~than one percent (1%)~~ of the General Fund appropriation for that fiscal year may be
22 carried forward in that budget code to the next fiscal year and may be used for one-time
23 expenditures that will not impose additional financial obligations on the State. However,
24 the amount carried forward under this section shall not exceed two and one-half percent
25 (2 1/2%) of the General Fund appropriation. The Director of the Budget, under the
26 authority set forth in G.S. 143-25, shall establish the General Fund current operations
27 credit balance remaining in each budget code of each institution.

28 (b) ~~An institution shall cease to be a special responsibility constituent institution~~
29 ~~under the following circumstances:~~

- 30 (1) ~~An institution, other than the Area Health Education Centers of the~~
31 ~~University of North Carolina, does not revert at least two percent (2%)~~
32 ~~of its General Fund current operations credit balance remaining in each~~
33 ~~budget code of that institution, or~~
34 (2) ~~The Area Health Education Centers of the University of North Carolina~~
35 ~~at Chapel Hill does not revert at least one percent (1%) of its General~~
36 ~~Fund current operations credit balance remaining in its budget code.~~

37 ~~However, if the Board of Governors finds that the low reversion rate is due to adverse~~
38 ~~and unforeseen conditions, the Board may allow the institution to remain a special~~
39 ~~responsibility constituent institution for one year to come into conformity with this~~
40 ~~section. The Board may make this exception only one time for any special responsibility~~
41 ~~constituent institution, and shall report these exceptions to the Joint Legislative~~
42 ~~Commission on Governmental Operations.~~

1 (c) One half of the reversions required in subsection (a) and (b) of this section
2 shall be returned to the General Fund credit balance at the end of each fiscal year.

3 (d) For fiscal year 1997-98 and fiscal year 1998-99, one half of the reversions
4 required in subsections (a) and (b) of this section shall be available to each special
5 responsibility constituent institution of The University of North Carolina. Those funds
6 shall be used by the institution at the campus level for any of the following: the
7 nonrecurring costs of technology, including the installation of technology infrastructure
8 for academic facilities on the campus of the special responsibility constituent institution,
9 the implementation by the constituent institution of its campus technology plan as
10 approved by the Board of Governors, or for libraries. The funds shall not be used to
11 support positions. Each special responsibility constituent institution shall report annually
12 to the Board of Governors regarding how the institution spent the funds made available
13 under this section."
14

15 Requested by: Senators Lee, Winner

16 **NATURAL RESOURCES LEADERSHIP INSTITUTE**

17 Section 11.1. For the 1998-99 fiscal year, the requirement for reversion of
18 General Fund appropriations as required by G.S. 116-30.3 for the Cooperative Extension
19 Service budget code at North Carolina State University is reduced by one hundred
20 seventy thousand dollars (\$170,000) in order to provide funding for the Natural Resource
21 Leadership Institute sponsored by the Cooperative Extension Service.
22

23 Requested by: Senators Lee, Winner

24 **INCENTIVE SCHOLARSHIP PROGRAM FOR NATIVE AMERICANS**

25 Section 11.2. Section 17.3(a) of Chapter 769, 1993 Session Laws, reads as
26 rewritten:

27 "Sec. 17.3. (a) The Board of Governors of The University of North Carolina shall
28 establish the Incentive Scholarship Program for Native Americans to provide
29 opportunities for Native Americans who are residents of North Carolina to attend
30 constituent institutions of The University of North Carolina under rules adopted by the
31 Board of Governors. Scholarships awarded under the program shall carry a maximum
32 value of three thousand dollars (\$3,000) per recipient per academic year, ~~reduced by any~~
33 ~~amount of need-based aid that the recipient may receive from Pell Grants, North Carolina~~
34 ~~Student Incentive Grants, Supplemental Educational Opportunity Grants, or the~~
35 ~~American Indian Student Legislative Grant Program.~~ to be awarded after all other need-
36 based grants for which the recipient is eligible have been included in the student's
37 financial aid package. The maximum amount of the award shall not exceed the cost of
38 attendance budget used to calculate financial aid less other need-based aid received, and
39 in no case shall the award exceed three thousand dollars (\$3,000). To be eligible for such
40 a scholarship, a student shall be a Native American, defined as an individual who
41 maintains cultural identification as a Native American through membership in an Indian
42 tribe recognized by the United States or by the State of North Carolina or through other
43 tribal affiliation or community recognition."

1
2 Requested by: Senators Lee, Winner, Plyler

3 **AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE**

4 Section 11.3. Section 10.4 of S.L. 1997-443 reads as rewritten:

5 "Section 10.4. (a) Funds appropriated in this act to the Board of Governors of
6 The University of North Carolina for aid to private colleges shall be disbursed in
7 accordance with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall
8 provide up to ~~seven hundred fifty dollars (\$750.00)~~ nine hundred dollars (\$900.00) per
9 full-time equivalent North Carolina undergraduate student enrolled at a private institution
10 as of October 1 each year.

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

17 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
18 to all other financial assistance made available to private educational institutions located
19 within the State, or to students attending these institutions, there is granted to each full-
20 time North Carolina undergraduate student attending an approved institution as defined in
21 G.S. 116-22, a sum, not to exceed ~~one thousand four hundred fifty dollars (\$1,450)~~ one
22 thousand six hundred dollars (\$1,600) per academic year, which shall be distributed to
23 the student as hereinafter provided.

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

32 In the event a student on whose behalf a grant has been paid is not enrolled and
33 carrying a minimum academic load as of the tenth classroom day following the beginning
34 of the school term for which the grant was paid, the institution shall refund the full
35 amount of the grant to the State Education Assistance Authority. Each approved
36 institution shall be subject to examination by the State Auditor for the purpose of
37 determining whether the institution has properly certified eligibility and enrollment of
38 students and credited grants paid on the behalf of the students.

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

- 41 (1) The Board of Governors of The University of North Carolina, with the
42 approval of the Office of State Budget and Management, may transfer

1 available funds to meet the needs of the programs provided by
2 subsections (a) and (b) of this section; and

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

6 Any remaining funds shall revert to the General Fund.

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

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

12 (2) Is incarcerated in a State or federal correctional facility for committing
13 a Class C through I felony and is not eligible for parole or release within
14 10 years.

15 (d) The State Education Assistance Authority shall document the number of full-
16 time equivalent North Carolina undergraduate students that are enrolled in off-campus
17 programs and the State funds collected by each institution pursuant to G.S. 116-19 for
18 those students. The State Education Assistance Authority shall also document the
19 number of scholarships and the amount of the scholarships that are awarded under G.S.
20 116-19 to students enrolled in off-campus programs. An "off-campus program" is any
21 program offered for degree credit away from the institution's main permanent campus.

22 The State Education Assistance Authority shall include in its annual report to the Joint
23 Legislative Education Oversight Committee the information it has compiled and its
24 findings regarding this program."

25

26 Requested by: Senators Lee, Winner

27 **UNC EQUITY FUNDS/CAPITAL FACILITIES STUDY**

28 Section 11.4. Section 10.1 of S.L. 1997-443 reads as rewritten:

29 "Section 10.1. (a) The funds appropriated to the Board of Governors of The
30 University of North Carolina for equity funds are to address relative inequities in State
31 operating funding revealed through a study of the constituent institutions in the university
32 system. The General Assembly notes that the study dealt with equity based upon current
33 funding from State appropriations and tuition for operations and did not consider
34 historical equity in funding for physical facilities or funding from non-State sources.
35 Therefore, in making this appropriation, the General Assembly does not conclude that the
36 total funding of any institution, including specifically the historically black universities,
37 is adequate in light of all considerations.

38 (b) Based on findings of the Legislative Study Commission on the Status of
39 Education at The University of North Carolina, the General Assembly is still concerned
40 about perceived differences in the quality of capital facilities on the different campuses,
41 which may impact the ability of some campuses to attract students and faculty. Since the
42 Board of Governors has recently completed studies of equity of funding for operating
43 costs among the constituent institutions and of the Board of Governors' capital

1 improvements request process, it is timely that the question of equity of facilities be
2 addressed.

3 The Board of Governors of The University of North Carolina shall study the relative
4 equity and adequacy of the physical facilities of its constituent institutions. The study
5 shall consider the condition of the facilities, whether or not facilities are comparable
6 among the campuses given the different missions of the institutions, comparable
7 adequacy of the physical facilities given the size and projected growth of the school, and
8 such other factors deemed appropriate by the Board of Governors. The study shall
9 include all facilities contributing to the accomplishment of the campuses' missions. First,
10 the Board of Governors shall study those facilities considered central to the academic
11 missions of the campuses that are generally supported from General Fund appropriations.
12 Secondly, the Board of Governors shall study those facilities that contribute to the overall
13 missions of the campuses, including residential, dining, research, and other facilities
14 regardless of the sources of funding. The Board of Governors shall consider its policies
15 on funding of self-liquidating projects and whether those policies contribute to any
16 inequities among the campuses, including the overall costs to the students.

17 ~~The Board of Governors shall report to the General Assembly by January 15, 1999,~~
18 ~~with the results of its study. The report shall include recommendations to rectify any~~
19 ~~inequities or inadequacies found in the study.~~

20 (c) The Board of Governors shall contract with a private consulting firm with
21 expertise in higher education matters to assess the additional capital needs of the
22 constituent institutions of The University of North Carolina. The needs assessment shall
23 project the needs for capital funding for a 10-year period, and shall include a detailed
24 plan for making funding allocations based on the priorities of needs.

25 The plan shall provide a detailed capital spending plan for the next 10 years to assist
26 the General Assembly in making funding decisions relating to The University of North
27 Carolina, as the State plans for major increases in enrollment in higher education and
28 prepares its citizens to compete in a global economy. The plan shall include
29 considerations of the costs and changes in capital needs caused by new technologies and
30 alternative systems for delivery of higher education services.

31 The consultant shall visit each campus in The University of North Carolina system to
32 understand the needs of each campus based on their assigned missions, physical needs,
33 and plans.

34 The Board and its consultant shall provide interim progress reports to the General
35 Assembly on a periodic basis. The Board of Governors shall report to the General
36 Assembly by April 15, 1999, with the results of its study and plan.

37 Of the funds appropriated to the Board of Governors for fiscal year 1998-99, up to
38 two hundred fifty thousand dollars (\$250,000) may be reallocated for the purposes of this
39 section, including funds that would normally revert to the General Fund at the end of the
40 fiscal year."

41
42 Requested by: Senators Lee, Winner

43 **MANUFACTURING EXTENSION PARTNERSHIP**

1 Section 11.5. Section 10.7 of S.L. 1997-443 reads as rewritten:

2 "Section 10.7. Of the funds appropriated to the Board of Governors of The University
3 of North Carolina, the sum of nine hundred thousand dollars (\$900,000) for the ~~1997-98~~
4 1998-99 fiscal year shall be allocated to North Carolina State University to match
5 additional federal funds for the Manufacturing Extension Partnership Program."
6

7 Requested by: Senators Lee, Winner, Warren, Perdue

8 **EAST CAROLINA DOCTORAL II CLASSIFICATION**

9 Section 11.6. Of the funds appropriated to the Board of Governors of The
10 University of North Carolina for the 1998-99 fiscal year, the sum of two million dollars
11 (\$2,000,000) shall be allocated to East Carolina University in recognition of the
12 designation of that institution as a Doctoral II University. The funds may be used for
13 additional faculty, increases in faculty salaries, increases in the number of graduate
14 student tuition remissions, and other enhancements required to meet the needs of a
15 Doctoral II institution. The use of these funds shall be in accord with the plan developed
16 for the Board of Governors for adjusting the funding for East Carolina University to a
17 level appropriate for Doctoral II University status. East Carolina University shall report
18 to the Board of Governors, the Office of State Budget and Management, and the Fiscal
19 Research Division on the allocation of these funds within its budgets.
20

21 Requested by: Senators Lee, Winner

22 **UNC DISTANCE EDUCATION**

23 Section 11.7. This act provides funding to The University of North Carolina
24 Board of Governors for degree-related courses provided away from the campus sites of
25 the constituent institutions of The University of North Carolina. The intent of this
26 commitment is to provide expanded opportunities for higher education to more North
27 Carolina residents, including nontraditional students, and to increase the number of North
28 Carolina residents who earn post-secondary degrees.

29 These funds shall be used for the provision of off-campus higher education
30 programs, including the costs for the development or adaptation of programs for this
31 purpose, and the funds may be used for the costs of providing space and services at the
32 off-campus sites.

33 Prior to approving funding for off-campus programs in nursing, the Board shall
34 consult with the central office of the Area Health Education Centers (AHEC) to obtain
35 information about regional needs and priorities and to coordinate funding with AHEC
36 efforts in nursing education.

37 The Board of Governors shall track these funds separately in order to provide
38 data on the costs of providing these programs, including the different costs for various
39 methods of delivery of educational programs. The Board of Governors shall provide for
40 evaluation of these off-campus programs, including comparisons to the costs and quality
41 of on-campus delivery of similar programs, as well as the impact on access to higher
42 education and the educational attainment levels of North Carolina residents. The Board
43 shall provide a preliminary report to the General Assembly by May 1, 2000, and

1 subsequent evaluations, including recommendations for changes, shall be made at least
2 biennially to the Joint Legislative Education Oversight Committee.

3
4 Requested by: Senators Winner, Rand

5 **UNC HOSPITALS/MANAGEMENT FLEXIBILITY**

6 Section 11.8. (a) G.S. 116-37 reads as rewritten:

7 **"§ 116-37. University of North Carolina Hospitals at Chapel Hill.**

8 (a) Composition. – The Board of Governors of the University of North Carolina is
9 hereby directed to create a board of directors for the University of North Carolina
10 Hospitals at Chapel Hill consisting of 12 members of which nine shall be appointed by
11 the Board of Governors. Three members ex officio of said board shall be the University
12 of North Carolina at Chapel Hill Vice-Chancellor for Health Affairs, University of North
13 Carolina at Chapel Hill Vice-Chancellor for Business and Finance, and the Dean of the
14 University of North Carolina at Chapel Hill Medical School, or successors to these
15 offices under other titles with similar responsibilities. Nine members shall be appointed
16 from the business and professional public-at-large, none of whom shall be Governors of
17 the University, and, thereafter, the nine appointive members shall select one of their
18 number to serve as chairman. Members of this board shall include, but not be limited to,
19 persons with special competence in business management, hospital administration, and
20 medical practice not affiliated with University faculty. The Governors may remove any
21 member for cause. Board members, other than ex officio members, shall each receive
22 such per diem and necessary travel and subsistence expenses while engaged in the
23 discharge of their official duties as is provided by law for members of State boards and
24 commissions generally.

25 (a1) Appointment to Board. – Each of the nine persons who, as of June 30, 1989, is
26 serving as an appointed member of the Board shall be reassigned by the Governors, each
27 to a different term, ending June 30, 1989, June 30, 1990, June 30, 1991, June 30, 1992,
28 June 30, 1993, June 30, 1994, June 30, 1995, June 30, 1996, or June 30, 1997. After July
29 1, 1989, the term of office for new appointments shall commence on July 1, and all
30 members shall serve for four-year terms; provided, however, that no person may be
31 appointed to (i) more than three full four-year terms in succession, or (ii) a four-year term
32 if preceded immediately by 12 years of service. Resignation from a term of office shall
33 not constitute a break in service for the purpose of this subsection. Board member
34 vacancies shall be filled by the Governors for the remainder of the unexpired term.

35 (b) Meetings and Powers of Board. – The board of directors shall meet at least
36 every 60 days and may hold special meetings at any time and place within the State at the
37 call of its chairman. The board of directors shall make rules, regulations, and policies
38 governing the management and operation of the University of North Carolina Hospitals at
39 Chapel Hill, consistent with basic State statutes and procedures, to meet the goals of
40 education, research, patient care, and community service. The board's action on matters
41 within its jurisdiction is final, except that appeals may be made, in writing, to the Board
42 of Governors with a copy of the appeal to the University administration. The board of
43 directors shall elect and may remove the executive director of the University of North

1 Carolina Hospitals at Chapel Hill. The board of directors may enter into formal
2 agreements with the University of North Carolina at Chapel Hill, Division of Health
3 Affairs, with respect to the provision of clinical experience for students and may also
4 enter into formal agreements with the University of North Carolina at Chapel Hill for the
5 provision of maintenance and supporting services.

6 (c) Executive Director. – The chief administrative officer of the University of
7 North Carolina Hospitals at Chapel Hill shall be the executive director, who shall be
8 appointed by the board of directors to serve at its pleasure. The executive director shall
9 administer the affairs of the University of North Carolina Hospitals at Chapel Hill subject
10 to the duly adopted policies, rules, and regulations of the board of directors, including the
11 appointment, promotion, demotion, and discharge of all personnel. The executive director
12 shall report to the board of directors quarterly or more often as required. The executive
13 director will serve as secretary to the board of directors.

14 (d) Personnel. – The University of North Carolina Hospitals at Chapel Hill shall
15 maintain a personnel office for personnel administration. ~~Notwithstanding the provisions~~
16 ~~of Chapter 126 of the General Statutes to the contrary, the Board of Directors of the~~
17 ~~University of North Carolina Hospitals at Chapel Hill shall establish policies and rules~~
18 ~~governing the study and implementation of competitive position classification and~~
19 ~~compensation plans for registered and licensed practical nurse positions that have been~~
20 ~~approved by the Board of Directors. These plans shall provide for minimum, maximum,~~
21 ~~and intermediate rates of pay, and may include provisions for range revisions and shift~~
22 ~~premium pay and for salary adjustments to address internal inequities, job performance,~~
23 ~~and market conditions. The Office of State Personnel shall review the classification and~~
24 ~~compensation plans on an annual basis. All changes in compensation plans for these~~
25 ~~registered and licensed practical nurse positions shall be submitted to the Office of State~~
26 ~~Personnel upon implementation. All employees of the University of North Carolina~~
27 ~~Hospitals at Chapel Hill shall be deemed to be employees of the State and shall be subject~~
28 ~~to all provisions of State law relevant thereto; provided, however, that except as to the~~
29 ~~provisions of Articles 5, 6, and 7 of Chapter 126 of the General Statutes, the provisions of~~
30 ~~Chapter 126 shall not apply to employees of the University of North Carolina Hospitals at~~
31 ~~Chapel Hill, and the policies and procedures governing the terms and conditions of~~
32 ~~employment of such employees shall be adopted by the Board of Directors.~~

33 (1) The Board of Directors shall fix or approve the schedules of pay,
34 expense allowances, and other compensation and adopt position
35 classification plans for all employees of the University of North
36 Carolina Hospitals at Chapel Hill.

37 (2) The Board of Directors shall adopt or provide for rules and regulations
38 concerning, but not limited to, annual leave, sick leave, special leave
39 with full pay or with partial pay supplementing workers' compensation
40 payments for employees injured in accidents arising out of and in the
41 course of employment, working conditions, service awards, and
42 incentive award programs, grounds for dismissal, demotion, or
43 discipline, other personnel policies, and any other measures that

1 promote the hiring and retention of capable, diligent, and effective
2 career employees. However, an employee who has achieved career
3 State employee status as defined by G.S. 126-1.1 by October 31, 1998,
4 shall not have his or her compensation reduced as a result of this
5 subdivision. Further, an employee who has achieved career State
6 employee status as defined by G.S. 126-1.1 by October 31, 1998, shall
7 be subject to the rules regarding discipline or discharge that were
8 effective on October 31, 1998, and shall not be subject to the rules
9 regarding discipline or discharge adopted after October 31, 1998.

10 (3) The Board of Directors may prescribe the office hours, workdays, and
11 holidays to be observed by the various offices and departments of the
12 University of North Carolina Hospitals at Chapel Hill.

13 (4) The Board of Directors shall establish boards, committees, or councils
14 to conduct hearings upon the appeal of employees who have been
15 suspended, demoted, otherwise disciplined, or discharged, to hear
16 employee grievances, or to undertake any other duties relating to
17 personnel administration that the Board of Directors may direct.

18 (e) Finances. – The University of North Carolina Hospitals at Chapel Hill shall be
19 subject to the provisions of the Executive Budget Act. There shall be maintained a
20 business and budget office to administer the budget and financial affairs of the University
21 of North Carolina Hospitals at Chapel Hill. The executive director, subject to the board of
22 directors, shall be responsible for all aspects of budget preparation, budget execution, and
23 expenditure reporting. Subject to the approval of the Director of the Budget: All
24 operating funds of the University of North Carolina Hospitals at Chapel Hill may be
25 budgeted and disbursed through a special fund code, all receipts of the University of
26 North Carolina Hospitals at Chapel Hill may be deposited directly to the special fund
27 code; and general fund appropriations for support of the University of North Carolina
28 Hospitals at Chapel Hill may be budgeted in a general fund code under a single purpose,
29 "Contribution to University of North Carolina Hospitals at Chapel Hill Operations" and
30 be transferable to the special fund operating code as receipts. Prior to taking any action
31 under this subsection, the Director of the Budget may consult with the Advisory Budget
32 Commission.

33 (e1) Finances – Patient/Hospital Benefit. – The Executive Director of the
34 University of North Carolina Hospitals at Chapel Hill or the Director's designee, may
35 expend operating budget funds, including State funds, of the University of North Carolina
36 Hospitals at Chapel Hill for the direct benefit of a patient, when, in the judgment of the
37 Executive Director or the Director's designee, the expenditure of these funds would result
38 in a financial benefit to the University of North Carolina Hospitals at Chapel Hill. Any
39 such expenditures are declared to result in the provision of medical services and create
40 charges of the University of North Carolina Hospitals at Chapel Hill for which the
41 hospitals may bill and pursue recovery in the same way as allowed by law for recovery of
42 other hospitals' charges for services that are unpaid.

1 These expenditures shall be limited to no more than seven thousand five hundred
2 dollars (\$7,500) per patient per admission and shall be restricted (i) to situations in which
3 a patient is financially unable to afford ambulance or other transportation for discharge;
4 (ii) to afford placement in an after-care facility pending approval of third party
5 entitlement benefits; (iii) to assure availability of a bed in an after-care facility after
6 discharge from the hospitals; (iv) to secure equipment or other medically appropriate
7 services after discharge; (v) or to pay health insurance premiums. The Executive Director
8 or the Director's designee shall reevaluate at least once a month the cost-effectiveness of
9 any continuing payment on behalf of a patient.

10 To the extent that the University of North Carolina Hospitals at Chapel Hill advance
11 anticipated government entitlement benefits for a patient's benefit, for which the patient
12 later receives a lump sum "backpay" award from an agency of the State, whether for the
13 current admission or subsequent admission, the State agency shall withhold from this
14 backpay an amount equal to the sum advanced on the patient's behalf by the University of
15 North Carolina Hospitals at Chapel Hill, if, prior to the disbursement of the backpay, the
16 applicable State program has received notice from the University of North Carolina
17 Hospitals at Chapel Hill of the advancement.

18 (f) Purchases. ~~The University of North Carolina Hospitals at Chapel Hill shall~~
19 ~~be subject to all provisions of Articles 3 and 3A of Chapter 143 of the General Statutes~~
20 ~~relating to the Department of Administration, Purchase and Contract Division. There~~
21 ~~shall be maintained a purchasing office to handle all purchasing requirements of the~~
22 ~~University of North Carolina Hospitals at Chapel Hill. The Purchase and Contract~~
23 ~~Division may enter into such arrangements with the board of directors as the Division~~
24 ~~may deem necessary in consideration of the special requirements of the University of~~
25 ~~North Carolina Hospitals at Chapel Hill for procurement of certain supplies, materials,~~
26 ~~equipments and services. Notwithstanding the provisions of Articles 3 and 3A of Chapter~~
27 143 of the General Statutes to the contrary, the Board of Directors shall establish policies
28 and regulations governing the purchasing requirements of the University of North
29 Carolina Hospitals at Chapel Hill. These policies and regulations shall provide for
30 requests for proposals, competitive bidding or purchasing by means other than
31 competitive bidding, contract negotiations and contract awards for purchasing supplies,
32 materials, equipment, and services which are necessary and appropriate to fulfill the
33 clinical, educational, research, and community service missions of the University of
34 North Carolina Hospitals at Chapel Hill. The Board of Directors shall seek the advice of
35 the Director of the Purchase and Contract Division on an annual basis concerning the
36 adequacy of the University of North Carolina Hospitals at Chapel Hill management staff
37 and internal controls to administer the additional authorities authorized under this section.

38 (g) Property. ~~The board of directors shall be responsible to the University Board~~
39 ~~of Governors for the maintenance, operation, and control of the University of North~~
40 ~~Carolina Hospitals at Chapel Hill and grounds. Notwithstanding the provisions of Article~~
41 6 of Chapter 146 of the General Statutes to the contrary, the Board of Directors shall
42 establish rules and regulations to perform the functions otherwise prescribed for the
43 Department of Administration in acquiring or disposing of any interest in real property by

1 the University of North Carolina Hospitals at Chapel Hill. These rules and regulations
2 shall include provisions for development of specifications, advertisement, and
3 negotiations with owners for acquisition by purchase, gift, lease, or rental, but not by
4 condemnation or exercise of eminent domain, on behalf of the University of North
5 Carolina Hospitals at Chapel Hill. This section does not authorize the Board of Directors
6 to encumber real property. The Board of Directors shall seek the advice of the State
7 Property Office on an annual basis concerning the adequacy of the University of North
8 Carolina Hospitals at Chapel Hill management staff and internal controls to administer
9 the additional authorities permitted by this section. After review by the Attorney General
10 as to form and after the consummation of any such acquisition, the University of North
11 Carolina Hospitals at Chapel Hill shall promptly file a report concerning the acquisition
12 or disposition with the Governor and Council of State.

13 (h) Patient Information. – The University of North Carolina Hospitals at Chapel
14 Hill shall, at the earliest possible opportunity, specifically make a verbal and written
15 request to each patient to disclose the patient's Social Security number, if any. If the
16 patient does not disclose that number, the University of North Carolina Hospitals at
17 Chapel Hill shall deny benefits, rights, and privileges of the University of North Carolina
18 Hospitals at Chapel Hill to the patient as soon as practical, to the maximum extent
19 permitted by federal law or federal regulations. The University of North Carolina
20 Hospitals at Chapel Hill shall make the disclosure to the patient required by Section 7(b)
21 of P.L. 93-579. This subsection is supplementary to G.S. 105A-3(c).

22 (i) Property Construction. – Notwithstanding G.S. 143-341(3) and G.S. 143-
23 135.1, the Board of Directors shall, with respect to the design, construction, and
24 renovation of buildings, utilities, and other property developments of the University of
25 North Carolina Hospitals at Chapel Hill requiring the expenditure of public money:

- 26 (1) Conduct the fee negotiations for all design contracts and supervise the
27 letting of all construction and design contracts.
- 28 (2) Develop procedures governing the responsibilities of the University of
29 North Carolina Hospitals at Chapel Hill to perform the duties of the
30 Department of Administration, the Office of State Construction, and the
31 State Building Commission under G.S. 133-1.1(d), Article 8 of Chapter
32 143 of the General Statutes, and G.S. 143-341(3).
- 33 (3) Develop procedures and limitations governing the use of open-end
34 design agreements.
- 35 (4) As appropriate, submit construction documents for review and approval
36 by the Department of Insurance and the Division of Facility Services of
37 the Department of Human Resources.
- 38 (5) Use the standard contracts for design and construction currently in use
39 for State capital improvement projects by the Office of State
40 Construction of the Department of Administration.
- 41 (6) Seek the advice of the Director of the Office of State Construction on an
42 annual basis concerning the adequacy of the University of North
43 Carolina Hospitals at Chapel Hill management staff and internal

1 controls to administer the additional authorities authorized by this
2 section."

3 (b) G.S. 126-5 is amended by adding a new subsection to read:

4 "(c8) Except as to the provisions of Articles 5, 6, and 7 of this Chapter, the
5 provisions of this Chapter shall not apply to:

6 (1) Employees of the University of North Carolina Hospitals at Chapel Hill.

7 (2) Employees of the Medical Faculty Practice Plan, a Division of the
8 School of Medicine of East Carolina University.

9 (3) Employees of UNC Physicians and Associates, a Division of the School
10 of Medicine of the University of North Carolina at Chapel Hill."

11 (c) G.S. 143-56 reads as rewritten:

12 **"§ 143-56. Certain purchases excepted from provisions of Article.**

13 Unless as may otherwise be ordered by the Secretary of Administration, the purchase
14 of supplies, materials and equipment through the Secretary of Administration shall be
15 mandatory in the following cases:

16 (1) Published books, manuscripts, maps, pamphlets and periodicals.

17 (2) Perishable articles such as fresh vegetables, fresh fish, fresh meat, eggs,
18 and others as may be classified by the Secretary of Administration.

19 Purchase through the Secretary of Administration shall not be mandatory for a purchase
20 of supplies, materials or equipment for the General Assembly if the total expenditures is
21 less than the expenditure benchmark established under the provisions of ~~G.S. 143-53.1 or~~
22 143-53.1, for group purchases made by hospitals through a competitive bidding
23 purchasing program, as defined in ~~G.S. 143-129-143-129,~~ by the University of North
24 Carolina Hospitals at Chapel Hill pursuant to G.S. 116-37(f), by the University of North
25 Carolina at Chapel Hill on behalf of UNC Physicians and Associates pursuant to G.S.
26 116-37.2(c), or by East Carolina University on behalf of the Medical Faculty Practice
27 Plan pursuant to G.S. 116-40.6(c).

28 All purchases of the above articles made directly by the departments, institutions and
29 agencies of the State government shall, whenever possible, be based on competitive bids.
30 Whenever an order is placed or contract awarded for such articles by any of the
31 departments, institutions and agencies of the State government, a copy of such order or
32 contract shall be forwarded to the Secretary of Administration and a record of the
33 competitive bids upon which it was based shall be retained for inspection and review."

34 (d) G.S. 146-22 reads as rewritten:

35 **"§ 146-22. All acquisitions to be made by Department of Administration.**

36 Every acquisition of land on behalf of the State or any State agency, whether by
37 purchase, condemnation, lease, or rental, shall be made by the Department of
38 Administration and approved by the Governor and Council of State; provided that if the
39 proposed acquisition is a purchase of land with an appraised value of at least twenty-five
40 thousand dollars (\$25,000), and the acquisition is for other than a transportation purpose,
41 the acquisition may only be made after consultation with the Joint Legislative
42 Commission on Governmental ~~Operations—Operations;~~ and provided further, that
43 acquisitions on behalf of the University of North Carolina Hospitals at Chapel Hill shall

1 be made in accordance with G.S. 116-37(g), acquisitions on behalf of the UNC
2 Physicians and Associates shall be made in accordance with G.S. 116-37.2(d), and
3 acquisitions on behalf of the Medical Faculty Practice Plan made in accordance with G.S.
4 116-40.6(d). In determining whether the appraised value is at least twenty-five thousand
5 dollars (\$25,000), the value of the property in fee simple shall be used. The State may not
6 purchase land as a tenant-in-common without consultation with the Joint Legislative
7 Commission on Governmental Operations if the appraised value of the property in fee
8 simple is at least twenty-five thousand dollars (\$25,000)."

9 (e) G.S. 133-1.1(d) reads as rewritten:

10 "(d) On projects on which no registered architect or engineer is required pursuant to
11 the provisions of this section, the governing board or awarding authority shall require a
12 certificate of compliance with the State Building Code from the city or county inspector
13 for the specific trade or trades involved or from a registered architect or engineer, except
14 that the provisions of this subsection shall not apply on projects (i) wherein plans and
15 specifications are approved by the Department of Administration, Division of State
16 Construction, and the completed project is inspected by the Division of State
17 Construction and the State Electrical Inspector, (ii) that are exempt from the State
18 Building Code, or (iii) that are subject to G.S. 116-31.11 and the completed project is
19 inspected by the State Electrical Inspector and by The University of North Carolina or its
20 constituent or affiliated institution—, (iv) that are subject to G.S. 116-37(i) and the
21 completed project is inspected by the State Electrical Inspector and by the University of
22 North Carolina Hospitals at Chapel Hill, (v) that are subject to G.S. 116-37.2(e) and the
23 completed project is inspected by the State Electrical Inspector and by the University of
24 North Carolina at Chapel Hill on behalf of the UNC Physicians and Associates, or (vi)
25 that are subject to G.S. 116-40.6(e) and the completed project is inspected by the State
26 Electrical Inspector and by East Carolina University on behalf of the Medical Faculty
27 Practice Plan."

28 (f) Chapter 116 of the General Statutes is amended by adding the following:

29 **§ 116-37.2. The University of North Carolina Physicians and Associates.**

30 (a) UNC Physicians and Associates. – "UNC Physicians and Associates," a
31 division of the School of Medicine of the University of North Carolina at Chapel Hill,
32 operates clinical programs and facilities for the purpose of providing medical care to the
33 general public and training physicians and other health care professionals.

34 (b) Personnel. – All employees of UNC Physicians and Associates shall be
35 deemed to be employees of the State and shall be subject to all provisions of State law
36 relevant thereto; provided, however, that except as to the provisions of Articles 5, 6, and
37 7 of Chapter 126 of the General Statutes, the provisions of Chapter 126 shall not apply to
38 employees of UNC Physicians and Associates, and the policies and procedures governing
39 the terms and conditions of employment of such employees shall be adopted by the Board
40 of Trustees of the University of North Carolina at Chapel Hill; provided, that with respect
41 to such employees as may be members of the faculty of the University of North Carolina
42 at Chapel Hill, no such policies and procedures may be inconsistent with policies
43 established by, or adopted pursuant to delegation from, the Board of Governors of the

1 University of North Carolina. Such policies and procedures shall be implemented on
2 behalf of UNC Physicians and Associates by a personnel office maintained by the
3 University of North Carolina at Chapel Hill.

4 (1) The Board of Trustees shall fix or approve the schedules of pay,
5 expense allowances, and other compensation and adopt position
6 classification plans for employees of UNC Physicians and Associates.

7 (2) The Board of Trustees may adopt or provide for rules and regulations
8 concerning, but not limited to, annual leave, sick leave, special leave
9 with full pay or with partial pay supplementing workers' compensation
10 payments for employees injured in accidents arising out of and in the
11 course of employment, working conditions, service awards, and
12 incentive award programs, grounds for dismissal, demotion, or
13 discipline, other personnel policies, and any other measures that
14 promote the hiring and retention of capable, diligent, and effective
15 career employees. However, an employee who has achieved career
16 State employee status as defined by G.S. 126-1.1 by October 31, 1998,
17 shall not have his or her compensation reduced as a result of this
18 subdivision. Further, an employee who has achieved career State
19 employee status as defined by G.S. 126-1.1 by October 31, 1998, shall
20 be subject to the rules regarding discipline or discharge that were
21 effective on October 31, 1998, and shall not be subject to the rules
22 regarding discipline or discharge adopted after October 31, 1998.

23 (3) The Board of Trustees may prescribe the office hours, workdays, and
24 holidays to be observed by the various offices and departments of UNC
25 Physicians and Associates.

26 (4) The Board of Trustees shall establish boards, committees, or councils to
27 conduct hearings upon the appeal of employees who have been
28 suspended, demoted, otherwise disciplined, or discharged, to hear
29 employee grievances, or to undertake any other duties relating to
30 personnel administration that the Board of Trustees may direct.

31 (c) Purchases. – Notwithstanding the provisions of Articles 3 and 3A of Chapter
32 143 of the General Statutes to the contrary, the Board of Trustees of the University of
33 North Carolina at Chapel Hill shall establish policies and regulations governing the
34 purchasing requirements of UNC Physicians and Associates. These policies and
35 regulations shall provide for requests for proposals, competitive bidding or purchasing by
36 means other than competitive bidding, contract negotiations and contract awards for
37 purchasing supplies, materials, equipment, and services which are necessary and
38 appropriate to fulfill the clinical and educational missions of UNC Physicians and
39 Associates. Pursuant to such policies and regulations, purchases for UNC Physicians and
40 Associates shall be effected by a purchasing office maintained by the University of North
41 Carolina at Chapel Hill. The Board of Trustees shall seek the advice of the Director of
42 the Purchase and Contract Division on an annual basis concerning the adequacy of the

1 University of North Carolina at Chapel Hill management staff and internal controls to
2 administer the additional authorities authorized under this 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 for
8 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 regulations
12 shall be implemented by a property office maintained by the University of North Carolina
13 at Chapel Hill. The Board of Trustees shall seek the advice of the State Property Office
14 on an annual basis concerning the adequacy of the University of North Carolina at Chapel
15 Hill management staff and internal controls to administer the additional authorities
16 permitted by this section. After review by the Attorney General as to form and after the
17 consummation of any such acquisition, the University of North Carolina at Chapel Hill
18 shall promptly file, on behalf of UNC Physicians and Associates, a report concerning the
19 acquisition or disposition with the Governor and Council of State.

20 (e) Property Construction. – Notwithstanding G.S. 143-341(3) and G.S. 143-
21 135.1, the Board of Trustees shall adopt policies and procedures to be implemented by
22 the administration of the University of North Carolina at Chapel Hill, with respect to the
23 design, construction, and renovation of buildings, utilities, and other property
24 developments for the use of UNC Physicians and Associates, requiring the expenditure of
25 public money for:

- 26 (1) Conducting the fee negotiations for all design contracts and supervising
27 the letting of all construction and design contracts.
- 28 (2) Performing the duties of the Department of Administration, the Office
29 of State Construction, and the State Building Commission under G.S.
30 133-1.1(d), Article 8 of Chapter 143 of the General Statutes, and G.S.
31 143-341(3).
- 32 (3) Using open-end design agreements.
- 33 (4) As appropriate, submitting construction documents for review and
34 approval by the Department of Insurance and the Division of Facility
35 Services of the Department of Human Resources.
- 36 (5) Using the standard contracts for design and construction currently in use
37 for State capital improvement projects by the Office of State
38 Construction of the Department of Administration.

39 The Board of Trustees shall seek the advice of the Director of the Office of State
40 Construction on an annual basis concerning the adequacy of the University of North
41 Carolina at Chapel Hill management staff and internal controls to administer the
42 additional authorities authorized by this section.

43 **"§ 116-40.6. East Carolina University Medical Faculty Practice Plan.**

1 (a) Medical Faculty Practice Plan. – The "Medical Faculty Practice Plan," a
2 division of the School of Medicine of East Carolina University, operates clinical
3 programs and facilities for the purpose of providing medical care to the general public
4 and training physicians and other health care professionals.

5 (b) Personnel. – Employees of the Medical Faculty Practice Plan shall be deemed
6 to be employees of the State and shall be subject to all provisions of State law relevant
7 thereto; provided, however, that except as to the provisions of Articles 5, 6, and 7 of
8 Chapter 126 of the General Statutes, the provisions of Chapter 126 shall not apply to
9 employees of the Medical Faculty Practice Plan, and the policies and procedures
10 governing the terms and conditions of employment of such employees shall be adopted
11 by the Board of Trustees of East Carolina University; provided, that with respect to such
12 employees as may be members of the faculty of East Carolina University, no such
13 policies and procedures may be inconsistent with policies established by, or adopted
14 pursuant to delegation from, the Board of Governors of the University of North Carolina.
15 Such policies and procedures shall be implemented on behalf of the Medical Faculty
16 Practice Plan by a personnel office maintained by East Carolina University.

17 (1) The Board of Trustees shall fix or approve the schedules of pay,
18 expense allowances, and other compensation and adopt position
19 classification plans for employees of the Medical Faculty Practice Plan.

20 (2) The Board of Trustees may adopt or provide for rules and regulations
21 concerning, but not limited to, annual leave, sick leave, special leave
22 with full pay or with partial pay supplementing workers' compensation
23 payments for employees injured in accidents arising out of and in the
24 course of employment, working conditions, service awards, and
25 incentive award programs, grounds for dismissal, demotion, or
26 discipline, other personnel policies, and any other measures that
27 promote the hiring and retention of capable, diligent, and effective
28 career employees. However, an employee who has achieved career State
29 employee status as defined by G.S. 126-1.1 by October 31, 1998, shall
30 not have his or her compensation reduced as a result of this subdivision.
31 Further, an employee who has achieved career State employee status as
32 defined by G.S. 126-1.1 by October 31, 1998, shall be subject to the
33 rules regarding discipline or discharge that were effective on October
34 31, 1998, and shall not be subject to the rules regarding discipline or
35 discharge adopted after October 31, 1998.

36 (3) The Board of Trustees may prescribe the office hours, workdays, and
37 holidays to be observed by the various offices and departments of the
38 Medical Faculty Practice Plan.

39 (4) The Board of Trustees shall establish boards, committees or councils to
40 conduct hearings upon the appeal of employees who have been
41 suspended, demoted, otherwise disciplined, or discharged, to hear
42 employee grievances, or to undertake any other duties relating to
43 personnel administration that the Board of Trustees may direct.

1 (c) Purchases. – Notwithstanding the provisions of Articles 3 and 3A of Chapter
2 143 of the General Statutes to the contrary, the Board of Trustees of East Carolina
3 University shall establish policies and regulations governing the purchasing requirements
4 of the Medical Faculty Practice Plan. These policies and regulations shall provide for
5 requests for proposals, competitive bidding or purchasing by means other than
6 competitive bidding, contract negotiations and contract awards for purchasing supplies,
7 materials, equipment, and services which are necessary and appropriate to fulfill the
8 clinical and educational missions of the Medical Faculty Practice Plan. Pursuant to such
9 policies and regulations, purchases for the Medical Faculty Practice Plan shall be effected
10 by a purchasing office maintained by East Carolina University. The Board of Trustees
11 shall seek the advice of the Director of the Purchase and Contract Division on an annual
12 basis concerning the adequacy of the East Carolina University management staff and
13 internal controls to administer the additional authorities authorized under this section.

14 (d) Property. – Notwithstanding the provisions of Article 6 of Chapter 146 of the
15 General Statutes to the contrary, the Board of Trustees shall establish rules and
16 regulations to perform the functions otherwise prescribed for the Department of
17 Administration in acquiring or disposing of any interest in real property for the use of the
18 Medical Faculty Practice Plan. These rules and regulations shall include provisions for
19 development of specifications, advertisement, and negotiations with owners for
20 acquisition by purchase, gift, lease, or rental, but not by condemnation or exercise of
21 eminent domain, on behalf of the Medical Faculty Practice Plan. This section does not
22 authorize the Board of Trustees to encumber real property. Such rules and regulations
23 shall be implemented by a property office maintained by East Carolina University. The
24 Board of Trustees shall seek the advice of the State Property Office on an annual basis
25 concerning the adequacy of the East Carolina University management staff and internal
26 controls to administer the additional authorities permitted by this section. After review
27 by the Attorney General as to form and after the consummation of any such acquisition,
28 East Carolina University shall promptly file, on behalf of the Medical Faculty Practice
29 Plan, a report concerning the acquisition or disposition with the Governor and Council of
30 State.

31 (e) Property Construction. – Notwithstanding G.S. 143-341(3) and G.S. 143-
32 135.1, the Board of Trustees shall adopt policies and procedures, to be implemented by
33 the administration of East Carolina University, with respect to the design, construction,
34 and renovation of buildings, utilities, and other property developments for the use of the
35 Medical Faculty Practice Plan, requiring the expenditure of public money for:

- 36 (1) Conducting the fee negotiations for all design contracts and supervising
37 the letting of all construction and design contracts.
- 38 (2) Performing the duties of the Department of Administration, the Office
39 of State Construction, and the State Building Commission under G.S.
40 133-1.1(d), Article 8 of Chapter 143 of the General Statutes, and G.S.
41 143-341(3).
- 42 (3) Using open-end design agreements.

1 (4) As appropriate, submitting construction documents for review and
2 approval by the Department of Insurance and the Division of Facility
3 Services of the Department of Human Resources.

4 (5) Using the standard contracts for design and construction currently in use
5 for State capital improvement projects by the Office of State
6 Construction of the Department of Administration.

7 The Board of Trustees shall seek the advice of the Director of the Office of State
8 Construction on an annual basis concerning the adequacy of East Carolina University
9 management staff and internal controls to administer the additional authorities authorized
10 by this section."

11 (g) This section becomes effective November 1, 1998.

12
13 Requested by: Senators Lee, Winner

14 **UNC APPLICATIONS POOL**

15 Section 11.9. The Board of Governors of The University of North Carolina
16 shall create a system that provides for the sharing of selected applications for admissions
17 from North Carolina residents among the constituent institutions. The intent of the system
18 shall be to increase the number of qualified North Carolina high school graduates who
19 participate in higher education by providing information about applicants to other schools
20 as well as providing information to applicants about alternative higher education
21 opportunities in North Carolina. The Board of Governors may cooperate with the State
22 Board of Community Colleges and with the private colleges and universities in North
23 Carolina in creating such a system.

24 The Board of Governors shall report on its progress in developing such a
25 system to the Joint Legislative Education Oversight Committee by January 15, 1999.

26
27 Requested by: Senators Lee, Winner, Plyler

28 **PRIVATE COLLEGES/INCENTIVE FUNDS**

29 Section 11.10. G.S. 116-20 reads as rewritten:

30 **"§116-20. Scholarship and contract terms; base period.**

31 In order to encourage and assist private institutions to educate additional numbers of
32 North Carolinians, the Board of Governors of the University of North Carolina is hereby
33 authorized to enter into contracts within the institutions under the terms of which an
34 institution receiving any funds that may be appropriated pursuant to this section would
35 agree that, during any fiscal year in which such funds were received, the institution would
36 provide and administer scholarship funds for needy North Carolina students in an amount
37 at least equal to the amount paid to the institution, pursuant to this section, during the
38 fiscal year. Under the terms of the contracts the Board of Governors of the University of
39 North Carolina would agree to pay to the institutions, subject to the availability of funds,
40 a fixed sum of money for each North Carolina student enrolled as of October 1 of any
41 year for which appropriated funds may be available, over and above the number of North
42 Carolina students enrolled in that institution as of October 1, ~~1970~~, 1997, which shall be
43 the base date for the purpose of this calculation. Funds appropriated pursuant to this

1 section shall be paid by the ~~Department of Administration~~ State Education Assistance
2 Authority to an institution upon recommendation of the Board of Governors of the
3 University of North Carolina and on certification of the institution showing the number of
4 North Carolina students enrolled at the institution as of October 1 of any year for which
5 funds may be appropriated over the number enrolled on the base date. In the event funds
6 are appropriated for expenditure pursuant to this section and funds are also appropriated,
7 for the same fiscal year, for expenditure pursuant to G.S. 116-19, students who are
8 enrolled at an institution in excess of the number enrolled on the base date may be
9 counted under this section for the purpose of calculating the amount to be paid to the
10 institution, but the same students may ~~not~~ also be counted under G.S. 116-19, for the
11 purpose of calculating payment to be made under that section."
12

13 Requested by: Senators Lee, Winner, Odom, Plyler

14 **SUSTAINABLE OYSTER AQUACULTURE STUDY**

15 Section 11.11. (a) Of the funds appropriated in this act to the Board of
16 Governors of The University of North Carolina for fiscal year 1998-99, the sum of three
17 hundred thousand dollars (\$300,000) shall be allocated to the Institute of Marine Sciences
18 at the University of North Carolina at Chapel Hill to study the potential for sustainable
19 oyster aquaculture of triploid *Crassostrea sikamea* (Kumamoto), triploid *Crassostrea*
20 *ariakensis* (Suminoe), triploid *Crassostrea gigas* (Pacific), and triploid *Ostrea edulis*
21 (European flat). Testing shall be carried out under a variety of environmental conditions,
22 including, but not limited to, the evaluation of oyster growth of each type of oyster in
23 polluted waters and the ability of each type of oyster to purify polluted waters.

24 (b) The Primary Investigator or Researcher receiving funding pursuant to
25 subsection (a) of this section shall provide progress reports to the Joint Legislative
26 Commission on Seafood and Aquaculture, the Environmental Review Commission, the
27 Marine Fisheries Commission, and the Fiscal Research Division on January 1 and July 1
28 of each year until the project or study is complete. Upon completion of the project or
29 study, the Primary Investigator or Researcher shall provide a final report of its findings
30 and recommendations to the above entities.
31

32 **PART XII. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

33 **SUBPART 1. ADMINISTRATION**

34 Requested by: Senator Martin of Guilford

35 **STANDARDS FOR HEALTH CARE QUALITY AND ACCESS/EXTEND** 36 **REPORTING DATE**

37 Section 12. Section 11.5(a) of S.L. 1997-443 reads as rewritten:

38 "(a) The Secretary of the Department of Health and Human Resources ~~Services~~
39 shall prepare proposed standards to ensure that the citizens of the State have access to
40 quality and affordable health care with special emphasis on health care for children. The
41 proposed standards shall be presented to the General Assembly on or before ~~April 1,~~
42 ~~1998.~~ May 1, 1999."
43

1 Requested by: Senator Martin of Guilford

2 **HOSPITAL FACILITY AUDITED COST REPORT DUE DATE**

3 Section 12.1. G.S. 131D-4.2(e) reads as rewritten:

4 "(e) ~~The first audited cost report shall be for the period from January 1, 1995,~~
5 ~~through September 30, 1995, and shall be due March 1, 1996. Thereafter, the~~ The annual
6 reporting period for facilities licensed pursuant to this Chapter or Chapter 131E of the
7 General Statutes other than facilities owned and operated by a hospital shall be October 1
8 through September 30, with the annual report due by the following December 31, unless
9 the Department determines there is good cause for delay. The annual report for facilities
10 owned and operated by a hospital shall be due 15 days after the hospital's Medicare cost
11 report is due. The annual reporting period for facilities licensed pursuant to Chapter
12 122C of the General Statutes shall be July 1 through June 30, with the annual report due
13 by the following December 31, unless the Department determines there is good cause for
14 delay. Under this subsection, good cause is an action that is uncontrollable by the
15 provider. If the Department finds good cause for delay, it may extend the deadline for
16 filing a report for up to an additional 30 days."

17
18 Requested by: Senator Martin of Guilford

19 **OFFICE OF STRATEGIC PLANNING**

20 Section 12.2. It is the intent of the General Assembly that the Department of
21 Health and Human Services provide coordinated and strategic planning for the State's
22 health and human services. The Department shall study the advisability of creating an
23 Office of Strategic Planning in the Office of the Secretary of Health and Human Services.
24 The Director of the Office of Strategic Planning would report directly to the Secretary
25 and would have the following responsibilities:

- 26 (1) Implementing ongoing strategic planning that integrates budget,
27 personnel and resources with the mission and operational goals of the
28 Department;
- 29 (2) Improving program functioning and performance within the agency,
30 across agency lines, and with non-State agencies; and
- 31 (3) Reviewing, disseminating, monitoring, and evaluating best practice
32 models.

33 The Department shall report its findings and recommendations, which shall
34 include the advantages and disadvantages of creating an Office of Strategic Planning and
35 projected costs of implementation. The report shall be made to the members of the Senate
36 Appropriations Committee on Human Resources and the House of Representatives
37 Appropriations Subcommittee on Human Resources and shall be submitted not later than
38 February 1, 1999.

39
40 Requested by: Senators Plyler, Perdue, Odom

41 **HUMAN SERVICES GRANTS**

42 Section 12.3. Of the funds appropriated in this act to the Department of Health
43 and Human Services, the sum of two million dollars (\$2,000,000) for the 1998-99 fiscal

1 year shall be used for grants for programs that provide services to older adults, adults
2 with disabilities, at-risk children, and youth and families. The Secretary of the
3 Department of Health and Human Services shall continue the process for the review,
4 evaluation, and consideration of applications for these grants.

5 In awarding grants, the Secretary shall consider the merits of the program, the
6 benefit to the State and local communities of the program, and the cost of the program.

7
8 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

9 **AREA MENTAL HEALTH/ELDERLY HOUSING NONRECURRING PROJECT**
10 **FUNDS**

11 Section 12.4. (a) Notwithstanding G.S. 143-15.3C, of the funds in the Work
12 First Reserve Fund, nine million five hundred thousand dollars (\$9,500,000) shall be
13 appropriated pursuant to G.S. 108A-27.16 to the Department of Health and Human
14 Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse
15 Services, for the 1998-99 fiscal year for capital and nonrecurring projects for area mental
16 health authorities as follows:

- 17 (1) \$500,000 for Developmental Disabilities Services, for wait list
18 management;
- 19 (2) \$3,500,000 for Developmental Disabilities Services, for distribution to
20 individual facilities, with priority given to the greatest and most
21 justifiable needs. None of these funds shall be distributed for items not
22 historically funded by the State;
- 23 (3) \$2,500,000 for Substance Abuse Services, for distribution to individual
24 facilities, with priority given to the greatest and most justifiable needs.
25 None of these funds shall be distributed for items not historically funded
26 by the State; and
- 27 (4) \$3,000,000 for Mental Health Services, for distribution to individual
28 facilities to meet the Developmental Day Inclusion Goal, with priority
29 given to the greatest and most justifiable needs. None of these funds
30 shall be distributed for items not historically funded by the State.

31 (b) Notwithstanding G.S. 143-15.3C, of the funds in the Work First Reserve
32 Funds, the sum of two million dollars (\$2,000,000) is appropriated to the Housing Trust
33 Fund for affordable housing for the elderly.

34
35 **SUBPART 2. MEDICAL ASSISTANCE**

36
37 Requested by: Senator Martin of Guilford

38 **MEDICAID GROWTH REDUCTION**

39 Section 12.5. Section 11.10 of S.L. 1997-443 reads as rewritten:

40 "Section 11.10. (a) The Department of ~~Human Resources~~ Health and Human
41 Services shall develop and implement a plan that is designed to reduce the growth of
42 Medicaid to eight percent (8%) by the year 2001. However, the Department shall not
43 eliminate categories of eligibles or categories of services to achieve this reduction unless

1 the General Assembly identifies specific categories of eligibles or categories of services
2 that it wants eliminated.

3 (b) The Division of Medical Assistance, Department of ~~Human Resources, Health~~
4 ~~and Human Services~~, shall consider the following actions in developing the plan to
5 reduce Medicaid growth:

6 (1) Changes in the methods of reimbursement;

7 (2) Changes in the method of determining or limiting inflation factors or
8 both;

9 (3) Recalibration of existing methods of reimbursement;

10 (4) Develop more specific criteria for determining medical necessity of
11 services;

12 (5) Contracting for services;

13 (6) Application of limits on specific numbers of slots or expenditure levels
14 for certain services or both;

15 (7) Expansion of managed care; and

16 (8) Recommend changes in statutes to enhance the ability of the
17 Department to manage the program.

18 (c) In considering the actions listed in subsection (b) of this section and in the
19 development of the Medicaid growth reduction plan, the Division of Medical Assistance,
20 Department of ~~Human Resources, Health and Human Services~~, shall not adjust
21 reimbursement rates to levels which would cause Medicaid providers of service to be out
22 of compliance with certification requirements, licensure rules, or other mandated quality
23 or safety standards.

24 (d) The Division of Medical Assistance, Department of ~~Human Resources, Health~~
25 ~~and Human Services~~, may make periodic progress reports to the ~~Chairs-members~~ of the
26 ~~House and Senate Appropriations Subcommittees on Human Resources-Senate~~
27 ~~Appropriations Committee on Human Resources and the House of Representatives~~
28 ~~Appropriations Subcommittee on Human Resources~~ and shall make a final report no later
29 than September 1, 1997, on any actions the Department intends to take to meet the
30 required reductions for 1998-99. The Division of Medical Assistance shall not
31 implement any of these actions until after the intended actions have been reported to the
32 ~~Chairs-members~~.

33 (e) The Division of Medical Assistance, Department of ~~Human Resources, Health~~
34 ~~and Human Services~~, shall report to the ~~Chairs-members~~ of the ~~House and Senate~~
35 ~~Appropriations Subcommittees on Human Resources-Senate Appropriations Committee~~
36 ~~on Human Resources and the House of Representatives Appropriations Subcommittee on~~
37 ~~Human Resources~~ by ~~April 1, 1998, February 1, 1999~~, on the final plan to reduce
38 Medicaid growth to eight percent (8%) by the year 2001."

39
40 Requested by: Senator Martin of Guilford

41 **RULES GOVERNING TRANSFER OF MEDICAID BENEFITS BETWEEN**
42 **COUNTIES**

1 Section 12.6. Chapter 108A of the General Statutes is amended by inserting a
2 new section to read:

3 **"§ 108A-57.1. Rules governing transfer of medical assistance benefits between**
4 **counties.**

5 Any recipient of medical assistance who moves from one county to another county of
6 this State shall continue to receive medical assistance if eligible. The county director of
7 social services of the county from which the recipient has moved shall transfer all
8 necessary records relating to the recipient to the county director of social services of the
9 county to which the recipient has moved. The county from which the recipient has
10 moved shall pay the county portion of the nonfederal share of medical assistance
11 payments paid for services provided to the recipient during the month following the
12 recipient's move. Thereafter, the county to which the recipient has moved shall pay the
13 county portion of the nonfederal share of medical assistance payments paid for the
14 services provided to the recipient."

15
16 Requested by: Senator Martin of Guilford

17 **CONTINUOUS MEDICAID COVERAGE FOR CATEGORICALLY NEEDY**
18 **FAMILIES WITH CHILDREN**

19 Section 12.7. (a) Section 11.11 of S.L. 1997-443 is amended by inserting a
20 new subsection to read:

21 "(n1) Medicaid enrollment of categorically needy families with children shall be
22 continuous for one year without regard to changes in income or assets."

23 (b) The Department of Health and Human Services shall study the effect of this
24 section on both the Medicaid Program and on the Health Insurance Program for Children.
25 The Department shall make an interim report on the results of this study to the members
26 of the Senate Appropriations Committee on Human Resources and the House of
27 Representatives Appropriations Subcommittee on Human Resources by October 1, 1999,
28 and shall make a final report by January 1, 2000.

29 (c) This section becomes effective October 1, 1998.

30
31 Requested by: Senator Martin of Guilford

32 **ALLOCATION OF G.S. 143-23.2 MEDICAID FUNDS**

33 Section 12.8. Of the funds transferred to the Department of Health and Human
34 Services for Medicaid programs pursuant to G.S. 143-23.2, thirteen million dollars
35 (\$13,000,000) shall be allocated as prescribed by G.S. 143-23.2(b) for Medicaid
36 programs. Notwithstanding the prescription in G.S. 143-23.2(b) that these funds not
37 reduce State general revenue funding, these funds shall replace the thirteen million dollar
38 (\$13,000,000) reduction in general revenue funding effected in this act.

39
40 Requested by: Senators Plyler, Perdue, Odom, Martin of Guilford, Lucas, Cochrane

41 **PRIORITY STUDY OF MEDICAID BENEFITS FOR CERTAIN AGED AND**
42 **DISABLED PERSONS**

1 Section 12.9. (a) The Department of Health and Human Services shall make it
2 a priority to study ways to meet the medical needs of aged and disabled persons whose
3 annual income is equal to or less than one hundred percent (100%) of the federal poverty
4 level, including ways to provide the State match for Medicaid benefits for these persons.

5 (b) The Department of Health and Human Services shall report the results of
6 this study to the members of the Senate Appropriations Committee on Human Resources
7 and the House of Representatives Appropriations Subcommittee on Human Resources
8 by March 1, 1999.

9
10 Requested by: Senator Martin of Guilford

11 **DISPOSITION OF DISPROPORTIONATE SHARE RECEIPT CHANGE**

12 Section 12.10. (a) Disproportionate share receipts reserved at the end of the
13 1997-98 fiscal year shall be deposited with the Department of State Treasurer as a nontax
14 revenue for the 1998-99 fiscal year.

15 (b) For the 1998-99 fiscal year, as it receives funds associated with
16 Disproportionate Share Payments from the State hospitals, the Department of Health and
17 Human Services, Division of Medical Assistance, shall deposit up to eighty-five million
18 dollars (\$85,000,000) of these Disproportionate Share Payments to the Department of
19 State Treasurer for deposit as nontax revenues. Any Disproportionate Share Payments
20 collected in excess of the eighty-five million dollars (\$85,000,000) shall be reserved by
21 the State Treasurer for future appropriations.

22
23 Requested by: Senator Martin of Guilford

24 **CHILD HEALTH INSURANCE TECHNICAL CHANGES**

25 Section 12.11. G.S. 108A-70.18(8), as enacted by Section 1 of S.L. 1998-1
26 Extra Session, reads as rewritten:

27 "(8) 'Uninsured' means the applicant for Program benefits was not covered
28 under any private or employer-sponsored comprehensive health
29 insurance plan for the six-month period immediately preceding the date
30 ~~the Program becomes effective. of application for Program benefits.~~
31 Effective six months from date the Program becomes effective, April 1,
32 1999, 'uninsured' means the applicant is and was not covered under any
33 private or employer-sponsored comprehensive health insurance plan for
34 60 days immediately preceding the date of application. The waiting
35 periods required under this subdivision shall be waived if the child has
36 been enrolled in Medicaid and has lost Medicaid eligibility due to a
37 change in family income eligibility, has lost health care benefits due to
38 cessation of a nonprofit organization program that provides health care
39 benefits to low-income children, or has lost employer-sponsored
40 comprehensive health care coverage due to termination of employment,
41 cessation by the employer of employer-sponsored health coverage, or
42 cessation of the employer's business."
43

1 Requested by: Senator Martin of Guilford

2 **CHILD HEALTH INSURANCE STUDY/OTHER CHANGES**

3 Section 12.12. (a) The Department of Health and Human Services shall
4 conduct a study to identify Department programs where savings in State funds could be
5 realized because some or all of the services provided by the programs are now provided
6 under the Health Insurance Program for Children. The Department shall report its
7 findings to members of the Senate Appropriations Committee on Human Resources and
8 the House of Representatives Appropriations Subcommittee on Human Resources not
9 later than March 1, 1999.

10 (b) The Office of State Budget and Management shall examine the
11 expenditures and services of State agencies other than the Department of Health and
12 Human Services to determine whether the expenditures and services could be covered
13 under the State Health Insurance Program for Children. The study shall also examine
14 services provided by non-State agencies and funded in whole or in part with State funds.
15 The Office of State Budget and Management shall report its findings to members of the
16 Senate Appropriations Committee on Human Resources and the House of
17 Representatives Appropriations Subcommittee on Human Resources not later than March
18 1, 1999.

19 (c) Section 8 of S.L. 1998-1 Extra Session is repealed.

20 (d) G.S. 143-682, as enacted by Section 3 of S.L. 1998-1 Extra Session, reads
21 as rewritten:

22 **"§ 143-682. Commission established.**

23 (a) There is established the Commission on Children With Special Health Care
24 Needs. The Department of Health and Human Services shall provide staff services and
25 space for Commission meetings. The purpose of the Commission is to monitor and
26 evaluate the availability and provision of health services to special needs children in this
27 State, and to monitor and evaluate services provided to special needs children under the
28 Health Insurance Program for Children established under Part 8 of Article 2 of Chapter
29 108A of the General Statutes.

30 (b) The Commission shall consist of ~~seven~~eight members appointed by the
31 Governor, as follows:

32 (1) ~~A parent of a special needs child;~~ Two parents, not of the same family,
33 each of whom has a special needs child. In appointing parents, the
34 Governor shall consider appointing one parent of a child with chronic
35 illness and one parent of a child with a developmental disability or
36 behavioral disorder.

37 (2) A licensed psychiatrist recommended by the North Carolina Psychiatric
38 Association;

39 (3) A licensed psychologist recommended by the North Carolina
40 Psychological Association;

41 (4) A licensed pediatrician whose practice includes services for special
42 needs children, recommended by the Pediatric Society of North
43 Carolina;

- 1 (5) A representative of one of the children's hospitals in the State,
2 recommended by the Pediatric Society of North Carolina;
3 (6) A local public health director recommended by the Association of Local
4 Health Directors; and
5 (7) An educator providing education services to special needs children,
6 recommended by the North Carolina Council of Administrators of
7 Special Education.

8 (c) The Governor shall appoint from among Commission members the person who
9 shall serve as chair of the Commission. Of the initial appointments, two shall serve one-
10 year terms, ~~two-three~~ shall serve two-year terms, and three shall serve three-year terms.
11 Thereafter, terms shall be for two years. Vacancies occurring before expiration of a term
12 shall be filled from the same appointment category in accordance with subsection (b) of
13 this section."
14

15 Requested by: Senators Perdue, Martin of Guilford

16 **STUDY OF ADDITIONAL DENTAL COVERAGE FOR THE HEALTH**
17 **INSURANCE PROGRAM FOR CHILDREN**

18 Section 12.13. The Department of Health and Human Services shall study the
19 issue of adding dental sealants coverage, additional fluoride treatment, and simple
20 extractions to the dental coverage currently available in the Health Insurance Program for
21 Children.

22 The Department shall report the results of this study, together with any
23 recommendations, to the Senate Appropriations Committee on Human Resources and the
24 House of Representatives Appropriations Subcommittee on Human Resources and to the
25 Joint Legislative Health Oversight Committee by February 1, 1999.
26

27 **SUBPART 3. FACILITY SERVICES**

28 Requested by: Senator Martin of Guilford

29 **TRANSFER OF CHARITABLE SOLICITATION PROGRAM TO THE**
30 **SECRETARY OF STATE**

31 Section 12.14. (a) All functions, powers, duties, and obligations previously
32 vested in the Department of Health and Human Services under Chapter 131F of the
33 General Statutes are transferred to and vested in the Department of the Secretary of State
34 as if by a Type I transfer defined in G.S. 143A-6. All statutory authority, powers, duties,
35 functions, records, personnel, property, and unexpended balances of appropriations or
36 other funds of the program transferred pursuant to this section shall be transferred in their
37 entirety.

38 (b) G.S. 131F-2(7) reads as rewritten:

39 "(7) 'Department' means the Department of ~~Health and Human Services~~. the
40 Secretary of State."

41 (c) G.S. 147-36 reads as rewritten:

42 "**§ 147-36. Duties of Secretary of State.**

43 It is the duty of the Secretary of State:

- 1 (1) To perform such duties as may then be devolved upon ~~him~~ the Secretary
2 by resolution of the two houses of the General Assembly or either of
3 them;
 - 4 (2) To attend the Governor, whenever required by ~~him~~, the Governor, for
5 the purpose of receiving documents which have passed the great seal;
 - 6 (3) To receive and keep all conveyances and mortgages belonging to the
7 State;
 - 8 (4) To distribute annually the statutes and the legislative journals;
 - 9 (5) To distribute the acts of Congress received at ~~his~~ the Secretary's office
10 in the manner prescribed for the statutes of the State;
 - 11 (6) To keep a receipt book, in which ~~he~~ the Secretary shall take from every
12 person to whom a grant shall be delivered, a receipt for the same; but ~~he~~
13 may inclose grants by mail in a registered letter at the expense of the
14 grantee, unless otherwise directed, first entering the same upon the
15 receipt book;
 - 16 (7) To issue charters and all necessary certificates for the incorporation,
17 domestication, suspension, reinstatement, cancellation and dissolution
18 of corporations as may be required by the corporation laws of the State
19 and maintain a record thereof;
 - 20 (8) To issue certificates of registration of trademarks, labels and designs as
21 may be required by law and maintain a record thereof;
 - 22 (9) To maintain a Division of Publications to compile data on the State's
23 several governmental agencies and for legislative reference;
 - 24 (10) To receive, enroll and safely preserve the Constitution of the State and
25 all amendments thereto;
 - 26 (11) To serve as a member of such boards and commissions as the
27 Constitution and laws of the State may designate;
 - 28 (12) To administer the Securities Law of the State, regulating the issuance
29 and sale of securities, as is now or may be directed;
 - 30 (13) To receive and keep all oaths of public officials required by law to be
31 filed in ~~his~~ the Secretary's office, and as Secretary of State, ~~he~~ is fully
32 empowered to administer official oaths to any public official of whom
33 an oath is required; ~~and~~
 - 34 (14) To receive and maintain a journal of all appointments made to any State
35 board, agency, commission, council or authority which is filed in the
36 office of the Secretary of ~~State~~ State; ~~and~~
 - 37 (15) To regulate the solicitation of contributions pursuant to Chapter 131F of
38 the General Statutes."
- 39 (d) This section becomes effective January 1, 1999.

40
41 Requested by: Senators Plyler, Perdue, Odom, Kinnaird, Martin of Guilford
42 **ADULT CARE HOMES STAFF RATIO STUDY**

1 Section 12.15. The North Carolina Study Commission on Aging shall study
2 staffing ratios at adult care homes to determine if adequate staffing is being provided on
3 all shifts to ensure quality of care and safety of residents. In conducting the study, the
4 Commission shall consider the changes in staffing ratios proposed and other matters
5 contained in Senate Bill 1492, first edition, 1997 General Assembly, Regular Session
6 1998.

7
8 Requested by: Senator Martin of Guilford

9 **ADULT CARE HOMES REIMBURSEMENT RATE INCREASE**

10 Section 12.16. Section 11.70(d) of S.L. 1997-443 reads as rewritten:

11 "(d) Effective ~~July 1, 1998, October 1, 1998,~~ the maximum monthly rate for
12 residents in adult care home facilities shall be nine hundred ~~fifteen~~fifty-six dollars
13 ~~(\$915.00)~~(\$956.00) per month per resident."

14
15 **SUBPART 4. AGING**

16 Requested by: Senators Martin of Guilford, Perdue, Plyler, Odom

17 **PRESCRIPTION DRUG ASSISTANCE PROGRAM STUDY**

18 Section 12.17. (a) The Department of Health and Human Services shall work
19 with the Fiscal Research Division of the Legislative Services Office to develop a
20 proposal for a prescription drug assistance program. The purpose of the program shall be
21 to serve low-income elderly and disabled persons who are not eligible for Medicaid and
22 who need prescription drugs to treat a condition which, if left untreated, could result in
23 the person's admission to a nursing facility or otherwise qualifying for Medicaid. The
24 Department shall utilize the expertise of the Prescription Drug Work Group which
25 authored "A Study of Options for Making Prescription Drugs More Affordable for Older
26 Adults" to complete the analysis necessary for developing the proposal. In developing
27 the proposal the Department shall do the following:

- 28 (1) Identify health conditions that need prescription drug treatment and, if
29 not treated, that can lead to nursing home admission or otherwise
30 qualifying the person for Medicaid;
- 31 (2) Identify the group of low-income elderly and disabled persons in most
32 need of assistance;
- 33 (3) Estimate the number of persons potentially eligible for assistance under
34 the program;
- 35 (4) Identify appropriate limitations on levels of assistance;
- 36 (5) Estimate the cost of providing drug assistance and the cost of
37 administering the program;
- 38 (6) Review similar programs in other states;
- 39 (7) Develop a simple and cost-effective system for administering a drug
40 assistance program;
- 41 (8) Develop a timetable for program implementation; and
- 42 (9) Conduct other activities that will assist in the development of the
43 proposal.

1 (b) Not later than February 1, 1999, the Department shall report to the 1999
2 General Assembly with a complete proposal for a prescription drug assistance program.
3 The report shall include several options for consideration by the General Assembly.
4

5 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

6 **SENIOR CENTER FUNDS**

7 Section 12.18. Section 11.17 of S.L. 1997-443 reads as rewritten:

8 "Section 11.17. Of the funds appropriated in this act to the Department of ~~Human~~
9 ~~Resources, Health and Human Services,~~ the sum of one million dollars (\$1,000,000) for
10 the ~~1997-98-1998-99~~ fiscal year shall be used to support existing senior centers and to
11 assist in the development of new senior centers. The Department shall allocate funds
12 equally among senior centers throughout the State as determined by the Division of
13 Aging. Expenditures of State funds for senior centers shall not exceed ninety percent
14 (90%) of all funds expended for this purpose."
15

16 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

17 **IN-HOME AND CAREGIVER SUPPORT FUNDS**

18 Section 12.19. Section 11.18 of S.L. 1997-443 reads as rewritten:

19 "Section 11.18. Of the funds appropriated in this act to the Department of ~~Human~~
20 ~~Resources, Health and Human Services,~~ Division of Aging, the sum of five million
21 dollars (\$5,000,000) for the 1997-98 fiscal year and the sum of ~~five-eight~~ million dollars
22 ~~(\$5,000,000)-(\$8,000,000)~~ for the 1998-99 fiscal year shall be allocated via the Home and
23 Community Care Block Grant for home and community care services for older persons
24 who are not eligible for Medicaid and who are on the waiting list for these services.
25 These funds shall be used only for direct services. Service recipients shall pay for
26 services based on their income in accordance with G.S. 143B-181.1(a)(10)."
27

28 Requested by: Senator Martin of Guilford

29 **FUNDS FOR ALZHEIMER'S ASSOCIATION CHAPTERS IN NC**

30 Section 12.20. Of the funds appropriated in this act to the Department of
31 Health and Human Services, Division of Aging, the sum of one hundred thousand dollars
32 (\$100,000) for the 1998-99 fiscal year shall be allocated among the three chapters of the
33 Alzheimer's Association, as follows:

- 34 (1) \$25,000 for the Western Alzheimer's Chapter;
- 35 (2) \$50,000 for the Southern Piedmont Alzheimer's Chapter; and
- 36 (3) \$25,000 for the Eastern Alzheimer's Chapter.

37 Before funds may be allocated to any Chapter under this section, the Chapter shall submit
38 to the Division of Aging, for its approval, a plan for the use of these funds.
39

40 **SUBPART 5. SOCIAL SERVICES**

41
42 Requested by: Senators Martin of Guilford, Kinnaird, Lucas

AUTHORIZED ADDITIONAL USE OF HIV FOSTER CARE AND ADOPTIVE 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:

a. One in the northeast, covering Northampton, Hertford, Halifax, Gates, Chowan, Perquimans, Pasquotank, Camden, Currituck, Bertie, Wilson, Edgecombe, and Nash Counties;

b. One in the central east, covering Martin, Pitt, Washington, Tyrrell, Dare, Hyde, Beaufort, Jones, Greene, Craven, and Pamlico Counties; and

c. One in the southeast, covering New Hanover, Robeson, Brunswick, Carteret, Onslow, Lenoir, Pender, Duplin, Bladen, and Columbus Counties.

(b) The maximum rates for State participation in HIV foster care and adoptions assistance are established on a graduated scale as follows:

(1) \$800.00 per month per child with indeterminate HIV status;

(2) \$1,000 per month per child confirmed HIV-infected, asymptomatic;

(3) \$1,200 per month per child confirmed HIV-infected, symptomatic; and

(4) \$1,600 per month per child terminally ill with complex care needs."

Requested by: Senator Martin of Guilford

CHILD WELFARE SYSTEM IMPROVEMENTS

Section 12.22. Section 11.57 of S.L. 1997-443 reads as rewritten:

"Section 11.57. (a) Of the funds appropriated in this act to the Department of ~~Human Resources, Health and Human Services,~~ Division of Social Services, the sum of two million two hundred sixty-nine thousand seven hundred fifty-two dollars (\$2,269,752) for the 1997-98 fiscal year and the sum of two million two hundred sixty-nine thousand seven hundred fifty-two dollars (\$2,269,752) for the 1998-99 fiscal year shall be allocated to county departments of social services for hiring or contracting for additional foster care and adoption worker and supervisor positions created after July 1,

1 1997, based upon a formula which takes into consideration the number of foster care and
2 adoption cases and the number of foster care and adoption workers and supervisors
3 necessary to meet recommended standards adopted by the North Carolina Association of
4 County Directors of Social Services. County departments of social services shall make
5 diligent efforts to hire staff with a professional social work degree from an accredited
6 social work program.

7 (b) Of the funds appropriated in this act to the Department of Human Resources,
8 Health and Human Services, Division of Social Services, the sum of one hundred fifty-
9 nine thousand dollars (\$159,000) for the 1997-98 fiscal year and the sum of one hundred
10 sixty-three thousand dollars (\$163,000) for the 1998-99 fiscal year shall be used to
11 provide funds for the State Child Fatality Review Team established and maintained
12 pursuant to Part 4B of Article 3 of Chapter 143B of the General Statutes. establish and
13 maintain a State Child Fatality Review Team to conduct in-depth reviews of any child
14 fatalities which have occurred involving children and families involved with local
15 departments of social services child protective services in the 12 months preceding the
16 fatality.

17 The purpose of these reviews shall be to implement a team approach to identifying
18 factors which may have contributed to conditions leading to the fatality and to develop
19 recommendations for improving coordination between local and State entities which
20 might have avoided the threat of injury or fatality and to identify appropriate remedies.
21 The Division of Social Services shall make public the findings and recommendations
22 developed for each fatality reviewed relating to improving coordination between local
23 and State entities.

24 The State Child Fatality Review Team shall include representatives of the local
25 departments of social services and the Division of Social Services, a member of the local
26 Community Child Protection Team, a member of the local child fatality prevention team,
27 a representative from local law enforcement, a prevention specialist, and a medical
28 professional.

29 The State Child Fatality Review Team shall have access to all medical records,
30 hospital records, and records maintained by this State, any county, or any local agency as
31 necessary to carry out the purposes of this subsection, including police investigative data,
32 medical examiner investigative data, health records, mental health records, and social
33 services records. Any member of the State Child Fatality Review Team may share, only
34 in an official meeting of the State Child Fatality Review Team, any information available
35 to that member that the State Child Fatality Review Team needs to carry out its duties.

36 Meetings of the State Child Fatality Review Team are not subject to the provisions of
37 Article 33C of Chapter 143 of the General Statutes. However, the State Child Fatality
38 Review Team may hold periodic public meetings to discuss, in a general manner not
39 revealing confidential information about children and families, the findings of their
40 reviews and their recommendations for preventive actions. Minutes of all public
41 meetings, excluding those of executive sessions, shall be kept in compliance with Article
42 33C of Chapter 143 of the General Statutes. Any minutes or any other information
43 generated during any executive session shall be sealed from public inspection.

1 All otherwise confidential information and records acquired by the State Child
2 Fatality Review Team, in the exercise of its duties are confidential; are not subject to
3 discovery or introduction into evidence in any proceedings except pursuant to an order of
4 the court; and may only be disclosed as necessary to carry out the purposes of the State
5 Child Fatality Review Team. In addition, all otherwise confidential information and
6 records created by the State Child Fatality Review Team in the exercise of its duties are
7 confidential; are not subject to discovery or introduction into evidence in any
8 proceedings; and may only be disclosed as necessary to carry out the purposes of the
9 State Child Fatality Review Team. No member of the State Child Fatality Review Team,
10 nor any person who attends a meeting of the State Child Fatality Review Team, may
11 testify in any proceeding about what transpired at the meeting, about information
12 presented at the meeting, or about opinions formed by the person as a result of the
13 meetings. This subsection shall not, however, prohibit a person from testifying in a civil
14 or criminal action about matters within that person's independent knowledge.

15 Each member of the State Child Fatality Review Team and invited participant shall
16 sign a statement indicating an understanding of and adherence to confidentiality
17 requirements, including the possible civil or criminal consequences of any breach of
18 confidentiality.

19 Funds allocated under this subsection shall be used as follows:

- 20 (1) To contract as needed with a statewide prevention organization and a
21 statewide medical organization to identify and orient prevention
22 specialists and medical professionals with experience in reviewing child
23 fatalities to serve on the State Child Fatality Review Team; and
- 24 (2) To pay per diem expenses as needed for the five participants in each
25 review who are not employed by the Division of Social Services or
26 county departments of social services.

27 The Division of Social Services, Department of ~~Human Resources, Health and~~
28 ~~Human Services~~, shall report quarterly to the ~~Cochairs-members~~ of the ~~House and Senate~~
29 ~~Appropriations Subcommittees on Human Resources Senate Appropriations Committee~~
30 ~~on Human Resources and the House of Representatives Appropriations Subcommittee on~~
31 ~~Human Resources and the Fiscal Research Division on the activities of the State Child~~
32 ~~Fatality Review Team and shall provide a final report to the House and Senate~~
33 ~~Appropriations Subcommittees on Human Resources Senate Appropriations Committee~~
34 ~~on Human Resources and the House of Representatives Appropriations Subcommittee on~~
35 ~~Human Resources~~ within one week of the convening of the 1997 General Assembly,
36 Regular Session 1998, including recommendations for changes in the statewide child
37 protection system.

38 (c) Counties shall not use State funds appropriated for child welfare services to
39 supplant county funds or reduce county expenditures for child welfare services.

40 (d) Notwithstanding G.S. 131D-10.6A, the Division of Social Services shall
41 establish training requirements for child welfare services staff initially hired on and after
42 January 1, 1998. The minimum training requirements established by the Division shall
43 be as follows:

- 1 (1) Child welfare services workers must complete a minimum of 72 hours
2 of preservice training before assuming direct client contact
3 responsibilities;
- 4 (2) Child protective services workers must complete a minimum of 18
5 hours of additional training that the Division determines is necessary to
6 adequately meet training needs;
- 7 (3) Foster care and adoption social workers must complete a minimum of
8 39 hours of additional training that the Division determines is necessary
9 to adequately meet training needs;
- 10 (4) Child Welfare Services supervisors must complete a minimum of 72
11 hours of preservice training before assuming supervisory
12 responsibilities, and a minimum of 54 hours of additional training that
13 the Division determines is necessary to adequately meet training needs;
14 and
- 15 (5) Child welfare services staff must complete 24 hours of continuing
16 education annually thereafter.

17 The Division of Social Services shall ensure that training opportunities are available
18 for county departments of social services and consolidated human services agencies to
19 meet the training requirements of this subsection.

20 ~~This subsection shall expire June 30, 1999.~~ This subsection shall continue in effect
21 until explicitly repealed.

22 (e) Article 3 of Chapter 143B of the General Statutes is amended by inserting a
23 new Part to read:

24 **'PART 4B. STATE CHILD FATALITY REVIEW TEAM.**

25 **"§ 143B-150.20. State Child Fatality Review Team; establishment, purpose; powers;**
26 **duties.**

27 There is established in the Department of Health and Human Services, Division of
28 Social Services, a State Child Fatality Review Team to conduct in-depth reviews of any
29 child fatalities which have occurred involving children and families involved with local
30 departments of social services child protective services in the 12 months preceding the
31 fatality. Steps in this in-depth review shall include interviews with any individuals
32 determined to have pertinent information as well as examination of any written materials
33 containing pertinent information.

34 The purpose of these reviews shall be to implement a team approach to identifying
35 factors which may have contributed to conditions leading to the fatality and to develop
36 recommendations for improving coordination between local and State entities which
37 might have avoided the threat of injury or fatality and to identify appropriate remedies.
38 The Division of Social Services shall make public the findings and recommendations
39 developed for each fatality reviewed relating to improving coordination between local
40 and State entities. The State Child Fatality Review Team shall consult with the
41 appropriate district attorney in accordance with G.S. 7A-675(d) prior to the public
42 release of the findings and recommendations.

1 The State Child Fatality Review Team shall include representatives of the local
2 departments of social services and the Division of Social Services, a member of the local
3 Community Child Protection Team, a member of the local child fatality prevention team,
4 a representative from local law enforcement, a prevention specialist, and a medical
5 professional.

6 The State Child Fatality Review Team shall have access to all medical records,
7 hospital records, and records maintained by this State, any county, or any local agency as
8 necessary to carry out the purposes of this subsection, including police investigative data,
9 medical examiner investigative data, health records, mental health records, and social
10 services records. The State Child Fatality Review Team may receive a copy of any
11 reviewed materials necessary to the conduct of the fatality review. Any member of the
12 State Child Fatality Review Team may share, only in an official meeting of the State
13 Child Fatality Review Team, any information available to that member that the State
14 Child Fatality Review Team needs to carry out its duties.

15 Meetings of the State Child Fatality Review Team are not subject to the provisions of
16 Article 33C of Chapter 143 of the General Statutes. However, the State Child Fatality
17 Review Team may hold periodic public meetings to discuss, in a general manner not
18 revealing confidential information about children and families, the findings of their
19 reviews and their recommendations for preventive actions. Minutes of all public
20 meetings, excluding those of closed sessions, shall be kept in compliance with Article
21 33C of Chapter 143 of the General Statutes. Any minutes or any other information
22 generated during any executive session shall be sealed from public inspection.

23 All otherwise confidential information and records acquired by the State Child
24 Fatality Review Team, in the exercise of its duties are confidential; are not subject to
25 discovery or introduction into evidence in any proceedings except pursuant to an order of
26 the court; and may only be disclosed as necessary to carry out the purposes of the State
27 Child Fatality Review Team. In addition, all otherwise confidential information and
28 records created by the State Child Fatality Review Team in the exercise of its duties are
29 confidential; are not subject to discovery or introduction into evidence in any
30 proceedings; and may only be disclosed as necessary to carry out the purposes of the
31 State Child Fatality Review Team. No member of the State Child Fatality Review Team,
32 nor any person who attends a meeting of the State Child Fatality Review Team, may
33 testify in any proceeding about what transpired at the meeting, about information
34 presented at the meeting, or about opinions formed by the person as a result of the
35 meetings. This subsection shall not, however, prohibit a person from testifying in a civil
36 or criminal action about matters within that person's independent knowledge.

37 Each member of the State Child Fatality Review Team and invited participant shall
38 sign a statement indicating an understanding of and adherence to confidentiality
39 requirements, including the possible civil or criminal consequences of any breach of
40 confidentiality."

41
42 Requested by: Senator Martin of Guilford

43 **CHILD PROTECTIVE SERVICES**

1 Section 12.23. Section 11.25 of S.L. 1997-443 reads as rewritten:

2 "Section 11.25. (a) The funds appropriated in this act to the Department of
3 ~~Human Resources, Health and Human Services,~~ Division of Social Services, for the
4 1997-99 fiscal biennium for Child Protective Services shall be allocated to county
5 departments of social services based upon a formula which takes into consideration the
6 number of Child Protective Services cases and the number of Child Protective Services
7 workers and supervisors necessary to meet recommended standards adopted by the North
8 Carolina Association of County Directors of Social Services.

9 (b) Funds allocated under subsection (a) of this section shall be used by county
10 departments of social services for carrying out ~~investigations of reports~~ investigative
11 assessments of child abuse or neglect or for providing protective or preventive services in
12 which the department confirms abuse, neglect, or dependency."
13

14 Requested by: Senators Plyler, Perdue, Odom, Martin of Guilford

15 **FOOD BANKS FUNDS**

16 Section 12.24. (a) Of the funds appropriated to the Department of Health and
17 Human Services, Division of Social Services, for food banks in this act, the sum of two
18 million four hundred thousand dollars (\$2,400,000) for the 1998-99 fiscal year shall be
19 allocated as grants-in-aid as follows:

- | | | | |
|----|-----|--|------------|
| 20 | (1) | Albemarle Food Bank/Food Pantry, Inc. | \$400,000 |
| 21 | (2) | MANNA Food Bank, Inc. | \$400,000 |
| 22 | (3) | The Food Bank of Northwest, NC., Inc. | \$400,000 |
| 23 | (4) | Cumberland County Action/Cape Fear
24 Community Food Bank | \$400,000 |
| 25 | (5) | Second Harvest Food Bank of Metrolina, Inc. | \$400,000 |
| 26 | (6) | Food Bank, Inc. | \$400,000. |

27 (b) Of the remaining funds appropriated to the Department of Health and
28 Human Services, Division of Social Services, for food banks in this act, the sum of one
29 hundred thousand dollars (\$100,000) shall be used in the 1998-99 fiscal year to provide
30 start-up costs for a food bank in Eastern North Carolina.
31

32 Requested by: Senator Martin of Guilford

33 **REPORT ON PROGRESS TOWARDS AUTOMATED APPLICATION SYSTEM**

34 Section 12.25. The Department of Health and Human Services shall make an
35 interim report by November 1, 1998, and a final report within a week of the convening of
36 the 1999 General Assembly to the members of the Senate Appropriations Committee on
37 Human Resources and the House of Representatives Appropriations Subcommittee on
38 Human Resources on its progress in developing and implementing a single statewide
39 automated application system for all means-tested public assistance benefit programs.
40

41 Requested by: Senator Martin of Guilford

42 **BIOMETRICS LAW CHANGES**

43 Section 12.26. (a) G.S. 108A-25.1 reads as rewritten:

1 **"§ 108A-25.1. Recipient identification system.**

2 (a) The Department shall establish and maintain a uniform system in the
3 Department and in all counties of identifying all ~~Work First, food stamp, and medical~~
4 ~~assistance program recipients. Work First recipients, except those who are children under~~
5 ~~the age of 18.~~ This system shall provide security and portability throughout the State and
6 between the departments within the State involved in means-tested public assistance
7 programs and shall have the capability of identifying recipients of assistance from all
8 means-tested programs administered or funded through the Department.

9 (b) The identification system established in this section shall use multiple
10 biometrics to ensure greater than ninety-nine percent (99%) accuracy for
11 interdepartmental identification.

12 (c) The Department shall ensure that the biometric identification system will be
13 compatible with any existing departmental biometric identification system.

14 (d) The Department shall make biometric identification a condition of eligibility
15 for the Work First assistance program for all recipients described in subsection (a) of this
16 section. If any recipient is denied assistance on the basis of the identification system
17 established in this section, the recipient's whole case, or group of recipients whose
18 eligibility for public assistance is dependent on all the other group members' financial and
19 nonfinancial situation, shall be denied assistance."

20 (b) Section 12.35 of S.L. 1997-443 reads as rewritten:

21 "Section 12.35. The Department of Health and Human Services shall have the
22 uniform system of recipient identification established in G.S. 108A-25.1 in place and
23 operating ~~before October 1, 1998.~~ as soon as possible after federal approval of the phase-
24 in process. The Department shall implement the start of the phase-in process no later
25 than October 1, 1999. The phase-in process shall begin with a pilot program in which no
26 more than six applicant counties selected by the Department shall participate. The
27 Department shall select those counties that the Department considers most likely to
28 produce cost reductions and other results that meet federal criteria and that lead to the
29 probability of broader statewide and regional implementation. The Department shall
30 report on this pilot to the members of the Senate Appropriations Committee on Human
31 Resources and the House of Representatives Appropriations Subcommittee on Human
32 Resources and to the Joint Legislative Commission on Governmental Operations by April
33 1, 2000, together with any recommendations. Except as otherwise provided in this Part,
34 this Part is effective when it becomes law."

35 (c) This section is effective when it becomes law.

36
37 Requested by: Senator Martin of Guilford

38 **APPROVAL OF TANF STATE PLAN AS MODIFIED/ WELFARE LAW**
39 **CHANGES**

40 Section 12.27. (a) The General Assembly approves the plan titled "North
41 Carolina's Temporary Assistance for Needy Families State Plan FY 1998-2000", prepared
42 by the Department of Health and Human Services and presented to the General Assembly

1 on May 15, 1998, as amended by changes to the welfare law required by this section and
2 any other act of the General Assembly.

3 (b) G.S. 108A-27(a) reads as rewritten:

4 "(a) The Department shall establish, supervise and monitor the Work First Program.
5 The purpose of the Work First Program is to provide eligible families with short-term
6 assistance to facilitate their movement to long-term self-sufficiency through employment-
7 gainful employment, not the mere reduction of the welfare roles. The Department shall
8 ensure that the Work First Program focus on this purpose of long-term self-sufficiency.
9 The ultimate goal of the Work First Program is the gradual elimination of generational
10 poverty and the Department shall ensure that all evaluations of the Work First Program,
11 whether performed at the State or the county level, maintain this purpose and this goal of
12 the Work First Program and effect an on-going determination of whether the Work First
13 Program is successful in facilitating families to move to long-term self-sufficiency and in
14 gradually eliminating generational poverty."

15 (c) G.S. 108A-27.1 reads as rewritten:

16 "**§ 108A-27.1. Time limitations on assistance.**

17 (a) Under the Standard Work First Program, unless an extension or an exemption
18 is provided pursuant to the provisions of the Part or the State Plan, any cash assistance
19 provided to a person or family in the employment program shall only be provided for a
20 cumulative total of 24 months. After having received cash assistance for 24 months, the
21 person or the family may reapply for cash assistance, but not until after ~~36~~12 months
22 from the last month the person or the family received cash assistance. This subsection
23 shall not apply to child-only cases.

24 (b) Electing Counties may set any time limitations on assistance it finds
25 appropriate, so long as the time limitations do not conflict or exceed any federal time
26 limitations."

27 (d) G.S. 108A-27.2 reads as rewritten:

28 "**§ 108A-27.2. General duties of the Department.**

29 The Department shall have the following general duties with respect to the Work First
30 Program:

31 (1) Ensure that eligibility criteria across the State include the Medicaid
32 Standard of Need for the Categorically Needy;

33 (1a) Ensure that the specifications of the general provisions of the State Plan
34 regarding the procedures required when recipients are sanctioned,
35 prescribed in G.S. 108A-27.9(c), are uniformly developed and
36 implemented across the State;

37 (1b) Ensure that qualified two-parent families receive assistance prior to
38 meeting work requirements for three months after qualifying for
39 assistance, in order to encourage families to stay together and to
40 overcome barriers to self-sufficiency and gainful employment;

41 (4) (1c) Provide technical assistance to counties developing
42 and implementing their County Plans, including providing
43 information concerning applicable federal law and regulations

- 1 and changes to federal law and regulations that affect the
2 permissible use of federal funds and scope of the Work First
3 Program in a county;
- 4 (2) Describe authorized federal and State work activities;
- 5 (3) Define requirements for assignment of child support income and
6 compliance with child support activities;
- 7 (4) Establish a schedule for counties to submit their County Plans to ensure
8 that all Standard County Plans are adopted by the Standard Program
9 Counties by January 15 of each even-numbered year and all Electing
10 County Plans are adopted by Electing Counties by February 1 of each
11 even-numbered year and review and then recommend a State Plan to the
12 General Assembly;
- 13 (5) Ensure that the County Plans comply with federal and State laws, rules,
14 and regulations, are consistent with the overall purposes and goals of the
15 Work First Program, and maximize federal receipts for the Work First
16 Program;
- 17 (6) Prepare the State Plan in accordance with G.S. 108A-27.9 and federal
18 laws and regulations and submit it to the Budget Director for approval;
- 19 (7) Submit the State Plan, as approved by the Budget Director, to the
20 General Assembly for approval;
- 21 (8) Report monthly to the Joint Legislative Public Assistance Commission
22 on the monthly progress reports submitted by the counties to the
23 Department;
- 24 (9) Develop and implement a system to monitor and evaluate the impact of
25 the Work First Program on children and families, including the impact
26 of the Work First Program on the economic security and health of
27 children and families, child abuse and neglect, caseloads for child
28 protective services and foster care, school attendance, and academic and
29 behavioral performance. State and county agencies shall cooperate in
30 providing information needed to conduct these evaluations, sharing data
31 and information except where prohibited specifically by federal law or
32 regulation;
- 33 (10) Monitor the performance of counties relative to their County Plans and
34 the overall goals of the Work First Program and report every six months
35 to the Director of the Budget and the Joint Legislative Public Assistance
36 Commission and annually to the General Assembly on the counties'
37 attainment of the outcomes and goals;
- 38 (11) Provide quarterly progress reports to the county departments of social
39 services, the county boards of commissioners, and the Joint Legislative
40 Public Assistance Commission on the performance of counties in
41 achieving Work First Program expectations;
- 42 (12) Report to the Joint Legislative Public Assistance Commission and the
43 ~~House and Senate Appropriations Subcommittees on Human Resources~~

1 members of the Senate Appropriations Committee on Human Resources
2 and the House of Representatives Appropriations Subcommittee on
3 Human Resources the counties which have requested Electing status,
4 provide copies of the proposed Electing County Plans to the Joint
5 Legislative Public Assistance Commission and ~~the House and Senate~~
6 ~~Appropriations Subcommittees on Human Resources,~~ the members of
7 the Senate Appropriations Committee on Human Resources and the
8 House of Representatives Appropriations Subcommittee on Human
9 Resources and make recommendations to the Joint Legislative Public
10 Assistance Commission, the ~~chairs~~ members of the ~~House and Senate~~
11 ~~Subcommittees on Human Resources,~~ Senate Appropriations
12 Committee on Human Resources and the House of Representatives
13 Appropriations Subcommittee on Human Resources, and the General
14 Assembly on which of the proposed Electing County Plans ensure
15 compliance with federal and State laws, rules, and regulations and are
16 consistent with the overall purposes and goals for the Work First
17 Program; and

- 18 (13) Make recommendations to the General Assembly for approval of
19 counties to become Electing Counties which represent, in aggregate, no
20 more than fifteen and one-half percent (15.5%) of the total Work First
21 caseload at October 1 of each year and, for each county submitting a
22 plan, the reasons individual counties were or were not recommended."

23 (d) G.S. 108A-27.9(c) reads as rewritten:

24 "(c) The State Plan shall include the following generally applicable provisions:

25 (1) Provisions to ensure that eligibility criteria across the State include the
26 Medicaid Eligibility Standard of Need for the categorically needy;

27 (1a) Provisions to ensure that recipients who are sanctioned are provided a
28 clear explanation of the sanction, and that all recipients, including those
29 under sanction or termination for rules infractions, are fully informed of
30 their right to legal counsel and any other representatives they choose at
31 their own cost;

32 (1b) Provisions to ensure that qualified two-parent families receive
33 assistance prior to meeting work requirements for three months after
34 qualifying for assistance, in order to encourage families to stay together
35 and to overcome barriers to self-sufficiency and gainful employment;

36 (1c) Provisions to ensure that no Work First

37 Program recipients, required to participate in work activities, shall be
38 employed or assigned when:

39 a. Any regular employee is on layoff from the same or substantially
40 equivalent job;

41 b. An employer terminates any regular employee or otherwise
42 causes an involuntary reduction in the employer's workforce in
43 order to hire Work First recipients; or

1 c. An employer otherwise causes the displacement of any currently
2 employed worker or positions, including partial displacements
3 such as reductions in hours of nonovertime work, wages, or
4 employment benefits, in order to hire Work First recipients;

5 (2) Provisions to ensure the establishment and maintenance of grievance
6 procedures to resolve complaints by regular employees who allege that
7 the employment or assignment of a Work First Program recipient is in
8 violation of subdivision ~~(1)~~ ~~(1c)~~ of this subsection; subsection, and
9 grievance procedures to resolve complaints by Work First Participants
10 made pursuant to subdivision (3) of this subsection;

11 (3) Provisions to ensure that Work First Program participants, required to
12 participate in work activities, shall be subject to and have the same
13 rights under federal, State, or local laws applicable to non-Work First
14 Program employees in similarly situated work activities, including, but
15 not limited to, wage and hour laws, health and safety standards, and
16 nondiscrimination laws, provided that nothing in this subdivision shall
17 be construed to prohibit Work First Program participants from receiving
18 additional State or county services designed to assist Work First
19 Program participants achieve job stability and self-sufficiency;

20 (4) A description of eligible federal and State work activities;

21 (5) Requirements for assignment of child support income and compliance
22 with child support activities;

23 (6) Incentives for high-performing counties, contingency plans for counties
24 unable to meet financial commitments during the term of the State Plan,
25 and sanctions against counties failing to meet performance expectations,
26 including allocation of any federal penalties that may be assessed
27 against the State as a result of a county's failure to perform; and

28 (7) Anything else required by federal or State law, rule, or regulation to be
29 included in the State Plan."

30 (e) G.S. 108A-27.3(a) reads as rewritten:

31 **"§ 108A-27.3. Electing Counties – Duties of county boards of commissioners.**

32 (a) The duties of the county boards of commissioners in Electing Counties under
33 the Work First Program are as follows:

34 (1) Establish county outcome and performance goals based on county
35 economic, educational, and employment factors and adopt criteria for
36 determining the progress of the county in moving persons and families
37 to self-sufficiency;

38 (2) Establish eligibility criteria for ~~recipients~~; recipients except for those
39 criteria related to sanctioning procedures mandated across the State
40 pursuant to G.S. 108A-27.9(c);

41 (3) Prescribe the method of calculating benefits for recipients;

42 (4) Determine and list persons and families eligible for the Work First
43 Program;

- 1 (5) If made a part of the county's Work First Program, develop and enter
2 into Mutual Responsibility Agreements with Work First Program
3 recipients and ensure that the services and resources that are needed to
4 assist participants to comply with the obligations under their Mutual
5 Responsibility Agreements are available;
- 6 (6) Ensure that participants engage in the minimum hours of work activities
7 required by Title IV-A;
- 8 (7) Provide community service work for any recipient who cannot find
9 employment;
- 10 (8) Make payments of Work First Diversion Assistance and Work First
11 Family Assistance to recipients having MRAs;
- 12 (9) Monitor compliance with Mutual Responsibility Agreements and
13 enforce the agreement provisions;
- 14 (10) Monitor and evaluate the impact of the Work First Program on
15 economic security and health of children and families, child abuse and
16 neglect, caseloads for child protective services and foster care, school
17 attendance, and academic and behavioral performance, and report the
18 findings to the Department quarterly;
- 19 (11) Ensure compliance with applicable State and federal laws, rules, and
20 regulations for the Work First Program;
- 21 (12) Develop, adopt, and submit to the Department a biennial County Plan;
- 22 (13) Provide monthly progress reports to the Department in a format to be
23 determined by the Department;
- 24 (14) Develop and implement an appeals process for the county's Work First
25 Program that substantially complies with ~~G.S. 108A-79.~~ G.S. 108A-79
26 and comply with the procedures related to sanctioning by the
27 Department for all counties in the State pursuant to G.S. 108A-27.2 and
28 prescribed as general provisions in the State Plan pursuant to G.S.
29 108A-27.9(c)(1)."
- 30 (f) G.S. 108A-27.4(e) reads as rewritten:
31 "(e) Each county shall include in its County Plan the following:
32 (1) The number of MRAs entered into by the county;
33 (2) A description of the county's plans for serving families who need child
34 care, transportation, substance abuse services, and employment support
35 based on the needs of the community and the availability of services and
36 funding;
37 (3) A list of the community service programs equivalent to full-time
38 employment that are being offered to Work First Program recipients
39 who are unable to find full-time employment;
40 (4) A description of the county's eligibility criteria, benefit calculation, and
41 any other policies adopted by the county relating to eligibility, terms,
42 and conditions for receiving Work First Program assistance, ~~including~~
43 ~~sanctions,~~—including asset and income requirements, time limits and

1 extensions, rewards, exemptions, and exceptions to requirements. If an
2 Electing County Plan proposes to change eligibility requirements,
3 benefits levels, or reduce maintenance of effort, the county shall
4 describe the reasons for these changes and how the county intends to
5 utilize the maintenance of effort savings;

6 (5) A description of how the county plans to utilize public and private
7 resources to assist in moving persons and families to self-sufficiency;
8 and

9 (6) Any request to the Department for waivers to rules or any proposals for
10 statutory changes to remove any impediments to implementation of the
11 County's Plan."

12 (g) G.S. 108A-27.11 reads as rewritten:

13 **"§ 108A-27.11. Work First Program funding.**

14 (a) County block grants, except funds for Work First Family Assistance, shall be
15 computed based on the percentage of each county's total AFDC (including AFDC-EA)
16 and JOBS expenditures, except expenditures for cash assistance, to statewide actual
17 expenditures for those programs in fiscal year 1995-96. The resulting percentage shall be
18 applied to the State's total ~~budgeted funds~~, certified budget for the current fiscal year,
19 except funds budgeted for Work First Family Assistance, for Work First Program
20 expenditures at the county level.

21 (b) The following shall apply to funding for Standard Program Counties:

22 (1) The Department shall make payments of Work First Family Assistance
23 and Work First Diversion Assistance subject to the availability of
24 federal, State, and county funds.

25 (2) The Department shall reimburse counties for county expenditures under
26 the Work First Program subject to the availability of federal, State, and
27 county funds.

28 (c) Each Electing County's allocation for Work First Family Assistance shall be
29 computed based on the percentage of each Electing County's total expenditures for cash
30 assistance to statewide actual expenditures for cash assistance in 1995-96. The resulting
31 percentage shall be applied to the ~~total budgeted funds for Work First Family Assistance~~.
32 State's total certified budget for Work First Family Assistance for the current fiscal year.
33 The Department shall transmit the federal funds contained in the county block grants to
34 Electing Counties as soon as practicable after they become available to the State and in
35 accordance with federal cash management laws and regulations. The Department shall
36 transmit one-fourth of the State funds contained in county block grants to Electing
37 Counties at the beginning of each quarter. Once paid, the county block grant funds shall
38 not revert."

39 (h) G.S. 108A-27.12 reads as rewritten:

40 **"§ 108A-27.12. Maintenance of effort.**

41 (a) The Department shall define in the State Plan or by rule the term "maintenance
42 of effort" based on that term as defined in Title IV-A and shall provide to counties a list
43 of activities that qualify for federal maintenance of effort requirements.

1 (b) If a county fails to comply with the maintenance of effort requirement in
2 subsection (a) of this section, the Director of the Budget may withhold State moneys
3 appropriated to the county pursuant to G.S. 108A-93.

4 (c) The Department shall maintain the State's maintenance of effort at one hundred
5 percent (100%) of the ~~amount the State budgeted~~ the State certified budget for programs
6 under this Part during fiscal year 1996-97. At no time shall the Department reduce State
7 or county funds previously obligated or appropriated for child welfare services.

8 (d) For Standard Program Counties, using the ~~preceding 1996-97~~ fiscal year as the
9 base year, counties shall maintain a financial commitment to the Work First Program
10 equal to the proportion of State funds allocated to the Work First Program. At no time
11 shall a Standard Program County reduce State or county funds previously obligated or
12 appropriated for child welfare services.

13 (e) During the first year a county operates as an Electing County, the county's
14 maintenance of effort shall be no less than ninety percent (90%) of the amount the county
15 budgeted for programs under this Part during fiscal year 1996-97. If during the first year
16 of operation as Electing the Electing County achieves one hundred percent (100%) of its
17 goals as set forth in its Electing County Plan, then the Electing County may reduce its
18 maintenance of effort to eighty percent (80%) of the amount the county budgeted for
19 programs under this Part during fiscal year 1996-97 for the second year of the Electing
20 County's operation and for all years thereafter that the county maintains Electing Status."

21 (i) G.S. 108A-27.16 reads as rewritten:

22 **"§ 108A-27.16. Use of Work First Reserve Fund.**

23 (a) By the fifteenth of each month, the Secretary shall certify to the Director of the
24 Budget and the Fiscal Research Division of the General Assembly the actual expenditures
25 for Work First Family Assistance for the fiscal year up until the beginning of that month
26 and the projected expenditures for the remainder of the fiscal year. ~~If on March 1 the~~
27 ~~actual expenditures for the fiscal year exceed two thirds of the total amount of~~
28 ~~expenditures expected for the entire fiscal year,~~ If the Director of the Budget declares that
29 the State, an individual county, or an individual region is in a state of economic
30 emergency with regard to lack of funds available for Work First Family Assistance
31 through events beyond their control, then the Director of the Budget shall direct the
32 Secretary shall to attempt to access any available federal funds. If federal funds are
33 unavailable and the General Assembly is not in session, the Director of the Budget may,
34 in the order below:

35 (1) Use funds available from the Work First Reserve Fund established
36 pursuant to ~~G.S. 143-15.3C;~~ G.S. 143-15.3C to provide Work First
37 Family Assistance funds for the State, the individual counties, or the
38 individual region;

39 (2) Use funds available to the ~~Department;~~ Department to provide Work
40 First Family Assistance funds for the State, the individual counties, or
41 the individual region; or

42 (3) Notwithstanding G.S. 143-23, use funds available from other
43 departments, institutions, or other spending agencies of the ~~State.~~ State

1 to provide Work First Family Assistance funds for the State, the
2 individual counties, or the individual region.

3 (b) The Director of the Budget shall report to the Joint Legislative Commission on
4 Governmental Operations, the Joint Legislative Public Assistance Commission, and the
5 ~~House of Representatives and Senate Appropriations Subcommittees on Human~~
6 ~~Resources Senate Appropriations Committee on Human Resources and the House of~~
7 Representatives Appropriations Subcommittee on Human Resources prior to making any
8 transfer pursuant to this section.

9 (c) Except as provided in this section, funds from the Work First Reserve Fund
10 established pursuant to G.S. 143-15.3C shall not be expended until appropriated by the
11 General Assembly."

12 (j) G.S. 108A-27.9(a) reads as rewritten:

13 "(a) The Department shall prepare and submit to the Director of the ~~Budget, in~~
14 ~~accordance with the procedures established in G.S. 143-16.1 for federal block grant~~
15 ~~funds, Budget~~ a biennial State Plan that proposes the goals and requirements for the State
16 and the terms of the Work First Program for each fiscal year. Prior to submitting a State
17 Plan to the General Assembly, the Department shall submit the State Plan to the Joint
18 Legislative Public Assistance Commission for its review and then consult with local
19 governments and private sector organizations regarding the design of the State Plan and
20 allow 45 days to receive comments from them."

21 (k) Section 12.20(b) of S.L. 1997-443 reads as rewritten:

22 "(b) The requirement that the Department prepare and submit the State Plan to the
23 General Assembly for approval ~~in accordance with the procedures set forth in G.S. 143-~~
24 ~~16.1 as prescribed in G.S. 108A-27.9(a)~~ shall not be applicable for fiscal year 1997-98.
25 Until the counties have prepared their county plans and the State has prepared the State
26 Plan in accordance with this Part and that State Plan has been enacted by the General
27 Assembly and it becomes law, the provisions of the State Plan submitted to the federal
28 government on October 16, 1996, shall remain in effect. State Plans submitted after the
29 1997-98 fiscal year shall be enacted by the General Assembly and become law in order to
30 be effective."

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

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

38 (1) \$275,000 for the 1997-98 fiscal year and \$400,000 for the 1998-99
39 fiscal year to support the establishment of a uniform system of public
40 assistance programs as authorized under G.S. 108A-25.1, and to provide
41 counties with workstations for biometric imaging:

- 1 (2) \$2,500,000 in each fiscal year to fund program integrity activities in
2 each ~~county;~~ county. These funds shall be given to the counties in a
3 lump sum and unexpended funds shall revert to the General Fund;
4 (3) \$500,000 for the 1997-98 fiscal year to establish and support an Office
5 of Inspector General in the Department of Justice;
6 (4) \$300,000 in each fiscal year to establish a pilot project in the
7 Department of Labor for creation of Individual Development Accounts;
8 (5) \$1,500,202 for the 1997-98 fiscal year for the following purposes:
9 a. To establish First Stop Employment Assistance in the
10 Department of Commerce;
11 b. To expand the Labor Market Information System in the
12 Employment Security Commission; and
13 c. To assist the Job Service Employer Committees or the Workforce
14 Development Boards in their completion of the study of the
15 working poor.

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

- 20 (6) \$700,000 for the 1998-99 fiscal year for the continued support of the
21 Office of Inspector General in the Department of Justice, and for the
22 First Stop Employment Assistance in the Department of Commerce.
23 These funds shall be allocated by the Office of State Budget and
24 Management on the basis of need."

25 (m) G.S. 114-41(a)(2) reads as rewritten:

- 26 "(2) Establish policies and standards for the investigation, detection, and
27 elimination of fraud, abuse, waste, and mismanagement in the means-
28 tested public assistance ~~programs;~~ programs. The Inspector General
29 shall provide each of the county directors of social services with a copy
30 of the policies and standards for investigation established pursuant to
31 this subdivision, including any amendments. When the Inspector
32 General determines that a county social services agency has not
33 complied with these policies and standards, the Inspector General shall
34 notify the director of that agency of the agency's noncompliance and
35 recommend appropriate corrective action;".

- 36 (n) Subsection (l) of this section becomes effective June 30, 1998.

37
38 Requested by: Senator Martin of Guilford

39 **WELFARE REFORM AUTOMATION FUNDING CARRY FORWARD**

40 Section 12.28. Of the funds appropriated in S.L. 1997-443 to the Department
41 of Health and Human Services for the 1997-98 fiscal year to implement welfare reform
42 automation specified in the Work First Business Plan, the sum of seven million dollars

1 (\$7,000,000) may be carried forward to the 1998-99 fiscal year to be used for the same
2 purposes.

3
4 Requested by: Senators Martin of Guilford, Phillips

5 **CHILD PLACING AGENCIES' RATE STUDY**

6 Section 12.29. From funds appropriated to the Department of Health and
7 Human Services in this act, the Department shall contract with an independent consultant
8 to conduct a study of the rate setting of the State's licensed child placing agencies. This
9 study shall:

10 (1) Review the agencies' current rate-setting process; and

11 (2) Determine whether this process is resulting in adequate reimbursement.

12 The Department shall report the results of this study, together with any
13 recommendations, to the members of the Senate Appropriations Committee on Human
14 Resources and the House of Representatives Appropriations Subcommittee on Human
15 Resources by November 1, 1998.

16
17 **SUBPART 6. MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND**
18 **SUBSTANCE ABUSE SERVICES**

19
20 Requested by: Senator Martin of Guilford

21 **THOMAS S. COST CONTAINMENT REPORT EXTENSION**

22 Section 12.30. Section 11.37 of S.L. 1997-443 reads as rewritten:

23 "Section 11.37. (a) ~~If Thomas S. funds are not sufficient, then notwithstanding~~
24 ~~G.S. 143-16.3 and G.S. 143-23, the Director of the Budget may use funds available to the~~
25 ~~Department in an amount not to exceed fifteen million two hundred thousand dollars~~
26 ~~(\$15,200,000).~~

27 (b) (a) The Department of Human Resources, Health and Human Services, in
28 conjunction with area mental health programs, shall develop and implement cost
29 containment measures to reduce the cost of direct services. The Department shall
30 develop these strategies to emphasize positive client outcomes through developmental
31 disability long-term managed supports rather than to emphasize process. These measures
32 shall include, but not be limited to, the following:

33 (1) Reduction of those process-oriented tasks required by the State,
34 including, but not limited to, tasks required by the Divisions of: Medical
35 Assistance, Vocational Rehabilitation Services, Social Services,
36 Facilities Services, and Mental Health, Developmental Disabilities, and
37 Substance Abuse Services;

38 (2) Single stream funding from all available sources;

39 (3) Waivers of federal requirements in order to comply with the federal
40 court order; and

41 (4) Review and, if necessary, amendment or repeal of rules that conflict or
42 otherwise interfere with cost containment measures.

1 (e) (b) The Department shall provide to the members of the House and Senate
2 Appropriations Subcommittees on Human Resources, and to the Fiscal Research Division
3 a detailed report of the status of development and implementation of cost containment
4 measures required under this section. The report shall address each of the measures listed
5 in subsection (b) of this section, and any other related cost containment measures
6 developed by the Department. The Department shall provide the report on ~~December 1,~~
7 ~~1997, and May 1, 1998.~~ May 1, 1999."
8

9 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

10 **MENTAL HEALTH RESERVE FOR MEDICAID MATCH**

11 Section 12.31. Of the funds appropriated in this act to the Department of
12 Health and Human Services, the sum of thirty-eight million dollars (\$38,000,000) for the
13 1998-99 fiscal year shall be placed in a Mental Health Restricted Reserve in the Office of
14 State Budget and Management. In addition to these funds, the Office of State Budget and
15 Management shall transfer to the Mental Health Restricted Reserve from the Department
16 of Health and Human Services, Division of Mental Health, Developmental Disabilities,
17 and Substance Abuse Services, the total amount of funds in the Division's budget
18 allocated as matching funds for Medicaid payments to area mental health authorities.
19 Funds placed in the Reserve may only be used as a State match for Medicaid payments to
20 area mental health authorities for the 1998-99 fiscal year. Funds in the Reserve that are
21 unexpended and unencumbered as of June 30, 1999, shall revert to the General Fund.
22

23 Requested by: Senator Martin of Guilford

24 **EARLY INTERVENTION SERVICES/REFERRALS/STUDY**

25 Section 12.32. (a) Section 11.43 of S.L. 1997-443 reads as rewritten:

26 "Section 11.43. Of the funds appropriated in this act to the Department of ~~Human~~
27 ~~Resources,~~ Health and Human Services, Division of Mental Health, Developmental
28 Disabilities, and Substance Abuse Services, the sum of five million dollars (\$5,000,000)
29 for the 1997-98 fiscal year and the sum of five million dollars (\$5,000,000) for the 1998-
30 99 fiscal year shall be allocated based on a plan developed in consultation with the
31 affected divisions within the Department and the North Carolina Interagency
32 Coordinating Council to meet the needs of those children who are on the waiting list for
33 early intervention services. The Department may create up to 41 new positions, as
34 needed, in the Division of Services for the Blind and the Division of Services for the
35 Deaf and the Hard of Hearing to expand early intervention-related preschool ~~services.~~
36 services for children from birth through five years of age.

37 The North Carolina Schools for the Deaf and other agencies providing early
38 intervention services to children from birth through five years of age shall ~~work together~~
39 ~~to develop procedures to ensure that Beginnings for Parents of Hearing-Impaired~~
40 ~~Children, Inc., shall be~~ is the first agency notified of children newly identified with
41 hearing loss and determined to be eligible for services. The North Carolina Schools for
42 the Deaf and other agencies providing early intervention services to hearing-impaired
43 children from birth through five years of age shall, immediately upon receipt of referral

1 from audiologists and other private practice providers, notify Beginnings for Parents of
2 Hearing-Impaired Children, Inc., of the children newly identified with hearing loss and
3 determined to be eligible for services. The Department of Health and Human Services
4 and the Department of Public Instruction shall include among the agencies named in the
5 Departments' Interagency Agreement Beginnings for Parents of Hearing-Impaired
6 Children, Inc."

7 (b) The North Carolina Interagency Coordinating Council, with the assistance
8 of the Department of Health and Human Services and the State Board of Education, shall
9 conduct a comprehensive review of North Carolina's system for delivering early
10 intervention services to children ages birth through five years. This study shall identify
11 and recommend solutions to the following:

- 12 (1) Issues related to eligibility for services,
- 13 (2) Quality, availability, and timeliness of services,
- 14 (3) Improving transition from the infant-toddler program to the school-age
15 program, and
- 16 (4) Matters pertaining to interagency coordination, and to funding.

17 The ICC shall report its findings and recommendations to the members of the Senate
18 Appropriations Committee on Human Resources and the House of Representatives
19 Appropriations Subcommittee on Human Resources, the Education Oversight
20 Committee, and the Fiscal Research Division not later than March 1, 1999.

21 (c) The Department of Health and Human Services shall develop an
22 organizational mechanism for consolidating and improving the management of early
23 intervention programs and services within the Department. The Department shall report
24 its recommendations to the Senate Appropriations Committee on Human Resources and
25 the House of Representatives Appropriations Subcommittee on Human Resources not
26 later than March 1, 1999.

27
28 Requested by: Senator Martin of Guilford

29 **NONMEDICAID REIMBURSEMENT CHANGES**

30 Section 12.33. Section 11.12 of S.L. 1997-443 reads as rewritten:

31 "Section 11.12. Providers of medical services under the various State programs, other
32 than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates
33 no more than those under the North Carolina Medical Assistance Program. Hospitals that
34 provide psychiatric inpatient care for Thomas S. class members or adults with mental
35 retardation and mental illness may be paid an additional incentive payment not to exceed
36 fifteen percent (15%) of their regular daily per diem reimbursement.

37 The Department of ~~Human Resources~~ Health and Human Services may reimburse
38 hospitals at the full prospective per diem rates without regard to the Medical Assistance
39 Program's annual limits on hospital days. When the Medical Assistance Program's per
40 diem rates for inpatient services and its interim rates for outpatient services are used to
41 reimburse providers in non-Medicaid medical service programs, retroactive adjustments
42 to claims already paid shall not be required.

1 Notwithstanding the provisions of paragraph one, the Department of ~~Human~~
 2 ~~Resources~~ Health and Human Services may negotiate with providers of medical services
 3 under the various Department of ~~Human Resources~~ Health and Human Services
 4 programs, other than Medicaid, for rates as close as possible to Medicaid rates for the
 5 following purposes: contracts or agreements for medical services and purchases of
 6 medical equipment and other medical supplies. These negotiated rates are allowable only
 7 to meet the medical needs of its non-Medicaid eligible patients, residents, and clients who
 8 require such services which cannot be provided when limited to the Medicaid rate.

9 Maximum net family annual income eligibility standards for services in these
 10 programs shall be as follows:

11		Medical Eye	All	
12	<u>Family Size</u>	<u>Care Adults</u>	<u>Rehabilitation</u>	<u>Other</u>
13	1	\$ 4,860	\$ 8,364	\$ 4,200
14	2	5,940	10,944	5,300
15	3	6,204	13,500	6,400
16	4	7,284	16,092	7,500
17	5	7,824	18,648	7,900
18	6	8,220	21,228	8,300
19	7	8,772	21,708	8,800
20	8	9,312	22,220	9,300
21				
22				

23 The eligibility level for children in the Medical Eye Care Program in the Division of
 24 Services for the Blind ~~and for adults in the Atypical Antipsychotic Medication Program~~
 25 ~~in the Division of Mental Health, Developmental Disabilities, and Substance Abuse~~
 26 ~~Services~~ shall be one hundred percent (100%) of the federal poverty guidelines, as
 27 revised annually by the United States Department of Health and Human Services and in
 28 effect on July 1 of each fiscal year. The eligibility level for people in the Atypical
 29 Antipsychotic Medication Program in the Division of Mental Health, Developmental
 30 Disabilities, and Substance Abuse Services shall be one hundred fifteen percent (115%)
 31 of the federal poverty guidelines, as revised annually by the United States Department of
 32 Health and Human Services and in effect on July 1 of each fiscal year. Additionally,
 33 those adults enrolled in the Atypical Antipsychotic Medication Program who become
 34 gainfully employed may continue to be eligible to receive State support, in decreasing
 35 amounts, for the purchase of atypical antipsychotic medication and related services up to
 36 three hundred percent (300%) of the poverty level.

37 State financial participation in the Atypical Antipsychotic Medication Program for
 38 those enrollees who become gainfully employed is as follows:

39	<u>Income</u>	<u>State Participation</u>	<u>Client Participation</u>
40	(% of poverty)		
41	0-100%	100%	0%
42	101-120%	95%	5%
43			

1	121-140%	85%	15%
2	141-160%	75%	25%
3	161-180%	65%	35%
4	181-200%	55%	45%
5	201-220%	45%	55%
6	221-240%	35%	65%
7	241-260%	25%	75%
8	261-280%	15%	85%
9	281-300%	5%	95%
10	301%-over	0%	100%.

11
 12 The Department of ~~Human Resources~~ Health and Human Services shall contract at, or
 13 as close as possible to, Medicaid rates for medical services provided to residents of State
 14 facilities of the Department."
 15

16 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

17 **FUNDS TO REDUCE WAITING LIST FOR SERVICES FOR**
 18 **DEVELOPMENTALLY DISABLED PERSONS**

19 Section 12.34. Of the funds appropriated in this act to the Department of
 20 Health and Human Services, Division of Mental Health, Developmental Disabilities, and
 21 Substance Abuse Services, the sum of four million seven hundred thousand dollars
 22 (\$4,700,000) for the 1998-99 fiscal year shall be used to provide family support services
 23 to developmentally disabled individuals who are not eligible for Medicaid and who are
 24 on the Department's waiting list for services. In addition to providing these services, the
 25 Department shall do all of the following:

- 26 (1) Immediately pursue approval from the Health Care Financing
 27 Administration to implement aggregate funding under the CAP-MR/DD
 28 Waiver as soon as possible;
- 29 (2) Study the feasibility of providing new or additional services as part of
 30 the regular Medicaid program which are aimed at keeping
 31 developmentally disabled individuals in their homes rather than the
 32 current criterion used in the Medicaid CAP-MR/DD Waiver Program.
 33 The study shall include a projected cost-benefit analysis;
- 34 (3) Work with area mental health authorities to determine why Medicaid-
 35 eligible individuals are waiting for services in the area mental health
 36 programs;
- 37 (4) Establish goals for the State and area mental health programs that
 38 require not more than a six-month wait for services for developmentally
 39 disabled individuals;
- 40 (5) Collaborate with area mental health programs to maximize the use of
 41 existing funds to increase services to the developmentally disabled, non-
 42 Medicaid eligible population; and

- 1 (6) Pursue additional Medicaid waivers which emphasize family support
2 services for developmentally disabled individuals.

3 The Department shall report the results of its compliance with this section to
4 the members of the Senate Appropriations Committee on Human Resources and the
5 House of Representatives Appropriations Subcommittee on Human Resources not later
6 than November 1, 1998. The report shall also include the impact of expansion funds on
7 the waiting list for services for developmentally disabled individuals.
8

9 Requested by: Senator Martin of Guilford

10 **FUNDS FOR DOROTHEA DIX DESIGN/CONTINUE STUDY OF STATE**
11 **PSYCHIATRIC HOSPITALS**

12 Section 12.35. (a) Of the funds appropriated in this act to the Department of
13 Health and Human Services, the sum of two million dollars (\$2,000,000) for the 1998-99
14 fiscal year shall be allocated for the design of a new Dorothea Dix Hospital. The
15 Department shall make an interim progress report on the status of the design to the
16 members of the Senate Appropriations Committee on Human Resources and the House of
17 Representatives Appropriations Subcommittee on Human Resources not later than
18 February 1, 1999.

19 (b) Of the funds appropriated in this act to the Department of Health and
20 Human Services, the sum of seven hundred fifty thousand dollars (\$750,000) for the
21 1998-99 fiscal year shall be used to continue to study the State psychiatric hospitals. The
22 study shall build upon results of the MGT, Inc., study and shall assess:

- 23 (1) How many and what type of beds are needed statewide;
24 (2) The area program capacity and ability to efficiently and effectively
25 absorb specific services now provided within the existing State hospital
26 system; and
27 (3) The nonpublic system's capacity to absorb specific services identified
28 by MGT as being inappropriately provided by the current State hospital
29 system.

30 The study shall also make recommendations for other system changes as identified in
31 order to appropriately downsize the State hospital system while maintaining existing
32 service levels and ultimately increasing services to clients in the community. The
33 Department shall solicit proposals to conduct the study.

34 (c) The Department shall make an interim report to the members of the Senate
35 Appropriations Committee on Human Resources and the House of Representatives
36 Appropriations Subcommittee on Human Resources not later than February 1, 1999, and
37 shall make a final report not later than May 1, 1999.
38

39 Requested by: Senator Martin of Guilford

40 **CHILD MENTAL HEALTH CULTURAL DIVERSITY CURRICULUM**

41 Section 12.36. Of the funds appropriated in this act to the Department of
42 Health and Human Services, Division of Mental Health, Developmental Disabilities, and
43 Substance Abuse Services, the sum of seventy-five thousand dollars (\$75,000) for the

1 1998-99 fiscal year shall be used for the direct purchase of computer software or printed
2 materials for training curricula that will enhance the promotion of cultural diversity and
3 cultural competencies in services to children, families, and communities. These funds
4 may be used only for the direct purchase of software or printed informational materials
5 and any funds not used for this purpose shall revert on June 30, 1999.

6 7 **SUBPART 7. CHILD DEVELOPMENT**

8
9 Requested by: Senator Martin of Guilford

10 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES** 11 **EXPANSION FUNDS**

12 Section 12.37. In addition to the funds allocated for Early Childhood Education
13 and Development Initiatives in Section 11.55(p) of S.L. 1997-443, of the funds
14 appropriated to the Department of Health and Human Services, Division of Child
15 Development, for Early Childhood Education and Development Initiatives, the sum of
16 fifty-six million six hundred thirty-four thousand seven hundred forty-three dollars
17 (\$56,634,743) shall be used to administer and deliver direct services in all 100 counties.
18 Of this amount, the North Carolina Partnership for Children, Inc., may use up to two
19 million dollars (\$2,000,000) for State level administration of the program.

20
21 Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom

22 **TEACH PROGRAM**

23 Section 12.38. Of the funds appropriated in this act to the Department of
24 Health and Human Services for the Teacher Education and Compensation Helps
25 (TEACH) Program, the sum of one hundred thousand dollars (\$100,000) for the 1998-99
26 fiscal year shall be used to establish a capital fund for TEACH, provided that these funds
27 are matched by expenditures of private funds at a ratio of two private dollars for every
28 one dollar expended from these funds, and provided further that expenses related to office
29 space are not included in the costs charged to the State for the administration of the
30 Program.

31 32 **SUBPART 8. YOUTH SERVICES**

33 Requested by: Senator Martin of Guilford

34 **DYS TRAINING SCHOOLS EVALUATION**

35 Section 12.39. (a) Of the funds appropriated in this act to the Department of
36 Health and Human Services, the sum of four hundred seventy-five thousand dollars
37 (\$475,000) shall be used to ensure that multidisciplinary diagnoses and evaluations, as
38 provided for in G.S. 115C-113, are made on all students in training schools operated by
39 the Division of Youth Services and that the requisite resources and services are provided
40 for all DYS training school students who are identified as children with special needs.
41 The Department shall use these funds to provide evaluations, resources, and services, but
42 shall not reduce current DYS services. Lapsed salary funds shall not be used to create
43 new permanent positions.

1 (b) Within 30 days of adjournment sine die of the 1997 General Assembly, the
2 Department shall report to the members of the Senate Appropriations Committee on
3 Human Resources and the House of Representatives Appropriations Subcommittee on
4 Human Resources and the Fiscal Research Division the line items in the Department's
5 budget from which funds allocated under this section will be taken.
6

7 **SUBPART 9. HEALTH SERVICES**

8 Requested by: Senator Martin of Guilford

9 **NC HEALTHY START FOUNDATION/REPORTING**

10 Section 12.40. Section 15.29 of S.L. 1997-443 reads as rewritten:

11 "Section 15.29. The North Carolina Healthy Start Foundation shall:

- 12 (1) By January 15, ~~1998~~, 1999, and more frequently as requested, report to
13 the ~~Joint Legislative Commission on Governmental Operations~~ Senate
14 Appropriations Committee on Human Resources and the House of
15 Representatives Appropriations Subcommittee on Human Resources
16 and the Fiscal Research Division the following information:
17 a. State fiscal year ~~1996-97~~ 1997-98 program activities, objectives,
18 and accomplishments;
19 b. State fiscal year ~~1996-97~~ 1997-98 itemized expenditures and
20 fund sources;
21 c. State fiscal year ~~1997-98~~ 1998-99 planned activities, objectives,
22 and accomplishments including actual results through December
23 31, ~~1997~~, 1998; and
24 d. State fiscal year ~~1997-98~~ 1998-99 estimated itemized
25 expenditures and fund sources including actual expenditures and
26 fund sources through December 31, ~~1997~~, 1998.
27 (2) Provide to the Fiscal Research Division a copy of the Foundation's
28 annual audited financial statement within 30 days of issuance of the
29 statement."
30

31 Requested by: Senator Martin of Guilford

32 **PREVENT BLINDNESS, INC./REPORTING**

33 Section 12.41. Section 15.33 of S.L. 1997-443 reads as rewritten:

34 "Section 15.33. Prevent Blindness, Inc., shall:

- 35 (1) By January 15, ~~1998~~, 1999, and more frequently as requested, report to
36 the ~~Joint Legislative Commission on Governmental Operations~~ Senate
37 Appropriations Committee on Human Resources and the House of
38 Representatives Appropriations Subcommittee on Human Resources
39 and the Fiscal Research Division the following information:
40 a. State fiscal year ~~1996-97~~ 1997-98 program activities, objectives,
41 and accomplishments;
42 b. State fiscal year ~~1996-97~~ 1997-98 itemized expenditures and
43 fund sources;

- 1 c. State fiscal year ~~1997-98-1998-99~~ planned activities, objectives,
2 and accomplishments including actual results through December
3 31, ~~1997-1998~~; and
4 d. State fiscal year ~~1997-98—1998-99~~ estimated itemized
5 expenditures and fund sources including actual expenditures and
6 fund sources through December 31, ~~1997-1998~~.
- 7 (2) Provide to the Fiscal Research Division a copy of the Prevent Blindness,
8 Inc., annual audited financial statement within 30 days of issuance of
9 the statement."
10

11 Requested by: Senator Martin of Guilford

12 WIC PROGRAM FUNDS

13 Section 12.42. Section 15.27 of S.L. 1997-443 reads as rewritten:

14 "Section 15.27. Of the funds appropriated to the Department of ~~Environment, Health,~~
15 ~~and Natural Resources~~ Health and Human Services for the Women, Infants, and Children
16 (WIC) Program, the sum of one million two hundred eighty thousand dollars
17 (\$1,280,000) for the 1997-98 fiscal year and the sum of one million two hundred eighty
18 thousand dollars (\$1,280,000) for the 1998-99 fiscal year shall, if sufficient federal food
19 funds are available, be used for the WIC Program as follows:

- 20 (1) Not more than \$500,000 in each fiscal year shall be used to establish
21 new WIC Programs in Head Start or other private or public nonprofit
22 agencies to serve additional mothers, infants, and children. The
23 Department shall utilize these funds for local program operations
24 including staff to provide eligibility determination, nutrition education,
25 and health care referrals. In selecting the new WIC Programs, the
26 Department shall consider accessibility to the target population
27 including location and hours of operation.
- 28 (2) Not more than \$250,000 in each fiscal year shall be used to renovate
29 facilities of existing programs where space constraints limit program
30 expansion, and to fund rental costs in areas where accessible donated
31 space is not available. In selecting the facilities the Department shall
32 consider accessibility to the target population including location and
33 extended hours of operation. In determining whether to fund rental of
34 space, the Department shall ensure that options for using donated
35 accessible space have been considered. Not more than \$75,000 of funds
36 allocated under this subdivision for each fiscal year shall be used for
37 rental of space.
- 38 (3) Not more than \$300,000 in each fiscal year shall be used to purchase
39 physician-prescribed special formulas and nutritional supplements for
40 infants, children, and women.
- 41 (4) Not more than ~~\$60,000~~ \$180,000 in ~~each~~ the 1998-99 fiscal year shall
42 be used to provide the required State match to the WIC farmers' market
43 project.

- 1 (5) Not more than ~~\$170,000~~ \$50,000 in ~~each~~ the 1998-99 fiscal year shall
2 be used for the purpose of establishing and maintaining a Public Health
3 Nutritionist Internship Program.

4 If sufficient federal food funds are not available then funds appropriated for the WIC
5 Program under this section shall be used to supplement federal food funds and any
6 balance in funds remaining after the supplemental use shall be used in accordance with
7 subdivisions (1) through (5) of this section."
8

9 Requested by: Senator Martin of Guilford

10 **HEALTHY MOTHERS/HEALTHY CHILDREN PILOT PROGRAM**

11 Section 12.43. (a) The Department of Health and Human Services may initiate
12 a Healthy Mothers/Healthy Children Grant Program in up to six local health departments.
13 The Department may consolidate federal Maternal and Child Health Block Grant funds
14 and State funds appropriated for the Maternal Health, Women's Preventive Health, Child
15 Health, Child Service Coordination and Immunization programs into a Healthy
16 Mothers/Healthy Children Grant Program for each participating local health department.
17 Local health departments participating in the Healthy Mothers/Healthy Children Grant
18 Program may use grant funds to do any of the following:

- 19 (1) Improve the health status of women of childbearing age by expanding
20 preventive health services and reducing and/or controlling health risk
21 factors.
22 (2) Reduce infant mortality and morbidity by preventing high-risk
23 pregnancies, improving the health status of women before pregnancy,
24 improving access to prenatal care, reducing prematurity, and improving
25 survival rates of pre-term and other high-risk infants.
26 (3) Reduce mortality and morbidity among children and youth by reducing
27 the incidence of communicable disease and other preventable
28 conditions, the occurrence and severity of injuries, the incidence of
29 genetic disorders, and the incidence of chronic illnesses and
30 developmental disabilities.
31 (4) Enhance the health and functional status of children and youth with
32 chronic handicapping conditions by reducing the severity of such
33 conditions through the provision of early identification, diagnosis,
34 treatment, and care coordination services.

35 (b) The Department shall not include federal categorical funds, competitive
36 special project funds, and funds for regionalized services in grant funds awarded to local
37 health departments under the Healthy Mothers/Healthy Children Grant Program.

38 (c) The Department shall require participating local health departments to
39 identify and report expenditures by program in order to monitor and track the use of
40 Healthy Mothers/Healthy Children Grant Program funds to meet federal and State
41 reporting requirements. In addition, the Department shall require local health
42 departments to report on the administrative, programmatic, and health outcome benefits
43 which are realized by providing localities greater flexibility.

1 (d) The Department shall report to members of the Senate Appropriations
2 Committee on Human Resources and the House of Representatives Appropriations
3 Subcommittee on Human Resources on the implementation of the Healthy
4 Mothers/Healthy Children Grant Program not later than April 1, 1999.

5
6 Requested by: Senator Martin of Guilford

7 **CHILD FATALITY TASK FORCE**

8 Section 12.44. (a) Subsections (b), (c), and (d) of Section 285 of Chapter 321
9 of the 1993 Session Laws are repealed.

10 (b) G.S. 143-573(c) reads as rewritten:

11 "(c) All members of the Task Force are voting members. Vacancies in the
12 appointed membership shall be filled by the appointing officer who made the initial
13 appointment. ~~The Speaker of the House of Representatives shall call the first meeting no~~
14 ~~later than October 1, 1991. At the first meeting the members shall elect a chair who shall~~
15 ~~preside for the duration of the Task Force. Terms shall be two years. The members shall~~
16 elect a chair who shall preside for the duration of the chair's term as member. In the
17 event a vacancy occurs in the chair before the expiration of the chair's term, the members
18 shall elect an acting chair to serve for the remainder of the unexpired term."

19 (c) G.S. 143-574 reads as rewritten:

20 **"§ 143-574. Task Force – duties.**

21 The Task Force shall:

- 22 (1) Undertake a statistical study of the incidence and causes of child deaths
23 in this State ~~during 1988 and 1989~~, and establish a profile of child
24 deaths. The study shall include (i) an analysis of all community and
25 private and public agency involvement with the decedents and their
26 families prior to death, and (ii) an analysis of child deaths by age, cause,
27 and geographic distribution;
- 28 (2) Develop a system for multidisciplinary review of child deaths. In
29 developing such a system, the Task Force shall study the operation of
30 existing local teams. The Task Force shall also consider the feasibility
31 and desirability of local or regional review teams and, should it
32 determine such teams to be feasible and desirable, develop guidelines
33 for the operation of the teams. The Task Force shall also examine the
34 laws, rules, and policies relating to confidentiality of and access to
35 information that affect those agencies with responsibilities for children,
36 including State and local health, mental health, social services,
37 education, and law enforcement agencies, to determine whether those
38 laws, rules, and policies inappropriately impede the exchange of
39 information necessary to protect children from preventable deaths, and,
40 if so, recommend changes to them;
- 41 (3) Receive and consider reports from the State Team; and
- 42 (4) Perform any other studies, evaluations, or determinations the Task Force
43 considers necessary to carry out its mandate."

1 (d) G.S. 143-577 reads as rewritten:

2 **"§ 143-577. Task Force – reports.**

3 (a) The Task Force shall ~~provide a preliminary~~ report annually to the Governor
4 and General Assembly, within the first week of the convening or reconvening of the ~~1992~~
5 ~~Session of the 1991 General Assembly.~~ The report shall contain at least
6 a summary of ~~preliminary~~ the conclusions and recommendations for each of the Task
7 Force's duties, as well as any other recommendations for changes to any law, rule, and
8 policy that it has determined will promote the safety and well-being of children. Any
9 recommendations of changes to law, rule, or policy shall be accompanied by specific
10 legislative or policy proposals and detailed fiscal notes setting forth the costs to the State.

11 (b) ~~The Task Force shall make a written report to the Governor and General~~
12 ~~Assembly within the first week of the convening of the 1997 General Assembly.~~ The
13 ~~Task Force may make a written report to the Governor and General Assembly within one~~
14 ~~week of the convening of the 1998 Regular Session of the 1997 General Assembly.~~ The
15 ~~Task Force shall make a final written report to the Governor and General Assembly~~
16 ~~within the first week of the convening of the 1999 General Assembly.~~ The final report
17 ~~shall include final conclusions and recommendations for each of the Task Force's duties,~~
18 ~~as well as any other recommendations for changes to any law, rule, and policy that it has~~
19 ~~determined will promote the safety and well-being of children.~~ Any recommendations of
20 ~~changes to law, rule, or policy shall be accompanied by specific legislative or policy~~
21 ~~proposals and detailed fiscal notes setting forth the costs to the State.~~

22 (c) ~~After the Task Force provides its final report to the Governor and General~~
23 ~~Assembly, the Task Force shall cease to be in existence."~~

24
25 Requested by: Senator Martin of Guilford

26 **MATERNAL OUTREACH**

27 Section 12.45. (a) The Department of Health and Human Services shall ensure
28 that local communities who receive State funds for intensive home visiting programs,
29 including the Olds and Healthy Families America models, collect and report data to the
30 Department which will allow a valid and reliable evaluation of the long-term
31 effectiveness of this intervention in improving maternal and child outcomes. The
32 Department shall design a standard reporting system for local programs to use in
33 supplying this data. At a minimum, the data should provide information on the effect of
34 prenatal and infancy home visits by nurses on all of the following:

- 35 (1) Preterm delivery, low-birth weight, and infant morbidity/mortality.
- 36 (2) Childhood injuries.
- 37 (3) Childhood maltreatment.
- 38 (4) Immunizations.
- 39 (5) Mental development and behavioral problems.

40 The data shall also provide information on maternal life course, as measured by:

- 41 (6) Subsequent pregnancy.
- 42 (7) Educational achievement.
- 43 (8) Labor force participation.

1 (9) Use of public assistance programs.

2 (b) The Department shall report on its plans for developing and implementing a
3 scientifically sound methodology for evaluating these programs by February 1, 1999, to
4 the members of the Senate Appropriations Committee on Human Resources and the
5 House of Representatives Appropriations Subcommittee on Human Resources and to the
6 Fiscal Research Division.

7
8 Requested by: Senators Martin of Guilford, Kinnaird

9 **AIDS DRUG ASSISTANCE PROGRAM (ADAP)**

10 Section 12.46. (a) The Department of Health and Human Services shall develop
11 and implement a cost-containment plan for the purpose of serving additional clients of
12 the HIV Medications Program. In developing the Plan, the Department shall do the
13 following:

- 14 (1) Explore the feasibility of obtaining a Medicaid expansion waiver;
15 (2) Estimate the potential cost savings to the State of participating in the
16 340B Drug Pricing Program by studying various ways of adhering to
17 program requirements while also realizing cost savings;
18 (3) Examine, for possible adoption, ADAP and other similar program cost-
19 saving strategies in other states, including, but not limited to, restrictive
20 formularies, prescription limitations, insurance continuity, and insurance
21 purchasing programs, and biannual or quarterly reauthorizations; and
22 (4) Conduct other activities that will assist in the development of a viable
23 plan.

24 (b) The Department shall implement cost-containment programs or
25 mechanisms, other than pharmaceutical rebates, by October 1, 1998, and shall report to
26 the members of the Senate Appropriations Committee on Human Resources and the
27 House of Representatives Appropriations Subcommittee on Human Resources
28 not later than December 15, 1998, on the following:

- 29 (1) The realized and projected savings,
30 (2) Findings from subdivisions (1), (2), and (3) of subsection (a) of this
31 section; and
32 (3) Recommendations for legislative action.

33 (c) Savings realized through cost-containment measures shall be used to serve
34 additional ADAP participants in fiscal year 1998-99. Funds not expended for authorized
35 program costs shall revert to the General Fund.

36 (d) The Department shall also develop a comprehensive information system on
37 AIDS/HIV clients receiving services from the State. This system shall include
38 information on program usage patterns of ADAP participants, including, but not limited
39 to, frequency of prescription purchases, types of medications prescribed, and patient
40 compliance with physician treatment recommendations.

41
42 Requested by: Senator Martin of Guilford

43 **OSTEOPOROSIS TASK FORCE/CHANGE REPORT DATE**

1 Section 12.47. Section 15.32 of S.L. 1997-443 reads as rewritten:

2 "Section 15.32. (a) Of the funds appropriated in this act to the Department of
3 ~~Environment, Health, and Natural Resources, Division of Health Promotion, Health and~~
4 ~~Human Services, Division of Community Health,~~ the sum of two hundred thousand
5 dollars (\$200,000) for the 1997-98 fiscal year shall be allocated for the Osteoporosis
6 Prevention Task Force created under this section.

7 (b) The North Carolina Osteoporosis Prevention Task Force is created in the
8 ~~Division of Health Promotion, Department of Environment, Health, and Natural~~
9 ~~Resources, Division of Community Health, Department of Health and Human Services.~~

10 (c) The Task Force shall have 25 members. The Governor shall appoint the Chair,
11 and the Vice-Chair shall be elected by the Task Force. The Director of the ~~Division of~~
12 ~~Health Promotion in the Department of Environment, Health, and Natural Resources,~~
13 ~~Division of Community Health, Department of Health and Human Services,~~ the Director
14 of the Division of Medical Assistance in the Department of ~~Human Resources, Health~~
15 ~~and Human Services,~~ and the Director of the Division of Aging in the Department of
16 ~~Human Resources, Health and Human Services,~~ or their designees, shall be members of
17 the Task Force. Appointments to the Task Force shall be made as follows:

18 (1) By the President Pro Tempore of the Senate, as follows:

- 19 a. Two members of the Senate;
- 20 b. A representative of a women's health organization;
- 21 c. A local health director;
- 22 d. A certified health educator;
- 23 e. A representative of the North Carolina Association of Area
- 24 Agencies on Aging; and
- 25 f. A person with osteoporosis.

26 (2) By the Speaker of the House of Representatives, as follows:

- 27 a. Two members of the House of Representatives;
- 28 b. A county commissioner;
- 29 c. A licensed dietitian/nutritionist;
- 30 d. A pharmacist;
- 31 e. A registered nurse; and
- 32 f. A person with osteoporosis.

33 (3) By the Governor, as follows:

- 34 a. A practicing family physician, rheumatologist, or
- 35 endocrinologist;
- 36 b. A president or chief executive officer of a business upon
- 37 recommendation of a North Carolina wellness council which is a
- 38 member of the Wellness Councils of America;
- 39 c. A news director of a newspaper or television or radio station;
- 40 d. A representative of a North Carolina affiliate of the National
- 41 Osteoporosis Foundation;
- 42 e. A representative from the North Carolina Cooperative Extension
- 43 Service;

- 1 f. A representative of the Governor's Council on Physical Fitness
2 and Health; and
- 3 g. Two members at large.
- 4 (d) Each appointing authority shall assure insofar as possible that its appointees to
5 the Task Force reflect the composition of the North Carolina population with regard to
6 ethnic, racial, age, gender, and religious composition.
- 7 (e) The General Assembly and the Governor shall make their appointments to the
8 Task Force not later than 30 days after the adjournment of the 1997 General Assembly,
9 Regular Session 1998. A vacancy on the Task Force shall be filled by the original
10 appointing authority, using the criteria set out in this section for the original appointment.
- 11 (f) The Task Force shall meet at least quarterly or more frequently at the call of
12 the Chair.
- 13 (g) The Task Force Chair may establish committees for the purpose of making
14 special studies pursuant to its duties and may appoint non-Task Force members to serve
15 on each committee as resource persons. Resource persons shall be voting members of the
16 committees and shall receive subsistence and travel expenses in accordance with G.S.
17 138-5 and G.S. 138-6. Committees may meet with the frequency needed to accomplish
18 the purposes of this section.
- 19 (h) Members of the Task Force shall receive per diem and necessary travel and
20 subsistence expenses in accordance with G.S. 120-3.1, 138-5, and 138-6, as applicable.
- 21 (i) A majority of the Task Force shall constitute a quorum for the transaction of its
22 business.
- 23 (j) The Task Force may use funds allocated to it to establish one full-time limited
24 position and for other expenditures needed to assist the Task Force in carrying out its
25 duties.
- 26 (k) The Osteoporosis Prevention Task Force has the following duties:
- 27 (1) To undertake a statistical and qualitative examination of the incidence
28 of and causes of osteoporosis deaths and risks, including identification
29 of subpopulations at highest risk for developing osteoporosis, and
30 establish a profile of the osteoporosis burden in North Carolina.
- 31 (2) To raise public awareness on the causes and nature of osteoporosis,
32 personal risk factors, value of prevention and early detection, and
33 options for diagnosing and treating the disease.
- 34 (3) To identify priority strategies which are effective in preventing and
35 controlling risks for osteoporosis, and in diagnosing and treating
36 osteoporosis.
- 37 (4) To identify, examine limitations of, and recommend to the Governor
38 and the General Assembly changes to existing laws, regulations,
39 programs, services, and policies to enhance osteoporosis prevention,
40 diagnosis, and treatment for the people of North Carolina.
- 41 (5) To determine and recommend to the Governor and the General
42 Assembly the funding and strategies needed to enact new or to modify
43 existing laws, regulations, programs, services, and policies to enhance

1 osteoporosis prevention, diagnosis, and treatment for the people of
2 North Carolina.

3 (6) To develop a statewide comprehensive Osteoporosis Prevention Plan,
4 and strategies for Plan implementation and for promoting the Plan to the
5 general public, State and local elected officials, various public and
6 private organizations and associations, businesses and industries,
7 agencies, potential funding sources, and other community resources.

8 (7) To identify strategies to facilitate specific commitments to help
9 implement the Plan from the entities listed in subdivision (6) above.

10 (8) To facilitate coordination of and communication among State and local
11 agencies and organizations regarding current or future involvement in
12 achieving the aims of the Osteoporosis Prevention Plan.

13 (9) To receive and consider reports and testimony from individuals, local
14 health departments, community-based organizations, voluntary health
15 organizations, and other public and private organizations statewide, to
16 learn more about their contributions to osteoporosis diagnosis,
17 prevention, and treatment, and their ideas for improving osteoporosis
18 prevention, diagnosis, and treatment in North Carolina.

19 (l) The Task Force shall submit a progress report to the Joint Legislative
20 Commission on Governmental Operations, the Governor, and the Fiscal Research
21 Division not later than April 1, 1998. The progress report shall address:

22 (1) Progress being made in fulfilling the duties of the Task Force and in
23 developing the Osteoporosis Prevention Plan,

24 (2) The anticipated time frame for completion of the Prevention Plan, and

25 (3) Recommended strategies or actions to reduce the occurrence of and
26 burdens suffered from osteoporosis by citizens of this State.

27 The Task Force shall submit its final report to the 1999 General Assembly, the Governor,
28 and the Fiscal Research Division not later than ~~October 1,~~ February 15, 1999.

29 (m) Upon submission of its final report to the Governor and the 1999 General
30 Assembly, the Task Force shall expire."

31
32 Requested by: Senators Odom, Martin of Guilford

33 **CANCER CONTROL ADVISORY COMMITTEE/ADDITIONAL MEMBERS**

34 Section 12.48. (a) G.S. 130A-33.50 reads as rewritten:

35 "**§ 130A-33.50. Advisory Committee on Cancer Coordination and Control**
36 **established; membership, compensation.**

37 (a) The Advisory Committee on Cancer Coordination and Control is established in
38 the Department.

39 (b) The Committee shall have ~~24~~ up to 34 members, including the Secretary of the
40 Department or the Secretary's designee. The members of the Committee shall elect a
41 chair and vice-chair from among the Committee membership. The Committee shall meet
42 at the call of the chair. Six of the members shall be legislators, three of whom shall be
43 appointed by the Speaker of the House of Representatives, and three of whom shall be

1 appointed by the President Pro Tempore of the Senate. ~~Two~~ Four of the members shall be
2 cancer survivors, ~~one~~ two of whom shall be appointed by the Speaker of the House of
3 Representatives, and ~~one~~ two of whom shall be appointed by the President Pro Tempore
4 of the Senate. The remainder of the members shall be appointed by the Governor as
5 follows:

- 6 (1) One member from the Department of Environment and Natural
7 Resources;
- 8 (2) Three members, one from each of the following: the Department, the
9 Department of Public Instruction, and the North Carolina Community
10 College System;
- 11 (3) Four members representing the cancer control programs at North
12 Carolina medical schools, one from each of the following: the
13 University of North Carolina at Chapel Hill School of Medicine, the
14 Bowman Gray School of Medicine, the Duke University School of
15 Medicine, and the East Carolina University School of Medicine;
- 16 (4) One member who is an oncology nurse representing the North Carolina
17 Nurses Association;
- 18 (5) One member representing the Cancer Committee of the North Carolina
19 Medical Society;
- 20 (6) One member representing the Old North State Medical Society;
- 21 (7) One member representing the American Cancer Society, North Carolina
22 Division, Inc.;
- 23 (8) One member representing the North Carolina Hospital Association;
- 24 (9) One member representing the North Carolina Association of Local
25 Health Directors;
- 26 (10) One member who is a primary care physician licensed to practice
27 medicine in North ~~Carolina~~ Carolina;
- 28 (11) One member representing the American College of Surgeons;
- 29 (12) One member representing the North Carolina Oncology Society;
- 30 (13) One member representing the Association of North Carolina Cancer
31 Registrars;
- 32 (14) One member representing the Medical Directors of the North Carolina
33 Association of Health Plans; and
- 34 (15) Up to four additional members at large.

35 Except for the Secretary, the members shall be appointed for staggered four-year
36 terms and until their successors are appointed and qualify. ~~However, the following~~
37 ~~appointees shall serve initial two year terms: two of the legislators appointed by the~~
38 ~~Speaker of the House of Representatives; one of the legislators appointed by the~~
39 ~~President Pro Tempore of the Senate; the cancer survivor appointed by the President Pro~~
40 ~~Tempore of the Senate; and the members representing the Department, the Department of~~
41 ~~Public Instruction, the University of North Carolina at Chapel Hill School of Medicine,~~
42 ~~the Bowman Gray School of Medicine, the Cancer Committee of the North Carolina~~
43 ~~Medical Society, the Old North State Medical Society, the North Carolina Hospital~~

1 ~~Association, and the North Carolina Association of Local Health Directors.~~ The
2 Governor may remove any member of the Committee from office in accordance with the
3 provisions of G.S. 143B-13. Members may succeed themselves for one term and may be
4 appointed again after being off the Committee for one term.

5 (c) The Speaker of the House of Representatives, the President Pro Tempore of the
6 Senate, and the Governor shall make their appointments to the Committee not later than
7 30 days after the adjournment of the 1993 Regular Session of the General Assembly. A
8 vacancy on the Committee shall be filled by the original appointing authority, using the
9 criteria set out in this section for the original appointment.

10 (d) To the extent that funds are made available, members of the Committee shall
11 receive per diem and necessary travel and subsistence expenses in accordance with G.S.
12 138-5.

13 (e) A majority of the Committee shall constitute a quorum for the transaction of its
14 business.

15 (f) The Committee may use funds allocated to it to employ an administrative staff
16 person to assist the Committee in carrying out its duties. The Secretary shall provide
17 clerical and other support staff services needed by the Committee."

18 (b) The following members appointed to the Committee under subsection (a)
19 of this section shall serve initial two-year terms: the member representing the American
20 College of Surgeons; the member representing the Medical Directors of the North
21 Carolina Association of Health Plans; the additional cancer survivor appointed by the
22 Speaker of the House of Representatives; and two of the four additional members at
23 large.

24
25 Requested by: Senators Warren, Martin of Guilford, Plyler, Perdue, Odom

26 **HEART DISEASE/STROKE PREVENTION FUNDS**

27 Section 12.49. Of the funds appropriated in this act to the Department of
28 Health and Human Services, Division of Community Health, the sum of three hundred
29 thousand dollars (\$300,000) for the 1998-99 fiscal year shall be used for one or more of
30 the following purposes:

31 (1) To establish the Be Active North Carolina (BANC) Initiative in the
32 Governor's Council on Physical Fitness and Health as recommended by
33 the Heart Disease and Stroke Prevention Task Force and proposed in
34 Senate Bill 1309, first edition, 1997 General Assembly, Regular Session
35 1998.

36 (2) To establish a Cardiovascular Health Data Unit (CVD) in the
37 Department of Health and Human Services as recommended by the
38 Heart Disease and Stroke Prevention Task Force and proposed in Senate
39 Bill 1310, first edition, 1997 General Assembly, Regular Session 1998.

40 (3) To establish and implement the North Carolina Strike Out Stroke
41 Project as recommended by the Heart Disease and Stroke Prevention
42 Task Force and proposed in Senate Bill 1308, first edition, 1997
43 General Assembly, Regular Session 1998.

PART XIII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Requested by: Senators Weinstein, Albertson, Phillips, Purcell, Dalton

FARMLAND PRESERVATION PILOT PROGRAM

Section 13. The five hundred thousand dollars (\$500,000) appropriated in this act to the North Carolina Farmland Preservation Trust Fund, established in G.S. 106-744 and administered by the Commissioner of Agriculture and Consumer Services, for the 1998-99 fiscal year shall be used for a farmland preservation pilot program, whereby these funds shall be used to purchase agricultural conservation easements pursuant to The Farmland Preservation Enabling Act, Article 61 of Chapter 106 of the General Statutes. These funds may also be used for the reasonable costs of administering this pilot program. No later than March 15, 1999, the Department of Agriculture and Consumer Services shall report the results of this pilot program to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. This report shall include an itemized list of agricultural conservation easements purchased under the pilot program, the location of the farmland subject to the easement, and the acreage protected by the easement.

Requested by: Senators Martin of Pitt, Albertson

DUPLIN FAIR AND EXHIBITION CENTER FUNDS

Section 13.1. The one million dollars (\$1,000,000) appropriated to the Department of Agriculture and Consumer Services for the 1997-98 fiscal year in S.L. 1997-443 for a Fair and Exhibition Center in Duplin County may be used for an agricultural center that includes fairgrounds, livestock exhibition facilities, multipurpose meeting facilities, and offices for allied federal and local agencies and may be used for professional services related to designing, financing, and procuring these facilities.

Requested by: Senators Martin of Pitt, Weinstein

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

1 Fund shall consist of receipts from the sale of naming rights to any facility located at the
2 Southeastern North Carolina Agricultural Center at Lumberton, investments earnings on
3 these moneys, and any gifts, bequests, or grants from any source for the benefit of the
4 Southeastern North Carolina Agricultural Center. All interest that accrues to this Fund
5 shall be credited to this Fund. Any balance remaining in this Fund at the end of any fiscal
6 year shall not revert. The Department may use this Fund only to promote, improve,
7 repair, maintain, or operate the Southeastern North Carolina Agricultural Center."

8
9 Requested by: Senator Martin of Pitt

10 **UMSTEAD ACT EXEMPTION FOR DEPARTMENT AGRICULTURAL**
11 **CENTERS AND LIVESTOCK FACILITIES**

12 Section 13.3. G.S. 66-58(b) is amended by inserting the following subdivision:

13 "(13d) Agricultural centers or livestock facilities operated by the Department of
14 Agriculture and Consumer Services."

15
16 **PART XIV. DEPARTMENT OF ENVIRONMENT AND NATURAL**
17 **RESOURCES**

18 Requested by: Senator Martin of Pitt

19 **CONSERVATION TAX CREDIT PROGRAM/REPORT REQUIREMENT**

20 Section 14. Article 16 of Chapter 113A of the General Statutes is amended by
21 adding a new section to read:

22 **"§ 113A-236. Report requirement.**

23 The Department shall report no later than January 15 of each year to the Joint
24 Legislative Commission on Governmental Operations, the Fiscal Research Division, and
25 the Environmental Review Commission. This report shall include the following
26 information:

- 27 (1) An itemized list of all grants distributed since the last report, including
28 the grant recipient, the grant amount, and the use of the grant funds
29 under G.S. 113A-233.
- 30 (2) The total amount of grant funds distributed since the last report for each
31 allowable use of grant funds listed under G.S. 113A-233(a).
- 32 (3) The program activities and accomplishments since the last report,
33 including efforts by the Department to promote the program by
34 providing information or educational offerings that explain conservation
35 tax credits and conservation easements to landowners and land-related
36 professionals.
- 37 (4) The number of interests in real property donated under the program and
38 the total acreage donated under the program since the last report."

39
40 Requested by: Senator Soles

41 **NORTH CAROLINA MUSEUM OF FORESTRY**

42 Section 14.1. Part 29 of Article 7 of Chapter 143B of the General Statutes is
43 amended by adding a new section to read:

1 **"§ 143B-344.22. North Carolina Museum of Forestry; satellite museum.**

2 The Department of Environment and Natural Resources shall establish and administer
3 the North Carolina Museum of Forestry in Columbus County as a satellite museum of the
4 North Carolina State Museum of Natural Sciences."

5
6 Requested by: Senators Martin of Pitt, Perdue

7 **MARINE FISHERIES APPEALS PANEL/ROTATE MEETING LOCATIONS**

8 Section 14.2. Section 3(a) of Chapter 576 of the 1993 Session Laws, Regular
9 Session 1994, as amended by Section 3 of Chapter 675 of the 1993 Session Laws,
10 Regular Session 1994; subsection (a) of Section 26.5 of Chapter 507 of the 1995 Session
11 Laws; Section 7 of S.L. 1997-256; Section 3 of S.L. 1997-347; and Section 6.1 of S.L.
12 1997-400, reads as rewritten:

13 "(d) During the moratorium, there shall be an Appeals Panel to consider license
14 applications for new licenses.

15 (1) The Appeals Panel shall consist of the Fisheries Director, the Chairman
16 of the Marine Fisheries Commission, and one other person selected by
17 the Cochairs of the Joint Legislative Commission on Seafood and
18 Aquaculture to review hardship or emergency license cases.

19 (2) The Marine Fisheries Commission shall adopt temporary rules to
20 govern the operation of the Appeals Panel. The Appeals Panel is
21 exempt from the provisions of Article 3 of Chapter 150B of the General
22 Statutes. Decisions of the Appeals Panel shall be subject to judicial
23 review under the provisions of Article 4 of Chapter 150B of the General
24 Statutes.

25 (3) The Appeals Panel may grant a license if it finds that the denial of the
26 license application would create an emergency or hardship on the
27 individual or the State. In no event shall the Appeals Panel grant a
28 license when the total number of licenses in the specific category would
29 exceed the number of licenses in effect on June 30, 1994.

30 (4) The Appeals Panel may grant an emergency temporary license due to
31 death, illness, or incapacity, for a period not to exceed 30 days.
32 Emergency temporary licenses shall be limited to vessel crab licenses
33 authorized under G.S. 113-153.1(d).

34 (5) Beginning in July 1998, the Appeals Panel shall rotate the location of its
35 meetings among the three districts of the State in the following order:
36 Northeastern district, Central district, Southern district, Central district,
37 Northeastern district, Central district, Southern district. The order of
38 rotation is arranged so that the meeting location for every other meeting
39 is in the Central district of the State. The meeting location for July 1998
40 shall be in the Northeastern district of the State and the rotation of the
41 meeting locations shall continue as provided by this subdivision.

42 If an applicant who is appealing a licensing decision in accordance
43 with this section requests in writing that the Appeals Panel schedule the

1 person's hearing when it meets in that person's home district, the
 2 Appeals Panel shall calendar that person's hearing for his or her home
 3 district as requested."
 4

5 Requested by: Senator Perdue

6 **FISHERY MANAGEMENT PLANS/REGIONAL ADVISORY COMMITTEE**

7 Section 14.3. G.S. 113-182.1(c) reads as rewritten:

8 "~~(c) To assist in the development of each Fishery Management Plan, the~~ The Chair
 9 of the Marine Fisheries Commission shall appoint an Advisory Council. a fishery
 10 management plan advisory committee for each Fishery Management Plan that is being
 11 developed. Each Advisory Council fishery management plan advisory committee shall
 12 be composed of commercial fishermen, recreational fishermen, and scientists, all with
 13 expertise in the fishery for which the Fishery Management Plan is being developed. The
 14 fishery management plan advisory committees, along with the regional advisory
 15 committees established under G.S. 143B-289.57, shall assist the Department and the
 16 Marine Fisheries Commission in the development of all aspects of the Fishery
 17 Management Plans, including the development of preservation management measures."
 18

19 Requested by: Senators Plyler, Perdue, Odom

20 **GRASSROOTS SCIENCE PROGRAM**

21 Section 14.4. Section 15.1 of S.L. 1997-443 reads as rewritten:

22 "Section 15.1. Funds appropriated in this act for the Grassroots Science Program
 23 shall be allocated as grants-in-aid as follows:

	1997-98	1998-99
Iredell County Children's Museum	\$56,500	\$50,000 <u>\$58,271</u>
Museum of Coastal Carolina		\$66,750
		<u>\$69,994</u>
Rocky Mount Children's Museum		\$109,750
		<u>\$122,327</u>
Imagination Station		\$111,000
		<u>\$130,444</u>
Western North Carolina Nature Center		\$130,750
		<u>\$157,861</u>
The Health Adventure Museum of Pack Place Education, Arts and Science Center, Inc.		\$162,500
		<u>\$35,000</u>
		<u>\$184,881</u>
Cape Fear Museum		\$188,500
		<u>\$50,000</u>
		<u>\$221,984</u>

1	Catawba Science Center	\$190,500	\$50,000
2	<u>\$187,900</u>		
3	Sci Works Science Center and		
4	Environmental Park of		
5	Forsyth County	\$231,000	\$50,000
6	<u>\$273,692</u>		
7	Natural Science		
8	Center of Greensboro	\$333,000	\$50,000
9	<u>\$386,759</u>		
10	Schiele Museum of Natural		
11	History	\$383,750	\$50,000
12	North Carolina Museum of	<u>\$472,046</u>	
13	Life and Science	\$398,750	\$50,000
14	<u>\$521,559</u>		
15	Discovery Place	\$887,250	\$50,000
16	<u>\$1,062,282</u>		
17			
18	TOTAL	\$3,250,000	600,000
19	<u>\$3,850,000</u>		

20 Discovery Place may use up to one hundred thousand dollars (\$100,000) of the funds
 21 allocated to it in the 1997-98 fiscal year and up to one hundred thousand dollars
 22 (\$100,000) of the funds allocated to it in the 1998-99 fiscal year to study the feasibility of
 23 an expansion of Discovery Place."
 24

25 Requested by: Senators Martin of Pitt, Perdue
 26 **ENVIRONMENTAL EDUCATION GRANTS**

27 Section 14.5. (a)Of the two hundred thousand dollars (\$200,000) appropriated in this
 28 act to the Department of Environment and Natural Resources for the 1998-99 fiscal year
 29 for environmental education grants, up to fifty thousand dollars (\$50,000) may be used
 30 by the Department for the 1998-99 fiscal year for the costs of administering the
 31 environmental education grants. The remainder of these funds shall be used to provide
 32 grants to promote environmental education throughout the State. Grants under this
 33 section may be awarded to:

- 34 (1) Schools, community organizations, and environmental education centers
- 35 for the development of environmental education library collections; or
- 36 (2) School groups for field trips to environmental education centers across
- 37 the State, provided the activities of the field trip are correlated with the
- 38 Department of Public Instruction's curriculum objectives.

39 (b) The Department shall report to the Joint Legislative Commission on
 40 Governmental Operations, the Environmental Review Commission, and the Fiscal
 41 Research Division by January 1, 1999, and again by July 1, 1999, on the grant program.
 42 The report shall include a list of amounts awarded and project descriptions for each grant
 43 recipient.

1
2 Requested by: Senators Plyler, Perdue, Odom

3 **PARKS AND RECREATION/NATURAL HERITAGE TRUST FUNDS**
4 **REPORTING REQUIREMENTS**

5 Section 14.6. (a)G.S. 113-44.15(c) reads as rewritten:

6 "(c) The North Carolina Parks and Recreation Authority shall report ~~on an annual~~
7 basis no later than October 1 of each year to the Joint Legislative Commission on
8 Governmental Operations, the ~~appropriations committees of the House of Representatives~~
9 and the Senate, and House and Senate Appropriations Subcommittees on Natural and
10 Economic Resources, the Fiscal Research Division~~Division~~, and the Environmental
11 Review Commission on allocations from the Trust Fund. ~~Fund~~ from the prior fiscal year.
12 The Authority also shall provide a progress report no later than March 15 of each year to
13 the same recipients on the activities of and the expenditures from the Trust Fund for the
14 current fiscal year."

15 (b) G.S. 113-77.9(e) reads as rewritten:

16 "(e) The Secretary shall maintain and ~~annually~~ revise twice each year a list of
17 acquisitions made pursuant to this Article. The list shall include the acreage of each tract,
18 the county in which the tract is located, the amount paid from the Fund to acquire the
19 tract, and the State department or division responsible for managing the tract. The
20 Secretary shall furnish a copy of the list to each ~~Trustee and to each House of the General~~
21 Assembly ~~Trustee~~, the Joint Legislative Commission on Governmental Operations, the
22 House and Senate Appropriations Subcommittees on Natural and Economic Resources,
23 the Fiscal Research Division, and the Environmental Review Commission within 30 days
24 after each revision."
25

26 Requested by: Senators Plyler, Perdue, Odom

27 **LAND ACQUISITION PARITY FOR PARKS AND RECREATION/NATURAL**
28 **HERITAGE TRUST FUNDS**

29 Section 14.7. (a)G.S. 113-77.9(b1) reads as rewritten:

30 "(b1) In authorizing expenditures from the Fund to acquire land pursuant to this
31 Article, the first priority shall be the protection of land with outstanding natural or
32 cultural heritage values. Land with outstanding natural heritage values is land that is
33 identified by the North Carolina Natural Heritage Program as having State or national
34 significance. Land with outstanding cultural heritage values is land that is identified,
35 inventoried, or evaluated by the Department of Cultural Resources. The Trustees shall be
36 guided by any priorities established by the Secretary, the Chairman of the Wildlife
37 Resources Commission, the Commissioner of Agriculture, and the Secretary of Cultural
38 Resources in their proposals made pursuant to subsection (a) of this section. In
39 authorizing expenditures from the Fund to acquire land pursuant to this Article, the
40 Trustees shall consider geographic distribution across the State."

41 (b) G.S. 113-44.15(b) reads as rewritten:

1 "(b) Funds in the Trust Fund are annually appropriated to the North Carolina Parks
2 and Recreation Authority and, unless otherwise specified by the General Assembly or the
3 terms or conditions of a gift or grant, shall be allocated and used as follows:

4 (1) Sixty-five percent (65%) for the State Parks System for capital projects,
5 repairs and renovations of park facilities, and land acquisition.

6 (2) Thirty percent (30%) to provide matching funds to local governmental
7 units on a dollar-for-dollar basis for local park and recreation purposes.
8 These funds shall be allocated by the North Carolina Parks and
9 Recreation Authority based on criteria patterned after the Open Project
10 Selection Process established for the Land and Water Conservation
11 Fund administered by the National Park Service of the United States
12 Department of the Interior.

13 (3) Five percent (5%) for the Coastal and Estuarine Water Beach Access
14 Program.

15 In allocating funds in the Trust Fund under this subsection, the North Carolina Parks
16 and Recreation Authority shall consider geographic distribution across the State to the
17 extent practicable. Of the funds appropriated to the North Carolina Parks and Recreation
18 Authority from the Trust Fund each year, no more than three percent (3%) may be used
19 by the Department for operating expenses associated with managing capital
20 improvements projects, acquiring land, and administration of local grants programs."
21

22 Requested by: Senator Jenkins

23 **CULLASAJA RIVER STUDY FUNDS**

24 Section 14.8. The Department of Environment and Natural Resources shall
25 study the feasibility of including that portion of the Cullasaja River that borders
26 Nantahala National Forest in the North Carolina natural and scenic river system pursuant
27 to Article 3 of Chapter 113A of the General Statutes. No later than March 15, 1999, the
28 Department shall report the results of this study and its recommendations to the Joint
29 Legislative Commission on Governmental Operations, the Fiscal Research Division, and
30 the Environmental Review Commission.
31

32 Requested by: Senator Perdue

33 **EXTEND AND EXPAND ENVIRONMENTAL HEALTH PROGRAMS STUDY**

34 Section 14.9. (a)Section 11A.127 of S.L. 1997-443 reads as rewritten:

35 "Section 11A.127. Pending the results of action by the General Assembly on the
36 recommendations of the Environmental Review Commission resulting from the study to
37 be undertaken by the Environmental Review Commission as provided in this Part, on-site
38 wastewater functions, public drinking water programs, and environmental health
39 programs shall remain in the Department of Environment and Natural Resources, the
40 Division of Environmental Health, shall remain intact in the Department of Environment
41 and Natural Resources, and the Department of Environment and Natural Resources shall
42 not consolidate on-site wastewater functions or drinking water programs in the Division
43 of Water Quality."

1 (b) Section 11A.128 of S.L. 1997-443 reads as rewritten:

2 "Section 11A.128. The Environmental Review Commission shall study the following
3 issues and report its findings to the ~~1997 General Assembly, Regular Session 1998, 1999~~
4 General Assembly, along with any legislation it proposes to address these issues:

- 5 (1) The appropriate roles and financing of local and state agencies in
6 reviewing, permitting, inspecting, and monitoring private wells,
7 community wells, municipal wells, and municipal surface water
8 supplies;
- 9 (2) The appropriate roles and financing of local and State agencies in
10 reviewing, permitting, inspecting, monitoring, and maintaining septic
11 tanks, package wastewater treatment plants, municipal wastewater
12 treatment plants, industrial treatment plants, and animal waste
13 operations;
- 14 (3) The appropriate roles and financing of local and State agencies in
15 administering the various environmental health programs;
- 16 (4) The integration of State's review of the financial integrity of applicants
17 for drinking water and wastewater discharge permits;
- 18 (5) Policies to monitor the quality and prevent and reduce pollution of
19 groundwaters;
- 20 (6) Consistent State policies for cleaning up contaminated groundwater and
21 soils;
- 22 (7) Coordination of adoption and development of policies by the Coastal
23 Resources Commission, Environmental Management Commission,
24 Commission on Health Services, Marine Fisheries Commission, and
25 other commissions having roles in water quality or wastewater issues;
- 26 (8) Policies to monitor the quality and prevent and reduce pollution of
27 surface waters;
- 28 (9) Organization of the State's water planning agencies;
- 29 (10) Technical and financial assistance to business, industry, local
30 governments, and citizens;
- 31 (11) Policies to encourage water conservation;
- 32 (12) Policies to encourage regional water supply and wastewater treatment
33 planning; ~~and~~
- 34 (13) The role of the North Carolina Cooperative Extension Services, North
35 Carolina Department of Agriculture, and the North Carolina Department
36 of Transportation in the protection of water ~~supplies~~-supplies; and
- 37 (14) The organization, functions, powers, and duties of the various boards,
38 commissions, and councils having jurisdiction over environmental,
39 public health, and natural resources programs, including whether those
40 functions, powers, and duties should be consolidated in a single
41 commission."

42 (c) Section 11A.129 of S.L. 1997-443 reads as rewritten:

1 "Section 11A.129. The Secretary of Health and Human Services may reorganize the
2 Department of Health and Human Services in accordance with G.S. 143B-10 and shall
3 report as required by that section. In addition, the Department of Health and Human
4 Services shall do the following:

- 5 (1) Report to the Joint Legislative Commission on Governmental
6 Operations by December 31, 1997, on the Department's progress in
7 incorporating health functions and agencies into the Department;
- 8 (2) Report to the General Assembly by ~~May 1, 1998,~~ 1 February 1999 on
9 additional changes, including proposed legislation necessary to
10 effectuate the purposes of this Part including the findings of the
11 Environmental Review Commission's ~~study.~~ study;
- 12 (3) Report to the Joint Legislative Commission on Governmental
13 Operations by ~~October 31, 1998,~~ 1 February 1999 on any proposed
14 changes in the Department's structure of boards and commissions not
15 already implemented as a result of the Environmental Review
16 Commission's study or necessary to effectuate the purposes of this Part
17 and to deliver services more efficiently; and
- 18 (4) Report to the General Assembly by February 1, 1999, on the
19 Department's progress in adopting any rule changes necessary to
20 effectuate the purposes of this Part and any proposed legislation
21 necessary to change the structure of any boards and commissions as
22 reported to the Joint Legislative Commission on Governmental
23 Operations."

24
25 Requested by: Senators Martin of Pitt, Perdue

26 **TAR-PAMLICO AND NEUSE RIVERS RAPID RESPONSE TEAM**

27 Section 14.10. The Department of Environment and Natural Resources shall
28 direct members of the "Rapid Response Teams" for the Tar-Pamlico River Basin and the
29 Neuse River Basin to assist other departmental personnel in routine water monitoring
30 activities in the Tar-Pamlico River Basin or Neuse River Basin when the members of the
31 "Rapid Response Teams" are not needed to respond to water quality emergencies or
32 citizen complaints. The Department may also direct that personnel performing water
33 quality monitoring activities assist with water quality monitoring in river basins to which
34 the person has not been assigned if the person is not needed in the assigned basin.

35 The Department shall evaluate its use and assignment of the "Rapid Response
36 Teams" and water quality monitoring personnel for the Tar-Pamlico River Basin and the
37 Neuse River Basin to determine whether the most efficient use is being made of those
38 personnel and resources. If the Department determines that assistance is needed in river
39 basins other than those to which the "Rapid Response Teams" and water quality
40 monitoring personnel have been assigned, the Department may direct that any appropriate
41 member from the "Rapid Response Teams" or the water quality monitoring personnel
42 assist in those basins where assistance is needed.
43

1 Requested by: Senator Martin of Pitt

2 **TAR-PAMLICO RIVER BASIN/RULE CORRECTION**

3 Section 14.11. The Environmental Management Commission may adopt a
4 temporary rule pursuant to G.S. 150B-21.1 to provide that the boundaries of a WS-IV
5 watershed protected area are measured by linear miles rather than "river miles" (as the
6 river flows) if the Environmental Management Commission finds that the permanent rule
7 being amended was approved by the Rules Review Commission in the 1997-98 fiscal
8 year, the local governments affected by the rule inadvertently chose "river miles" rather
9 than linear miles based on a misunderstanding of the different effects of the two
10 measurement choices, and the public interest would be served by changing the method of
11 measurement. The temporary rule shall become effective at the same time as the rule it
12 amends.

13

14 Requested by: Senator Perdue

15 **PARTNERSHIP FOR THE SOUNDS FUNDS**

16 Section 14.12. Partnership for the Sounds, Inc., shall use a portion of the funds
17 appropriated in this act to the Department of Environment and Natural Resources for the
18 1998-99 fiscal year for Partnership for the Sounds, Inc., to expand their programs to
19 include activities to promote nature-based tourism and environmental stewardship and
20 education in Pamlico County.

21

22 Requested by: Senator Martin of Pitt

23 **PROGRESS REPORTS/ALTERNATIVE ANIMAL WASTE TECHNOLOGIES**
24 **STUDY**

25 Section 14.13. The Primary Investigator or Researcher receiving funding
26 from funds appropriated in this act to the Department of Environment and Natural
27 Resources for the 1998-99 fiscal year for the study of alternative animal waste
28 technologies shall satisfy the same reporting requirements as those set forth in Section
29 15.10 of S.L. 1997-443 for all the agriculture waste research reports.

30

31 Requested by: Senator Martin of Pitt

32 **PROGRESS REPORTS/NEUSE MODELING PROJECT FUNDS**

33 Section 14.14. (a) The funds appropriated in this act to the Department of
34 Environment and Natural Resources for the 1998-99 fiscal year for the Neuse River
35 Modeling and Monitoring Project shall be transferred to the Board of Governors of The
36 University of North Carolina for the Water Resources Research Institute and shall be
37 used to monitor and model the Neuse River and the Neuse estuary under the Modeling
38 and Monitoring (MODMON) Project, to develop a hydrodynamic model of the Neuse
39 watershed, and to link these models in order to provide the data needed to determine the
40 effectiveness of current nutrient management strategies for the Neuse River Basin.

41 (b) The Primary Investigator or Researcher receiving funding pursuant to
42 subsection (a) of this section shall provide progress reports to the Environmental Review
43 Commission, the Joint Legislative Commission on Governmental Operations, the

1 Scientific Advisory Council on Water Resources and Coastal Fisheries Management, and
2 the Fiscal Research Division on January 1 and July 1 of each year until the project or
3 study is complete. Upon completion of the project or study, the Primary Investigator or
4 Researcher shall provide a final report.

5
6 Requested by: Senators Martin of Pitt, Perdue, Lucas, Kinnaird, Gulley

7 **UPPER NEUSE RIVER BASIN FUNDS/MODEL WATERSHED MANAGEMENT**
8 **PLAN**

9 Section 14.15. (a) The General Assembly finds that:

- 10 (1) The water resources of the Upper Neuse River Basin provide an
11 essential and high quality supply of water needed to meet municipal,
12 industrial, and agricultural needs.
- 13 (2) The water resources of the Upper Neuse River Basin are essential for
14 wildlife habitat protection, water quality management, recreational
15 activities, and other purposes.
- 16 (3) Management and protection of the quality and quantity of water in the
17 Upper Neuse River Basin are essential to the future economic vitality of
18 the several counties and municipalities that have planning and zoning
19 jurisdiction in the Upper Neuse River Basin.
- 20 (4) As provided for under Part 1 of Article 21 of Chapter 143 of the General
21 Statutes, comprehensive and coordinated State-local efforts are needed
22 to develop and implement plans that provide adequate, long-term
23 management and protection of water resources in river basins and
24 segments of river basins, including the Upper Neuse River Basin.
- 25 (5) It would be beneficial for the State to support development of a model
26 State-local watershed management approach in North Carolina, as
27 envisioned in Part 1 of Article 21 of Chapter 143 of the General
28 Statutes, enacted during the 1997 Session. The Upper Neuse River
29 Basin Association proposes to develop such a model approach.

30 (b) Of the funds appropriated by this act to the Department of Environment and
31 Natural Resources for the 1998-99 fiscal year the sum of three hundred thousand dollars
32 (\$300,000) shall be allocated to the Upper Neuse River Basin Association, Inc., to
33 develop a cooperative, comprehensive, and integrated State-local watershed management
34 plan for the Upper Neuse River Basin to serve as a model watershed management
35 approach for river basins and subbasins in North Carolina.

36 (c) The Upper Neuse Watershed Management Plan shall comply with the
37 requirements of G.S. 143-214.14(g).

38 The Department of Environment and Natural Resources and other appropriate
39 State agencies shall provide technical assistance to the Association during the
40 development of the Association's plan. The Association shall actively solicit the input
41 and assistance of the agencies during the identification of goals and objectives,
42 development of performance indicators and benchmarks, and preparation of the plan.

1 (d) The funds allocated by this section are not adequate for the actual
2 implementation of all or part of the recommendations included in the final watershed
3 management plan. The Association and its member governments shall work with State
4 and federal agencies and private and nonprofit organizations and individuals to obtain
5 funding support for implementation of the plan.

6 (e) The Association shall report on all of its activities and programs to the
7 Environmental Review Commission, the Joint Legislative Commission on Governmental
8 Operations, and the Fiscal Research Division on or before March 1 of each fiscal year,
9 beginning in 1999, through completion of the final plan. The report shall include
10 information on the Association's activities and accomplishments during the current fiscal
11 year, itemized expenditures for development of the plan, major planned activities and
12 accomplishments for at least the next 12 months, and anticipated expenditures with
13 sources of funding for the next 12 months.

14 (f) For purposes of this section, "Upper Neuse River Basin" means all of the
15 watershed area that drains that part of the Neuse River Basin and its tributary streams that
16 are located above or terminate at the Falls Lake Reservoir Dam. The Upper Neuse River
17 Basin is approximately 770 square miles in area and comprises all or part of six counties
18 and eight municipalities. It comprises about thirteen percent (13%) of the entire Neuse
19 River Basin.

20
21 Requested by: Senator Martin of Pitt

22 STATEWIDE BEAVER DAMAGE CONTROL PROGRAM FUNDS

23 Section 14.16. (a) Subsections (e) through (h) of Section 69 of Chapter 1044
24 of the 1991 Session Laws, as amended, are repealed.

25 (b) Section 69 of Chapter 1044 of the 1991 Session Laws, as amended by
26 Section 111 of Chapter 561 of the 1993 Session Laws, Section 27.3 of Chapter 769 of the
27 1993 Session Laws, Section 26.6 of Chapter 507 of the 1995 Session Laws, Section 27.15
28 of Chapter 18 of the Session Laws of the 1996 Second Extra Session, Section 15.44 of
29 S.L. 1997-443, and subsection (a) of this section reads as rewritten:

30 "Sec. 69. (a) There is established the Beaver Damage Control Advisory Board.
31 The Board shall consist of nine members, as follows:

- 32 (1) The Executive Director of the North Carolina Wildlife Resources
33 Commission, or his designee, who shall serve as chair;
- 34 (2) The Commissioner of ~~Agriculture~~, Agriculture and Consumer Services,
35 or a designee;
- 36 (3) The Director of the Division of Forest Resources of the Department of
37 ~~Environment, Health, Environment~~ and Natural Resources, or a
38 designee;
- 39 (4) The Director of the Soil and Water Conservation Division of the
40 Department of ~~Environment, Health, Environment~~ and Natural
41 Resources, or a designee;
- 42 (5) The Director of the North Carolina Cooperative Extension Service, or a
43 designee;

- 1 (6) The Secretary of Transportation, or a designee;
- 2 (7) The State Director of the Animal Damage Control Division of the
- 3 Animal and Plant Health Inspection Service, U.S. Department of
- 4 Agriculture, or a designee;
- 5 (8) The President of the North Carolina Farm Bureau Federation, Inc., or a
- 6 designee, representing private landowners in the participating counties;
- 7 landowners; and
- 8 (9) A representative of the North Carolina Forestry Association.

9 (b) The Beaver Damage Control Advisory Board shall develop a statewide
10 program to control beaver damage on private and public lands. ~~Anson, Bertie, Bladen,~~
11 ~~Brunswick, Carteret, Chatham, Chowan, Craven, Columbus, Cumberland, Duplin,~~
12 ~~Edgecombe, Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford, Hoke,~~
13 ~~Johnston, Jones, Lee, Lenoir, Lincoln, Martin, Nash, Northampton, Onslow, Pamlico,~~
14 ~~Pender, Pitt, Robeson, Sampson, Scotland, Vance, Warren, Washington, Wayne, and~~
15 ~~Wilson Counties shall participate in the program.~~ The Beaver Damage Control Advisory
16 Board shall act in an advisory capacity to the Wildlife Resources Commission in the
17 implementation of the program. In developing the program, the Board shall:

- 18 (1) Orient the program primarily toward public health and safety and
- 19 toward landowner assistance, providing some relief to landowners
- 20 through beaver control and management rather than eradication;
- 21 (2) Develop a priority system for responding to complaints about beaver
- 22 damage;
- 23 (3) Develop a system for documenting all activities associated with beaver
- 24 damage control, so as to facilitate evaluation of the program;
- 25 (4) Provide educational activities as a part of the program, such as printed
- 26 materials, on-site instructions, and local workshops; and
- 27 (5) Provide for the hiring of personnel necessary to implement beaver
- 28 damage control activities, administer the program, and set salaries of
- 29 personnel;
- 30 ~~(6) Evaluate the costs and benefits of the program that might be applicable~~
31 ~~elsewhere in North Carolina. personnel.~~

32 No later than ~~January 15, 1998,~~ March 15 of each year, the Board shall issue a report
33 to the Wildlife Resources ~~Commission—Commission,~~ the Senate and House
34 Appropriations Subcommittees on Natural and Economic Resources, and the Fiscal
35 Research Division on the program to date, including recommendations on the feasibility
36 of continuing the program in participating counties and the desirability of expanding the
37 program into other counties. results of the program during the preceding year. The
38 ~~Wildlife Resources Commission shall prepare a plan to implement a statewide program to~~
39 ~~control beaver damage on private and public lands. No later than March 15, 1998, the~~
40 ~~Wildlife Resources Commission shall present its plan in a report to the House~~
41 ~~Appropriations Subcommittee on Natural and Economic Resources, the Senate~~
42 ~~Appropriations Committee on Natural and Economic Resources, and the Fiscal Research~~
43 ~~Division.~~

1 (c) The Wildlife Resources Commission shall implement the program, and may
2 enter a cooperative agreement with the Animal Damage Control Division of the Animal
3 and Plant Health Inspection Service, United States Department of Agriculture, to
4 accomplish the program.

5 (d) Notwithstanding G.S. 113-291.6(d) or any other law, it is lawful to use snares
6 when trapping beaver pursuant to the beaver damage control program developed pursuant
7 to this section. The provisions of Chapter 218 of the 1975 Session Laws; Chapter 492 of
8 the 1951 Session Laws, as amended by Chapter 506 of the 1955 Session Laws; and
9 Chapter 1011 of the 1983 Session Laws do not apply to trapping carried out in
10 implementing the beaver damage control program developed pursuant to this section.

11 (d1) In case of any conflict between G.S. 113-291.6(a) and G.S. 113-291.6(b) and
12 this section, this section prevails.

13 (d2) Each county that volunteers to participate in this program for a given fiscal
14 year shall provide written notification of its wish to participate no later than September
15 30 of that year and shall commit the sum of four thousand dollars (\$4,000) in local funds
16 no later than September 30 of that year."

17 (c) The Revisor of Statutes shall codify in Chapter 113 of the General Statutes
18 Section 69 of Chapter 1044 of the 1991 Session Laws as amended.

19 (d) Of the funds appropriated in this act to the Wildlife Resources Commission for
20 the 1998-99 fiscal year, up to the sum of five hundred thousand dollars (\$500,000) shall
21 be used to provide the State share necessary to support the beaver damage control
22 program as revised in this section, provided the sum of twenty-five thousand dollars
23 (\$25,000) in federal funds is available for the 1998-99 fiscal year to provide the federal
24 share.

25
26 Requested by: Senators Lee, Kinnaird, Plyler, Perdue, Odom

27 **CHATHAM FUNDS FOR LOW-LEVEL RADIOACTIVE WASTE SITING**

28 Section 14.17. Of the funds appropriated to the Department of Environment
29 and Natural Resources in this act, the sum of one hundred thousand dollars (\$100,000)
30 shall be used to reimburse Chatham County for the unreimbursed costs to Chatham
31 County for providing technical assistance regarding the site selection of a low-level
32 radioactive waste facility pursuant to Chapter 104G of the General Statutes and for other
33 expenses incurred by Chatham County related to licensing and siting a low-level
34 radioactive waste facility.

35 36 **PART XV. DEPARTMENT OF COMMERCE**

37 Requested by: Senator Martin of Pitt

38 **REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS**

39 Section 15. Section 16.11 of S.L. 1997-443 reads as rewritten:

40 "Section 16.11. (a) Funds appropriated in this act to the Department of
41 Commerce for regional economic development commissions shall be allocated to the
42 following commissions in accordance with subsection (b) of this section: Western North
43 Carolina Regional Economic Development Commission, Research Triangle Regional

1 Commission, Southeastern North Carolina Regional Economic Development
2 Commission, Piedmont Triad Partnership, Northeastern North Carolina Regional
3 Economic Development Commission, Global TransPark Development Commission, and
4 Carolinas Partnership, Inc.

5 (b) Funds appropriated pursuant to subsection (a) of this section shall be allocated
6 to each regional economic development commission as follows:

7 (1) First, the Department shall establish each commission's allocation by
8 determining the sum of allocations to each county that is a member of
9 that commission. Each county's allocation shall be determined by
10 dividing the county's enterprise factor by the sum of the enterprise
11 factors for eligible counties and multiplying the resulting percentage by
12 the amount of the appropriation. As used in this subdivision, the term
13 "enterprise factor" means a county's enterprise factor as calculated under
14 G.S. 105-129.3;

15 (2) Next, the Department shall subtract from funds allocated to the Global
16 TransPark Development Zone the sum of two hundred ~~seventy-six~~
17 ~~thousand nine hundred twenty-three dollars (\$276,923)~~ eighty thousand
18 five hundred two dollars (\$280,502) in each fiscal year, in the 1998-99
19 fiscal year, which sum represents the interest earnings in each fiscal
20 year on the estimated balance of seven million five hundred thousand
21 dollars (\$7,500,000) appropriated to the Global TransPark Development
22 Zone in Section 6 of Chapter 561 of the 1993 Session Laws; and

23 (3) Next, the Department shall redistribute the sum of two hundred ~~seventy-~~
24 ~~six thousand nine hundred twenty-three dollars (\$276,923)~~ eighty
25 thousand five hundred two dollars (\$280,502) in each fiscal year in the
26 1998-99 fiscal year to the seven regional economic development
27 commissions named in subsection (a) of this section. Each
28 commission's share of this redistribution shall be determined according
29 to the enterprise factor formula set out in subdivision (1) of this
30 subsection. This redistribution shall be in addition to each commission's
31 allocation determined under subdivision (1) of this subsection.

32 (4) In addition to the funds allocated under subdivisions (1) through (3) of
33 this subsection, the Department shall allocate to each of the seven
34 economic development commissions the sum of fifty thousand dollars
35 (\$50,000) for the 1998-99 fiscal year."

36
37 Requested by: Senators Cooper, Ballance

38 **INDUSTRIAL RECRUITMENT COMPETITIVE FUND**

39 Section 15.1. Of the funds appropriated in this act to the Department of
40 Commerce for the Industrial Recruitment Competitive Fund, the sum of up to two million
41 dollars (\$2,000,000) for the 1998-99 fiscal year shall be used to recruit a large recycling
42 facility, as defined in G.S. 105-129.25, that meets all of the requirements of G.S. 105-
43 129.26(b), as provided for in Senate Bill 1569, 1997 General Assembly.

1
2 Requested by: Senators Plyler, Perdue, Odom

3 **MARKETING OF GLOBAL TRANSPARK BY DEPARTMENT OF**
4 **COMMERCE**

5 Section 15.2. The Division of Business and Industry of the Department of
6 Commerce shall assume responsibility for the marketing of the North Carolina Global
7 TransPark. Funds designated in the Department's budget for marketing of the North
8 Carolina Global TransPark shall remain in the Department and shall be used by the
9 Division to carry out this purpose.

10
11 Requested by: Senator Jenkins

12 **RURAL TOURISM DEVELOPMENT GRANT PROGRAM**

13 Section 15.3. Of the funds appropriated in this act to the Department of
14 Commerce, the sum of three hundred thousand dollars (\$300,000) for the 1998-99 fiscal
15 year shall be allocated for the Rural Tourism Development Grant Program. The
16 Department shall establish and implement this Program to provide grants to local
17 governments and nonprofit organizations to encourage the development of new tourism
18 projects and activities in rural areas of the State. The Department shall develop
19 procedures for the administration and distribution of funds allocated to the Rural Tourism
20 Development Program under the following guidelines:

- 21 (1) Eligible organizations shall make application under procedures
22 established by the Department;
23 (2) Eligible organizations shall be nonprofit tourism-related organizations
24 located in the State's rural regions;
25 (3) Priority shall be given to eligible organizations that have significant
26 involvement of travel- and tourism-related businesses;
27 (4) Priority shall be given to eligible organizations serving economically
28 distressed rural counties;
29 (5) Priority shall be given to eligible organizations that match funds; and
30 (6) Funds shall not be used for renting or purchasing land or buildings or
31 for financing debt.

32 No recipient or new tourism project shall receive a total of more than fifty
33 thousand dollars (\$50,000) of these grant funds for the 1998-99 fiscal year.

34
35 Requested by: Senator Jenkins

36 **GREAT SMOKY MOUNTAINS SPECIAL LICENSE PLATE**

37 Section 15.4. (a) G.S. 20-63(b) reads as rewritten:

38 "(b) Every license plate shall have displayed upon it the registration number
39 assigned to the vehicle for which it is issued, the name of the State of North Carolina,
40 which may be abbreviated, and the year number for which it is issued or the date of
41 expiration. A plate issued for a commercial vehicle, as defined in G.S. 20-4.2(1), must
42 bear the word "commercial," unless the plate is a special registration plate authorized in
43 G.S. 20-79.4 or the commercial vehicle is a trailer or is licensed for 6,000 pounds or less.

1 A registration plate issued by the Division for a private passenger vehicle or for a
2 private hauler vehicle licensed for 6,000 pounds or less-less, other than a Friends of the
3 Great Smoky Mountains National Park special registration plate, shall be a "First in
4 Flight" plate. A "First in Flight" plate shall have the words "First in Flight" printed at the
5 top of the plate above all other letters and numerals. The background of the plate shall
6 depict the Wright Brothers biplane flying over Kitty Hawk Beach, with the plane flying
7 slightly upward and to the right."

8 (b) The Great Smoky Mountains National Park special registration plate shall
9 have the words "First in Flight" printed at the top of the plate above all other letters and
10 numerals. The background of the plate shall be the full art, three-color design submitted
11 to the Division by Friends of the Great Smoky Mountains National Park in camera-ready
12 format. The background color and design shall allow numbers on the face of the plate to
13 be readily distinguished. Submission to the Division of the background design
14 authorized under this subsection shall be the final design and, upon acceptance by the
15 Division, no further changes in the background design shall be made.

16
17 Requested by: Senators Plyler, Odom, Perdue, Lee, Martin of Pitt

18 NC SEAFOOD INDUSTRIAL PARK AUTHORITY REVISIONS

19 Section 15.5. (a) G.S. 113-315.28 reads as rewritten:

20 "§ 113-315.28. Purposes of Authority.

21 Through the Authority hereinbefore created, the State of North Carolina may engage
22 in promoting, developing, constructing, equipping, maintaining and operating the seafood
23 industrial parks within the State, or within the jurisdiction of the State, and works of
24 internal improvements incident thereto, including the acquisition or construction,
25 maintenance and operation as such seafood industrial parks of watercraft and facilities
26 thereon or essential for the proper operation thereof. Said Authority is created as an
27 instrumentality of the State of North Carolina for the accomplishment of the following
28 general purposes:

- 29 (1) To develop and improve the Wanchese Seafood Industrial Park, and
30 such other places, including inland ports and facilities, as may be
31 deemed feasible for a more expeditious and efficient handling of
32 seafood commerce from and to any place or places in the State of North
33 Carolina and other states and foreign countries;
- 34 (2) To acquire, construct, equip, maintain, develop and improve the port
35 facilities at said parks and to improve such portions of the waterways
36 thereat as are within the jurisdiction of the federal ~~government~~;
37 government and the waterways connecting the Wanchese Seafood
38 Industrial Park with the channels of commerce of the Atlantic Ocean,
39 consistent with the project designed by the United States Army Corps of
40 Engineers pursuant to the Manteo (Shallowbag) Bay navigation project
41 as authorized in the Rivers and Harbors Act of 1970 (P.L. 91-611);
- 42 (3) To foster and stimulate the shipment of seafood commerce through said
43 ports, whether originating within or without the State of North Carolina,

1 including the investigation and handling of matters pertaining to all
2 transportation rates and rate structures affecting the same;

3 (4) To cooperate with the United States of America and any agency,
4 department, corporation or instrumentality thereof in the maintenance,
5 development, improvement and use of said seafood ~~harbors;~~ harbors and
6 the waterways connecting the parks with the channels of commerce of
7 the Atlantic Ocean;

8 (5) To accept funds from any of said counties or cities wherein said ports
9 are located and to use the same in such manner, within the purposes of
10 said Authority, as shall be stipulated by the said county or city, and to
11 act as agent or instrumentality, of any of said counties or cities in any
12 matter coming within the general purposes of said Authority;

13 (5a) To encourage and develop the general maritime and marine-related
14 industries and activities at or in the vicinity of the seafood industrial
15 parks;

16 (6) And in general to do and perform any act or function which may tend to
17 be useful toward the development and improvement of seafood
18 industrial parks of the State of North Carolina, and to increase the
19 movement of waterborne seafood commerce, foreign and domestic, to,
20 through, and from said seafood industrial parks.

21 The enumeration of the above purposes shall not limit or circumscribe the broad
22 objective of developing to the utmost the seafood possibilities of the State of North
23 Carolina."

24 (b) G.S. 113-315.32 reads as rewritten:

25 "**§ 113-315.32. Power of eminent domain.**

26 For the acquiring of rights-of-way and property necessary for the construction of
27 wharves, piers, ships, docks, quays, elevators, compresses, refrigerator storage plants,
28 warehouses and other riparian and littoral terminals and structures and approaches ~~thereto~~
29 thereto, including the navigation stabilization structures recommended by the United
30 States Army Corps of Engineers pursuant to the authorization in United States Public
31 Law 91-611, and transportation facilities needful for the convenient use of same, the
32 Authority shall have the right and power to acquire the same by purchase, by negotiation,
33 or by condemnation, and should it elect to exercise the right of eminent domain,
34 condemnation proceedings shall be maintained by and in the name of the Authority, and
35 it may proceed in the manner provided ~~by the general laws of the State of North Carolina~~
36 ~~for the procedure by any county, municipality or authority organized under the laws of~~
37 ~~this State.~~ for the Board of Transportation by Article 9 of Chapter 136 of the General
38 Statutes. The power of eminent domain shall not apply to property of persons, State
39 agency or corporations already devoted to public ~~use.~~ use, other than lands subject to the
40 power of eminent domain by the State of North Carolina in the reservation clauses of a
41 deed recorded in the Dare County Registry at Book 79 Page 548."

42
43 Requested by: Senator Martin of Pitt

1 WORKER TRAINING TRUST FUND APPROPRIATIONS

2 Section 15.6. Section 16(a) of Chapter 443 of the 1997 Session Laws reads as
3 rewritten:

4 "Section 16. (a) There is appropriated from the Worker Training Trust Fund to the
5 Employment Security Commission of North Carolina the sum of six million six hundred
6 eighty-nine thousand nine hundred sixty-four dollars (\$6,689,964) for the 1997-98 fiscal
7 year and the sum of ~~six million six hundred eighty-nine thousand nine hundred sixty-four~~
8 ~~dollars (\$6,689,964)~~ seven million twenty-one thousand three hundred seventy-four
9 dollars (\$7,021,374) for the 1998-99 fiscal year for the operation of local offices."

10
11 Requested by: Senators Martin of Pitt, Plyler, Perdue, Odom

12 YEAR 2000 CLARIFICATIONS

13 Section 15.7. Section 28.1 of S.L. 1997-443 reads as rewritten:

14 "Section 28.1. (a) ~~The Office of State Controller shall include in its charges for~~
15 ~~data processing services costs of converting computer applications to operate properly at~~
16 ~~the turn of the century.~~ The Department of Commerce shall not reduce rates for data
17 processing services for the first six months of the 1998-99 fiscal year. If at the end of the
18 first six months the Department determines that additional Year 2000 funds for the 1998-
19 99 fiscal year are not needed from data processing services reserve funds, then the
20 Department may reduce data processing services rates upon approval of the reduction by
21 the Information Resources Management Commission. The State Controller Department
22 shall develop and maintain procedures for managing the year 2000 conversion.

23 (b) ~~The State Controller Department of Commerce shall analyze the needs of State~~
24 ~~agencies for funds to convert their systems. In the course of the analysis, the State~~
25 ~~Controller Department shall consider an agency's need for each system it wishes to~~
26 ~~convert and the most cost-effective manner in which to manage conversion. The State~~
27 ~~Controller Department shall certify to the Office of State Budget and Management the~~
28 ~~cost of each State agency for the year 2000 conversion.~~

29 (c) ~~The Director of the Budget may use up to twenty five million dollars~~
30 ~~(\$25,000,000) of projected 1997-98 General Fund reversions to cover the cost of the year~~
31 ~~2000 conversion in General Fund agencies during the 1997-98 fiscal year.~~

32 (d) ~~Beginning October 1, 1997, and quarterly thereafter, the Office of State~~
33 ~~Controller shall report to the Joint Legislative Commission on Governmental Operations~~
34 ~~on the status of the conversion and cost projections."~~

35
36 Requested by: Senator Martin of Pitt

37 NORTH CAROLINA INFORMATION HIGHWAY

38 Section 15.8. Section 28 of S.L. 1997-443 reads as rewritten:

39 "Section 28. (a) The funds appropriated in this act to the ~~Office of State Controller~~
40 Department of Commerce for the operation of the North Carolina Information Highway
41 shall be used only for costs incurred by the ~~Office of State Controller Department~~
42 related to the operations and support of the North Carolina Information Highway. No funds

1 appropriated in this act shall be expended to pay Minimum Monthly usage charges for
2 North Carolina Information Highway Services.

3 (b) ~~The Office of State Controller may use the two hundred twenty four thousand~~
4 ~~dollars (\$224,000) in savings that accrued in fiscal year 1996-97 to fund new sites in~~
5 ~~fiscal year 1997-98.~~

6 (c) ~~The Office of State Controller is encouraged to consider new technologies and~~
7 ~~capabilities as a means of providing NCIH users access to the existing ATM-SONET~~
8 ~~network. The Office of State Controller shall report to the General Assembly in 1998~~
9 ~~before the reconvening of the regular session on its findings.~~

10 (d) ~~The State Controller shall report quarterly to the Joint Legislative Commission~~
11 ~~on Governmental Operations regarding the costs incurred by the Office of State~~
12 ~~Controller related to the operations and support of the North Carolina Information~~
13 ~~Highway.~~

14 (e) ~~Given the appropriations subcommittees meet in the interim, the House and~~
15 ~~Senate Appropriations Subcommittees on General Government will consider information~~
16 ~~leading to a recommendation to adopt an alternate approach to State funding of sites,~~
17 ~~effective in fiscal year 1998-99. The subcommittee is not limited to the information that~~
18 ~~may be considered and may include in the review cost sharing measures that require sites~~
19 ~~to participate in the annual cost of network charges; the phasing out of one hundred~~
20 ~~percent (100%) State funding of site network charges; and the cost of adding new sites~~
21 ~~with a specific period of time designated for State funding of network charges. The~~
22 Department of Commerce shall develop a Migration Plan for converting existing and
23 proposed North Carolina Information Highway sites to the H.320 international
24 telecommunications standard for delivering audio and video services to participating
25 sites. The Department shall include at a minimum the following information in the Plan:

- 26 (1) A list of sites categorized by institutional purpose to be converted under
27 the Plan;
28 (2) A timeline for converting each site;
29 (3) The cost of conversion for each site;
30 (4) The estimated operating cost savings for each site post conversion;
31 (5) The estimated monthly and annual operating cost subsidy for each site
32 post conversion;
33 (6) The estimated total recurring dollar impact to the State's budget upon
34 full implementation of the Plan; and
35 (7) A detailed plan for providing connectivity or bridging between the
36 current DV-45 proprietary standard sites and the converted H.320
37 international standard sites.

38 The Plan shall also identify any participating information highway sites that utilize
39 telecommunication standards other than the H.320 international standard offered by the
40 Department along with the estimated costs for providing connectivity or bridging among
41 these sites and between these sites and the converted H.320 international standard sites.
42 The Plan shall be submitted by October 1, 1998, to the House and Senate Appropriations

1 Subcommittees on Natural and Economic Resources, the Joint Legislative Commission
2 on Governmental Operations, and the Fiscal Research Division."

3
4 Requested by: Senator Martin of Pitt

5 **FUNDS FOR TECHNOLOGICAL DEVELOPMENT AUTHORITY WET LAB**
6 **AND OFFICE SPACE CONSTRUCTION**

7 Section 15.9. Of the funds appropriated in this act to the Department of
8 Commerce for the North Carolina Technological Development Authority, Inc., the sum
9 of five hundred thousand dollars (\$500,000) for the 1998-99 fiscal year shall be used to
10 cover part of the cost of constructing a wet lab and office space. The Department shall
11 place these funds in a reserve and shall not allocate any funds until the North Carolina
12 Technological Development Authority, Inc., has secured all financing necessary to cover
13 the total cost of constructing the wet lab and office space.

14
15 Requested by: Senator Martin of Pitt

16 **NORTH CAROLINA GLOBAL CENTER REPORT**

17 Section 15.10. The North Carolina Global Center shall:

- 18 (1) By January 15, 1999, and more frequently as requested, report to the
19 Joint Legislative Commission on Governmental Operations and the
20 Fiscal Research Division the following information:
21 a. State fiscal year 1997-98 program activities, objectives, and
22 accomplishments;
23 b. State fiscal year 1997-98 itemized expenditures and fund
24 sources;
25 c. State fiscal year 1998-99 planned activities, objectives, and
26 accomplishments including actual results through December 31,
27 1998; and
28 d. State fiscal year 1998-99 estimated itemized expenditures and
29 fund sources including actual expenditures and fund sources
30 through December 31, 1998.
31 (2) Provide to the Fiscal Research Division a copy of the organization's
32 annual audited financial statement within 30 days of issuance of the
33 statement.

34
35 Requested by: Senator Martin of Pitt

36 **NORTH CAROLINA INSTITUTE OF MINORITY ECONOMIC**
37 **DEVELOPMENT, INC., REPORT**

38 Section 15.11. The North Carolina Institute of Minority Economic
39 Development, Inc., shall:

- 40 (1) By January 15, 1999, and more frequently as requested, report to the
41 Joint Legislative Commission on Governmental Operations and the
42 Fiscal Research Division the following information:

- 1 a. State fiscal year 1997-98 program activities, objectives, and
2 accomplishments;
- 3 b. State fiscal year 1997-98 itemized expenditures and fund
4 sources;
- 5 c. State fiscal year 1998-99 planned activities, objectives, and
6 accomplishments including actual results through December 31,
7 1998; and
- 8 d. State fiscal year 1998-99 estimated itemized expenditures and
9 fund sources including actual expenditures and fund sources
10 through December 31, 1998.
- 11 (2) Provide to the Fiscal Research Division a copy of the organization's
12 annual audited financial statement within 30 days of issuance of the
13 statement.
14

15 Requested by: Senator Martin of Pitt

16 **LAND LOSS PREVENTION PROJECT, INC., REPORT**

17 Section 15.12. The Land Loss Prevention Project, Inc., shall:

- 18 (1) By January 15, 1999, and more frequently as requested, report to the
19 Joint Legislative Commission on Governmental Operations and the
20 Fiscal Research Division the following information:
- 21 a. State fiscal year 1997-98 program activities, objectives, and
22 accomplishments;
- 23 b. State fiscal year 1997-98 itemized expenditures and fund
24 sources;
- 25 c. State fiscal year 1998-99 planned activities, objectives, and
26 accomplishments including actual results through December 31,
27 1998; and
- 28 d. State fiscal year 1998-99 estimated itemized expenditures and
29 fund sources including actual expenditures and fund sources
30 through December 31, 1998.
- 31 (2) Provide to the Fiscal Research Division a copy of the organization's
32 annual audited financial statement within 30 days of issuance of the
33 statement.
34

35 Requested by: Senator Martin of Pitt

36 **NORTH CAROLINA COALITION OF FARM AND RURAL FAMILIES, INC.,
37 REPORT**

38 Section 15.13. The North Carolina Coalition of Farm and Rural Families, Inc.,
39 shall:

- 40 (1) By January 15, 1999, and more frequently as requested, report to the
41 Joint Legislative Commission on Governmental Operations and the
42 Fiscal Research Division the following information:

- 1 a. State fiscal year 1997-98 program activities, objectives, and
2 accomplishments;
3 b. State fiscal year 1997-98 itemized expenditures and fund
4 sources;
5 c. State fiscal year 1998-99 planned activities, objectives, and
6 accomplishments including actual results through December 31,
7 1998; and
8 d. State fiscal year 1998-99 estimated itemized expenditures and
9 fund sources including actual expenditures and fund sources
10 through December 31, 1998.
11 (2) Provide to the Fiscal Research Division a copy of the organization's
12 annual audited financial statement within 30 days of issuance of the
13 statement.
14

15 Requested by: Senator Martin of Pitt

16 **NORTH CAROLINA MINORITY SUPPORT CENTER REPORT**

17 Section 15.14. The North Carolina Minority Support Center shall:

- 18 (1) By January 15, 1999, and more frequently as requested, report to the
19 Joint Legislative Commission on Governmental Operations and the
20 Fiscal Research Division the following information:
21 a. State fiscal year 1997-98 program activities, objectives, and
22 accomplishments;
23 b. State fiscal year 1997-98 itemized expenditures and fund
24 sources;
25 c. State fiscal year 1998-99 planned activities, objectives, and
26 accomplishments including actual results through December 31,
27 1998; and
28 d. State fiscal year 1998-99 estimated itemized expenditures and
29 fund sources including actual expenditures and fund sources
30 through December 31, 1998.
31 (2) Provide to the Fiscal Research Division a copy of the organization's
32 annual audited financial statement within 30 days of issuance of the
33 statement.
34

35 Requested by: Senators Martin of Pitt, Dannelly

36 **COMMUNITY DEVELOPMENT INITIATIVE**

37 Section 15.15. Of the funds appropriated in this act to the North Carolina
38 Community Development Initiative, Inc., the sum of two hundred fifty thousand dollars
39 (\$250,000) for the 1998-99 fiscal year shall be allocated to the Northwest Corridor CDC.
40

41 Requested by: Senators Martin of Pitt, Dannelly

42 **CENTER FOR COMMUNITY SELF-HELP FUNDS**

1 Section 15.16. (a) Of the funds appropriated in this act to the Department of
2 Commerce, the sum of one million dollars (\$1,000,000) for the 1998-99 fiscal year shall
3 be allocated to the Center for Community Self-Help to further a statewide program of
4 lending for home ownership throughout North Carolina. These funds will be leveraged
5 on a ten-to-one basis, generating at least ten dollars (\$10.00) of nontraditional home loans
6 for every one dollar (\$1.00) of State funds. Payments of principal shall be available for
7 further loans or loan guarantees.

8 (b) The Center for Community Self-Help shall submit, within 180 days after the
9 close of its fiscal year, audited financial statements to the State Auditor. All records
10 pertaining to the use of State funds shall be made available to the State Auditor upon
11 request. The Center for Community Self-Help shall make quarterly reports on the use of
12 State funds to the State Auditor in form and format prescribed by the State Auditor or his
13 designee. The Center for Community Self-Help shall make a written report by May 1 of
14 each year for the next three years to the General Assembly on the use of the funds
15 allocated under this section.

16 (c) The Center for Community Self-Help shall report to the Joint Legislative
17 Commission on Governmental Operations, the House Appropriations Subcommittee on
18 Natural and Economic Resources, the Senate Appropriations Committee on Natural and
19 Economic Resources, and the Department of Commerce on a quarterly basis for the next
20 three years.

21 (d) The Office of the State Auditor may conduct an annual end-of-year audit of the
22 revolving fund for economic development lending created by this appropriation for each
23 year of the life of the revolving fund.

24 (e) If the Center for Community Self-Help dissolves, the corporation shall
25 transfer the remaining assets of the revolving fund to the State and shall refrain from
26 disposing of the revolving fund assets without approval of the State Treasurer.

27 (f) The Department of Commerce shall disburse this appropriation within 15
28 working days of the receipt of a request for the funds from the Center for Community
29 Self-Help. The request shall include a commitment of the leveraged funds by the Center
30 for Community Self-Help or its affiliates.

31
32 Requested by: Senator Martin of Pitt

33 **MCNC**

34 Section 15.17. Section 16.21 of S.L. 1997-443 reads as rewritten:

35 "Section 16.21. (a) MCNC shall report on all of its programs including
36 contractual services for the Supercomputer and the Research and Education Network.
37 The reports shall:

38 (1) By January 15, 1998, and more frequently as requested, report to the
39 Joint Legislative Commission on Governmental Operations and the
40 Fiscal Research Division the following information:

41 a. State fiscal year 1996-97 program activities, objectives, and
42 accomplishments;

- 1 b. State fiscal year 1996-97 itemized expenditures and fund
- 2 sources;
- 3 c. State fiscal year 1997-98 planned activities, objectives, and
- 4 accomplishments including actual results through December 31,
- 5 1997;
- 6 d. State fiscal year 1997-98 estimated itemized expenditures and
- 7 fund sources including actual expenditures and fund sources
- 8 through December 31, 1997.
- 9 e. The users, major projects and benefits resulting from the
- 10 activities of the Supercomputer and the Research and Education
- 11 Network.
- 12 f. The organization's progress toward achieving self-sufficiency by
- 13 July 1, 1999.

14 (2) By January 15, 1999, and more frequently as requested, report to the

15 Joint Legislative Commission on Governmental Operations and the

16 Fiscal Research Division the following information:

- 17 a. State fiscal year 1997-98 program activities, objectives, and
- 18 accomplishments;
- 19 b. State fiscal year 1997-98 itemized expenditures and fund
- 20 sources;
- 21 c. State fiscal year 1998-99 planned activities, objectives, and
- 22 accomplishments including actual results through December 31,
- 23 1998;
- 24 d. State fiscal year 1998-99 estimated itemized expenditures and
- 25 fund sources including actual expenditures and fund sources
- 26 through December 31, 1998.
- 27 e. The users, major projects and benefits resulting from the
- 28 activities of the Supercomputer and the Research and Education
- 29 Network.
- 30 f. The organization's progress toward achieving self-sufficiency by
- 31 July 1, 1999.

32 (3) Provide to the Fiscal Research Division a copy of MCNC's annual

33 audited financial statement within 30 days of issuance of the statement.

34 (b) The funds appropriated in this act to MCNC shall be used as follows:

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
36 Electronic and Information		
37 Technologies Programs	\$4,500,000	
38 \$2,500,000 <u>4,500,000</u>		

39 (c) Of the funds appropriated for the Electronic and Information Technologies

40 Programs, four million five hundred thousand dollars (\$4,500,000) for the 1997-98 fiscal

41 year and ~~two~~ four million five hundred thousand dollars ~~(\$2,500,000)~~ (\$4,500,000) for the

42 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: Senator Martin of Pitt

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 hundred seventy thousand dollars (\$1,270,000) 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
Technical Assistance and Center Administration of Research and Demonstration Grants	444,136	444,136
Center Administration, Oversight, and Other Programs	350,000	350,000

(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
- (5) Whose primary function is to act as deal-maker and packager of projects and activities that will increase their constituencies' opportunities to become owners, managers, and producers of small businesses, affordable housing, and jobs designed to produce positive cash flow and curb blight in the targeted community.

(e) Of the funds appropriated in this act to the Rural Economic Development Center, Inc., the sum of five million seven hundred fifty thousand dollars (\$5,750,000) for the 1997-98 fiscal year and the sum of ~~two~~six million four hundred twenty-five

1 thousand dollars ~~(\$2,400,000)~~ (\$6,425,000) for the 1998-99 fiscal year shall be allocated
2 as follows:

3 (1) \$1,400,000 in fiscal year 1997-98 and ~~\$1,200,000~~ \$1,400,000 in fiscal
4 year 1998-99 for community development grants to support
5 development projects and activities within the State's minority
6 communities. Any community development corporation as defined in
7 this section is eligible to apply for funds. The Rural Economic
8 Development Center, Inc., shall establish performance-based criteria for
9 determining which community development corporation will receive a
10 grant and the grant amount. Funding shall also be allocated to the North
11 Carolina Association of Community Development Corporations, Inc.
12 The Rural Economic Development Center, Inc., shall allocate these
13 funds as follows:

14 a. \$900,000 in each fiscal year for direct grants to the local
15 community development corporations that have previously
16 received State funds for this purpose to support operations and
17 project activities;

18 b. \$250,000 in each fiscal year for direct grants to local community
19 development corporations that have not previously received State
20 funds;

21 c. \$200,000 in fiscal year ~~1997-98~~ 1998-99 to the North Carolina
22 Association of Community Development Corporations, Inc., to
23 provide training, technical assistance, resource development, and
24 support for local community development corporations
25 statewide; and

26 d. \$50,000 in each fiscal year to the Rural Economic Development
27 Center, Inc., to be used to cover expenses in administering this
28 section.

29 (2) \$250,000 in each fiscal year to the Microenterprise Loan Program to
30 support the loan fund and operations of the Program; and

31 (3) ~~\$4,100,000 for the 1997-98 fiscal year and \$950,000 for the 1998-99~~
32 ~~fiscal year shall be used for a program to provide supplemental funding~~
33 ~~for matching requirements for projects and activities authorized under~~
34 ~~this subdivision. The Center shall use these funds to make grants to~~
35 ~~local governments and nonprofit corporations to provide funds~~
36 ~~necessary to match federal grants or other grants for:~~

37 a. ~~Necessary economic development projects and activities in~~
38 ~~economically distressed areas, or~~

39 b. ~~Necessary water and sewer projects and activities in~~
40 ~~economically distressed communities to address health or~~
41 ~~environmental quality problems except that funds shall not be~~
42 ~~expended for the repair or replacement of low pressure pipe~~
43 ~~wastewater systems. If a grant is awarded under this sub-~~

1 subdivision, then the grant shall be matched on a dollar for dollar
2 basis in the amount of the grant awarded.

3 The grant recipients in this subsection shall be selected on the basis of
4 need. \$4,515,000 for the 1998-99 fiscal year to the Supplemental Grants
5 Program for grants to local governments for necessary water and sewer
6 projects in economically distressed communities. These funds shall
7 supplement other project funding and shall not represent more than fifty
8 percent (50%) of the project's total cost.

9 (4) \$200,000 in the 1998-99 fiscal year to the Capacity Building Grants
10 Program. Grants shall be awarded to units of local government to pay
11 all or a portion of the cost associated with the planning and writing of a
12 grant or loan application, a capital improvement plan, or other efforts
13 that support growth and development of rural areas.

14 (5) \$60,000 for the 1998-99 fiscal year to the Rural Economic Development
15 Center, Inc., to be used for administration of the Supplemental Grants
16 Program and the Capacity Building Grants Program.

17 (f) The Rural Economic Development Center, Inc., shall:

18 (1) By January 15, 1998, and more frequently as requested, report to the
19 Joint Legislative Commission on Governmental Operations and the
20 Fiscal Research Division the following information:

- 21 a. State fiscal year 1996-97 program activities, objectives, and
22 accomplishments;
23 b. State fiscal year 1996-97 itemized expenditures and fund
24 sources;
25 c. State fiscal year 1997-98 planned activities, objectives, and
26 accomplishments including actual results through December 31,
27 1997; and
28 d. State fiscal year 1997-98 estimated itemized expenditures and
29 fund sources including actual expenditures and fund sources
30 through December 31, 1997.

31 (2) By January 15, 1999, and more frequently as requested, report to the
32 Joint Legislative Commission on Governmental Operations and the
33 Fiscal Research Division the following information:

- 34 a. State fiscal year 1997-98 program activities, objectives, and
35 accomplishments;
36 b. State fiscal year 1997-98 itemized expenditures and fund
37 sources;
38 c. State fiscal year 1998-99 planned activities, objectives, and
39 accomplishments including actual results through December 31,
40 1998; and
41 d. State fiscal year 1998-99 estimated itemized expenditures and
42 fund sources including actual expenditures and fund sources
43 through December 31, 1998.

- 1 (3) Provide to the Fiscal Research Division a copy of each grant recipient's
2 annual audited financial statement within 30 days of issuance of the
3 statement."
4

5 PART XVI. JUDICIAL DEPARTMENT

6 Requested by: Senator Gulley

7 IRMC REVIEW OF AOC INFORMATION TECHNOLOGY PLANS/LONG- 8 RANGE REPORT

9 Section 16. (a) G.S. 143B-472.41 reads as rewritten:

10 "§ 143B-472.41. Information Resource Management Commission.

11 (a) Creation; Membership. – The Information Resource Management Commission
12 is created in the Department of Commerce. The Commission consists of the following
13 members:

- 14 (1) Four members of the Council of State, appointed by the Governor.
15 (1a) The Secretary of State.
16 (2) The Secretary of Administration.
17 (3) The State Budget Officer.
18 (4) Two members of the Governor's cabinet, appointed by the Governor.
19 (5) One citizen of the State of North Carolina with a background in and
20 familiarity with information systems or telecommunications, appointed
21 by the General Assembly upon the recommendation of the President Pro
22 Tempore of the Senate in accordance with G.S. 120-121.
23 (6) One citizen of the State of North Carolina with a background in and
24 familiarity with information systems or telecommunications, appointed
25 by the General Assembly upon the recommendation of the Speaker of
26 the House of Representatives in accordance with G.S. 120-121.
27 (7) The Chair of the Governor's Committee on Data Processing and
28 Information Systems.
29 (8) The Chair of the State Information Processing Services Advisory Board.
30 (9) The Chair of the Criminal Justice Information Network Governing
31 Board.
32 (10) The State Controller.
33 (11) The Director of the Administrative Office of the Courts or the Director's
34 designee.

35 Members of the Commission shall not be employed by or serve on the board of
36 directors or other corporate governing body of any information systems, computer
37 hardware, computer software, or telecommunications vendor of goods and services to the
38 State of North Carolina.

39 The two initial cabinet members appointed by the Governor and the two initial citizen
40 members appointed by the General Assembly shall each serve a term beginning
41 September 1, 1992, and expiring on June 30, 1995. Thereafter, their successors shall be
42 appointed for four-year terms, commencing July 1. Members of the Governor's cabinet

1 shall be disqualified from completing a term of service of the Commission if they are no
2 longer cabinet members.

3 The appointees by the Governor from the Council of State shall each serve a term
4 beginning on September 1, 1992, and expiring on June 30, 1993. Thereafter, their
5 successors shall be appointed for four-year terms, commencing July 1. Members of the
6 Council of State shall be disqualified from completing a term of service on the
7 Commission if they are no longer members of the Council of State.

8 Vacancies in the two legislative appointments shall be filled as provided in G.S. 120-
9 122.

10 The Commission chair shall be elected in the first meeting of each calendar year from
11 among the appointees of the Governor from the Council of State and shall serve a term of
12 one year. The Secretary of Commerce shall be secretary to the Commission.

13 No member of the Information Resource Management Commission shall vote on an
14 action affecting solely his or her own State agency.

15 (b) Powers and Duties. – The Commission has the following powers and duties:

- 16 (1) To develop, approve, and publish a statewide information technology
17 strategy covering the current and following biennium that shall be
18 updated annually and shall be submitted to the General Assembly on the
19 first day of each regular session.
- 20 (2) To develop, approve, and sponsor statewide technology initiatives and
21 to report on those initiatives in the annual update of the statewide
22 information technology strategy.
- 23 (3) To review and approve biennially the information technology plans of
24 the executive agencies and ~~to review and comment biennially on the~~
25 ~~information technology plans of the~~ Administrative Office of the
26 Courts. This review shall include plans for the procurement and use of
27 personal computers and workstations.
- 28 (4) To recommend to the Governor and the Office of State Budget and
29 Management the relative priorities across executive agency information
30 technology plans.
- 31 (5) To establish a quality assurance policy for all agency information
32 technology projects, information systems training programs, and
33 information systems documentation.
- 34 (6) To establish and enforce a quality review and expenditure review
35 procedure for major agency information technology projects.
- 36 (7) To review and approve expenditures from appropriations made to the
37 Office of State Budget and Management for the purpose of creating a
38 Computer Reserve Fund.
- 39 (8) To develop and promote a policy and procedures for the fair and
40 competitive procurement of information technology consistent with the
41 rules of the Department of Administration and consistent with published
42 industry standards for open systems that provide agencies with a
43 vendor-neutral operating environment where different information

1 technology hardware, software, and networks operate together easily
2 and reliably.

3 (c) Meetings. – The Information Resources Management Commission shall adopt
4 bylaws containing rules governing its meeting procedures. The Information Resources
5 Management Commission shall meet at least monthly."

6 (b) The Administrative Office of the Courts shall develop a strategic information
7 systems and technology plan to both serve the courts in the present and assist the courts
8 in adapting to future changes. The plan shall:

- 9 (1) Identify and document the information technology goals and objectives
10 of the Judicial Department;
- 11 (2) Review and evaluate the findings and recommendations outlined in the
12 Maddox and Ferguson report completed in September 1996;
- 13 (3) Provide an inventory of existing hardware and software in the court
14 system statewide, including the age of and proposed replacement
15 schedules, for personal computers, laptop computers, mainframe and
16 midrange computers, servers, terminals, printers, and communications
17 infrastructure devices;
- 18 (4) Assess the effectiveness of existing computer-based applications,
19 including the district attorney and public defender case management
20 system, courtroom automation, the civil case processing system, and the
21 financial management system, and outline any changes that may be
22 needed to meet the future needs of the court system;
- 23 (5) Develop an architectural strategy and quality assurance review that is
24 consistent with existing State standards;
- 25 (6) Identify areas where the use of information technology would improve
26 the efficiency and effectiveness of the court system in providing
27 services to the public;
- 28 (7) Develop a long-term implementation plan and cost analysis for the new
29 Magistrates Criminal Information System; and
- 30 (8) Recommend alternative five-year proposals for implementing the court
31 system's technology plan, including a cost analysis of each alternative
32 that specifies the order of priority in which various projects should be
33 implemented.

34 The Administrative Office of the Courts shall report on the strategic
35 information systems and technology plan developed pursuant to this section to the Chairs
36 of the Senate and House Appropriations Committees and the Chairs of the Senate and
37 House Appropriations Subcommittees on Justice and Public Safety. The Administrative
38 Office of the Courts shall make an interim report by April 1, 1999, and a final report by
39 May 1, 1999.

40 (c) The Judicial Department may use up to the sum of five hundred thousand
41 dollars (\$500,000) in funds appropriated to the Department for the 1998-99 fiscal year to
42 contract for consultant services in the development of the strategic information systems
43 and technology plan required by this section. Prior to expending these funds, the

1 Department shall report to the Joint Legislative Commission on Governmental
2 Operations, the Chairs of the Senate and House Appropriations Committees, and the
3 Chairs of the Senate and House Subcommittees on Justice and Public Safety on the
4 consultant selected and the proposed uses of these funds.

5
6 Requested by: Senator Gulley

7 **STUDY OF PUBLIC DEFENDER PROGRAMS**

8 Section 16.1. The Administrative Office of the Courts shall study the
9 efficiency and cost-effectiveness of the public defender programs established in 11
10 judicial districts. The report shall include:

- 11 (1) A comparison outlining the number of defendants in each district
12 represented by public defenders and privately assigned counsel by type
13 of offense;
- 14 (2) An analysis of the average cost per defendant or case for each public
15 defender program and a comparison of that average to payments made
16 to privately assigned counsel in those districts;
- 17 (3) An implementation plan for potential expansion of public defender
18 programs to additional districts, including possible locations, a cost
19 analysis of necessary personnel and equipment to operate the programs,
20 and the estimate of savings to be realized in using those programs rather
21 than providing for privately assigned counsel.

22 The Administrative Office of the Courts shall report the results of its study to
23 the Chairs of the Senate and House Appropriations Committees, the Chairs of the Senate
24 and House Appropriations Subcommittees on Justice and Public Safety, and the Indigent
25 Fund Study Commission established in Section 16.5 of this act by January 1, 1999.

26
27 Requested by: Senator Gulley

28 **REVISE RECIDIVISM REPORTING DATE**

29 Section 16.2. G.S. 7A-675.3 reads as rewritten:

30 **"§ 7A-675.3. Juvenile recidivism rates.**

31 (a) On an annual basis, the Administrative Office of the Courts shall compute the
32 recidivism rate of juveniles who are adjudicated delinquent for offenses that would be
33 Class A, B1, B2, C, D, or E felonies if committed by adults and who subsequently are
34 adjudicated delinquent or convicted and shall report the statistics to the Joint Legislative
35 Commission on Governmental Operations by ~~December 31~~ February 15 each year.

36 (b) The Chief Court Counselor of each judicial district shall forward to the
37 Administrative Office of the Courts relevant information, as determined by the
38 Administrative Office of the Courts, regarding every juvenile who is adjudicated
39 delinquent for an offense that would be a Class A, B1, B2, C, D, or E felony if committed
40 by an adult for the purpose of computing the statistics required by this section."

41
42 Requested by: Senator Gulley

43 **EXTEND SUNSET ON BAD CHECK PROGRAM**

1 Section 16.3. (a) Subsection (e) of Section 18.22 of S.L. 1997-443 reads as
2 rewritten:

3 "(e) This ~~aet-section~~ becomes effective October 1, 1997, and expires June 30, ~~1998.~~
4 1999."

5 (b) Subsection (c) of Section 18.22 of S.L. 1997-443 reads as rewritten:

6 "(c) Of the funds appropriated to the Judicial Department for the 1997-98 fiscal
7 year, the sum of one hundred fifty thousand dollars (\$150,000) shall be used to establish
8 bad check collection pilot programs in Columbus, Durham, and Rockingham Counties.

9 The Administrative Office of the Courts shall report by ~~May 1, 1998,~~ April 1, 1999, to
10 the Chairs of the Senate and House Appropriations Committees and the Chairs of the
11 Senate and House Appropriations Subcommittees on Justice and Public Safety on the
12 implementation of the programs, including their effectiveness in assisting the recipients
13 of worthless checks in obtaining restitution and the amount of time saved in prosecuting
14 worthless check cases."

15 (c) Subsection (a) of this section becomes effective June 30, 1998.

16
17 Requested by: Senator Gulley

18 **TEEN COURT FUNDS DO NOT REVERT**

19 Section 16.4. (a) The funds appropriated in S.L. 1997-443 to the Judicial
20 Department for teen court programs throughout the State shall not revert at the end of the
21 1997-98 fiscal year and shall remain available to the Department for the 1998-99 fiscal
22 year to be used for teen court programs.

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

24
25 Requested by: Senator Gulley

26 **INDIGENT FUND STUDY COMMISSION**

27 Section 16.5. (a) The Administrative Office of the Courts shall establish a Study
28 Commission on the Indigent Persons' Attorney Fee Fund. The Commission shall consist
29 of seven voting members as follows:

- 30 (1) One member appointed by the Speaker of the House of Representatives;
- 31 (2) One member appointed by the President Pro Tempore of the Senate;
- 32 (3) One member appointed by the Chief Justice of the Supreme Court;
- 33 (4) One member appointed by the North Carolina Association of Public
34 Defenders;
- 35 (5) One member appointed by the North Carolina State Bar;
- 36 (6) One member appointed by the North Carolina Bar Association; and
- 37 (7) One member appointed by the North Carolina Academy of Trial
38 Lawyers.

39 The Commission shall elect a chair upon being convened at the call of the
40 Chief Justice's appointee.

41 (b) The Commission shall study methods for improving the management and
42 accountability of funds being expended to provide counsel to indigent defendants without

1 compromising the quality of legal representation mandated by State and federal law. In
2 conducting its study, the Commission shall:

- 3 (1) Evaluate the current procedures for determining the indigency of
4 defendants and recommend any possible improvements in those
5 procedures;
- 6 (2) Determine whether sufficient information is available when evaluating
7 compensation requests from assigned private counsel and expert
8 witnesses;
- 9 (3) Assess the effectiveness of the current management structure for the
10 Indigent Persons' Attorney Fee Fund and outline any additional
11 standards or guidelines that could be implemented to allow for greater
12 accountability of the funds being expended;
- 13 (4) Evaluate whether establishing an Indigent Defense Council to oversee
14 the State's expenditure of funds on a district, regional, or Statewide
15 basis would make the functioning of the Indigent Persons' Attorney Fee
16 Fund more efficient and economical;
- 17 (5) Evaluate the effectiveness of existing methods of providing legal
18 representation to indigent defendants, including the use of public
19 defenders, appointed counsel, and contract lawyers;
- 20 (6) Review methods used by other states to provide legal representation to
21 indigent defendants;
- 22 (7) Assess the potential effectiveness of distributing funds in other ways,
23 including the hiring of contract attorneys on a retainer basis and the
24 expansion of public defender programs; and
- 25 (8) Outline additional suggestions that would improve the provision of legal
26 representation to indigent defendants.

27 The Administrative Office of the Courts shall assign professional and clerical
28 staff to assist in the work of the Commission. The Commission shall report its findings
29 and recommendations to the Chairs of the Senate and House Appropriations Committees
30 and the Chairs of the Senate and House Appropriations Subcommittees on Justice and
31 Public Safety no later than May 1, 1999. The report shall include a cost analysis
32 demonstrating the additional personnel and equipment necessary to implement the
33 Commission's recommendations. The report shall also include any legislation necessary
34 to implement the Commission's recommendations.

35 (c) The Administrative Office of the Courts may use up to the sum of one hundred
36 thousand dollars (\$100,000) from the Indigent Persons' Attorney Fee Fund to contract for
37 consultant services to assist in meeting the Commission's responsibilities.

38
39 Requested by: Senator Rand

40 CUMBERLAND JUVENILE ASSESSMENT CENTER

41 Section 16.6. (a) Section 18.21 of S.L. 1997-443 reads as rewritten:

42 "Section 18.21. (a) Of the funds appropriated in this act to the Administrative
43 Office of the Courts for the 1997-98 fiscal year, the sum of one hundred fifty thousand

1 dollars (\$150,000) shall be used to fund the Juvenile Assessment Project authorized by
2 this section. These funds shall be matched by local funds on the basis of one dollar
3 (\$1.00) of local funds for every three dollars (\$3.00) of State funds. These funds shall
4 not revert at the end of the 1997-98 fiscal year, but shall remain in the Department during
5 the 1998-99 fiscal year to implement this section.

6 (b) The Administrative Office of the Courts, in collaboration with the Chief Court
7 Counselor of District Court District 12, the Cumberland County Department of Social
8 Services, and the appropriate local school administrative units, shall develop and
9 implement a Juvenile Assessment Center Project in District Court District 12 to operate
10 from the effective date of this act to ~~June 30, 1998.~~ June 30, 1999. The purpose of the
11 Project is to facilitate efficient prevention and intervention service delivery to juveniles
12 who are (i) alleged to be delinquent or undisciplined and have been taken into custody or
13 (ii) at risk of becoming delinquent or undisciplined because they have behavioral
14 problems and have committed delinquent acts even though they have not been taken into
15 custody. The Project shall assist these juveniles by providing a centralized point of
16 intake and assessment for the juveniles, by addressing the educational, emotional, and
17 physical needs of the juveniles, and by providing juveniles with an atmosphere for
18 learning personal responsibility, self-respect, and respect for others. The Administrative
19 Office of the Courts shall consider the recommendations of the Juvenile Assessment
20 Advisory Board in developing and implementing the Project.

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

- 23 (1) Identify those juveniles who are alleged to be delinquent or
24 undisciplined or are at risk of becoming delinquent or undisciplined;
- 25 (2) Evaluate the educational, emotional, and physical needs of the juveniles
26 identified and determine whether the juveniles have problems related to
27 substance abuse, depression, or other emotional conditions;
- 28 (3) Develop in-depth and comprehensive assessment plans for the juveniles
29 identified that recommend appropriate treatment, counseling, and
30 disposition of the juveniles; and
- 31 (4) Provide services to juveniles identified and their families through
32 collaboration with public and private resources, including local law
33 enforcement, parents' organizations, the Fayetteville Chamber of
34 Commerce, and county and community programs and organizations that
35 provide substance abuse treatment and child and family counseling.

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

- 39 (1) The director of the Department of Social Services of Cumberland
40 County, or the director's designee.
- 41 (2) A representative from the local mental health area authority of
42 Cumberland County.
- 43 (3) A member of the Cumberland County Board of Education.

- 1 (4) The sheriff of Cumberland County, or the sheriff's designee.
2 (5) The chief of police of the Fayetteville Police Department, or the
3 designee of the chief of police.
4 (6) A judge of District Court District 12.
5 (7) A juvenile court counselor from District Court District 12.
6 (8) The director of the Guardian Ad Litem program in Cumberland County,
7 or the director's designee.
8 (9) The director of the Health Department of Cumberland County, or the
9 director's designee.
10 (10) Two public members appointed by the Fayetteville City Council.
11 (11) Two public members appointed by the Board of County Commissioners
12 of Cumberland County.

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

18 Initial appointments shall be made by October 1, 1997, and all terms shall expire ~~June~~
19 ~~30, 1998.~~ June 30, 1999.

20 (e) The Administrative Office of the Courts, in consultation with the Department
21 of ~~Human Resources, Health and Human Services,~~ shall evaluate the Project and report to
22 the Chairs of the House and Senate Appropriations Committees, the Chairs of the House
23 and Senate Appropriations Subcommittees on Justice and Public Safety and ~~Human~~
24 ~~Resources, Health and Human Services~~ and the Fiscal Research Division of the General
25 Assembly by ~~May 1, 1998,~~ May 1, 1999, on the progress of the development and
26 implementation of the Project. In the report, the Administrative Office of the Courts, in
27 consultation with the Department of ~~Human Resources, Health and Human Services,~~
28 shall evaluate the effectiveness of the Project, including the number of juveniles served or
29 expected to be served, and shall recommend whether the Project should be continued. If
30 the report recommends that the Project be continued, it shall also provide a cost analysis
31 outlining the long-term staffing and operating needs of the Project."

32 (b) This section becomes effective June 30, 1998.
33

34 Requested by: Senator Gulley

35 N.C. STATE BAR FUNDS

36 Section 16.7. Of the nonrecurring funds appropriated in the expansion budget
37 as a grant-in-aid to the North Carolina State Bar for the 1998-99 fiscal year, the North
38 Carolina State Bar may in its discretion use up to the sum of five hundred thousand
39 dollars (\$500,000) for the 1998-99 fiscal year to contract with the Center for Death
40 Penalty Litigation to provide training, consultation, brief banking, and other assistance to
41 attorneys representing indigent capital defendants.
42

43 Requested by: Senator Gulley

COMMUNITY PENALTIES PROGRAMS

Section 16.8. Subsection (a) of Section 18.4 of S.L. 1997-443 reads as rewritten:

"(a) Of the funds appropriated from the General Fund to the Judicial Department for the 1997-99 biennium to conduct the Community Penalties Program, the sum of four million three hundred fifty-five thousand three hundred eighty-two dollars (\$4,355,382) for the 1997-98 fiscal year and the sum of ~~four million three hundred fifty-five thousand three hundred eighty-two dollars (\$4,355,382)~~ four million four hundred sixty-four thousand five hundred twenty-one dollars (\$4,464,521) for the 1998-99 fiscal year may be allocated by the Judicial Department in each year of the biennium in any amount among existing community penalties programs, including any State-operated programs, or may be used to establish new community penalties programs."

Requested by: Senator Gulley

DISTRICT COURT CIVIL CASE MANAGEMENT

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, 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."

Requested by: Senator Gulley

CAPITAL CASE PILOT PROGRAM

Section 16.10. (a) The Administrative Office of the Courts shall establish a capital case pilot program to be incorporated into the Office of the Appellate Defender to provide assistance to districts experiencing difficulty in locating qualified private counsel to handle capital cases.

(b) The Administrative Office of the Courts may use up to the sum of one hundred eighty thousand forty dollars (\$180,040) from the Indigent Persons' Attorney Fee Fund for the 1998-99 fiscal year for salaries, benefits, and related expenses to establish two new assistant public defender positions, one legal assistant position, and one investigator to work specifically on capital cases.

(c) The Administrative Office of the Courts 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 by May 1, 1999, on the effectiveness of the program, including information on which districts have received assistance, the average cost per defendant served, and an estimate of the savings to be realized in using this program rather than privately assigned counsel.

Requested by: Senator Gulley

AUTHORIZE ADDITIONAL MAGISTRATES

1 Section 16.11. G.S. 7A-133(c) reads as rewritten:

2 "(c) Each county shall have the numbers of magistrates and additional seats of
3 district court, as set forth in the following table:

County	Min.	Max.	Magistrates Court	Additional Seats of
Camden	1	2		
Chowan	2	3		
Currituck	1	3 <u>4</u>		
Dare	3	8		
Gates	2	3		
Pasquotank		3	5	
Perquimans		2	3	
Martin	5	8		
Beaufort	4	8		
Tyrrell	1	3		
Hyde	2	4		
Washington		3	4	
Pitt	10	12	Farmville	
				Ayden
Craven	7	10	Havelock	
Pamlico	2	3 <u>4</u>		
Carteret	5	8		
Sampson	6	8		
Duplin	9	11		
Jones	2	3		
Onslow	8	14		
New Hanover	6	11		
Pender	4	6		
Halifax	9	14	Roanoke	
				Rapids, Scotland Neck
Northampton		5	7	
Bertie	4	6		
Hertford	5	6		
Nash	7	10	Rocky Mount	
Edgecombe		4	7	Rocky Mount
Wilson	4	7		
Wayne	5	12	Mount Olive	
Greene	2	4		
Lenoir	4	10	La Grange	

1	Granville	3	7	
2	Vance	3	6	
3	Warren	3	4	
4	Franklin	3	7	
5	Person	3	4	
6	Caswell	2	5	
7	Wake	12	20 21	Apex,
8				Wendell,
9				Fuquay-
10				Varina,
11				Wake Forest
12	Harnett	7	11	Dunn
13	Johnston	10	12	Benson,
14				Clayton,
15				Selma
16	Lee	4	6	
17	Cumberland		10	18
18	Bladen	4	6	
19	Brunswick		4	7
20	Columbus	6	9	Tabor City
21	Durham	8	13	
22	Alamance	7	10	Burlington
23	Orange	4	11	Chapel Hill
24	Chatham	3	8	Siler City
25	Scotland	3	5	
26	Hoke	4	5	
27	Robeson	8	16	Fairmont,
28				Maxton,
29				Pembroke,
30				Red Springs,
31				Rowland,
32				St. Pauls
33	Rockingham		4	9
34				Reidsville,
35				Eden,
36	Stokes	2	5	Madison
37	Surry	5	9	Mt. Airy
38	Guilford	20	26	High Point
39	Cabarrus	5	9	Kannapolis
40	Montgomery		2	4
41	Randolph	5	10	Liberty
42	Rowan	5	10	
43	Stanly	5	6	

1	Union	4	6		
2	Anson	4	5		
3	Richmond		5	6	Hamlet
4	Moore	5	8	Southern	
5					Pines
6	Forsyth	3	15	Kernersville	
7	Alexander		2	3	
8	Davidson	7	10	Thomasville	
9	Davie	2	3		
10	Iredell	4	9	Mooreville	
11	Alleghany		1	2	
12	Ashe	3	4		
13	Wilkes	4	6		
14	Yadkin	3	5		
15	Avery	3	4		
16	Madison	4	5		
17	Mitchell	3	4		
18	Watauga	4	6		
19	Yancey	2	4		
20	Burke	4	7		
21	Caldwell	4	7		
22	Catawba	6	10	Hickory	
23	Mecklenburg		15	26-28	
24	Gaston	11	21		
25	Cleveland	5	8		
26	Lincoln	4	7		
27	Buncombe		6	15	
28	Henderson		4	7	
29	McDowell		3	5	
30	Polk	3	4		
31	Rutherford		6	8	
32	Transylvania		2	4	
33	Cherokee	3	4		
34	Clay	1	2		
35	Graham	2	3		
36	Haywood	5	7	Canton	
37	Jackson	3	4		
38	Macon	3	4		
39	Swain	2	3."		

41 Requested by: Senator Gulley
 42 **ASSISTANT PUBLIC DEFENDERS**

1 Section 16.12. From funds appropriated to the Indigent Persons' Attorney Fee
2 Fund for the 1998-99 fiscal year, the Administrative Office of the Courts may use up to
3 one hundred seventy-nine thousand two hundred twenty dollars (\$179,220) for salaries,
4 benefits, equipment, and related expenses to establish up to four new assistant public
5 defender positions.

6
7 Requested by: Senator Gulley

8 **ELIMINATE REQUIREMENT OF CERTIFIED MAIL NOTICE IN BAIL BOND**
9 **FORFEITURE CASES**

10 Section 16.13. G.S. 15A-544(b) reads as rewritten:

11 "(b) If the principal does not comply with the conditions of the bail bond, the court
12 having jurisdiction must enter an order declaring the bail to be forfeited. If forfeiture is
13 ordered by the court, a copy of the order of forfeiture and notice that judgment will be
14 entered upon the order after 60 days must be served on each obligor. Service is to be
15 made by the clerk mailing by ~~certified mail, return receipt requested, first-class mail~~ a
16 copy of the order of forfeiture and notice to each obligor at each obligor's address as
17 noted on the bond and note on the original the date of mailing. Service is complete three
18 days after the mailing."

19
20 Requested by: Senator Gulley

21 **PROVIDE THAT THE CLERK OF SUPERIOR COURT DOES NOT HAVE TO**
22 **INVENTORY A DECEDENT'S SAFE-DEPOSIT BOX IF A QUALIFIED**
23 **PERSON IS PRESENT AT THE OPENING OF THE BOX**

24 Section 16.14. (a) Article 15 of Chapter 28A of the General Statutes is
25 amended by adding a new section to read:

26 **"§ 28A-15-13. Opening and inventory of decedent's safe-deposit box.**

27 (a) Definitions. – The following definitions apply to this section:

28 (1) Institution. – Any entity or person having supervision or possession of a
29 safe-deposit box to which a decedent had access.

30 (2) Letter of authority. – Letters of administration, letters testamentary, an
31 affidavit of collection of personal property, an order of summary
32 administration, or a letter directed to the institution designating a person
33 entitled to receive the contents of a safe-deposit box to which the
34 decedent had access. The letter of authority must be signed by the clerk
35 of superior court or by the clerk's representative.

36 (3) Qualified person. – A person possessing a letter of authority or a person
37 named as a lessee or cotenant of the safe-deposit box to which the
38 decedent had access.

39 (b) Presence of Clerk Required. – Any safe-deposit box to which a decedent had
40 access shall be sealed by the institution having supervision or possession of the box.
41 Except as provided in subsection (c) of this section, the presence of the clerk of superior
42 court of the county where the safe-deposit box is located or the presence of the clerk's
43 representative is required before the box may be opened. The clerk or the clerk's

1 representative shall open the safe-deposit box in the presence of the person possessing a
2 key to the box and a representative of the institution having supervision or possession of
3 the box. The clerk shall make an inventory of the contents of the box and furnish a copy
4 to the institution and to the person possessing a key to the box.

5 (c) An Inventory and the Presence of Clerk Not Required. – Neither an inventory
6 nor the presence of the clerk of superior court or the clerk's representative is required
7 when the person requesting the opening of the decedent's safe-deposit box is a qualified
8 person.

9 (d) Testamentary Instrument in Box. – If the safe-deposit box contains any writing
10 that appears to be a will, codicil, or any other instrument of a testamentary nature, then
11 the clerk of superior court or the qualified person shall file the instrument in the office of
12 the clerk of superior court.

13 (e) Release of Contents. – Except as provided in subsection (d) for testamentary
14 instruments, the institution shall not release any contents of the safe-deposit box to
15 anyone other than a qualified person.

16 (f) No Tax Waiver Required. – Notwithstanding the provisions in G.S. 105-24(a),
17 no tax waiver is required for the release of the contents of the decedent's safe-deposit
18 box."

19 (b) G.S. 105-24(b), (c), and (e) are repealed.

20 (c) This section becomes effective October 1, 1998, and applies to estates of
21 decedents who die on or after that date.

22
23 Requested by: Senator Gulley

24 **CONTINUE DRUG TREATMENT COURT**

25 Section 16.15. (a) Section 21.6(c) of Chapter 507 of the 1995 Session Laws
26 reads as rewritten:

27 "(c) Subsection (a) of this section becomes effective ~~July 1, 1995, and expires June~~
28 ~~30, 1998.~~ July 1, 1995. The remainder of this section becomes effective October 1,
29 1995."

30 (b) G.S. 7A-791 reads as rewritten:

31 **"§ 7A-791. Purpose.**

32 The General Assembly recognizes that a critical need exists in this State for criminal
33 justice system programs that will reduce the incidence of drug use and drug addiction and
34 crimes committed as a result of drug use and drug addiction. It is the intent of the General
35 Assembly by this Article to create a program to facilitate the creation of local drug
36 treatment court ~~pilot programs in a minimum of two judicial districts. programs.~~"

37 (c) G.S. 7A-793 reads as rewritten:

38 **"§ 7A-793. Establishment of Program.**

39 The North Carolina Drug Treatment Court Program is established in the
40 Administrative Office of the Courts to facilitate the creation of ~~drug treatment court~~
41 ~~programs and the funding of pilot~~ local drug treatment court programs. The Director of
42 the Administrative Office of the Courts shall provide any necessary staff for planning,
43 organizing, and administering the program. ~~Drug-Local drug treatment court programs~~

1 funded pursuant to this Article shall be operated ~~consistent~~ consistently with the
2 guidelines ~~promulgated by the Director of the Administrative Office of the Courts in~~
3 ~~consultation with the State Drug Treatment Court Advisory Committee established in~~
4 ~~G.S. 7A-795. In promulgating the guidelines, the Director and the Advisory Committee~~
5 ~~shall consider the Substance Abuse and the Courts Action Plan and other~~
6 ~~recommendations of the Substance Abuse and the Courts State Task Force.~~ adopted
7 pursuant to G.S. 7A-795."

8 (d) G.S. 7A-794 reads as rewritten:

9 **"§ 7A-794. Fund administration.**

10 The Drug Treatment Court Program Fund is created in the Administrative Office of
11 the Courts and is administered by the Director of the Administrative Office of the Courts
12 in consultation with the State Drug Treatment Court Advisory Committee. The Director
13 of the Administrative Office of the Courts shall award grants from this Fund and
14 implement local drug treatment court ~~programs in a minimum of two judicial districts.~~
15 programs. Grants shall be awarded based upon the general guidelines set forth by the
16 Director of the Administrative Office of the Courts and the State Drug Treatment Court
17 Advisory Committee."

18 (e) G.S. 7A-795 reads as rewritten:

19 **"§ 7A-795. State Drug Treatment Court Advisory Committee.**

20 The State Drug Treatment Court Advisory Committee is established to develop and
21 recommend to the Director of the Administrative Office of the Courts guidelines for the
22 drug treatment court program and to monitor local programs wherever they are
23 implemented. The Committee shall be chaired by the Director ~~of the Administrative~~
24 ~~Office of the Courts~~ or the Director's designee and shall consist of not less than seven
25 members appointed by the Director and broadly representative of the courts, law
26 enforcement, corrections, and substance abuse treatment communities. In developing
27 guidelines, the Advisory Committee shall consider the Substance Abuse and the Courts
28 Action Plan and other recommendations of the Substance Abuse and the Courts State
29 Task Force."

30 (f) G.S. 7A-796 reads as rewritten:

31 **"§ 7A-796. Local drug treatment court management committee.**

32 Each judicial district choosing to establish a drug treatment court ~~or applying to~~
33 ~~participate in a funded pilot program~~ shall form a local drug treatment court management
34 committee, consisting of the following persons, appointed by the senior resident superior
35 court judge with the concurrence of the district attorney for that district:

36 (1) A judge of the superior court;

37 (2) A judge of the district court;

38 (3) A district attorney or assistant district attorney;

39 (4) A public defender or assistant public defender in judicial districts served
40 by a public defender;

41 (5) A member of the private criminal defense bar;

42 (6) A clerk of superior court;

- 1 (7) The trial court administrator in judicial districts served by a trial court
- 2 administrator;
- 3 (8) A probation officer;
- 4 (9) A local law enforcement officer;
- 5 (10) A representative of the local community college;
- 6 (11) A representative of the treatment providers;
- 7 (12) The local program director provided for in G.S. 7A-798; and
- 8 (13) Any other persons selected by the local management committee.

9 The local drug treatment court management committee shall develop local guidelines
10 and procedures, not inconsistent with the State guidelines, that are necessary for the
11 operation and evaluation of the local drug treatment court."

12 (g) G.S. 7A-798 reads as rewritten:

13 **"§ 7A-798. Drug treatment court grant application; local program director.**

14 (a) ~~Grant applications for the pilot programs~~ Applications for funding to develop
15 or implement local drug treatment court programs shall be submitted to the Director of
16 the Administrative Office of the Courts, in such form and with such information as the
17 Director may require consistent with the provisions of this Article. ~~Grants shall be~~
18 ~~awarded to two or more judicial districts that submit the most comprehensive and feasible~~
19 ~~plans for the implementation and operation of a drug treatment court.~~ The Director shall
20 award and administer grants in accordance with any laws made for that purpose,
21 including appropriations acts and provisions in appropriations acts, and may adopt rules
22 for the implementation, operation, and monitoring of grant-funded programs.

23 (b) Grant applications shall specify a local program ~~director-administrator~~ who
24 shall be responsible for ~~local administration of the project.~~ the local program. Grant
25 funds may be used to fund a full-time or part-time local program director ~~position.~~
26 position and other necessary staff. The ~~local program director staff~~ may be an ~~employee~~
27 employees of the grant recipient, ~~an employee-employees~~ of the court, or a ~~grant-~~
28 ~~established position-positions~~ under the senior resident superior court judge or chief
29 district court judge."

30 (h) G.S. 7A-800 reads as rewritten:

31 **"§ 7A-800. Payment of costs of treatment program.**

32 Each defendant or offender shall contribute to the cost of the substance abuse
33 treatment received in the drug treatment court program, based upon guidelines developed
34 by the local drug treatment court management committee."

35 (i) G.S. 7A-801 reads as rewritten:

36 **"§ 7A-801. Plan for evaluation.**

37 ~~Each grant application requesting funding for the pilot program shall include a~~
38 ~~method for evaluating the pilot program's effectiveness, based upon the goals stated in~~
39 ~~G.S. 7A-792.~~ The Administrative Office of the Courts shall develop a statewide model
40 and conduct ongoing evaluations of all local drug treatment court programs. A report of
41 these evaluations shall be submitted to the General Assembly by March 1 of each year.
42 Each funded local drug treatment court program shall submit evaluation reports to the
43 Administrative Office of the Courts as requested. ~~Additionally, the Administrative Office~~

1 of the Courts shall be responsible for developing an evaluation model on the State level
 2 to compare the effectiveness of all pilot programs and shall submit a report to the General
 3 Assembly by May 1, 1998."

4 (j) Subsection (a) of this section becomes effective June 30, 1998.

5
 6 Requested by: Senator Gulley

7 **ADDITIONAL DISTRICT COURT JUDGES**

8 Section 16.16. (a) G.S. 7A-133(a) reads as rewritten:

9 "(a) Each district court district shall have the numbers of judges as set forth in the
 10 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 Carteret
4	6	Sampson Duplin Jones Onslow
5	6	New Hanover Pender
6A	2	Halifax
6B	3	Northampton Bertie Hertford
7	6	Nash Edgecombe Wilson

1	8	6	Wayne	
2				Greene
3				Lenoir
4	9	4	Granville	
5				(part of Vance
6				see subsection (b))
7				Franklin
8	9A	2	Person	
9				Caswell
10	9B	1	Warren	
11				(part of Vance
12				see subsection (b))
13	10	12 <u>13</u>	Wake	
14	11	6 <u>7</u>	Harnett	
15				Johnston
16				Lee
17	12	8 <u>9</u>	Cumberland	
18	13	5	Bladen	
19				Brunswick
20				Columbus
21	14	5 <u>6</u>		Durham
22	15A	3	Alamance	
23	15B	4	Orange	
24				Chatham
25	16A	3	Scotland	
26				Hoke
27	16B	5	Robeson	
28	17A	2	Rockingham	
29	17B	3	Stokes	
30				Surry
31	18	11	Guilford	
32	19A	3	Cabarrus	
33	19B	5	Montgomery	
34				Moore
35				Randolph
36	19C	3 <u>4</u>	Rowan	
37	20	7	Stanly	
38				Union
39				Anson
40				Richmond
41	21	7	Forsyth	
42	22	8	Alexander	
43				Davidson

1				Davie
2				Iredell
3	23	4	Alleghany	
4				Ashe
5				Wilkes
6				Yadkin
7	24	4	Avery	
8				Madison
9				Mitchell
10				Watauga
11				Yancey
12	25	7	Burke	
13				Caldwell
14				Catawba
15	26	14 ¹⁵	Mecklenburg	
16	27A	5	Gaston	
17	27B	4	Cleveland	
18				Lincoln
19	28	5	Buncombe	
20	29	5	Henderson	
21				McDowell
22				Polk
23				Rutherford
24				Transylvania
25	30	4	Cherokee	
26				Clay
27				Graham
28				Haywood
29				Jackson
30				Macon
31				Swain."

32 (b) The Governor shall appoint additional district court judges for District Court
33 Districts 4, 7, 10, 11, 12, 14, 19C, and 26 as authorized by subsection (a) of this section.
34 Those judges' successors shall be elected in the 2002 election for four-year terms
35 commencing on the first Monday in December 2002.

36 (c) Subsection (a) of this section becomes effective December 15, 1998, as to any
37 district where no county is subject to section 5 of the Voting Rights Act of 1965. As to
38 any district where any county is subject to section 5 of the Voting Rights Act of 1965,
39 subsection (a) of this section becomes effective December 15, 1998, or 15 days after the
40 date upon which that subsection is approved under section 5 of the Voting Rights Act.

41
42 Requested by: Senators Gulley, Odom

43 **FAMILY COURT PILOT PROGRAMS**

1 Section 16.17. (a) The Administrative Office of the Courts shall establish pilot
2 programs for the holding of family court in District Court Districts 12, 14, and 26. Each
3 pilot program shall be conducted following the guidelines for the establishment of family
4 courts contained in the report of the Commission for the Future of Justice and the Courts
5 in North Carolina and shall be assigned to hear all matters involving intrafamily rights,
6 relationships, and obligations, and all juvenile justice matters, including:

- 7 (1) Child abuse, neglect, and dependency;
- 8 (2) Delinquent and undisciplined juvenile matters;
- 9 (3) Emancipation of minors and termination of parental rights;
- 10 (4) Divorce;
- 11 (5) Annulment;
- 12 (6) Equitable distribution;
- 13 (7) Alimony and postseparation support;
- 14 (8) Child custody;
- 15 (9) Child support;
- 16 (10) Paternity;
- 17 (11) Adoption;
- 18 (12) Domestic violence civil restraining orders;
- 19 (13) Abortion consent waivers; and
- 20 (14) Adult protective services.

21 (b) The Administrative Office of the Courts shall report to the Chairs of the Senate
22 and House Appropriations Committees and the Chairs of the Senate and House
23 Appropriations Subcommittees on Justice and Public Safety by April 1, 1999, on the
24 implementation of these pilot programs, including the number of families served, the
25 success in reducing the backlog of family cases and resolving new cases more quickly
26 and efficiently, and the success in bringing consistency and fairness to the resolution of
27 family matters.

28 (c) Of the funds appropriated to the Juvenile Justice Reserve Fund established in
29 Section 8.1 of this act, up to the sum of five hundred six thousand seven hundred seventy-
30 six dollars (\$506,776) shall be used to establish the necessary personnel and operating
31 support to implement these programs.

32
33 Requested by: Senator Gulley

34 **EVALUATION OF CORRECTIONAL PROGRAMS**

35 Section 16.18. (a) The Judicial Department, through the North Carolina
36 Sentencing and Policy Advisory Commission, and the Department of Correction shall
37 jointly conduct ongoing evaluations of community corrections programs and in-prison
38 treatment programs and make a biennial report to the General Assembly. The report shall
39 include composite measures of program effectiveness based on recidivism rates, other
40 outcome measures, and costs of the programs.

41 During the 1998-99 fiscal year, the Sentencing and Policy Advisory
42 Commission shall coordinate the collection of all data necessary to create an expanded
43 database containing offender information on prior convictions, current conviction and

1 sentence, program participation, and outcome measures. Each program to be evaluated
2 shall assist the Commission in the development of systems and collection of data
3 necessary to complete the evaluation process. The first evaluation report shall be
4 presented to the Chairs of the Senate and House Appropriations Committees and the
5 Chairs of the Senate and House Appropriations Subcommittees on Justice and Public
6 Safety by April 15, 2000, and future reports shall be made by April 15 of each even-
7 numbered year.

8 The Judicial Department may use the sum of fifty thousand dollars (\$50,000)
9 in funds appropriated for the 1998-99 fiscal year to conduct the study provided for in this
10 section.

11 (b) Section 22.3 of Chapter 18 of the Session Laws of the 1996 Second Extra
12 Session is repealed.

13
14 Requested by: Senator Gulley

15 **ESTABLISH PILOT PROGRAM OF SETTLEMENT PROCEDURES IN**
16 **DISTRICT COURT ACTIONS INVOLVING FAMILY ISSUES**

17 Section 16.19. (a) G.S. 7A-38.4 reads as rewritten:

18 "**~~§ 7A-38.4. Mediated settlement conferences~~ Settlement procedures in district court**
19 **actions.**

20 (a) The purpose of this section is to authorize the design, implementation, and
21 evaluation of a pilot program in which parties to district court actions involving equitable
22 distribution, alimony, and support may be required to attend a pretrial mediated
23 settlement conference or other settlement procedure.

24 (b) ~~The Dispute Resolution Commission established under the Judicial Department~~
25 ~~shall, with the advice of the Director of the Administrative Office of the Courts, design~~
26 ~~the pilot program and its coordination with existing settlement programs. The planning~~
27 ~~and design phase of the program shall include representatives from the Conference of~~
28 ~~Chief District Court Judges, the AOC Child Custody Mediation Advisory Committee, the~~
29 ~~Court Ordered Arbitration Subcommittee of the Supreme Court's Dispute Resolution~~
30 ~~Committee, the North Carolina Mediation Network, the North Carolina Association of~~
31 ~~Professional Family Mediators, the North Carolina Association of Clerks of Superior~~
32 ~~Court, the North Carolina Association of Trial Court Administrators, the Family Law~~
33 ~~Section of the North Carolina Bar Association, and the Dispute Resolution Section of the~~
34 ~~North Carolina Bar Association.~~

35 (c) The Supreme Court may adopt rules to implement this section. The definitions
36 in G.S. 7A-38.1(b)(2) and (b)(3) apply to this section.

37 (d) ~~The chief district court judge~~ District court judges of any participating district
38 may order a mediated settlement conference or another settlement procedure for any
39 action pending in the district involving issues of equitable distribution, alimony, or child
40 or spousal ~~support.~~ support, pursuant to rules adopted by the Supreme Court. The chief
41 district court judge may by local rule order all such cases, not otherwise exempted by
42 Supreme Court rule, to mediated settlement conference.

1 (e) The parties to a district court action in which a mediated settlement conference
2 is ordered, their attorneys, and other persons or entities with authority, by law or by
3 contract, to settle the parties' claims shall attend the mediated settlement conference, or
4 other settlement procedure ordered by ~~the court, a district court judge pursuant to rules of~~
5 the Supreme Court, unless excused by the rules of the Supreme Court or by order of the
6 ~~chief district court judge, those rules.~~ Nothing in this section shall require any party or
7 other participant in the conference to make a settlement offer or demand which it deems
8 is contrary to its best interests.

9 (f) Any person required to attend a mediated settlement conference or other
10 settlement procedure ordered by the court who, without good cause, fails to attend in
11 compliance with this section and the rules adopted under this section, shall be subject to
12 any appropriate monetary sanction imposed by a ~~chief or presiding district court judge,~~
13 judge pursuant to rules of the Supreme Court, including the payment of attorneys' fees,
14 mediator fees, and expenses incurred in attending the conference. settlement procedure.
15 If the court imposes sanctions, it shall do so, after notice and hearing, in a written order,
16 making findings of fact and conclusions of law. An order imposing sanctions shall be
17 reviewable upon appeal where the entire record as submitted shall be reviewed to
18 determine whether the order is supported by substantial evidence.

19 (g) The parties to a district court action in which a mediated settlement conference
20 is to be held pursuant to this section shall have the right to designate a mediator. Upon
21 failure of the parties to designate within the time established by the rules of the Supreme
22 Court, a mediator shall be appointed by ~~the chief a~~ district court judge ~~or its designee.~~
23 pursuant to rules of the Supreme Court.

24 (h) ~~The~~ Pursuant to rules of the Supreme Court, a chief district court judge, at the
25 request of a party and with the consent of ~~the all~~ parties, may order the parties to attend
26 and participate in any other settlement procedure authorized by rules ~~of~~ adopted by the
27 Supreme Court or adopted by local district court rules, in lieu of attending a mediated
28 settlement conference. ~~Neutral third parties~~ Neutrals acting pursuant to this section shall
29 be selected and compensated in accordance with ~~the rules of the Supreme Court~~ or
30 pursuant to agreement of the parties. Nothing herein shall prohibit the parties from
31 participating in other dispute resolution procedures, including arbitration, to the extent
32 authorized under State or federal law.

33 (i) Mediators and other neutrals acting pursuant to this section shall have judicial
34 immunity in the same manner and to the same extent as a judge of the General Court of
35 Justice, except that mediators and other neutrals may be disciplined in accordance with
36 enforcement procedures adopted by the Supreme Court pursuant to G.S. 7A-38.2.

37 (j) Costs of mediated settlement conferences and other settlement procedures shall
38 be borne by the parties. Unless otherwise ordered by the court or agreed to by the parties,
39 the mediator's fees shall be paid in equal shares by the parties. The rules adopted by the
40 Supreme Court implementing this section shall set out a method whereby parties found
41 by the court to be unable to pay the costs of settlement procedures are afforded an
42 opportunity to participate without cost to an indigent party and without expenditure of
43 State funds.

1 (k) Evidence of statements made and conduct occurring in a ~~mediated settlement~~
2 ~~conference settlement proceeding~~ conducted pursuant to this section shall not be subject
3 to discovery and shall be inadmissible in any proceeding in the action or other actions on
4 the same claim. However, no evidence otherwise discoverable shall be inadmissible
5 merely because it is presented or discussed in a ~~mediated settlement conference~~.
6 settlement proceeding.

7 No mediator, or other neutral conducting a settlement procedure pursuant to this
8 section, shall be compelled to testify or produce evidence concerning statements made
9 and conduct occurring in a mediated settlement conference or other settlement procedure
10 in any civil proceeding for any purpose, except proceedings for sanctions under this
11 section, disciplinary hearings before the State Bar or any agency established to enforce
12 standards of conduct for mediators, and proceedings to enforce laws concerning juvenile
13 or elder abuse.

14 (l) The Supreme Court may adopt standards for the certification and conduct of
15 mediators and other neutrals who participate ~~in the mediated settlement conference~~
16 ~~program established settlement procedures~~ conducted pursuant to this section. The
17 standards may also regulate mediator training programs. The Supreme Court may adopt
18 procedures for the enforcement of those standards. The administration of mediator
19 certification, regulation of mediator conduct, and decertification shall be conducted
20 through the Dispute Resolution Commission.

21 (m) An administrative fee not to exceed two hundred dollars (\$200.00) may be
22 charged by the Administrative Office of the Courts to applicants for certification and
23 annual renewal of certification for mediators and mediator training programs operation
24 under this section. The fees collected may be used by the Director of the Administrative
25 Office of the Courts to establish and maintain the operations of the Commission and its
26 staff. The administrative fee shall be set by the Director of the Administrative Office of
27 the Courts in consultation with the Dispute Resolution Commission.

28 (n) The Administrative Office of the Courts, in consultation with the Dispute
29 Resolution Commission, may require the chief district court judge of any participating
30 district to report statistical data about settlement procedures conducted pursuant to this
31 section for administrative purposes.

32 ~~(m)~~ (o) Nothing in this section or rules adopted pursuant to it shall restrict the right
33 to jury trial."

34 (b) G.S. 7A-38.2(c) reads as rewritten:

35 "(c) The Dispute Resolution Commission shall consist of ~~nine~~ 14 members: ~~two~~
36 five judges appointed by the Chief Justice of the Supreme ~~Court~~; Court, at least two of
37 whom shall be superior court judges, and at least two of whom shall be district court
38 judges; two mediators certified to conduct superior court mediated settlement conferences
39 and two mediators certified to conduct equitable distribution mediated settlement
40 conferences appointed by the Chief Justice of the Supreme Court; two practicing
41 attorneys who are not certified as mediators appointed by the President of the North
42 Carolina State ~~Bar~~; Bar, one of whom shall be a certified family law specialist; and three
43 citizens knowledgeable about mediation, one of whom shall be appointed by the

1 Governor, one by the General Assembly upon the recommendation of the Speaker of the
 2 House of Representatives in accordance with G.S. 120-121, and one by the General
 3 Assembly upon the recommendation of the President Pro Tempore of the Senate in
 4 accordance with G.S. 120-121. Members shall initially serve four-year terms, except that
 5 one judge, one mediator, one attorney, and the citizen member appointed by the
 6 Governor, shall be appointed for an initial term of two years. ~~Members may serve no~~
 7 ~~more than two consecutive terms.~~—The Chief Justice shall designate one of the judge
 8 members to serve as chair for a two-year term. Members of the Commission shall be
 9 compensated pursuant to G.S. 138-5.

10 Vacancies shall be filled for unexpired terms and full terms in the same manner as
 11 incumbents were appointed. Appointing authorities may receive and consider
 12 suggestions and recommendations of persons for appointment from the Dispute
 13 Resolution Commission, the Family Law, Litigation, and Dispute Resolution Sections of
 14 the North Carolina Bar Association, the North Carolina Association of Professional
 15 Family Mediators, the North Carolina Association of Clerks of Superior Court, the North
 16 Carolina Conference of Court Administrators, the Mediation Network of North Carolina,
 17 the Dispute Resolution Committee of the Supreme Court, the Conference of Chief
 18 District Court Judges, the Conference of Superior Court Judges, the Director of the
 19 Administrative Office of the Courts, and the Child Custody Mediation Advisory
 20 Committee of the Administrative Office of the Courts."

21 (c) The Administrative Office of the Courts may solicit and accept funds from
 22 private sources to evaluate the pilot program conducted pursuant to this section. The
 23 Administrative Office of the Courts shall report its findings and recommendations to the
 24 Chairs of the House and Senate Appropriations Committees and the Chairs of the House
 25 and Senate Appropriations Subcommittees on Justice and Public Safety by April 1, 2001.

26 (d) Of the funds appropriated to the Judicial Department for the 1998-99 fiscal
 27 year, the sum of fifty thousand dollars (\$50,000) shall be used to fund the activities of the
 28 Dispute Resolution Commission in association with the pilot program authorized by this
 29 section. No such funds shall be expended for the payment of mediator fees.

30
 31 Requested by: Senator Gulley

32 **ADDITIONAL ASSISTANT DISTRICT ATTORNEY**

33 Section 16.20. (a) G.S. 7A-60(a1) reads as rewritten:

34 "(a1) The counties of the State are organized into prosecutorial districts, and each
 35 district has the counties and the number of full-time assistant district attorneys set forth in
 36 the following table:

			No. of Full-Time Asst. District
Prosecutorial District	Counties	Attorneys	
1	Camden, Chowan, Currituck,		9
	Dare, Gates, Pasquotank,		
	Perquimans		

1	2	Beaufort, Hyde, Martin, 5	
2		Tyrrell, Washington	
3	3A	Pitt 9	
4	3B	Carteret, Craven, Pamlico 10	
5	4	Duplin, Jones, Onslow, 14	
6		Sampson	
7	5	New Hanover, Pender 13	
8	6A	Halifax 4	
9	6B	Bertie, Hertford, 4	
10		Northampton	
11	7	Edgecombe, Nash, Wilson	15
12	8	Greene, Lenoir, Wayne 11	
13	9	Franklin, Granville, 10	
14		Vance, Warren	
15	9A	Person, Caswell 4	
16	10	Wake	28
17	11	Harnett, Johnston, Lee 14	
18	12	Cumberland 17	
19	13	Bladen, Brunswick, Columbus 9	
20	14	Durham 12	
21	15A	Alamance 7	
22	15B	Orange, Chatham 7	
23	16A	Scotland, Hoke 5	
24	16B	Robeson 9	
25	17A	Rockingham 5	
26	17B	Stokes, Surry 5	
27	18	Guilford 26	
28	19A	Cabarrus 5	
29	19B	Montgomery, Moore, Randolph 11	
30	19C	Rowan 5	
31	20	Anson, Richmond, 14	
32		Stanly, Union	
33	21	Forsyth 15	
34	22	Alexander, Davidson, Davie, 16	
35		Iredell	
36	23	Alleghany, Ashe, Wilkes, 5	
37		Yadkin	
38	24	Avery, Madison, Mitchell, 4	
39		Watauga, Yancey	
40	25	Burke, Caldwell, Catawba 14	
41	26	Mecklenburg 32	
42	27A	Gaston 12	
43	27B	Cleveland, 8	

1 Lincoln
2 28 Buncombe 10
3 29 Henderson, McDowell, Polk, 11
4 Rutherford, Transylvania
5 30 Cherokee, Clay, Graham, 7-8
6 Haywood, Jackson, Macon,
7 Swain."

8 (b) This section becomes effective December 1, 1998.

10 **PART XVII. DEPARTMENT OF CORRECTION**

11 Requested by: Senator Gulley

12 **REALLOCATE LAND TO NC STATE UNIVERSITY**

13 Section 17. (a) The 17.4-acre tract of State-owned land adjacent to Schenck Forest
14 that is described in the Memorandum of Agreement made in October 1992, by and
15 between the North Carolina Department of Correction and North Carolina State
16 University, is reallocated to North Carolina State University. The land shall be used for
17 the purpose of teaching, research, and extension, including timber management practices,
18 and forestry demonstration purposes associated with the North Carolina State University
19 College of Forest Resources. North Carolina State University shall maintain this land in
20 good condition according to current timber management practices, excluding commercial
21 timber harvesting.

22 (b) The provisions of G.S. 143-341(4)g. do not apply to the reallocation of land set
23 out in this section.

25 Requested by: Senators Gulley, Ballance

26 **REPORT ON BOOT CAMPS**

27 Section 17.1. Subsection (c) of Section 19 of Chapter 24 of the Session Laws
28 of the 1994 Extra Session, as amended by Section 19.3 of Chapter 324 of the 1995
29 Session Laws, reads as rewritten:

30 "(c) The Department of Correction shall evaluate the IMPACT program and the
31 post-Boot Camp probation program funded under this section and report by ~~January 1~~
32 March 1 of each year to the Joint Legislative Commission on Governmental Operations,
33 the Joint Legislative Corrections and Crime Control Oversight Committee, and the Fiscal
34 Research Division. The evaluation of the IMPACT program and the post-Boot Camp
35 probation program shall ~~include a comparison of that program's effectiveness, cost, and~~
36 ~~recidivism rate to other corrections programs for offenders in the same age group and~~
37 ~~similar offense classes as that covered by the IMPACT program.~~ focus on the
38 performance, behavior, and attitudes of the offenders while in the program. Specific
39 topics shall include measures of participation and completion, data on completion of
40 educational, substance abuse treatment, and community service programs, drug testing
41 and probation revocation statistics, and the current status of IMPACT graduates. The
42 evaluation shall also include any available information on the difference in outcome
43 among offenders who attend the IMPACT program only, offenders who attend both the

1 IMPACT program and aftercare, and similar offenders who receive other intermediate
2 sanctions."

3
4 Requested by: Senator Gulley

5 **REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL**
6 **COSTS FOR INMATES, PAROLEES, AND POST-RELEASE SUPERVISEES**
7 **AWAITING TRANSFER TO STATE PRISON SYSTEM**

8 Section 17.2. Section 19(b) of S.L. 1997-443 reads as rewritten:

9 "(b) The Department of Correction may use funds appropriated to the Department
10 for the 1997-99 biennium to pay the sum of forty dollars (\$40.00) per day as
11 reimbursement to counties for the cost of housing convicted inmates and parolees and
12 post-release supervisees awaiting transfer to the State prison system, as provided in G.S.
13 148-29. The Department shall report quarterly to the Joint Legislative Commission on
14 Governmental Operations, the Joint Legislative Corrections Oversight Committee, the
15 Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate
16 and House Appropriations Subcommittees on Justice and Public Safety on the
17 expenditure of funds to reimburse counties for prisoners awaiting transfer and on its
18 progress in reducing the jail backlog.

19 Prior to the expenditure of more than the sum of six million five hundred thousand
20 dollars (\$6,500,000) for the 1997-98 fiscal year or more than the sum of ~~four million~~
21 ~~dollars (\$4,000,000)~~ two million dollars (\$2,000,000) for the 1998-99 fiscal year to
22 reimburse counties for prisoners awaiting transfer, the Department of Correction and the
23 Office of State Budget and Management shall report to the Joint Legislative Commission
24 on ~~Governmental Operations—Operations, the Chairs of the Senate and House~~
25 Appropriations Committees, and the Chairs of the Senate and House Appropriations
26 Subcommittees on Justice and Public Safety on the necessity of that expenditure."
27

28 Requested by: Senator Gulley

29 **INMATE HOUSING FUNDS**

30 Section 17.3. (a) The Department of Correction may use funds available to the
31 Department for the 1998-99 fiscal year to contract for prison beds to house inmates in
32 local jails. Prior to the expenditure of more than the sum of three million dollars
33 (\$3,000,000) in additional funds authorized by this section to contract for local jail beds,
34 the Department of Correction and the Office of State Budget and Management shall
35 report to the Chairs of the Senate and House Appropriations Committees and the Chairs
36 of the Senate and House Appropriations Subcommittees on Justice and Public Safety on
37 the necessity of that expenditure.

38 (b) The Department of Correction and the Office of State Budget and Management
39 shall report by December 1, 1998, to the Chairs of the Senate and House Appropriations
40 Committee and the Chairs of the Senate and House Appropriations Subcommittees on
41 Justice and Public Safety on the status of contracts to house inmates in local jails,
42 including the amount expended to date, the anticipated amount to be expended, and the
43 dates each contract is expected to terminate.

1
2 Requested by: Senator Gulley

3 **USE OF FACILITIES CLOSED UNDER GPAC**

4 Section 17.4. Subsection (a) of Section 19.4 of S.L. 1997-443 reads as
5 rewritten:

6 "(a) In conjunction with the closing of small expensive prison units recommended
7 for consolidation by the Government Performance Audit Committee, the Department of
8 Correction shall consult with the county or municipality in which the unit is ~~located or~~
9 ~~any private for-profit or nonprofit firm located,~~ with the elected State and local officials,
10 and with State agencies about the possibility of converting that unit to other use. The
11 Department may also consult with any private for-profit or nonprofit firm about the
12 possibility of converting the unit to other use. Consistent with existing law and ~~its future~~
13 ~~needs, the Department~~ the future needs of the Department of Correction, the State may
14 provide for the transfer or the lease ~~for 20 years or more~~ of any of these units to counties,
15 municipalities, State agencies, or private firms wishing to convert them to other use. The
16 Department of Correction may also consider converting some of the units recommended
17 for closing from medium security to minimum security, where that conversion would be
18 cost-effective. A prison unit under lease to a county pursuant to the provisions of this
19 section for use as a jail is exempt for the period of the lease from any of the minimum
20 standards adopted by the Secretary of Human Resources pursuant to G.S. 153A-221 for
21 the housing of adult prisoners that would subject the unit to greater standards than those
22 required of a unit of the State prison system.

23 Prior to any transfer or lease of these units, the Department of Correction shall report
24 on the terms of the proposed transfer or lease to the Joint Legislative Commission on
25 Governmental Operations and the Joint Legislative Corrections Oversight Committee.
26 The Department of Correction shall also provide quarterly summary reports to the Joint
27 Legislative Commission on Governmental Operations and the Joint Legislative
28 Corrections Oversight Committee on the conversion of these units to other use and on all
29 leases or transfers entered into pursuant to this section."
30

31 Requested by: Senator Gulley

32 **MODIFICATION OF FUNDING FORMULA FOR THE NORTH CAROLINA**
33 **STATE-COUNTY CRIMINAL JUSTICE PARTNERSHIP ACT**

34 Section 17.5. Subsection (a) of Section 19.8 of S.L. 1997-443 reads as
35 rewritten:

36 "(a) Notwithstanding the funding formula set forth in G.S. 143B-273.15, grants
37 appropriations made to the Department of Correction through the North Carolina State-
38 County Criminal Justice Partnership Act for the ~~1997-98 fiscal year~~ 1997-99 biennium
39 shall be distributed to the counties as specified in G.S. 143B-273.15(2) only, and not as
40 discretionary funds. The Department may also use funds from the State-County Criminal
41 Justice Partnership Account in order to maintain the counties' allocations of nine million
42 six hundred thousand dollars (\$9,600,000) as provided in previous fiscal years.

1 Appropriations not claimed or expended by the counties during the 1997-99 biennium
2 shall be distributed as specified in G.S. 143B-273.15(1)."

3
4 Requested by: Senator Gulley

5 **PROGRESS REPORT/PERFORMANCE AUDIT OF DIVISION OF ADULT**
6 **PROBATION AND PAROLE**

7 Section 17.6. The Division of Adult Probation and Parole shall report to the
8 Chairs of the Senate and House Appropriations Subcommittees on Justice and Public
9 Safety and the Fiscal Research Division by January 1, 1999, on any actions taken or
10 planned in response to the June 1, 1998, performance audit of the Division. The report
11 shall include details on any changes in funding, classification, staffing levels, or
12 organization structure that have occurred since the June 1 audit and should highlight
13 those changes that are directly related to issues raised in the audit.

14
15 Requested by: Senator Gulley

16 **FUNDING OF PRISON ROAD SQUADS**

17 Section 17.7. In preparing the continuation budget, the Office of State Budget
18 and Management shall adjust the estimated receipts from the Highway Fund to the
19 Department of Correction for the use of prison road squads to reflect only those costs
20 authorized for reimbursement by G.S. 148-26.5.

21
22 Requested by: Senator Gulley

23 **INMATE COSTS**

24 Section 17.8. Section 19.20 of S.L. 1997-443 reads as rewritten:

25 "Section 19.20. The Department of Correction may use funds available to the
26 Department for the 1997-99 biennium to pay the cost of providing food and health care to
27 inmates housed in the Division of Prisons if:

28 (1) ~~The prison population exceeds the December 1996 population~~
29 ~~projections of the North Carolina Sentencing and Policy Advisory~~
30 ~~Commission; and~~

31 (2) ~~The~~ if the cost of providing food and health care to inmates is anticipated to
32 exceed the continuation budget amounts provided for that purpose in this act.

33 Prior to making any expenditure authorized by this section, the Department of
34 Correction shall report on its need to use these additional funds to the Joint Legislative
35 Commission on Governmental Operations, ~~the Joint Legislative Corrections Oversight~~
36 ~~Committee, and the Chairs of the House and Senate Appropriations Committees.~~
37 Committees, and the Chairs of the House and Senate Appropriations Subcommittees on
38 Justice and Public Safety.

39 The Office of State Budget and Management, in consultation with the Department of
40 Correction, shall (i) analyze the basis for increases in the cost of providing food service
41 and health care to inmates since the 1994-95 fiscal year, including an analysis of the
42 major areas of expenditure growth, and an identification of major areas where cost-
43 efficient actions have been taken, and (ii) determine future actions that will improve

1 efficiency in the delivery of food service and health care to inmates. The Office of State
2 Budget and Management shall report on the results of this study to the Chairs of the
3 Senate and House Appropriations Committees and the Chairs of the Senate and House
4 Appropriations Subcommittees on Justice and Public Safety by February 15, 1999."
5

6 Requested by: Senator Gulley

7 **TITLE VII FUNDS/REPORT**

8 Section 17.9. Section 19.18 of S.L. 1997-443 reads as rewritten:

9 "Section 19.18. The Department of Correction may use funds available to the
10 Department during the ~~1997-98 fiscal year~~ 1997-99 biennium for payment to claimants as
11 part of the settlement of the Title VII lawsuit over the recruitment, hiring, and promotion
12 of females in the Department. Prior to final settlement of the lawsuit, the Department
13 shall report on the proposed settlement to the Joint Legislative Commission on
14 Governmental Operations, the Joint Legislative Corrections Oversight Committee, and
15 the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public
16 Safety."
17

18 Requested by: Senator Gulley

19 **DIRECT CRIMINAL JUSTICE EDUCATION AND TRAINING STANDARDS** 20 **COMMISSION TO REVISE HIRING AND RECORD-KEEPING PROCEDURES** 21 **FOR EMPLOYEES OF DEPARTMENT OF CORRECTION**

22 Section 17.10. (a) Section 19.28 of S.L. 1997-443 reads as rewritten:

23 "Section 19.28. No later than ~~June 30, 1998~~, October 1, 1998, the Criminal Justice
24 Education and Training Standards Commission shall reestablish the hiring and record-
25 keeping procedures for the employment of certified positions in the Department of
26 Correction."
27

28 (b) The Criminal Justice Education and Training Standards Commission shall
29 report by October 1, 1998, to the Joint Legislative Corrections and Crime Control
30 Oversight Committee, the Chairs of the Senate and House Appropriations Committees,
31 and the Chairs of the Senate and House Appropriations Subcommittees on Justice and
32 Public Safety, on its progress in complying with the provisions of this section.

33 (c) This section becomes effective June 30, 1998.

34 Requested by: Senator Gulley

35 **FEDERAL GRANT MATCHING FUNDS**

36 Section 17.11. Notwithstanding the provisions of G.S. 148-2, the Department
37 of Correction may use up to the sum of eight hundred seventy-five thousand dollars
38 (\$875,000) from funds remaining in the Corrections Enterprises Fund, after the
39 application of capital and operating expenditures and the credit to the Crime Victims'
40 Compensation Fund, to provide the State match needed in order to receive federal grant
41 funds.
42

43 Requested by: Senators Plyler, Kerr, Gulley, Ballance

SUBSTANCE ABUSE FUNDS

Section 17.12. (a) The balance of the four hundred sixty-seven thousand eight hundred six dollars (\$467,806) appropriated in S.L. 1997-443 to the Department of Correction for the 1997-98 fiscal year to be allocated to the DART/DWI aftercare program at Cherry Hospital shall not revert at the end of the fiscal year but shall remain available to the Department during the 1998-99 fiscal year to be used as authorized in this section.

(b) Of the funds appropriated to the Department of Correction for the 1998-99 fiscal year and the funds available pursuant to subsection (a) of this section:

(1) The Department may use up to the sum of four hundred thousand dollars (\$400,000) for DART/DWI aftercare;

(2) The Department may use up to the sum of one hundred twenty-five thousand dollars (\$125,000) for contractual services for the Substance Abuse Program (i) to assist in identifying the type of program and management information that should be collected to allow for offender and inmate tracking and program evaluation; (ii) for staff training related to the tracking and evaluation system described in this subsection; and (iii) for other staff training, with priority given to training in proper screening and assessment procedures for identifying inmates with substance abuse problems.

(3) The sum of one hundred thousand dollars (\$100,000) shall be placed in a reserve for the purchase of hardware and software needed to implement the offender and inmate tracking and program evaluation system for the Substance Abuse Program developed pursuant to subdivision (b)(2) of this section.

The Department shall report by September 15, 1998, 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 their progress in identifying and retaining consultants to assist in developing a plan for an offender and inmate tracking and program evaluation system. Funds in the reserve established in subdivision (3) of this section may not be allocated for this purpose until the Department has submitted a plan for an offender and inmate tracking and program evaluation system. If the Department has presented its final plan in writing 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 by the convening of the 1999 General Assembly, funds in the reserve may be allocated for implementation of the plan. If the Department has not submitted its plan by the convening of the 1999 General Assembly, the funds shall be allocated by the 1999 General Assembly.

(c) Any funds remaining after the Department of Correction has used the authorized funds for the purposes provided by subsection (b) of this section may be used for innovative pilot projects for offenders with substance abuse problems and for the expansion of program evaluation of the Substance Abuse Program.

1 (d) The Department of Correction shall report by March 1 of each year to the
2 Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate
3 and House Appropriations Subcommittees on Justice and Public Safety on their efforts to
4 provide effective treatment to offenders with substance abuse problems. The report shall
5 include:

- 6 (1) Details of any new initiatives and expansion or reduction of programs;
- 7 (2) Details on any treatment efforts conducted in conjunction with other
8 departments;
- 9 (3) Utilization of the DART/DWI program, including its aftercare program;
- 10 (4) Progress in the development of an offender and inmate tracking and
11 program evaluation system; and
- 12 (5) A report on the number of current inmates with substance abuse
13 problems, the numbers currently receiving treatment, and the numbers
14 who have completed treatment.

15
16 Requested by: Senator Gulley

17 **POST-RELEASE SUPERVISION AND PAROLE COMMISSION/REPORT ON**
18 **STAFFING REORGANIZATION AND REDUCTION**

19 Section 17.13. The Post-Release Supervision and Parole Commission shall
20 report by March 1, 1999, to the Chairs of the Senate and House Appropriations
21 Subcommittees on Justice and Public Safety on:

- 22 (1) The Commission's progress in reviewing cases requiring review in light
23 of the decision of the North Carolina Supreme Court in **Robbins v.**
24 **Freeman**; and
- 25 (2) An updated transition plan for implementing staff reductions through
26 the 2002-2003 fiscal year, including a minimum ten percent (10%)
27 reduction in staff positions in the 1999-2000 fiscal year over the 1998-
28 99 fiscal year.

29
30 Requested by: Senator Gulley

31 **PRIVATE PRISON CONTRACTS**

32 Section 17.14. If the Department of Correction determines, in consultation
33 with the Attorney General's Office, the Office of State Budget and Management, and the
34 Corrections Corporation of America, that it is appropriate to modify the terms of the
35 contracts for the leasing and operation of one or both of the two private confinement
36 facilities in Pamlico and Avery/Mitchell, the Department may use funds available to the
37 Department for the 1998-99 fiscal year to modify the lease contract and the operating
38 agreement as necessary. Prior to taking actions or obligating funds as authorized by this
39 section, the Department of Correction shall report to the Joint Legislative Commission on
40 Governmental Operations, the Chairs of the Senate and House Appropriations
41 Committees, and the Chairs of the Senate and House Appropriations Subcommittees on
42 Justice and Public Safety on the justification for modifying the contracts.

1 Requested by: Senator Gulley

2 **STUDY SPECIAL EDUCATION OBLIGATIONS OF DEPARTMENT OF**
3 **CORRECTION**

4 Section 17.15. The Joint Legislative Education Oversight Committee shall
5 study the issue of limiting the obligations of the Department of Correction to provide
6 special education and related services to incarcerated youth ages 18 through 21. The
7 Committee shall consider the recent amendment to the federal Individuals with
8 Disabilities Education Act (IDEA) that allows states to reduce the responsibility of their
9 prisons to identify and serve inmates not previously identified and served in the public
10 schools. The Committee shall report its findings and recommendations to the 1999
11 General Assembly.

12

13 Requested by: Senators Gulley, Cooper

14 **ADDITIONAL PRISON BEDS/PROVIDE THAT A SENTENCE OF LIFE**
15 **IMPRISONMENT WITHOUT PAROLE SHALL BE IMPOSED FOR A SECOND**
16 **OR SUBSEQUENT CONVICTION OF A CLASS B1 FELONY IF THERE ARE**
17 **NO MITIGATING CIRCUMSTANCES AND THE VICTIM IS THIRTEEN**
18 **YEARS OF AGE OR YOUNGER/ENHANCE THE PUNISHMENT IMPOSED**
19 **FOR INJURING A PREGNANT WOMAN IN THE COMMISSION OF A**
20 **FELONY OR ACT OF DOMESTIC VIOLENCE, CAUSING A MISCARRIAGE**
21 **OR STILLBIRTH/INCREASE THE PENALTY FOR CRUELTY TO ANIMALS**
22 **AND PROHIBIT GREYHOUND RACING IN NORTH CAROLINA/CLARIFY A**
23 **LANDLORD'S OBLIGATION TO INSTALL SMOKE DETECTORS, REQUIRE**
24 **A TENANT TO NOTIFY A LANDLORD IN WRITING IF A SMOKE**
25 **DETECTOR NEEDS TO BE REPLACED OR REPAIRED, IMPOSE A CIVIL**
26 **PENALTY IF A LANDLORD FAILS TO PROVIDE, INSTALL, REPLACE, OR**
27 **REPAIR A SMOKE DETECTOR IN A RESIDENTIAL RENTAL DWELLING,**
28 **AND IMPOSE A CIVIL PENALTY IF A TENANT INTERFERES OR MAKES**
29 **INOPERATIVE A SMOKE DETECTOR IN A RESIDENTIAL RENTAL**
30 **DWELLING**

31 Section 17.16. (a) Article 81B of Chapter 15A of the General Statutes is
32 amended by adding a new section to read:

33 **"§ 15A-1340.16B. Life imprisonment without parole for a second or subsequent**
34 **conviction of a Class B1 felony.**

35 (a) Notwithstanding the sentencing dispositions in G.S. 15A-1340.17, a person
36 convicted of a Class B1 felony shall be sentenced to life imprisonment without parole if:

37 (1) The offense was committed against a victim who was 13 years of age or
38 younger at the time of the offense;

39 (2) The person has one or more prior convictions of a Class B1 felony; and

40 (3) The court finds that there are no mitigating factors in accordance with
41 G.S. 15A-1340.16(e).

42 (b) If the sentencing court finds that there are mitigating circumstances, then the
43 court shall sentence the person in accordance with G.S. 15A-1340.17.

1 (c) A prior conviction of a Class B1 felony shall be proved in accordance with
2 G.S. 15A-1340.14."

3 (b) Article 6 of Chapter 14 of the General Statutes is amended by adding a new
4 section to read:

5 **"§ 14-18.2. Injury to pregnant woman.**

6 (a) Definitions. – The following definitions shall apply in this section:

7 (1) Miscarriage. – The interruption of the normal development of the fetus,
8 other than by a live birth, and which is not a procedure performed in
9 accordance with G.S. 14-45.1 or other provisions of law, resulting in the
10 complete expulsion or extraction of the fetus from a pregnant woman.

11 (2) Stillbirth. – The death of a fetus prior to the complete expulsion or
12 extraction from a woman irrespective of the duration of pregnancy and
13 which is not a procedure performed in accordance with G.S. 14-45.1 or
14 other provisions of law.

15 (b) A person who in the commission of a felony causes injury to a woman,
16 knowing the woman to be pregnant, which injury results in a miscarriage or stillbirth by
17 the woman is guilty of a felony that is one class higher than the felony committed.

18 (c) A person who in the commission of a misdemeanor that is an act of domestic
19 violence as defined in Chapter 50B of the General Statutes causes injury to a woman,
20 knowing the woman to be pregnant, which results in miscarriage or stillbirth by the
21 woman is guilty of a misdemeanor that is one class higher than the misdemeanor
22 committed. If the offense was a Class A1 misdemeanor, the defendant is guilty of a Class
23 I felony.

24 (d) This section shall not apply to acts committed by a pregnant woman which
25 result in a miscarriage or stillbirth by the woman herself."

26 (c) G.S. 14-360 reads as rewritten:

27 **"§ 14-360. Cruelty to animals; construction of section.**

28 (a) If any person shall willfully overdrive, overload, wound, injure, torture,
29 torment, deprive of necessary sustenance, cruelly beat, needlessly mutilate or kill or
30 cause or procure to be overdriven, overloaded, wounded, injured, tortured, tormented,
31 deprived of necessary sustenance, cruelly beaten, needlessly mutilated or killed as
32 abovesaid, any useful beast, fowl or any animal, every such offender shall for every such
33 offense be guilty of a Class 1 misdemeanor. In this section, and in every law which may
34 be enacted relating to animals, the words "animal" and "dumb animal" shall be held to
35 include every living creature; the words "torture," "torment" or "cruelty" shall be held to
36 include every act, omission or neglect whereby unjustifiable physical pain, suffering or
37 death is caused or permitted. ~~Such terms shall not be construed to prohibit the lawful~~
38 ~~taking of animals under the jurisdiction and regulation of the Wildlife Resources~~
39 ~~Commission.~~

40 (b) If any person shall maliciously torture, torment, mutilate, maim, cruelly
41 beat, disfigure, poison or kill, or cause to be tortured, tormented, mutilated, maimed,
42 cruelly beaten, disfigured, poisoned, or killed, any equine animal, bovine animal, sheep,
43 goat, swine or other livestock, dogs, cats, and other animals kept as pets or mascots,

1 every such offender shall for every such offense be guilty of a Class I felony. The word
2 'maliciously' as used in this subsection, shall mean an act done with bad motive, without
3 justifiable excuse, and with the intent to cause physical pain, suffering, or death.

4 (c) This section does not apply to the lawful taking of animals under the
5 jurisdiction and regulation of the Wildlife Resources Commission."

6 (d) Article 37 of Chapter 14 of the General Statutes is amended by adding a new
7 Part to read:

8 **"PART 3. GREYHOUND RACING.**

9 **"§ 14-309.20. Greyhound racing prohibited.**

10 (a) No person shall hold, conduct, or operate any greyhound races for public
11 exhibition in this State for monetary remuneration.

12 (b) No person shall transmit or receive interstate or intrastate simulcasting of
13 greyhound races for commercial purposes in this State.

14 (c) Any person who violates this section shall be guilty of a Class 1
15 misdemeanor."

16 (e) G.S. 42-42(a) reads as rewritten:

17 "(a) The landlord shall:

18 (1) Comply with the current applicable building and housing codes,
19 whether enacted before or after October 1, 1977, to the extent required
20 by the operation of such codes; no new requirement is imposed by this
21 subdivision (a)(1) if a structure is exempt from a current building ~~code~~;
22 code.

23 (2) Make all repairs and do whatever is necessary to put and keep the
24 premises in a fit and habitable ~~condition~~; condition.

25 (3) Keep all common areas of the premises in safe ~~condition~~; condition.

26 (4) Maintain in good and safe working order and promptly repair all
27 electrical, plumbing, sanitary, heating, ventilating, air conditioning, and
28 other facilities and appliances supplied or required to be supplied by
29 ~~him the landlord~~ provided that notification of needed repairs is made to
30 the landlord in writing by the ~~tenant~~ tenant, except in emergency
31 ~~situations; and situations.~~

32 (5) Provide operable smoke detectors, either battery-operated or electrical,
33 having an Underwriters' Laboratories, Inc., listing or other equivalent
34 national testing laboratory approval, ~~that are installed and install the~~
35 smoke detectors in accordance with either the standards of the National
36 Fire Protection Association or the minimum protection designated in the
37 manufacturer's instructions, which the landlord shall retain or provide as
38 proof of compliance. The landlord ~~must~~ shall replace or repair the
39 smoke detectors within 15 days of receipt of notification ~~provided if~~ the
40 landlord is notified of needed replacement or repairs in writing by the
41 tenant. The landlord shall ensure that a smoke detector is operable and
42 in good repair at the beginning of each tenancy. Unless the landlord and
43 the tenant have a written agreement to the contrary, the landlord ~~must~~

1 shall place new batteries in a battery-operated smoke detector at the
2 beginning of a tenancy and the tenant ~~must~~ shall replace the batteries as
3 needed during the tenancy. Failure of the tenant to replace the batteries
4 as needed shall not be considered as negligence on the part of the tenant
5 or the landlord."

6 (f) G.S. 42-43(a) reads as rewritten:

7 "(a) The tenant shall:

- 8 (1) Keep that part of the premises ~~which he~~ that the tenant occupies and
9 uses as clean and safe as the conditions of the premises permit and cause
10 no unsafe or unsanitary conditions in the common areas and remainder
11 of the premises ~~which he uses;~~ that the tenant uses.
- 12 (2) Dispose of all ashes, rubbish, garbage, and other waste in a clean and
13 safe ~~manner;~~ manner.
- 14 (3) Keep all plumbing fixtures in the dwelling unit or used by the tenant as
15 clean as their condition ~~permits;~~ permits.
- 16 (4) Not deliberately or negligently destroy, deface, damage, or remove any
17 part of the premises, nor render inoperable the smoke detector provided
18 by the landlord, or knowingly permit any person to do ~~so;~~ so.
- 19 (5) Comply with any and all obligations imposed upon the tenant by current
20 applicable building and housing ~~codes;~~ codes.
- 21 (6) Be responsible for all damage, defacement, or removal of any property
22 inside a dwelling unit in ~~his~~ the tenant's exclusive control unless ~~said~~ the
23 damage, defacement or removal was due to ordinary wear and tear, acts
24 of the landlord or ~~his~~ the landlord's agent, defective products supplied or
25 repairs authorized by the landlord, acts of third parties not invitees of
26 the tenant, or natural ~~forces;~~ and forces.
- 27 (7) Notify the ~~landlord~~ landlord, in writing, of the need for replacement of
28 or repairs to a smoke detector. ~~Nothing in this bill shall prohibit an~~
29 ~~individual landlord in a written agreement with the tenant from~~
30 ~~requiring the tenant to provide notice in writing of the need for~~
31 ~~replacement of or repairs to a smoke detector.~~ The landlord shall ensure
32 that a smoke detector is operable and in good repair at the beginning of
33 each tenancy. Unless the landlord and the tenant have a written
34 agreement to the contrary, the landlord ~~must~~ shall place new batteries in
35 a battery-operated smoke detector at the beginning of a tenancy and the
36 tenant ~~must~~ shall replace the batteries as needed during the tenancy.
37 Failure of the tenant to replace the batteries as needed shall not be
38 considered as negligence on the part of the tenant or the landlord."

39 (g) G.S. 42-44 reads as rewritten:

40 "**§ 42-44. General remedies—remedies, penalties, and limitations.**

41 (a) Any right or obligation declared by this Chapter is enforceable by civil action,
42 in addition to other remedies of law and in equity.

1 (a1) If a landlord fails to provide, install, replace, or repair a smoke detector under
2 the provisions of G.S. 42-42(a)(5) within 30 days of having received written notice from
3 the tenant or any agent of State or local government of the landlord's failure to do so, the
4 landlord shall be responsible for an infraction and shall be subject to a fine of not more
5 than two hundred fifty dollars (\$250.00) for each violation. The landlord may
6 temporarily disconnect a smoke detector in a dwelling unit or common area for
7 construction or rehabilitation activities, when such activities are likely to activate the
8 smoke detector or make it inactive.

9 (a2) If a smoke detector is disabled or damaged, other than through actions of the
10 landlord, the landlord's agents, or acts of God, the tenant shall reimburse the landlord ten
11 dollars (\$10.00) for repairing or replacing the smoke detector within 30 days of having
12 received written notice from the landlord or any agent of State or local government of the
13 need for the tenant to make such reimbursement. If the tenant fails to make
14 reimbursement within 30 days, the tenant shall be responsible for an infraction and
15 subject to a fine of not more than one hundred dollars (\$100.00) for each violation. The
16 tenant may temporarily disconnect a smoke detector in a dwelling unit to replace the
17 batteries or when it has been inadvertently activated.

18 (b) Repealed by Session Laws 1979, c. 820, s. 8.

19 (c) The tenant may not unilaterally withhold rent prior to a judicial determination
20 of a right to do so.

21 (d) A violation of this Article shall not constitute negligence per se."

22 (h) This section becomes effective December 1, 1998, and applies to offenses
23 committed on or after that date.

24
25 Requested by: Senators Gulley, Martin of Guilford, Miller, Reeves, Dannelly, Winner,
26 Odom

27 **SUMMIT HOUSE FUNDS**

28 Section 17.17. Of the funds appropriated to the Department of Correction, the
29 sum of six hundred twenty-five thousand dollars (\$625,000) shall be used for Summit
30 House as follows:

- 31 (1) \$235,000 for renovations at the three residential facilities to meet safety
32 requirements for licensure;
- 33 (2) \$385,000 to pay off existing mortgages for the Charlotte and Wake
34 County facilities; and
- 35 (3) \$5,000 for repairs to the Guilford County facility.

36
37 Requested by: Senators Gulley, Plyler, Odom

38 **USE OF FEDERAL PRISON CONSTRUCTION GRANT FUNDS**

39 Section 17.18. Section 19.22 of S.L. 1997-443 reads as rewritten:

40 "Section 19.22. The Department of Correction shall use federal grant funds received
41 from the U.S. Justice Department as part of the Violent Offender Incarceration Program
42 and the Truth-In-Sentencing Incentive Grant Program and any State funds appropriated

1 for the further planning and design and construction of the following State prison
2 facilities, provided that the project meets the criteria of the federal grant program:

<u>Facility</u>	<u>Location</u>	<u>Number of Beds</u>	<u>Custody</u>
4 Central Prison 6 Diagnostic Center	Wake	196	Close
7 Warren Correctional 8 Institution	Warren	168	Med/Close
9 Improvements to 10 NCCIW	Wake	208	Med/Close
11 Scotland Facility	Scotland	712	Close
12 Alexander Facility 13 (or replacement site)	Alexander	520	Close
14 Metro Facility	Charlotte 15 Area	520	Close

16 ~~No more than the sum of seventeen million five hundred thousand dollars~~
17 ~~(\$17,500,000) in federal funds may be allocated to the Central Prison Diagnostic Center~~
18 ~~Project, the proposed revised Phase I of the Central Prison Master Plan, or the planning~~
19 ~~and design of the Warren, NCCIW, or Metro projects until federal funds have been~~
20 ~~allocated to complete the working drawings phase of planning and design for the~~
21 ~~Alexander and Scotland Close Custody Prison Facilities.~~

22 If the Department of Correction identifies a replacement for the Alexander Facility,
23 the Department of Correction shall report on the site selected to the Chairs of the Senate
24 and House Appropriations Committees, the Senate and House Appropriations
25 Subcommittees on Justice and Public Safety, and the Joint Legislative Corrections and
26 Crime Control Oversight Committee.

27 Prior to major redesign or expansion of plans for Scotland, Alexander, and Metro, the
28 Department of Correction shall report to the Chairs of the Senate and House
29 Appropriations Committees, the Senate and House Appropriations Subcommittees on
30 Justice and Public Safety, and the Joint Legislative Corrections and Crime Control
31 Oversight Committee.

32 The Department of Correction shall not initiate further construction on any of the
33 projects listed in this section until the Department reports to the Chairs of the Senate and
34 House Appropriations Committees, the Senate and House Appropriations Subcommittees
35 on Justice and Public Safety, and the Joint Legislative Corrections and Crime Control
36 Oversight Committee on the proposed construction plans and the short-term and long-
37 term costs of the projects.

38 The Department of Correction shall report ~~quarterly~~ by November 1, 1998, to the
39 Chairs of the Senate and House Appropriations Committees, the Senate and House
40 Appropriations Subcommittees on Justice and Public Safety, ~~to the Joint Legislative~~
41 ~~Commission on Governmental Operations and~~ the Joint Legislative Corrections and
42 Crime Control Oversight Committee on the allocation of any federal funds received and
43 of anticipated future federal grant funds."

1
2 **PART XVIII. DEPARTMENT OF JUSTICE**

3 Requested by: Senator Gulley

4 **SALARY EQUITY FOR SBI LAW ENFORCEMENT**

5 Section 18. Subsection (a) of Section 20.9 of S.L. 1997-443 reads as rewritten:

6 "(a) Of the funds appropriated in this act to the Department of Justice for the State
7 Bureau of Investigation, the sum of two million seven hundred thousand dollars
8 (\$2,700,000) for the 1997-98 fiscal year and the sum of ~~two million seven hundred~~
9 ~~thousand dollars (\$2,700,000)~~ two million six hundred sixty-six thousand dollars
10 (\$2,666,000) for the 1998-99 fiscal year shall be used to adjust the salaries of law
11 enforcement positions in the State Bureau of Investigation. These adjustments shall be
12 based on factors, such as employee salary, position class title, position grade, and
13 credible years of sworn service with the State Bureau of Investigation. No salary
14 adjustment shall result in an increase beyond the maximum salary set for an officer's pay
15 grade. If an officer's salary is near or at the top of the officer's pay grade, the officer shall
16 be eligible to receive a salary adjustment up to the top of the officer's pay grade. If an
17 officer is at the top of the officer's pay grade, then the officer is not eligible to receive a
18 salary adjustment. Sworn officers holding the following management positions are not
19 eligible to receive the salary adjustment: SBI Director, SBI Assistant Directors of
20 Support Services, SBI Assistant Director, SBI Assistant Directors of Field Services, SBI
21 Assistant Director of Crime Laboratory, Deputy Director of Medicaid Fraud."
22

23 Requested by: Senator Gulley

24 **LIMITS ON COMPUTER SYSTEM UPGRADE**

25 Section 18.1. Section 20.4 of S.L. 1997-443 reads as rewritten:

26 "Section 20.4. Any ~~proposed increase in mainframe computer capacity or major new~~
27 ~~computer system or major computer system upgrade~~ for the Judicial Department, the
28 Department of Correction, the Department of Justice, or the Department of Crime Control
29 and Public Safety, to be funded all or in part from the Continuation Budget, shall be
30 reported to the Joint Legislative Commission on Governmental Operations, to the Chairs
31 of the Senate and House of Representatives Appropriations Committees, and to the
32 Chairs of the Senate and House Appropriations Subcommittees on Justice and Public
33 Safety before the department enters into any contractual agreement. A major computer
34 system upgrade includes any proposed enhancement, modification, or capacity increase
35 to the computing and telecommunications infrastructure or to program applications where
36 the total cost is anticipated to exceed five hundred thousand dollars (\$500,000). This
37 report is to be made jointly by the Information Resource Management Commission, the
38 Office of State Budget and Management, and the requesting department."
39

40 Requested by: Senator Gulley

41 **CRIMINAL JUSTICE INFORMATION NETWORK REPORT**

42 Section 18.2. (a) The Criminal Justice Information Network Governing Board
43 created pursuant to Section 23.3 of Chapter 18 of the Session Laws of the 1996 Second

1 Extra Session shall report by March 1, 1999, to the Chairs of the Senate and House
2 Appropriations Committees, the Chairs of the Senate and House Appropriations
3 Subcommittees on Justice and Public Safety, and the Fiscal Research Division of the
4 General Assembly on:

- 5 (1) The operations of the Board, including the Board's progress in
6 developing data-sharing standards in cooperation with State and local
7 agencies and the estimated time of completion of the standards.
 - 8 (2) The operating budget of the Board, the expenditures of the Board as of
9 the date of the report, and the amount of funds in reserve for the
10 operation of the Board.
 - 11 (3) A long-term strategic plan and cost analysis for statewide
12 implementation of the Criminal Justice Information Network. For each
13 component of the Network, the initial cost estimate of the component,
14 the amount of funds spent to date on the component, the source of funds
15 for expenditures to date, and a timetable for completion of that
16 component, including additional resources needed at each point.
- 17 (b) G.S. 143-661(b) reads as rewritten:
- 18 "(b) The Board shall consist of ~~45-19~~ members, appointed as follows:
- 19 (1) Three members appointed by the Governor, including one member who
20 is a director or employee of a State correction agency for a term to begin
21 September 1, 1996 and to expire on June 30, 1997, one member who is
22 an employee of the North Carolina Department of Crime Control and
23 Public Safety for a term beginning September 1, 1996 and to expire on
24 June 30, 1997, and one member selected from the North Carolina
25 Association of Chiefs of Police for a term to begin September 1, 1996
26 and to expire on June 30, 1999.
 - 27 (2) Six members appointed by the General Assembly in accordance with
28 G.S. 120-121, as follows:
 - 29 a. Three members recommended by the President Pro Tempore of
30 the Senate, including two members of the general public for
31 terms to begin on September 1, 1996 and to expire on June 30,
32 1997, and one member selected from the North Carolina League
33 of Municipalities who is a member of, or an employee working
34 directly for, the governing board of a North Carolina
35 municipality for a term to begin on September 1, 1996 and to
36 expire on June 30, 1999; and
 - 37 b. Three members recommended by the Speaker of the House of
38 Representatives, including two members of the general public for
39 terms to begin on September 1, 1996 and to expire on June 30,
40 1999, and one member selected from the North Carolina
41 Association of County Commissioners who is a member of, or an
42 employee working directly for, the governing board of a North

- 1 Carolina county for a term to begin on September 1, 1996 and to
2 expire on June 30, 1997.
- 3 (3) Two members appointed by the Attorney General, including one
4 member who is an employee of the Attorney General for a term to begin
5 on September 1, 1996 and to expire on June 30, 1997, and one member
6 from the North Carolina Sheriffs' Association for a term to begin on
7 September 1, 1996 and to expire on June 30, 1999.
- 8 (4) ~~Two~~ ~~Six~~ members appointed by the Chief Justice of the North Carolina
9 Supreme Court, ~~including the Director or an employee of the~~
10 ~~Administrative Office of the Courts for a term to begin on September 1,~~
11 ~~1996 and to expire on June 30, 1997, and one member who is either a~~
12 ~~clerk of the superior court or a district attorney, or employee of a district~~
13 ~~attorney, for a term to begin on September 1, 1996 and to expire on June~~
14 ~~30, 1999.~~ Court, as follows:
- 15 a. The Director of the Administrative Office of the Courts, or an
16 employee of the Administrative Office of the Courts, for a term
17 beginning July 1, 1997, and expiring June 30, 2001.
- 18 b. One member who is a district attorney or an assistant district
19 attorney, for a term beginning July 1, 1998, and expiring June 30,
20 1999.
- 21 c. Two members who are superior court or district court judges for
22 terms beginning July 1, 1998, and expiring June 30, 2001.
- 23 d. One member who is a magistrate for a term beginning July 1,
24 1998, and expiring June 30, 1999.
- 25 e. One member who is a clerk of superior court for a term
26 beginning July 1, 1998, and expiring June 30, 1999.
- 27 (5) One member appointed by the Chair of the Information Resource
28 Management Commission, who is the Chair or a member of that
29 Commission, for a term to begin on September 1, 1996 and to expire on
30 June 30, 1999.
- 31 (6) One member appointed by the President of the North Carolina Chapter
32 of the Association of Public Communications Officials International,
33 who is an active member of the Association, for a term to begin on
34 September 1, 1996 and to expire on June 30, 1999.

35 The respective appointing authorities are encouraged to appoint persons having a
36 background in and familiarity with criminal information systems and networks generally
37 and with the criminal information needs and capacities of the constituency from which
38 the member is appointed.

39 As the initial terms expire, subsequent members of the Board shall be appointed to
40 serve four-year terms. At the end of a term, a member shall continue to serve on the
41 Board until a successor is appointed. A member who is appointed after a term is begun
42 serves only for the remainder of the term and until a successor is appointed. Any
43 vacancy in the membership of the Board shall be filled by the same appointing authority

1 that made the appointment, except that vacancies among members appointed by the
2 General Assembly shall be filled in accordance with G.S. 120-122."

3
4 Requested by: Senator Gulley

5 **STUDY FEE ADJUSTMENT FOR CRIMINAL RECORDS CHECKS**

6 Section 18.3. The Office of State Budget and Management, in consultation
7 with the Department of Justice, shall study the feasibility of adjusting the fees charged for
8 criminal records checks conducted by the Division of Criminal Information of the
9 Department of Justice as a result of the increase in receipts from criminal records checks.
10 The study shall include an assessment of the Division's operational, personnel, and
11 overhead costs related to providing criminal records checks and how those costs have
12 changed since the 1995-96 fiscal year. The Office of State Budget and Management shall
13 report its findings and recommendations to the Chairs of the Senate and House
14 Appropriations Committees, the Chairs of the Senate and House Appropriations
15 Subcommittees on Justice and Public Safety, and the Fiscal Research Division of the
16 General Assembly on or before March 1, 1999.

17
18 Requested by: Senators Plyler, Odom

19 **STUDY RECIPROCITY OF CONCEALED HANDGUN PERMITS**

20 Section 18.4. (a) The Joint Legislative Corrections and Crime Control
21 Oversight Committee shall study the issue of providing that a nonresident who has been
22 issued a valid handgun permit in a reciprocal state may carry a concealed handgun in
23 accordance with Article 54B of Chapter 14 of the General Statutes as if the permit were
24 issued by this State. The Committee shall report its findings and recommendations to the
25 1999 General Assembly.

26 (b) The Attorney General shall prepare a list of those states that provide for
27 concealed handgun permits that are equal to or more stringent than those required by
28 North Carolina in order to assist the Joint Legislative Corrections and Crime Control
29 Oversight Committee in its study.

30
31 Requested by: Senator Gulley

32 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE**
33 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

34 Section 18.5. Section 20.7(a) of S.L. 1997-443 reads as rewritten:

35 "(a) Assets transferred to the Department of Justice during the 1997-99 biennium
36 pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department and shall
37 result in an increase of law enforcement resources for the Department. Assets transferred
38 to the Department of Crime Control and Public Safety during the 1997-99 biennium
39 pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department and shall
40 result in an increase of law enforcement resources for the Department. The Departments
41 of Justice and Crime Control and Public Safety shall report to the Joint Legislative
42 Commission on Governmental Operations upon receipt of the assets and, before using the

1 assets, shall report on the intended use of the assets and the departmental priorities on
2 which the assets may be expended.

3 The General Assembly finds that the use of assets transferred pursuant to 19 U.S.C. §
4 1616a for new personnel positions, new projects, the acquisition of real property, repair
5 of buildings where the repair includes structural change, and construction of or additions
6 to buildings may result in additional expenses for the State in future fiscal periods.
7 Therefore, the Department of Justice and the Department of Crime Control and Public
8 Safety are prohibited from using these assets for such purposes without the prior approval
9 of the General Assembly, except during the ~~1997-98~~ 1998-99 fiscal year, the Department
10 of Justice may:

- 11 (1) Use an amount not to exceed the sum of twenty-five thousand dollars
12 (\$25,000) of the funds to extend the lease of space in the Town of
13 Salemburg for SBI training; and
- 14 (2) Use an amount not to exceed fifty thousand dollars (\$50,000) of the
15 funds to lease space for its technical operations unit, storage of its
16 equipment and vehicles, and command post vehicle."

17 18 **PART XIX. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

19 Requested by: Senator Gulley

20 **ACTIVATION OF NATIONAL GUARD FOR SPECIAL OLYMPICS**

21 Section 19. With funds available, the Governor may place units or portions of
22 units of the North Carolina National Guard on State Active Duty during the period from
23 January 1, 1999, to September 30, 1999, to assist with the planning, support, and
24 execution of events associated with the International Special Olympic Games.

25
26 Requested by: Senator Gulley

27 **STUDY TARHEEL CHALLENGE PROGRAM**

28 Section 19.1. From the Juvenile Justice Reserve Fund established in Section
29 8.1 of this act, the Department of Crime Control and Public Safety shall use up to twenty-
30 five thousand dollars (\$25,000) for the 1998-99 fiscal year to contract with an external
31 consultant to study the effectiveness of the National Guard Tarheel Challenge Program as
32 an intervention method for preventing delinquent or criminal behavior and improving
33 individual skills and employment potential of the participants in the Program. The
34 consultant selected shall have substantial professional experience in program evaluation,
35 but shall have no current or prior association, direct or indirect, with the Department of
36 Crime Control and Public Safety, the National Guard Tarheel Challenge Program, or the
37 staff of either. The study shall include:

- 38 (1) An evaluation of the goals of the Program and long-term effects of
39 participation in the Program;
- 40 (2) A comparison of the Program to (i) other similar programs that offer job
41 training and behavior modification and (ii) a control group of students
42 not participating in intervention programs; and
- 43 (3) A cost-benefit analysis of the Program.

1 The Department shall report the results of the study, including any recommendations, to
2 the Chairs of the Appropriations Subcommittees on Justice and Public Safety of the
3 Senate and House of Representatives by March 1, 1999.

4
5 Requested by: Senator Gulley

6 **VICTIMS ASSISTANCE NETWORK REPORT**

7 Section 19.2. The Department of Crime Control and Public Safety shall report
8 on the expenditure of funds allocated in Section 21.1 of S.L. 1997-443 for the Victims
9 Assistance Network. The Department shall also report on the Network's efforts to gather
10 data on crime victims and their needs, act as a clearinghouse for crime victims' services,
11 provide an automated crime victims' bulletin board for subscribers, coordinate and
12 support activities of other crime victims' advocacy groups, identify the training needs of
13 crime victims' services providers and criminal justice personnel, and coordinate training
14 for these personnel. The Department shall submit its report to the Chairs of the
15 Appropriations Subcommittees on Justice and Public Safety of the Senate and House of
16 Representatives by October 1, 1998.

17
18 Requested by: Senator Plyler

19 **HIGHWAY PATROL SALARIES**

20 Section 19.3. There is appropriated from the Highway Fund to the Reserve for
21 Compensation Increases the sum of one hundred sixty-two thousand nine hundred fifty-
22 six dollars (\$162,956) for the 1998-99 fiscal year to implement a salary range revision for
23 the State Highway Patrol that makes the difference between the salary of a first sergeant
24 and a lieutenant ten percent (10%) instead of five percent (5%). In implementing this
25 range revision, the State Highway Patrol shall, to the extent that funds are available to do
26 so, consider individual salary increases in any amount up to a total amount that does not
27 exceed the difference between the maximum salaries of the old range and the new range.

28
29 Requested by: Senators Wellons, Plyler, Perdue, Odom, Gulley, Lucas, Cooper

30 **VICTIMS' RIGHTS ACT SHALL INCLUDE VICTIMS OF CERTAIN**
31 **DOMESTIC VIOLENCE MISDEMEANORS**

32 Section 19.4. House Bill 665, Senate Bill 763, or any other legislation enacted
33 by the 1997 General Assembly to implement the Victims' Rights Amendment, Section 37
34 of Article I of the North Carolina Constitution, shall include within the definition of
35 "victim", effective no later than July 1, 1999, a person against whom there is probable
36 cause to believe that an offense has been committed that is a violation of G.S. 14-
37 33(c)(1), 14-33(c)(2), 14-33(a), 14-34, 14-134.3, or 14-277.3, if that offense constitutes
38 domestic violence.

39
40 Requested by: Senators Plyler, Perdue, Odom, Gulley

41 **CRIME COMMISSION GRANTS/REPORT TO GOVERNMENTAL**
42 **OPERATIONS**

43 Section 19.5. G.S. 143B-476 is amended by adding a new subsection to read:

1 "(h) Prior to any notification of proposed grant awards to State agencies for use in
2 pursuing the objectives of the Governor's Crime Commission pursuant to subsection (a)
3 of this section, the Secretary shall report to the Joint Legislative Commission on
4 Governmental Operations for its review of the proposed grant awards."

5
6 Requested by: Senators Gulley, Plyler, Odom

7 **USE OF HIGHWAY PATROL AIRCRAFT**

8 Section 19.6. (a) G.S. 20-196.1 is repealed.

9 (b) G.S. 20-196.2 reads as rewritten:

10 **"§ 20-196.2. Use of ~~airplanes~~ aircraft to discover certain motor vehicle violations of**
11 **§§ 20-141 and 20-141.1, and 20-144. road; provided, however, neither the observer**
nor the pilot shall be competent to testify in any court of law in a criminal action charging
violations of G.S. 20-141, 20-141.1, and 20-144. road. It is hereby declared the public

12 The State Highway Patrol is hereby permitted the use of ~~airplanes~~ aircraft to discover
13 violations of Part 10 of Article 3 of Chapter 20 of the General Statutes relating to
14 operation of motor vehicles and rules of the road; ~~provided, however, neither the observer~~
15 ~~nor the pilot shall be competent to testify in any court of law in a criminal action charging~~
16 ~~violations of G.S. 20-141, 20-141.1, and 20-144. road.~~ It is hereby declared the public
17 policy of North Carolina that the ~~airplanes~~ aircraft should be used primarily for accident
18 prevention and should also be used incident to the issuance of warning citations in
19 accordance with the provisions of G.S. 20-183."
20

21 Requested by: Senators Plyler, Perdue, Odom

22 **STUDY EMERGENCY MANAGEMENT POSITIONS**

23 Section 19.7. (a) The Joint Legislative Corrections and Crime Control
24 Oversight Committee shall study the State and local assistance funding eligibility criteria
25 of the Division of Emergency Management of the Department of Crime Control and
26 Public Safety that requires local governments to have a full-time or part-time Emergency
27 Program Manager. In its deliberations, the Committee shall consider:

28 (1) The burden placed on local governments to maintain a full-time or part-
29 time position pursuant to the funding eligibility requirements.

30 (2) The feasibility and advisability of revising the funding eligibility criteria
31 of the Division of Emergency Management to allow small local
32 governments to meet the requirements of the Division in alternative
33 ways, including sharing an Emergency Program Manager or adding the
34 responsibilities of an Emergency Program Manager to an appropriate
35 official or employee of the local government.

36 (b) The Committee shall report its findings and recommendations to the 1999
37 General Assembly.
38

39 **PART XX. DEPARTMENT OF ADMINISTRATION**

40 Requested by: Senators Warren, Plyler, Perdue, Odom

41 **PROCUREMENT CARD PILOT PROGRAM**

42 Section 20. (a) Except as provided by this section, no State agency,
43 community college, constituent institution of The University of North Carolina, or local

1 school administrative unit may use procurement cards for the purchase of equipment or
2 supplies before March 31, 1999.

3 (b) The Secretary of Administration shall designate no more than 15 governmental
4 entities to participate in a pilot program on the purchase of supplies and equipment by
5 procurement card. Those designated shall represent a cross section of governmental
6 entities and shall include at least one State agency, one community college, two
7 constituent institutions of The University of North Carolina, and one local school
8 administrative unit.

9 (c) The Division of Purchase and Contract and the State Controller shall report to
10 the Joint Legislative Commission on Governmental Operations and the Joint
11 Appropriations Subcommittee on General Government on November 1, 1998, on this
12 pilot program.

13 The report shall include all of the following:

14 (1) Estimates from the pilot program of:

- 15 a. How many purchasing and accounts payable personnel hours
16 could be saved or redirected or both as a result of the
17 procurement card.
18 b. The impact of the procurement card on accounting and budgeting
19 records and on purchasing history records.

20 (2) A discussion of the effect of the procurement card on the State's ability
21 to track both:

- 22 a. Out-of-state sales taxes.
23 b. North Carolina State and local sales tax payments by county.

24 (3) A discussion of any other costs and benefits of the procurement card.

25 (d) This section does not affect contracts for procurement cards entered into prior
26 to March 31, 1997.

27
28 Requested by: Senators Warren, Plyler, Perdue, Odom

29 **DOMESTIC VIOLENCE PREVENTION FUNDS**

30 Section 20.1. There is appropriated from the General Fund to the Department
31 of Administration the sum of one million dollars (\$1,000,000) for the 1998-99 fiscal year
32 for the North Carolina Council for Women for the prevention of domestic violence and
33 the continuation of domestic violence programs within the State. The Council for
34 Women shall provide grants from these funds to existing domestic violence programs,
35 including the North Carolina Coalition Against Domestic Violence, Inc., and for the
36 development of new domestic violence programs. The Department of Administration or
37 the Council for Women shall not use any of the funds for operating expenses.

38 39 **PART XXI. DEPARTMENT OF CULTURAL RESOURCES**

40 Requested by: Senator Warren

41 **MARITIME MUSEUM/DISPOSITION OF OBJECTS**

42 Section 21. (a) G.S. 106-22.2 is recodified as G.S. 143B-344.2 and reads as
43 rewritten:

1 **"§ ~~106-22.2.~~ 143B-344.22. Museum of Natural Sciences; Maritime Museum;**
2 **disposition of objects.**

3 Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4),
4 or any other law pertaining to surplus State property, the Department of ~~Agriculture and~~
5 ~~Consumer Services~~ Environment and Natural Resources may sell or exchange any object
6 from the ~~collections~~ collection of the Museum of Natural Sciences ~~and the Maritime~~
7 ~~Museum~~ when it would be in the best ~~interests~~ interest of the ~~Museums~~ Museum to do so.
8 Sales or exchanges shall be conducted in accordance with generally accepted practices
9 for accredited museums. If an object is sold, the net proceeds of the sale shall be
10 deposited in the State treasury to the credit of a special fund to be used for the
11 improvement of the ~~Museums'~~ Museum's collections or exhibits."

12 (b) Chapter 121 of the General Statutes is amended by adding a new section to
13 read:

14 **"§ 121-7.1. Maritime Museum; disposition of artifacts.**

15 Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4),
16 or any other law pertaining to surplus State property, the Department of Cultural
17 Resources, with the approval of the North Carolina Historical Commission, may sell,
18 trade, or place on permanent loan any artifact from the collection of the North Carolina
19 Maritime Museum unless the sale, trade, or loan would be contrary to the terms of the
20 acquisition. Sales or exchanges shall be conducted in accordance with generally accepted
21 practices for accredited museums. If an artifact is sold, the net proceeds of the sale shall
22 be deposited in the State treasury to the credit of a special fund to be used for the
23 improvement of the Museum's collections or exhibits."

24
25 Requested by: Senators Warren, Plyler, Odom, Perdue

26 **ROANOKE ISLAND COMMISSION CHANGES**

27 Section 21.1. (a) G.S. 143B-131.2(b)(10) reads as rewritten:

28 "(10) To establish and maintain a separate fund composed of moneys which
29 may come into its hands from gifts, donations, grants, or bequests,
30 which funds will be used by the Commission for purposes of carrying
31 out its duties and purposes herein set forth. The Commission may also
32 establish a reserve fund to be maintained and used for contingencies and
33 emergencies. Funds appropriated to the Commission may be transferred
34 to the Friends of Elizabeth II, Inc., a private, nonprofit corporation. The
35 Friends of Elizabeth II, Inc., shall use the funds transferred to it to carry
36 out the purposes of this Part."

37 (b) G.S. 143B-131.2(b)(15) reads as rewritten:

38 "(15) To procure supplies, services, and property as appropriate and to enter
39 into contracts, leases, or other legal agreements ~~consistent with State~~
40 ~~laws and Department rules~~ to carry out the purposes of this Part and
41 duties of the Commission. The provisions of G.S. 143-129 and Article
42 3 of Chapter 143 of the General Statutes do not apply to purchases by
43 the Roanoke Island Commission of equipment, supplies, and services."

1
2 Requested by: Senators Warren, Plyler, Perdue, Odom

3 **UNITED ARTS COUNCIL FUNDS**

4 Section 21.2. Of the funds appropriated in this act to the Department of
5 Cultural Resources, the sum of sixty-eight thousand two hundred dollars (\$68,200) may
6 be allocated to the United Arts Council of Greensboro, Inc. The funds allocated pursuant
7 to this section shall only be used for construction and renovation of facilities and for
8 production costs associated with performing arts programs.

9
10 Requested by: Senators Plyler, Perdue, Odom

11 **GRANTS FOR SMALL LIBRARIES AND LIBRARIES IN ECONOMICALLY**
12 **DISTRESSED COUNTIES**

13 Section 21.3. The one million dollars (\$1,000,000) appropriated by this act to
14 the Department of Cultural Resources for aid to small libraries and libraries in
15 economically distressed counties shall be allocated by the Secretary of that department to
16 support capital improvements, including renovations, to public libraries in small,
17 economically distressed counties only.

18
19 Requested by: Senators Warren, Plyler, Odom, Perdue

20 **PROCEDURE FOR AWARD OF CULTURAL RESOURCES GRANTS**

21 Section 21.4. Of the funds appropriated to the Department of Cultural
22 Resources, the sum of eight million dollars (\$8,000,000) for the 1998-99 fiscal year shall
23 be used for grants to nonprofit organizations or local governmental entities throughout
24 the State for cultural, historical, or artistic organizations, for cultural, historical, or artistic
25 projects, and for museums. The Secretary of the Department of Cultural Resources shall
26 follow the established process for the review, evaluation, and consideration of
27 applications for these grants.

28 In awarding grants, the Secretary shall consider the merits of the project, the
29 cultural, historical, or artistic significance of the project, the benefit to the State and local
30 communities of the project, and the cost of the project. These grants are not subject to
31 review by the Historical Commission.

32
33 Requested by: Senator Rand

34 **STUDY RECLASSIFICATION OF STATE MUSEUM BRANCH DIRECTORS**

35 Section 21.5. The Office of State Personnel shall study whether to reclassify
36 the Branch Museum Administrators at the Mountain Gateway Museum, the Museum of
37 the Albemarle, and the Museum of the Cape Fear. The Office of State Personnel shall
38 report its findings and recommendations to the 1999 General Assembly.

39
40 **PART XXII. OFFICE OF ADMINISTRATIVE HEARINGS**

41 Requested by: Senator Warren

42 **EEOC DEFERRED CASES TO OAH/REPEAL SUNSET**

43 Section 22. Section 5 of S.L. 1997-513 reads as rewritten:

1 "Section 5. Section 1 of this act is effective when it becomes law, applies to charges
2 pending or filed on and after that ~~date, and expires December 31, 1998.~~ date. The
3 remainder of this act becomes effective July 1, 1997, and applies to all suggestions and
4 innovations pending on that date that were submitted under the former State Employee
5 Suggestion Program as authorized by G.S. 143-340(1) on or before June 30, 1997."
6

7 **PART XXIII. OFFICE OF SECRETARY OF STATE**

8 Requested by: Senators Warren, Plyler, Perdue, Odom

9 **TRANSFER BOXING COMMISSION TO DEPARTMENT OF COMMERCE**

10 Section 23. (a) The statutory authority, powers, duties, functions, records,
11 personnel, property, and unexpended balances of appropriations, allocations, or other
12 funds of the North Carolina State Boxing Commission are transferred from the
13 Department of the Secretary of State to the Department of Commerce. This transfer has
14 all of the elements of a Type I transfer as defined by G.S. 143A-6.

15 (b) G.S. 143-652 reads as rewritten:

16 **"§ 143-652. State Boxing Commission.**

17 (a) Creation. – The North Carolina State Boxing Commission is created within the
18 Department of ~~the Secretary of State~~ Commerce to regulate in North Carolina live boxing
19 and kickboxing matches, whether professional, amateur, sanctioned amateur, or
20 toughman events, in which admission is charged for viewing, or the contestants compete
21 for a purse or prize of value greater than twenty-five dollars (\$25.00). The Commission
22 shall consist of six voting members and two nonvoting advisory members. All the
23 members shall be residents of North Carolina and shall meet requirements for
24 membership under the Professional Boxing Safety Act of 1996. The members shall be
25 appointed as follows:

- 26 (1) One voting member shall be appointed by the Governor for an initial
27 term of two years.
- 28 (2) One voting member shall be appointed by the General Assembly upon
29 the recommendation of the President Pro Tempore of the Senate for an
30 initial term of one year, in accordance with G.S. 120-121.
- 31 (3) One voting member shall be appointed by the General Assembly upon
32 the recommendation of the Speaker of the House of Representatives for
33 an initial term of one year.
- 34 (4) Two voting members shall be appointed by the Secretary of ~~State~~
35 Commerce. One shall serve for an initial term of three years, and the
36 other shall serve for an initial term of two years.
- 37 (4a) One member shall be appointed by the Tribal Council of the Eastern
38 Band of the Cherokee for an initial term of three years.
- 39 (5) One nonvoting advisory member shall be appointed by the General
40 Assembly upon the recommendation of the Speaker of the House of
41 Representatives for an initial term of one year, in accordance with G.S.
42 120-121, from nominations made by the North Carolina Medical
43 Society, which shall nominate two licensed physicians for the position.

- 1 (6) One nonvoting advisory member shall be appointed by the General
2 Assembly upon the recommendation of the President Pro Tempore of
3 the Senate for an initial term of one year, in accordance with G.S. 120-
4 121, from nominations made by the North Carolina Medical Society,
5 which shall nominate two licensed physicians for the position.

6 The member appointed pursuant to subdivision (5) of subsection (a) of this section
7 may serve on the Commission only if an agreement exists and remains in effect between
8 the Tribal Council of the Eastern Band of the Cherokee and the Commission authorizing
9 the Commission to regulate professional boxing matches within the Cherokee Indian
10 Reservation as provided by the Professional Boxing Safety Act of 1996.

11 The two nonvoting advisory members appointed pursuant to subdivisions (6) and
12 (7) of subsection (a) of this section shall advise the Commission on matters concerning
13 the health and physical condition of boxers and health issues relating to the conduct of
14 exhibitions and boxing matches. They may prepare and submit to the Commission for its
15 consideration and approval any rules that in their judgment will safeguard the physical
16 welfare of all participants engaged in boxing.

17 Terms for all members of the Commission except for the initial appointments shall be
18 for three years.

19 The Secretary of ~~State-Commerce~~ shall designate which member of the Commission is
20 to serve as chair. A member of the Commission may be removed from office by the
21 Secretary of ~~State-Commerce~~ for cause. Each member before entering upon the duties of
22 a member shall take and subscribe an oath to perform the duties of the office faithfully,
23 impartially, and justly to the best of the member's ability. A record of these oaths shall be
24 filed in the Department of ~~the Secretary of State-Commerce~~.

25 (b) Vacancies. – Members shall serve until their successors are appointed and have
26 been qualified. Any vacancy in the membership of the Commission shall be filled in the
27 same manner as the original appointment. Vacancies for members appointed by the
28 General Assembly shall be filled in accordance with G.S. 120-122. A vacancy in the
29 membership of the Commission other than by expiration of term shall be filled for the
30 unexpired term only.

31 (c) Meetings. – Meetings of the Commission shall be called by the chair or by any
32 two members of the Commission, and meetings shall be held at least quarterly. Any three
33 voting members of the Commission shall constitute a quorum at any meeting. Action may
34 be taken and motions and resolutions adopted by the Commission at any meeting by the
35 affirmative vote of a majority of the members of the Commission present at a meeting at
36 which a quorum exists. Any or all members may participate in a regular or special
37 meeting by, or conduct the meeting through the use of, any means of communication by
38 which all members participating may simultaneously hear each other during the meeting.
39 A member participating in the meeting by this means is deemed to be present in person at
40 the meeting.

41 (d) Rule-Making Authority of the Commission. – The Commission shall have the
42 exclusive authority to approve and issue rules for the regulation of the conduct,
43 promotion, and performances of live boxing, kickboxing, sanctioned amateur, amateur,

1 and toughman matches and exhibitions in this State. The rules shall be issued pursuant to
2 the provisions of Chapter 150B of the General Statutes and may include, without
3 limitation, the following subjects:

- 4 (1) Requirements for issuance of licenses and permits required by this
5 Article.
- 6 (2) Regulation of ticket sales.
- 7 (3) Physical requirements for contestants, including classification by weight
8 and skill.
- 9 (4) Supervision of matches and exhibitions by licensed physicians and
10 referees.
- 11 (5) Insurance and bonding requirements.
- 12 (6) Compensation of participants and licensees.
- 13 (7) Contracts and financial arrangements.
- 14 (8) Prohibition of dishonest, unethical, and injurious practices.
- 15 (9) Facilities.
- 16 (10) Approval of sanctioning amateur sports organizations.
- 17 (11) Procedures and requirements for compliance with the Professional
18 Boxing Safety Act of 1996.

19 (e) Compensation. – None of the members of the Commission shall receive
20 compensation for serving on the Commission. However, members of the Commission
21 may be reimbursed for their expenses in accordance with the provisions of Chapter 138
22 of the General Statutes.

23 (f) Staff Assistance. – The Secretary of ~~State-Commerce~~ shall hire a person to
24 serve as Executive Director of the Commission and shall provide staff assistance to the
25 Executive Director. The Executive Director may train and contract with independent
26 contractors for the purpose of regulating and monitoring events, issuing licenses,
27 collecting fees, and enforcing rules of the Commission. The Executive Director may
28 initiate criminal background checks on persons requesting to work as independent
29 contractors for the Commission or persons applying to be licensed by the Commission."

30 (c) G.S. 143-654 (c) reads as rewritten:

31 "(c) Surety Bond. – An applicant for a promoter's license must submit, in addition
32 to any other forms, documents, or exhibits requested by the Commission, a surety bond
33 payable to the Commission for the benefit of any person injured or damaged by (i) the
34 promoter's failure to comply with any provision of this Article or any rules adopted by
35 the Commission or (ii) the promoter's failure to fulfill the obligations of any contract
36 between or among licensees related to the holding of a boxing event. The surety bond
37 shall be issued in an amount to be no less than five thousand dollars (\$5,000). The
38 amount of the surety bond shall be negotiable upon the sole discretion of the
39 Commission. All surety bonds shall be upon forms approved by the Secretary of ~~State~~
40 Commerce and supplied by the Commission."

41 (d) G.S. 143-655 (c) reads as rewritten:

42 "(c) State Boxing Commission Revenue Account. – There is created the State
43 Boxing Commission Revenue Account within the Department of ~~the Secretary of State~~.

1 Commerce. Monies collected pursuant to the provisions of this Article shall be credited to
2 the Account and applied to the administration of the Article."

3 (e) G.S. 143-658 reads as rewritten:

4 "**§ 143-658. Violations.**

5 (a) Civil Penalties. – The Secretary of ~~State~~Commerce may issue an order against
6 a licensee or other person who willfully violates any provision of this Article, imposing a
7 civil penalty of up to five thousand dollars (\$5,000) for a single violation or of up to
8 twenty-five thousand dollars (\$25,000) for multiple violations in a single proceeding or a
9 series of related proceedings. No order under this subsection may be entered without
10 giving the licensee or other person 15 days' prior notice and an opportunity for a
11 contested case hearing conducted pursuant to Article 3 of Chapter 150B of the General
12 Statutes.

13 (b) Criminal Penalties. – A willful violation of any provision of this Article shall
14 constitute a Class 2 misdemeanor. The Secretary of ~~State~~Commerce may refer any
15 available evidence concerning violations of this Article to the proper district attorney,
16 who may, with or without such a reference, institute the appropriate criminal
17 proceedings.

18 ~~The attorneys employed by the Secretary of State shall be available to prosecute or~~
19 ~~assist in the prosecution of criminal cases when requested to do so by a district attorney~~
20 ~~and the Secretary of State approves.~~

21 (c) Injunction. – Whenever it appears to the Secretary of ~~State~~Commerce that a
22 person has engaged or is about to engage in an act or practice constituting a violation of
23 any provision of this Article or any rule or order hereunder, the Secretary of ~~State~~
24 Commerce ~~may bring an action in any court of competent jurisdiction to enjoin those acts~~
25 ~~or practices and to enforce compliance with this Article or any rule or order issued~~
26 ~~pursuant to this Article. shall refer the matter to the Attorney General's Office for~~
27 ~~appropriate action.~~

28 (d) Enforcement. ~~For purposes of enforcing this Article, the Department of the~~
29 ~~Secretary of State's law enforcement agents have statewide jurisdiction. These law~~
30 ~~enforcement agents may assist local law enforcement agencies in their investigations and~~
31 ~~may initiate and carry out, in coordination with local law enforcement agencies,~~
32 ~~investigations of violations of this Article. These law enforcement agents have all the~~
33 ~~powers and authority of law enforcement officers when executing arrest warrants."~~

34 (f) Section 9 of S.L. 1997-504 reads as rewritten:

35 "Section 9. Except as otherwise specified herein, this act is effective when it becomes
36 law. ~~This act expires August 1, 1998."~~

37
38 **PART XXIV. STATE BOARD OF ELECTIONS**

39 Requested by: Senators Warren, Plyler, Perdue, Odom

40 **EXTEND STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM**

41 Section 24. Section 31(a) of S.L. 1997-443 reads as rewritten:

42 "(a) The State Board of Elections shall establish a statewide data elections
43 management system. The system shall prescribe data format standards, data

1 communication standards, and data content standards. The State Board of Elections shall
2 establish the system no later than November 1, 1997. Counties shall adhere to the
3 standards prescribed by the system no later than ~~August 31, 1998.~~ December 31, 1998.
4 The State Board of Elections may adopt rules to implement this section. Chapter 150B of
5 the General Statutes governs the adoption of rules by the State Board of Elections."
6

7 **PART XXV. OFFICE OF STATE BUDGET AND MANAGEMENT**

8 Requested by: Senators Warren, Plyler, Perdue, Odom, Kerr

9 **FIRE PROTECTION AND RESCUE GRANT FUNDS**

10 Section 25. (a) Article 85A of Chapter 58 of the General Statutes reads as
11 rewritten:

12 **"ARTICLE 85A.**

13 **"STATE FIRE PROTECTION AND RESCUE GRANT FUND.**

14 **"§ 58-85A-1. Creation of Fund; allocation to local fire ~~districts and political~~
15 ~~subdivisions of the State.~~ districts, political subdivisions of the State,
16 volunteer fire departments, and volunteer rescue squads.**

17 (a) There is created in the Office of State Budget and Management the State
18 Fire Protection and Rescue Grant Fund. The ~~purpose~~ purposes of the Fund ~~is to~~ are to:

- 19 (1) ~~compensate~~ Compensate local fire districts and political subdivisions of
20 the State for providing local fire protection to State-owned buildings
21 and their contents.
- 22 (2) Reimburse volunteer fire departments and volunteer rescue squads for
23 highway use tax they pay on their fire trucks and emergency services
24 vehicles.

25 (b) The Office of State Budget and Management shall develop and implement an
26 equitable and uniform statewide method for distributing any funds to the State's local fire
27 ~~districts and political subdivisions.~~ districts, political subdivisions, and volunteer fire
28 departments and volunteer rescue squads.

29 Upon the request of the Director of the Budget, the Department of Insurance shall
30 provide the Office of State Budget and Management all information necessary to develop
31 and implement the formula.

32 (b1) Definitions. – The following definitions apply in this section:

- 33 (1) Fire truck. – A fire truck, a pump truck, a tanker truck, or a ladder truck
34 used to suppress fire; or a four-wheel drive vehicle intended to be
35 mounted with a water tank and hose and used for forest fire fighting.
- 36 (2) Highway use tax. – The tax imposed in Article 5A of Chapter 105 of the
37 General Statutes.
- 38 (3) Volunteer fire department. – A fire department that is not part of a unit
39 of local government, has no more than two paid employees, and is
40 exempt from State income tax under G.S. 105-130.11.
- 41 (4) Volunteer rescue squad. – An organization that provides rescue services,
42 emergency medical services, or both, is not part of a unit of local

1 government, has no more than two paid employees, and is exempt from
2 State income tax under G.S. 105-130.11.

3 (c) It is the intent of the General Assembly to appropriate annually to the State
4 Fire Protection and Rescue Grant Fund at least three million eighty thousand dollars
5 (\$3,080,000) from the General Fund, one hundred fifty thousand dollars (\$150,000) from
6 the Highway Fund, and nine hundred seventy thousand dollars (\$970,000) from
7 University of North Carolina receipts. Funds received from the General Fund shall be
8 allocated only for (i) providing local fire protection for State-owned property supported
9 by the General Fund; and (ii) grants to volunteer fire departments and volunteer rescue
10 squads to reimburse them for highway use tax they pay on their fire trucks and
11 emergency services vehicles; funds received from the Highway Fund shall be allocated
12 only for providing local fire protection for State-owned property supported by the
13 Highway Fund; and funds received from University of North Carolina receipts shall be
14 allocated only for providing local fire protection for State-owned property supported by
15 University of North Carolina receipts."

16 (b) The Appropriations Subcommittees on General Government shall study the
17 need for additional Highway Fund appropriations to fund subsection (a) of this section
18 for the 1999-2001 biennium and shall report to the 1999 General Assembly.

19 20 **PART XXVI. OFFICE OF STATE CONTROLLER**

21 Requested by: Senators Warren, Plyler, Perdue, Odom

22 **PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY** 23 **STATE AGENCIES**

24 Section 26. (a) The General Assembly finds that a significant number of bad
25 debts are owed to State agencies, and even expansion of the Debt Collection Setoff act
26 scheduled for 2000 may still leave room for improvement. The General Assembly has
27 been presented information on the extent of the debts, but lacks sufficient information to
28 determine if the lack of collection in some cases relates to inability to the debtor to pay,
29 contractual discharges that may have been taken to receive partial recovery from third
30 parties, or need to improve collection procedures within State agencies. Focusing on
31 health care institutions within State government will allow maximum information without
32 disrupting other agencies which have small amounts of bad debts.

33 (b) The Office of State Controller shall establish a procedure by which health
34 care institutions under or affiliated with the Department of Health and Human Services or
35 The University of North Carolina shall report on collection of bad debts. This pilot
36 program is intended to concentrate on agencies that have a large amount of bad debts, in
37 order to determine the extent to which those debts may be better collected both in those
38 agencies and in the whole of State Government.

39 (c) The procedures shall require that in the case of each bad debt, that debt is
40 reported to the Office of State Controller with its total amount and with standardized
41 codes indicating the type of debt, the actions taken to collect the debt, and the estimate of
42 the agency on the likelihood of being able to collect the bad debt.

1 (d) The Office of State Controller shall report the results of the pilot study to
2 the General Assembly no later than April 1, 1999, along with recommendations on
3 changes in law or procedure to better collect the bad debts.
4

5 **PART XXVII. DEPARTMENT OF TRANSPORTATION**

6 Requested by: Senator Jordan

7 **DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS**
8 **AUTHORIZED**

9 Section 27. Notwithstanding any other provision of law, the Board of
10 Transportation may award up to three contracts annually for construction of
11 transportation projects on a design-build basis. These contracts may be awarded after a
12 determination by the Department of Transportation that delivery of the projects must be
13 expedited and that it is not in the public interest to comply with normal design and
14 construction contracting procedures. Prior to the award of a design-build contract, the
15 Secretary of Transportation shall report to the Joint Legislative Transportation Oversight
16 Committee and to the Joint Legislative Commission on Governmental Operations on the
17 nature and scope of the project and the reasons an award on a design-build basis will best
18 serve the public interest.
19

20 Requested by: Senator Jordan

21 **DISCONTINUE DEPARTMENT OF TRANSPORTATION SALES TAX**
22 **REIMBURSEMENT FROM HIGHWAY FUND TO GENERAL FUND FOR ONE**
23 **YEAR**

24 Section 27.1. (a) G.S. 105-164.44D is suspended from June 30, 1998, to June
25 29, 1999.

26 (b) This section becomes effective June 30, 1998.
27

28 Requested by: Senator Jordan

29 **DISCONTINUE BOND RETIREMENT TRANSFER FROM HIGHWAY FUND**
30 **TO HIGHWAY TRUST FUND FOR ONE YEAR**

31 Section 27.2. G.S. 136-176(a)(4) and G.S. 136-183 are suspended from July 1,
32 1998, to June 30, 1999.
33

34 Requested by: Senator Jordan

35 **FEDERAL FUNDS FOR PUBLIC TRANSPORTATION IMPROVEMENTS**

36 Section 27.3. Section 32.18 of S.L. 1997-443 reads as rewritten:

37 "Section 32.18. To the extent allowable by federal law, the Department of
38 Transportation shall use ten million dollars (\$10,000,000) of federal highway funds
39 during each year of the 1997-99 biennium for improvements to public transportation."
40

41 Requested by: Senator Jordan

42 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
43 **APPROPRIATIONS**

1 Section 27.4. Section 32.13 of S.L. 1997-443 reads as rewritten:

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

4 FY 1999-2000 ~~\$1,182.2~~ \$1,190.8 million

5 FY 2000-2001 ~~\$1,211.2~~ \$1,225.7 million

6 FY 2001-2002 ~~\$1,241.2~~ \$1,265.4 million

7 FY 2002-2003 ~~\$1,271.9~~ \$1,301.0 million

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

10 FY 1999-2000 ~~\$861.7~~ \$871.4 million

11 FY 2000-2001 ~~\$891.0~~ \$901.8 million

12 FY 2001-2002 ~~\$921.6~~ \$934.7 million

13 FY 2002-2003 ~~\$953.3~~ \$967.2 million."

14
15
16 Requested by: Senator Jordan

17 **OUTDOOR ADVERTISING JUST COMPENSATION SUNSET EXTENDED**

18 Section 27.5. (a) Section 2 of Chapter 1147 of the 1981 Session Laws, as amended by
19 all of the following:

20 Chapter 318 of the 1983 Session Laws

21 Chapter 1024 of the 1987 Session Laws

22 Section 1 of Chapter 166 of the 1989 Session Laws

23 Section 1 of Chapter 725 of the 1993 Session Laws

24 reads as rewritten:

25 "Sec. 2. This act is effective upon ratification, but shall expire ~~June 30, 1998,~~ June
26 30, 2004, and shall have no force or effect after that date."

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

28
29 Requested by: Senator Jordan

30 **PAYMENTS TO CONTRACT AGENTS FOR COLLECTING EMISSION**
31 **CONTROL CIVIL PENALTIES AND FOR MAKING SALES OF INSPECTION**
32 **STICKERS TO LICENSED INSPECTION STATIONS, AND A TECHNICAL**
33 **CHANGE TO A RELATED STATUTE.**

34 Section 27.6. (a)G.S. 20-63(h) reads as rewritten:

35 "(h) Commission Contracts for Issuance of Plates and Certificates. – All
36 registration plates, registration certificates and certificates of title issued by the Division,
37 outside of those issued from the Raleigh offices of the said Division and those issued and
38 handled through the United States mail, shall be issued insofar as practicable and possible
39 through commission contracts entered into by the Division for the issuance of such plates
40 and certificates in localities throughout North Carolina with persons, firms, corporations
41 or governmental subdivisions of the State of North Carolina and the Division shall make
42 a reasonable effort in every locality, except as hereinbefore noted, to enter into a
43 commission contract for the issuance of such plates and certificates and a record of these

1 efforts shall be maintained in the Division. In the event the Division is unsuccessful in
2 making commission contracts as hereinbefore set out it shall then issue said plates and
3 certificates through the regular employees of the Division. Whenever registration plates,
4 registration certificates and certificates of title are issued by the Division through
5 commission contract arrangements, the Division shall provide proper supervision of such
6 distribution. Commission contracts entered under this subsection shall provide for the
7 payment of compensation for all transactions as set forth below. Nothing contained in this
8 subsection will allow or permit the operation of fewer outlets in any county in this State
9 than are now being operated.

10 A transaction is any of the following activities:

- 11 (1) Issuance of a registration plate, a registration card, a registration
12 renewal sticker, or a certificate of title.
- 13 (2) Issuance of a handicapped placard or handicapped identification card.
- 14 (3) Acceptance of an application for a personalized registration plate.
- 15 (4) Acceptance of a surrendered registration plate, registration card, or
16 registration renewal sticker, or acceptance of an affidavit stating why a
17 person cannot surrender a registration plate, registration card, or
18 registration renewal sticker.
- 19 (5) Cancellation of a title because the vehicle has been junked.
- 20 (6) Acceptance of an application for, or issuance of, a refund for a fee or a
21 tax, other than the highway use tax.
- 22 (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in
23 financial responsibility or receipt of the restoration fee imposed by that
24 statute.
- 25 (8) Acceptance of a notice of failure to maintain financial responsibility for
26 a motor vehicle.
- 27 (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- 28 (8b) Sale of one or more inspection stickers in a single transaction to a
29 licensed inspection station.
- 30 (9) Collection of the highway use tax.

31
32 Performance at the same time of any combination of the items that are listed within
33 each subdivision or are listed within subdivisions (1) through ~~(8)~~(8b) of this section is
34 a single transaction for which a dollar and thirty-five cent (\$1.35) compensation shall be
35 paid. Performance of the item listed in subdivision (9) of this subsection in combination
36 with any other items listed in this subsection is a separate transaction for which a one
37 dollar and twenty cent (\$1.20) compensation shall be paid."

38 (b) G.S. 20-183.8A reads as rewritten:

39 **"§ 20-183.8A. Civil penalties against motorists for emissions violations.**

40 The Division ~~must~~shall assess a civil penalty against a person who owns or leases a
41 vehicle that is subject to an emissions inspection and who does any of the following:

- 42 (1) Fails to have the vehicle inspected within four months after it is required
43 to be inspected under this Part.

1 (2) Instructs or allows a person to tamper with an emission control device
2 of the vehicle so as to make the device inoperative or fail to work
3 properly.

4 (3) Incorrectly states the county of registration of the vehicle to avoid
5 having an emissions inspection of the vehicle.

6 The amount of penalty is one hundred dollars (\$100.00) if the vehicle is a pre-1981
7 vehicle and two hundred fifty dollars (\$250.00) if the vehicle is a 1981 or newer model
8 vehicle. As provided in G.S. 20-54, the registration of a vehicle may not be renewed until
9 a penalty imposed under this ~~subsection~~ section has been paid."

10
11 Requested by: Senator Ballance

12 REOPEN STATE HIGHWAY IN BERTIE COUNTY

13 Section 27.7. (a) The Department of Transportation may use available funds to reopen
14 S.R. 1109 in Bertie County.

15 (b) If a court determines that reopening the road requires compensation, then the
16 Department of Transportation may expend funds from the Highway Fund in fiscal year
17 1998-99 for that purpose.

18
19 Requested by: Senator Plyler

20 BRANDED TITLE CLARIFICATION

21 Section 27.8. (a) G.S. 20-71.3 reads as rewritten:

22 "**§ 20-71.3. Titles and registration cards to be branded.**

23 (a) Motor Vehicle certificates of title and registration cards issued pursuant to G.S.
24 20-57 ~~shall~~ may be branded.

25 As used ~~herein~~ in this section, 'branded' means that the title and registration card shall
26 contain a designation that discloses if the vehicle is classified as any of the following:

27 (1) ~~(a) Flood Vehicle, Vehicle.~~

28 (2) ~~(b) Non-U.S.A. Vehicle, Vehicle.~~

29 (3) ~~(c) Reconstructed Vehicle, Vehicle.~~

30 (4) ~~(d) Salvage Motor Vehicle, or Vehicle.~~

31 (5) ~~(e) Salvage Rebuilt Vehicle or Vehicle.~~

32 (6) Any other classification authorized by law.

33 (b) Any motor vehicle up to ~~six to~~, and including, five model years old damaged
34 by collision or other ~~occurrence~~ occurrence, which requires a disclosure pursuant to G.S.
35 20-71.4, and ~~which~~ which, as a result of such damage, is to be retitled in this State shall
36 be subject to preliminary and final inspections by the Enforcement Section of the
37 ~~Division, and~~ Division. ~~the~~ The Division shall ~~refuse to not issue a title to~~ retitle a
38 vehicle up to six model years old described in the first sentence of this subsection which
39 has not undergone a preliminary ~~inspection~~ inspection required by 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

1 result of such damage, is to be retitled by the State shall, without inspection, be retitled
2 with an unbranded or branded title, as appropriate, based upon a title application by the
3 rebuilder with a supporting affidavit disclosing all of the following:

4 (1) The parts used or replaced.

5 (2) The major components replaced.

6 (3) The total cost of repair, including labor costs.

7 The Division shall maintain these affidavits and make them available for review and
8 copying by persons researching the salvage and repair history of the vehicle.

9 ~~These inspections serve as an antitheft measure and do not certify the safety or~~
10 ~~roadworthiness of a vehicle.~~

11 (d) Any motor vehicle which has been branded in another state shall be branded
12 with the nearest applicable brand specified in this section, except that no junk vehicle or
13 vehicle that has been branded junk in another state shall be titled or registered.

14 (e) A motor vehicle titled in another state and damaged by collision or other
15 occurrence may be repaired and an unbranded title issued in North Carolina only if the
16 cost of repairs, including parts and labor, does not exceed seventy-five percent (75%) of
17 its fair market retail value.

18 (f) Once a branded title has been issued for a motor vehicle, subsequent titles shall
19 continue to reflect the branding until the title for that motor vehicle is either surrendered
20 to the Division or cancelled by the Division.

21 (g) ~~The Commissioner-Division shall prepare necessary forms and may adopt~~
22 ~~regulations-rules required to carry out the provisions of this Part 3A. Part. The title shall~~
23 ~~reflect the branding until surrendered to or cancelled by the Commissioner.~~

24 All title and title application forms shall contain a notice that indicates that the
25 complete repair or salvage history of the vehicle might not be disclosed on the face of the
26 title."

27 (b) This section is effective when it becomes law.
28

29 Requested by: Senator Jordan

30 **DMV ENFORCEMENT SECTION PAY EQUITY PLAN LIMITATIONS**

31 Section 27.9. Of the funds appropriated in this act to the Department of
32 Transportation, up to three million three hundred ninety thousand seven hundred eight
33 dollars (\$3,390,708) may be used to adjust the salaries and benefits of the enforcement
34 officers assigned to the Enforcement Section of the Division of Motor Vehicles.

35 These adjustments shall be based on factors such as: employee salary, position
36 class title, position grade, and creditable years of sworn service with the Enforcement
37 Section.

38 No salary adjustment shall result in an increase beyond the maximum salary set
39 for an officer's pay grade. If an officer's salary is near or at the top of the officer's pay
40 grade, the officer shall be eligible to receive a salary adjustment up to the top of the
41 officer's pay grade. If an officer is at the top of the officer's pay grade, then the officer is
42 not eligible to receive a salary adjustment.

1 Before adjusting salaries or benefits pursuant to this section, the Department of
 2 Transportation shall do all of the following:

- 3 (1) Consult with and get approval of the Office of State Personnel.
- 4 (2) Report to the Joint Legislative Transportation Oversight Committee.
- 5 (3) Report to the Joint Legislative Commission on Governmental
 6 Operations.

7
 8 **PART XXVIII SALARIES AND BENEFITS**

9 Requested by: Senators Plyler, Perdue, Odom

10 **GOVERNOR AND COUNCIL OF STATE/SALARY INCREASES**

11 Section 28. (a) G.S. 147-11(a) reads as rewritten:

12 "(a) The salary of the Governor shall be ~~one hundred seven thousand one hundred~~
 13 ~~thirty two dollars (\$107,132)~~ one hundred ten thousand three hundred forty-six dollars
 14 (\$110,346) annually, payable monthly."

15 (b) Section 33(b) of Chapter 443 of the 1997 Session Laws reads as rewritten:

16 "(b) The annual salaries for the members of the Council of State, payable monthly,
 17 for the ~~1997-98 and 1998-99 fiscal years, year, beginning July 1, 1997, July 1, 1998,~~
 18 are:

<u>Council</u>	<u>of</u>	<u>State</u>
<u>Annual Salary</u>		
Lieutenant Governor		\$94,552
<u>\$97,388</u>		
Attorney General		94,552
<u>97,388</u>		
Secretary of State		94,552
<u>97,388</u>		
State Treasurer		94,552
<u>97,388</u>		
State Auditor		94,552
<u>97,388</u>		
Superintendent of Public Instruction		94,552
<u>97,388</u>		
Agriculture Commissioner		94,552
<u>97,388</u>		
Insurance Commissioner		94,552
<u>97,388</u>		
Labor Commissioner		94,552
<u>97,388."</u>		

41
 42 Requested by: Senators Plyler, Perdue, Odom

43 **NONELECTED DEPARTMENT HEADS/SALARY INCREASES**

1 Section 28.1. Section 33.1 of Chapter 443 of the 1997 Session Laws reads as
 2 rewritten:

3 "Section 33.1. In accordance with G.S. 143B-9, the maximum annual salaries,
 4 payable monthly, for the nonelected heads of the principal State departments for the
 5 ~~1997-98 and 1998-99 fiscal years, year, beginning July 1, 1997, July 1, 1998,~~ are:

<u>Nonelected</u>	<u>Department</u>	<u>Heads</u>
<u>Annual Salary</u>		
Secretary of Administration		\$92,378
<u>\$95,149</u>		
Secretary of Correction		92,378
<u>95,149</u>		
Secretary of Cultural Resources		92,378
<u>95,149</u>		
Secretary of Commerce		92,378
<u>95,149</u>		
Secretary of Environment, Health,		
<u>Environment</u> and Natural Resources		92,378
<u>95,149</u>		
Secretary of <u>Health and Human Resources</u>		
<u>Services</u>		92,378
<u>95,149</u>		
Secretary of Revenue		92,378
<u>95,149</u>		
Secretary of Transportation		92,378
<u>95,149</u>		
Secretary of Crime Control and Public Safety		92,378.
<u>95,149."</u>		

30
 31 Requested by: Senators Plyler, Perdue, Odom

32 **CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES**

33 Section 28.2. Section 33.2 of Chapter 443 of the 1997 Session Laws reads as
 34 rewritten:

35 "Section 33.2. The annual salaries, payable monthly, for the ~~1997-98 and 1998-99~~
 36 ~~fiscal years, year, beginning July 1, 1997, July 1, 1998,~~ for the following executive
 37 branch officials are:

<u>Executive</u>	<u>Branch</u>	<u>Officials</u>
<u>Annual Salary</u>		

38
 39
 40
 41
 42 Chairman, Alcoholic Beverage Control

1	Commission		84,080
2	<u>\$86,602</u>		
3	State Controller	117,669	
4	<u>121,199</u>		
5	Commissioner of Motor Vehicles	84,080	
6	<u>86,602</u>		
7	Commissioner of Banks	94,552	
8	<u>97,389</u>		
9	Chairman, Employment Security Commission	117,520	
10	<u>121,046</u>		
11	State Personnel Director	92,378	
12	<u>95,149</u>		
13	Chairman, Parole Commission	76,775	
14	<u>79,078</u>		
15	Members of the Parole Commission	70,881	
16	<u>73,008</u>		
17	Chairman of the Utilities Commission	95,592	
18	<u>108,459</u>		
19	Commissioners of the Utilities Commission	94,552	
20	<u>97,388</u>		
21	Executive Director, Agency for Public		
22	Telecommunications	70,881	
23	<u>73,008</u>		
24	General Manager, Ports Railway Commission	64,005	
25	<u>65,925</u>		
26	Director, Museum of Art	86,155	
27	<u>88,739</u>		
28	Executive Director, Wildlife Resources Commission		
29	72,569		
30	Executive Director, North Carolina Housing		
31	Finance Agency	104,057	
32	<u>107,179</u>		
33	Executive Director, North Carolina Agricultural		
34	Finance Authority	81,839	
35	<u>84,294</u>		
36	Director, Office of Administrative Hearings	83,141"	
37			

38 Requested by: Senators Plyler, Perdue, Odom

39 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASES**

40 Section 28.3. (a) Section 33.7 of Chapter 443 of the 1997 Session Laws reads
 41 as rewritten:

1 "Section 33.7. (a) The annual salaries, payable monthly, for specified judicial
 2 branch officials for the ~~1997-98 and 1998-99 fiscal years, year,~~ beginning July 1, 1997,
 3 July 1, 1998, are:

<u>Judicial</u> <u>Annual Salary</u>	Branch	Officials
Chief \$107,132	Justice,	Supreme Court
Associate 104,333	Justice,	Supreme Court
Chief 101,724	Judge, Court	of Appeals
Judge, 99,986	Court	of Appeals
Judge, Senior Regular Resident Superior Court <u>99,900</u>		97,269
Judge, Superior Court <u>97,388</u>		94,552
Chief Judge, District Court <u>88,433</u>		85,857
Judge, District Court <u>85,635</u>		83,141
District Attorney <u>90,224</u>		87,596
Administrative Officer of the Courts <u>100,187</u>		97,269
Assistant Administrative Officer of the Courts <u>84,134</u>		81,684
Public Defender <u>90,224.</u>		87,596.

33 ~~(b) The district attorney or public defender of a judicial district, with the approval~~
 34 ~~of the Administrative Officer of the Courts, shall set the salaries of assistant district~~
 35 ~~attorneys or assistant public defenders, respectively, in that district such that the average~~
 36 ~~salaries of assistant district attorneys or assistant public defenders in that district do not~~
 37 ~~exceed fifty three thousand eight hundred eighty three dollars (\$53,883) and the~~
 38 ~~minimum salary of any assistant district attorney or assistant public defender is at least~~
 39 ~~twenty seven thousand five hundred nine dollars (\$27,509), effective July 1, 1997.~~

40 ~~(c) The salaries in effect for the 1996-97 fiscal year on June 30, 1997, for~~
 41 ~~permanent, full-time employees of the Judicial Department, except for those whose~~
 42 ~~salaries are itemized in this Part, shall be increased by four percent (4%), commencing~~
 43 ~~July 1, 1997.~~

(d) ~~The salaries in effect on June 30, 1997, 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: Senators Plyler, Perdue, Odom

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
<u>\$64,556</u>	
100,000 to 149,999	70,403
<u>72,515</u>	
150,000 to 249,999	78,130
<u>80,474</u>	
250,000 and above	85,857.
<u>88,433.</u>	

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%

1 250,000 and above 100%.

2
3 When a county changes from one population group to another, the salary of the clerk
4 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
5 salary appropriate for the new population group, except that the salary of an incumbent
6 clerk shall not be decreased by any change in population group during his continuance in
7 office."

8
9 Requested by: Senators Plyler, Perdue, Odom

10 **ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT/SALARY**
11 **INCREASES**

12 Section 28.5. (a) Effective July 1, 1998, those State employees whose salaries
13 are determined by G.S. 7A-102 shall receive across-the-board salary increases in the
14 amount of three percent (3%) in addition to step increases associated with their respective
15 pay plans.

16 (b) G.S. 7A-102(c1) reads as rewritten:

17 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time
18 deputy clerk serving as head bookkeeper per county, shall be paid an annual salary
19 subject to the following minimum and maximum rates:

20 Assistant	Clerks	and	Head	Bookkeeper
21				An
22 nual	Salary			Minimum
23				\$23
24 ,420				
25				\$24
26 ,122				
27 Maximum			41,466	
28			42,710	
29 Deputy				Clerks
30				
31 Annual Salary				
32 Minimum			\$18,724	
33			\$19,286	
34 Maximum			31,940.	
35			32,899."	

36 Requested by: Senators Plyler, Perdue, Odom

37 **MAGISTRATES/SALARY INCREASES**

38 Section 28.6. (a) G.S. 7A-171.1 reads as rewritten:

39 "**§ 7A-171.1. Duty hours, salary, and travel expenses within county.**

40 (a) The Administrative Officer of the Courts, after consultation with the chief
41 district judge and pursuant to the following provisions, shall set an annual salary for each
42 magistrate.

(1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6.

TABLE OF SALARIES OF FULL-TIME MAGISTRATES

Step Level	Annual Salary
Entry Rate	\$24,471
<u>\$26,213</u>	
Step 1	26,927
<u>28,844</u>	
Step 2	29,600
<u>31,708</u>	
Step 3	32,516
<u>34,831</u>	
Step 4	35,711
<u>38,254</u>	
Step 5	39,922
<u>42,015</u>	
Step 6	43,083
<u>46,151</u>	

(2) A part-time magistrate is a magistrate who is assigned to work an average of less than 40 hours of work a week during the term, except that no magistrate shall be assigned an average of less than 10 hours of work a week during the term. A part-time magistrate is included, in accordance with G.S. 7A-170, under the provisions of G.S. 135-1(10) and G.S. 135-40.2(a). The Administrative Officer of the Courts designates whether a magistrate is a part-time magistrate. A part-time magistrate shall receive an annual salary based on the following formula: The average number of hours a week that a part-time magistrate is assigned work during the term shall be multiplied by the annual salary payable to a full-time magistrate who has the same number of years of service prior to the beginning of that term as does the part-time magistrate and the product of that multiplication shall be

1 divided by the number 40. The quotient shall be the annual salary
 2 payable to that part-time magistrate.

3 (3) Notwithstanding any other provision of this subsection, an individual
 4 who, when initially appointed as a full-time magistrate, is licensed to
 5 practice law in North Carolina, shall receive the annual salary provided
 6 in the Table in subdivision (1) of this subsection for Step 4. This
 7 magistrate's salary shall increase to the next step every four years on the
 8 anniversary of the date the magistrate was originally appointed. An
 9 individual who, when initially appointed as a part-time magistrate, is
 10 licensed to practice law in North Carolina, shall be paid an annual salary
 11 based on that for Step 4 and determined according to the formula in
 12 subdivision (2) of this subsection. This magistrate's salary shall increase
 13 to the next step every four years on the anniversary of the date the
 14 magistrate was originally appointed. The salary of a full-time magistrate
 15 who acquires a license to practice law in North Carolina while holding
 16 the office of magistrate and who at the time of acquiring the license is
 17 receiving a salary at a level lower than Step 4 shall be adjusted to Step 4
 18 and, thereafter, shall advance in accordance with the Table's schedule.
 19 The salary of a part-time magistrate who acquires a license to practice
 20 law in North Carolina while holding the office of magistrate and who at
 21 the time of acquiring the license is receiving an annual salary as
 22 determined by subdivision (2) of this subsection based on a salary level
 23 lower than Step 4 shall be adjusted to a salary based on Step 4 in the
 24 Table and, thereafter, shall advance in accordance with the provision in
 25 subdivision (2) of this subsection.

26 (a1) **(Effective until June 30, 1999)** Notwithstanding subsection (a) of this section,
 27 the following salary provisions apply to individuals who were serving as magistrates on
 28 June 30, 1994:

29 (1) The salaries of magistrates who on June 30, 1994, were paid at a salary
 30 level of less than five years of service under the table in effect that date
 31 shall be as follows:

32		
33	1 or more but less than 3 years of service	20,279
34	3 or more but less than 5 years of service	22,373 <u>23,859</u>

35
 36 Upon completion of five years of service, those magistrates shall
 37 receive the salary set as the Entry Rate in the table in subsection (a).

38 (2) The salaries of magistrates who on June 30, 1994, were paid at a salary
 39 level of five or more years of service shall be based on the rates set out
 40 in subsection (a) as follows:

41		
42	Salary	Level
43	Salary Level	

1 on June 30, 1994 on
 2 July 1, 1994
 3 5 or more but less than 7 years of service
 4 Entry Rate
 5 7 or more but less than 9 years of service
 6 Step 1
 7 9 or more but less than 11 years of service
 8 Step 2
 9 11 or more years of service
 10 Step 3.

11
 12 Thereafter, their salaries shall be set in accordance with the
 13 provisions in subsection (a).

14 (3) The salaries of magistrates who are licensed to practice law in North
 15 Carolina shall be adjusted to the annual salary provided in the table in
 16 subsection (a) as Step 4, and, thereafter, their salaries shall be set in
 17 accordance with the provisions in subsection (a).

18 (4) The salaries of 'part-time magistrates' shall be set under the formula set
 19 out in subdivision (2) of subsection (a) but according to the rates set out
 20 in this subsection.

21 (a2) The Administrative Officer of the Courts shall provide magistrates with
 22 longevity pay at the same rates as are provided by the State to its employees subject to
 23 the State Personnel Act.

24 (b) Notwithstanding G.S. 138-6, a magistrate may not be reimbursed by the State
 25 for travel expenses incurred on official business within the county in which the
 26 magistrate resides."

27 (b) Any magistrate who received a step increase during the 1997-98 fiscal year
 28 shall also receive a four percent (4%) salary adjustment effective July 1, 1997, in addition
 29 to whatever step increase the person may be eligible to receive pursuant to subsection (a)
 30 of this section. The Administrative Office of the Courts may use any available funds to
 31 make the retroactive salary adjustment for certain magistrates pursuant to this subsection.
 32

33 Requested by: Senators Plyler, Perdue, Odom

34 GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

35 Section 28.7. G.S. 120-37(c) reads as rewritten:

36 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
 37 entitled to other benefits available to permanent legislative employees and shall be paid
 38 an annual salary of ~~fifty nine thousand eight hundred sixty one dollars (\$59,861)~~ sixty-
 39 one thousand six hundred fifty-seven dollars (\$61,657) payable monthly. The Legislative
 40 Services Commission shall review the salary of the principal clerks prior to submission of
 41 the proposed operating budget of the General Assembly to the Governor and Advisory
 42 Budget Commission and shall make appropriate recommendations for changes in those

1 salaries. Any changes enacted by the General Assembly shall be by amendment to this
2 paragraph."

3
4 Requested by: Senators Plyler, Perdue, Odom

5 **SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES**

6 Section 28.8. G.S. 120-37(b) reads as rewritten:

7 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary
8 of ~~two hundred fifty eight dollars (\$258.00)~~ two hundred sixty-six (\$266.00) per week
9 plus subsistence at the same daily rate provided for members of the General Assembly,
10 plus mileage at the rate provided for members of the General Assembly for one round trip
11 only from their homes to Raleigh and return. The sergeants-at-arms shall serve during
12 sessions of the General Assembly and at such time prior to the convening of, and
13 subsequent to adjournment or recess of, sessions as may be authorized by the Legislative
14 Services Commission. The reading clerks shall serve during sessions only."

15
16 Requested by: Senators Plyler, Perdue, Odom

17 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

18 Section 28.9. The Legislative Administrative Officer shall increase the
19 salaries of nonelected employees of the General Assembly in effect for fiscal year 1997-
20 98 by three percent (3%). Nothing in this act limits any of the provisions of G.S. 120-32.

21
22 Requested by: Senators Plyler, Perdue, Odom

23 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

24 Section 28.10. The Director of the Budget shall transfer from the Reserve for
25 Salary Increases created in this act for fiscal year 1998-99 funds to the Department of
26 Community Colleges necessary to provide an average annual salary increase of three
27 percent (3%), including funds for the employer's retirement and social security
28 contributions, commencing July 1, 1998, for all permanent full-time community college
29 institutional personnel supported by State funds. The State Board of Community
30 Colleges shall establish guidelines for providing their salary increases to community
31 college institutional personnel to include consideration of increases based on
32 performance. Salary funds shall be used to provide an average annual salary increase of
33 three percent (3%) to all full-time employees and part-time employees on a pro rata basis.

34
35 Requested by: Senators Plyler, Perdue, Odom

36 **UNIVERSITY OF NORTH CAROLINA SYSTEM - EPA SALARY INCREASES**

37 Section 28.11. (a) The Director of the Budget shall transfer to the Board of
38 Governors of The University of North Carolina sufficient funds from the Reserve for
39 Compensation Increase created in this act for fiscal year 1998-99 to provide an annual
40 average salary increase of three percent (3%), including funds for the employer's
41 retirement and social security contributions, commencing July 1, 1998, for all employees
42 of The University of North Carolina, as well as employees other than teachers of the
43 North Carolina School of Science and Mathematics, supported by State funds and whose

1 salaries are exempt from the State Personnel Act (EPA). These funds shall be allocated
2 to individuals according to the rules adopted by the Board of Governors, or the Board of
3 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and
4 shall not be used for any purpose other than for salary increases and necessary employer
5 contributions provided by this section. The Board of Governors shall include
6 consideration of increases based on performance in its adoption of rules for the allocation
7 of funds for salary increases.

8 (b) The Director of the Budget shall transfer to the Board of Governors of The
9 University of North Carolina sufficient funds from the Reserve for Salary Increases
10 created in this act for fiscal year 1998-99 to provide an annual average salary increase
11 comparable to that provided in this act for public school teachers, including funds for the
12 employer's retirement and social security contributions, commencing July 1, 1998, for all
13 teaching employees of the North Carolina School of Science and Mathematics, supported
14 by State funds and whose salaries are exempt from the State Personnel Act (EPA). These
15 funds shall be allocated to individuals according to the rules adopted by the Board of
16 Trustees of the North Carolina School of Science and Mathematics and shall not be used
17 for any purpose other than for salary increases and necessary employer contributions
18 provided by this section.

19
20 Requested by: Senators Plyler, Perdue, Odom, Winner, Lee

21 **SCHOOL CENTRAL OFFICE SALARIES**

22 Section 28.12. (a) The following monthly salary ranges apply to assistant
23 superintendents, associate superintendents, directors/coordinators, supervisors, and
24 finance officers for the 1998-99 fiscal year, beginning July 1, 1998:

25 (1)	School Administrator I:
26	\$2,846 - \$4,857
27 (2)	School Administrator II:
28	\$3,021 - \$5,155
29 (3)	School Administrator III:
30	\$3,206 - \$5,471
31 (4)	School Administrator IV:
32	\$3,335 - \$5,692
33 (5)	School Administrator V:
34	\$3,469 - \$5,923
35 (6)	School Administrator VI:
36	\$3,681 - \$6,286
37 (7)	School Administrator VII:
38	\$3,830 - \$6,540

39 The local board of education shall determine the appropriate category and placement for
40 each assistant superintendent, associate superintendent, director/coordinator, supervisor,
41 or finance officer within the salary ranges and within funds appropriated by the General
42 Assembly for central office administrators and superintendents. The category in which

1 an employee is placed shall be included in the contract of any employee hired on or after
2 July 1, 1998.

3 (b) The following monthly salary ranges apply to public school superintendents for
4 the 1998-99 fiscal year, beginning July 1, 1998:

5 (1) Superintendent I (Up to 2,500 ADM): \$4,065 - \$6,941

6 (2) Superintendent II (2,501 - 5,000 ADM): \$4,315 - \$7,364

7 (3) Superintendent III (5,001 - 10,000 ADM): \$4,578 - \$7,815

8 (4) Superintendent IV (10,001 - 25,000 ADM): \$4,859 - \$8,293

9 (5) Superintendent V (Over 25,000 ADM): \$5,157 - \$8,801

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

14 Notwithstanding the provisions of this subsection, a local board of education
15 may pay an amount in excess of the applicable range to a superintendent who is entitled
16 to receive the higher amount under Section 9.6 of this act.

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

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

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

32 (f) The Director of the Budget shall transfer from the Reserve for Salary
33 Increases created in this act for fiscal year 1998-99, beginning July 1, 1998, funds
34 necessary to provide an average annual salary increase of three percent (3%), including
35 funds for the employer's retirement and social security contributions, commencing July 1,
36 1998, for all permanent full-time personnel paid from the Central Office Allotment. The
37 State Board of Education shall allocate these funds to local school administrative units.
38 The local boards of education shall establish guidelines for providing their salary
39 increases to these personnel.

40

41 Requested by: Senators Plyler, Perdue, Odom, Winner, Lee

42 **NONCERTIFIED PERSONNEL SALARY FUNDS/TEACHER ASSISTANT**
43 **SALARY FUNDS**

1 Section 28.13. (a) The Director of the Budget may transfer from the Reserve
2 for Compensation Increase created in this act for fiscal year 1998-99, commencing July
3 1, 1998, funds necessary to provide a salary increase of three percent (3%), including
4 funds for the employer's retirement and social security contributions, commencing July 1,
5 1998, for all noncertified public school employees whose salaries are supported from the
6 State's General Fund. Local boards of education shall increase the rates of pay for all
7 such employees who were employed during fiscal year 1997-98 and who continue their
8 employment for fiscal year 1998-99 by at least three percent (3%), commencing July 1,
9 1998. These funds shall not be used for any purpose other than for the salary increases
10 and necessary employer contributions provided by this section.

11 The Director of the Budget may transfer from the Reserve for Compensation
12 Increase created in this act for fiscal year 1998-99, beginning July 1, 1998, funds
13 necessary to provide the salary increases for noncertified public school employees whose
14 salaries are supported from the State's General Fund in accordance with the provisions of
15 this section.

16 The State Board of Education may enact or create salary ranges for
17 noncertified personnel to support increases of three percent (3%) for the 1998-99 fiscal
18 year.

19 (b) G.S. 115C-12(16)b. reads as rewritten:

20 "b. Salary schedules for the following public school support
21 personnel shall be adopted by the State Board of Education:
22 school finance officer, office support personnel, teacher
23 assistants, maintenance supervisors, custodial personnel, and
24 transportation personnel. The Board shall classify these support
25 positions in terms of uniform pay grades included in the salary
26 schedule of the State Personnel Commission.

27 By the end of the third payroll period of the 1995-96 fiscal
28 year, local boards of education shall place State-allotted office
29 support personnel, teacher assistants, and custodial personnel on
30 the salary schedule adopted by the State Board of Education so
31 that the average salary paid is the State-allotted amount for the
32 category. In placing employees on the salary schedule, the local
33 board shall consider the education, training, and experience of
34 each ~~employee.~~ employee, including experience in other local
35 school administrative units. It is the intent of the General
36 Assembly that a local school administrative unit not fail to
37 employ an employee who was employed for the prior school year
38 in order to implement the provisions of this sub-subdivision. A
39 local board of education is in compliance with this sub-
40 subdivision if the average salary paid is at least ninety-five
41 percent (95%) of the State-allotted amount for the category at the
42 end of the third payroll period of the 1995-96 fiscal year, and at
43 least ninety-eight percent (98%) of the State-allotted amount for

1 the category at the end of the third payroll period of each
2 subsequent fiscal year. The Department of Public Instruction
3 shall provide technical assistance to local school administrative
4 units regarding the implementation of this sub-subdivision."

5 (c) Subsection (b) of this section applies beginning with the 1999-2000 school
6 year.

7
8 Requested by: Senators Plyler, Perdue, Odom

9 **COMPENSATION BONUS/STATE EMPLOYEES/SCHOOL PERSONNEL**

10 Section 28.14. (a) Any person:

11 (1) Whose salary is set by or under this Part, other than Sections 28, 28.1,
12 28.2, 28.3(a), 28.4, 28.15(a); and 28.15(c), 28.15(d), 28.15(e), except
13 that the exclusion of those under 28.15(c), 28.15(d), and 28.15(e) only
14 applies to those whose salaries are set by the State Personnel Act; and

15 (2) Who was, on July 1, 1998, a permanent officer or permanent employee
16 whose salary is set by or under this Part shall receive not later than
17 September of 1998 a compensation bonus of one percent (1%), except
18 that:

19 a. The compensation bonus for persons subject to Section 28.10 of
20 this act shall be an average of one percent (1%) per year and shall
21 be allocated in accordance with guidelines adopted by the State
22 Board of Community Colleges;

23 b. The compensation bonus for persons subject to Section 28.11 of
24 this act shall be an average of one percent (1%) per year and shall
25 be allocated to individuals according to the rules adopted by the
26 Board of Governors, or the Board of Trustees of the North
27 Carolina School of Science and Mathematics, as appropriate; and

28 c. The guidelines and rules adopted under sub-subdivisions a. and
29 b. of this subdivision may cover employees of those institutions
30 whose first day of employment for the 1998-99 academic year
31 came after July 1, 1998.

32 (a1) Any person:

33 (1) Who did not receive a compensation bonus under subsection (a) of this
34 section; and

35 (2) Who was employed on the first day of the 1998-99 school year as a
36 permanent public school employee whose salary is set by or under this
37 Part

38 shall receive in the third payroll period of the 1998-99 school year a compensation bonus
39 of one percent (1%) of the annual salary for that position.

40 (b) The annual salary on which the percentage compensation bonus is based is the
41 annual salary in effect during the pay period in which the bonus is paid.

42 (c) The Director of the Budget shall transfer from the Reserve for Compensation
43 Bonus provided by this act sufficient funds to implement this section.

1
2 Requested by: Senators Plyler, Perdue, Odom

3 **MOST STATE EMPLOYEES/SALARY INCREASES**

4 Section 28.15. (a) The salaries in effect June 30, 1998, of all permanent full-
5 time State employees whose salaries are set in accordance with the State Personnel Act,
6 and who are paid from the General Fund or the Highway Fund shall be increased, on or
7 after July 1, 1998, unless otherwise provided by this act, pursuant to the Comprehensive
8 Compensation System set forth in G.S. 126-7 and rules adopted by the State Personnel
9 Commission, as follows:

- 10 (1) Career growth recognition awards in the amount of two percent (2%);
11 (2) A cost-of-living adjustment in the amount of one percent (1%); and
12 (3) A performance bonus in the amount of one percent (1%).

13 Notwithstanding G.S. 126-7(4a), any permanent full-time State employee
14 whose salary is set in accordance with the State Personnel Act and whose salary is at the
15 top of the salary range or within one percent (1%) of the top of the salary range shall
16 receive a one-time bonus of one percent (1%) less the career growth recognition award
17 the employee receives. The employee shall receive the career growth bonus at the time
18 the employee is eligible for the career growth recognition award, but not earlier than July
19 1, 1998.

20 (a1) It is the intent of the General Assembly that the annual career growth
21 recognition award in the amount of two percent (2%) provided by G.S. 126-7(c)(4a) shall
22 be part of the continuation budget for each fiscal year of the 1999-2001 biennium.

23 (b) Except as otherwise provided in this act, salaries in effect June 30, 1998, for
24 permanent full-time State officials and persons in exempt positions that are recommended
25 by the Governor or the Governor and the Advisory Budget Commission and set by the
26 General Assembly shall be increased by three percent (3%), commencing July 1, 1998.

27 (c) The salaries in effect June 30, 1998, for all permanent part-time State
28 employees shall be increased on and after July 1, 1998, by pro rata amounts of the salary
29 increases provided for permanent full-time employees covered under subsection (a) of
30 this section.

31 (d) The Director of the Budget may allocate out of special operating funds or from
32 other sources of the employing agency, except tax revenues, sufficient funds to allow a
33 salary increase on and after July 1, 1998, in accordance with subsections (a), (b), or (c) of
34 this section, including funds for the employer's retirement and social security
35 contributions, of the permanent full-time and part-time employees of the agency.

36 (e) Within regular Executive Budget Act procedures as limited by this act, all
37 State agencies and departments may increase on an equitable basis the rate of pay of
38 temporary and permanent hourly State employees, subject to availability of funds in the
39 particular agency or department, by pro rata amounts the salary increase provided for
40 permanent full-time employees covered by the provisions of subsection (a) of this
41 section, commencing July 1, 1998.

42 (f) Except as provided by subsection (a) of this section, no person may receive
43 a salary increase under G.S. 126-7 during the 1998-99 fiscal year, and no State employee

1 or officer shall receive a merit increment during the 1998-99 fiscal year except as
2 otherwise provided by this act.

3
4 Requested by: Senators Plyler, Perdue, Odom

5 **ALL STATE-SUPPORTED PERSONNEL**

6 Section 28.16. (a) Salaries and related benefits for positions that are funded
7 partially from the General Fund or Highway Fund and partially from sources other than
8 the General Fund or Highway Fund shall be increased from the General Fund or Highway
9 Fund appropriation only to the extent of the proportionate part of the salaries paid from
10 the General Fund or Highway Fund.

11 (b) The granting of the salary increases under this act does not affect the status of
12 eligibility for salary increments for which employees may be eligible unless otherwise
13 required by this act.

14 (c) The salary increases provided in this Part are to be effective July 1, 1998, do
15 not apply to persons separated from State service due to resignation, dismissal, reduction
16 in force, death, or retirement, whose last workday is prior to July 1, 1998, or to
17 employees involved in final written disciplinary procedures. The employee shall receive
18 the increase on a current basis when the final written disciplinary procedure is resolved.

19 Payroll checks issued to employees after July 1, 1998, which represent
20 payment of services provided prior to July 1, 1998, shall not be eligible for salary
21 increases provided for in this act. This subsection shall apply to all employees, subject to
22 or exempt from the State Personnel Act, paid from State funds, including public schools,
23 community colleges, and The University of North Carolina.

24 (d) The Director of the Budget shall transfer from the Reserve for Compensation
25 Increase in this act for fiscal year 1998-99 all funds necessary for the salary increases
26 provided by this act, including funds for the employer's retirement and social security
27 contributions.

28 (e) Nothing in this act authorizes the transfer of funds between the General
29 Fund and the Highway Fund for salary increases.

30
31 Requested by: Senators Plyler, Perdue, Odom

32 **SALARY ADJUSTMENT FUND**

33 Section 28.17. Any remaining appropriations for legislative salary increases
34 not required for that purpose may be used to supplement the Salary Adjustment Fund.
35 These funds shall first be used to provide reclassifications of those positions already
36 approved by the Office of State Personnel. The Office of State Budget and Management
37 shall report to the Joint Legislative Commission on Governmental Operations prior to the
38 allocation of these funds.

39
40 Requested by: Senators Plyler, Perdue, Odom, Rand

41 **SALARIES OF THE ADMINISTRATOR AND THE EXECUTIVE SECRETARY**
42 **OF THE INDUSTRIAL COMMISSION SET BY STATUTE**

43 Section 28.18.(a)G.S. 97-78 reads as rewritten:

1 **"§ 97-78. Salaries and expenses; ~~secretary and other clerical~~ administrator,**
2 **executive secretary, and other staff assistance; annual report.**

3 (a) The salary of each commissioner shall be the same as that fixed from time to
4 time for district attorneys except that the commissioner designated as chair shall receive
5 one thousand five hundred dollars (\$1,500) additional per annum.

6 (b) The Commission may appoint an administrator whose duties shall be
7 prescribed by the Commission, and who shall be subject to the State Personnel System,
8 and who may be removed at the will of the Commission. The Commission may appoint a
9 an executive secretary whose duties shall be prescribed by the Commission, and who
10 shall be subject to the State Personnel System and who, upon entering upon his duties,
11 shall give bond in such sum as may be fixed by the Commission, and who may be
12 removed at the will of the Commission. The Commission may also employ such clerical
13 or other assistance as it may deem necessary, and fix the compensation of ~~all persons so~~
14 employed, such compensation to its staff, except that the salaries of the administrator and
15 the executive secretary shall be fixed by subsection (b1) of this section. The
16 compensation of Commission staff shall be in keeping with the compensation paid to the
17 persons employed to do similar work in other State departments.

18 (b1) The salary of the administrator shall be ninety percent (90%) of the salary of a
19 commissioner. The salary of the executive secretary shall be eighty percent (80%) of the
20 salary of a commissioner. In lieu of merit and other incremental raises, the administrator
21 and the executive secretary shall receive longevity pay on the same basis as is provided to
22 other employees subject to the State Personnel Act.

23 (c) The members of the Commission and its assistants shall be entitled to receive
24 from the State their actual and necessary expenses while traveling on the business of the
25 Commission, but such expenses shall be certified by the person who incurred the same,
26 and shall be approved by the chairman of the Commission before payment is made.

27 (d) All salaries and expenses of the Commission shall be audited and paid out of
28 the State treasury, in the manner prescribed for similar expenses in other departments or
29 branches of the State service, and to defray such salaries and expenses a sufficient
30 appropriation shall be made under the General Appropriation Act as made to other
31 departments, commissions and agencies of the State government.

32 (e) The Commission shall publish annually for free distribution a report of the
33 administration of this Article, together with such recommendations as the Commission
34 deems advisable."

35 (b) Of the funds appropriated from the General Fund to the Department of
36 Commerce, the sum of thirty-six thousand seven hundred fifty-four dollars (\$36,754) for
37 the 1998-99 fiscal year shall be used to implement the Industrial Commission staff
38 salaries authorized by subsection (a) of this section.

39
40 Requested by: Senators Plyler, Perdue, Odom, Martin of Pitt

41 **WILDLIFE RESOURCES COMMISSION DIRECTOR SALARY**

42 Section 28.19. G.S. 143-246 reads as rewritten:

43 **"§ 143-246. Executive Director; appointment, qualifications and duties.**

1 The North Carolina Wildlife Resources Commission as soon as practicable after its
2 organization shall select and appoint a competent person qualified as hereinafter set forth
3 as Executive Director of the North Carolina Wildlife Resources Commission. The
4 Executive Director shall be charged with the supervision of all activities under the
5 jurisdiction of the Commission and shall serve as the chief administrative officer of the
6 said Commission. Subject to the approval of the Commission and the Director of the
7 Budget, he is hereby authorized to employ such clerical and other assistants as may be
8 deemed necessary. The person selected as Executive Director shall have had training and
9 experience in conservation, protection and management of wildlife resources. The salary
10 of such Director shall be fixed by the ~~General Assembly in the Current Operations~~
11 ~~Appropriations Act, and said Wildlife Resources Commission, in an amount at least equal~~
12 ~~to the salary of the Director of the Division of Marine Fisheries.~~ The Director shall be
13 allowed actual expenses incurred while on official duties away from resident
14 ~~headquarters; said headquarters.~~ The salary and expenses ~~to~~ of the Director shall be paid
15 from the Wildlife Resources Fund subject to the provisions of the Executive Budget Act.
16 The term of office of the Executive Director shall be at the pleasure of the Commission.
17 Such bond shall be made as part of the blanket bond of State officers and employees
18 provided for in G.S. 128-8."
19

20 Requested by: Senators Plyler, Perdue, Odom

21 TRAVEL RATES FOR STATE EMPLOYEES

22 Section 28.20. (a) G.S. 138-6(a) reads as rewritten:

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

- 26 (1) For transportation by privately owned automobile, the business standard
27 mileage rate set by the Internal Revenue Service per mile of travel and
28 the actual cost of tolls paid. Any other law which sets a mileage rate by
29 referring to the rate set herein, instead establishes a rate of twenty-five
30 cents (25¢) per mile. No reimbursement shall be made for the use of a
31 personal car in commuting from an employee's home to his duty station
32 in connection with regularly scheduled work hours. Any designation of
33 an employee's home as his duty station by a department head shall
34 require prior approval by the Office of State Budget and Management
35 on an annual basis.
- 36 (2) For bus, railroad, Pullman, or other conveyance, actual fare.
- 37 (3) For expenses incurred for subsistence, payment of ~~seventy-one dollars~~
38 ~~(\$71.00)~~ eighty-one dollars (\$81.00) per day when traveling in-state or
39 ~~eighty-three dollars (\$83.00)~~ ninety-three dollars (\$93.00) per day when
40 traveling out-of-state. Payment of sales tax, lodging tax, local tax, or
41 service fees applied to the cost of lodging are to be paid in addition to
42 the daily subsistence amount. The employee may exceed the part of the
43 ceiling allocated for lodging without approval for overexpenditure

1 provided that the total lodging and food reimbursement does not exceed
2 the maximum provided by this subdivision. When travel involves less
3 than a full day (24-hour period), a reasonable prorated amount shall be
4 paid in accordance with regulations and criteria which shall be
5 promulgated and published by the Director of the Budget.
6 Reimbursement to State employees for lunches eaten while on official
7 business may be made only in the following circumstances:

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

21 (4) For convention registration fees not to exceed ~~thirty dollars (\$30.00) per~~
22 ~~convention.~~ the actual amount expended as shown by a valid receipt or
23 invoice.

24 (5) Effective on July 1, 2001, and effective on July 1 of each odd-numbered
25 year thereafter, the Director of the Budget shall revise the amounts of
26 payment of subsistence per day when traveling in-state and out-of-state
27 by an amount equal to the percent increase in the Consumer Price Index
28 for All Urban Consumers for the most recent 24-month period."

29 (b) The Office of State Budget and Management shall revise the schedule used for
30 reporting allowable subsistence expenses incurred by State officers and employees while
31 traveling on State business by allocating to lodging the increase provided in subsection
32 (a) of this section.

33
34 Requested by: Senators Warren, Kerr, Plyler, Perdue, Odom

35 **INCREASE THE MONTHLY PENSION FOR MEMBERS OF THE FIREMEN'S**
36 **AND RESCUE SQUAD WORKERS' PENSION FUND**

37 Section 28.21. (a) G.S. 58-86-55 reads as rewritten:

38 **"§ 58-86-55. Monthly pensions upon retirement.**

39 Any member who has served 20 years as an 'eligible fireman' or 'eligible rescue squad
40 worker' in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30,
41 and who has attained the age of 55 years is entitled to be paid a monthly pension from
42 this fund. The monthly pension shall be in the amount of ~~one hundred forty one dollars~~
43 ~~(\$141.00)~~ one hundred forty-six dollars (\$146.00) per month. Any retired fireman

1 receiving a pension shall, effective ~~July 1, 1997,~~ July 1, 1998, receive a pension of ~~one~~
2 ~~hundred forty one dollars (\$141.00)~~ one hundred forty-six dollars (\$146.00) per month.

3 Members shall pay ten dollars (\$10.00) per month as required by G.S. 58-86-35 and
4 G.S. 58-86-40 for a period of no longer than 20 years. No 'eligible rescue squad member'
5 shall receive a pension prior to July 1, 1983. No member shall be entitled to a pension
6 hereunder until the member's official duties as a fireman or rescue squad worker for
7 which the member is paid compensation shall have been terminated and the member shall
8 have retired as such according to standards or rules fixed by the board of trustees.

9 A member who is totally and permanently disabled while in the discharge of the
10 member's official duties as a result of bodily injuries sustained or as a result of extreme
11 exercise or extreme activity experienced in the course and scope of those official duties
12 and who leaves the fire or rescue squad service because of this disability shall be entitled
13 to be paid from the fund a monthly benefit in an amount of ~~one hundred forty one dollars~~
14 ~~(\$141.00)~~ one hundred forty-six dollars (\$146.00) per month beginning the first month
15 after the member's fifty-fifth birthday. All applications for disability are subject to the
16 approval of the board who may appoint physicians to examine and evaluate the disabled
17 member prior to approval of the application, and annually thereafter. Any disabled
18 member shall not be required to make the monthly payment of ten dollars (\$10.00) as
19 required by G.S. 58-86-35 and G.S. 58-86-40.

20 A member who is totally and permanently disabled for any cause, other than line of
21 duty, who leaves the fire or rescue squad service because of this disability and who has at
22 least 10 years of service with the pension fund, may be permitted to continue making a
23 monthly contribution of ten dollars (\$10.00) to the fund until the member has made
24 contributions for a total of 240 months. The member shall upon attaining the age of 55
25 years be entitled to receive a pension as provided by this section. All applications for
26 disability are subject to the approval of the board who may appoint physicians to examine
27 and evaluate the disabled member prior to approval of the application and annually
28 thereafter.

29 A member who, because his residence is annexed by a city under Part 2 or Part 3 of
30 Article 4 of Chapter 160A of the General Statutes, or whose department is closed because
31 of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the
32 General Statutes, and because of such annexation is unable to perform as a fireman of any
33 status, and if the member has at least 10 years of service with the pension fund, may be
34 permitted to continue making a monthly contribution of ten dollars (\$10.00) to the fund
35 until the member has made contributions for a total of 240 months. The member upon
36 attaining the age of 55 years and completion of such contributions shall be entitled to
37 receive a pension as provided by this section. Any application to make monthly
38 contributions under this section shall be subject to a finding of eligibility by the Board of
39 Trustees upon application of the member.

40 The pensions provided shall be in addition to all other pensions or benefits under any
41 other statutes of the State of North Carolina or the United States, notwithstanding any
42 exclusionary provisions of other pensions or retirement systems provided by law."

43 (b) This section becomes effective July 1, 1998.

1
2 Requested by: Senators Jenkins, Plyler, Perdue, Odom

3 **RETIREE COLAS**

4 Section 28.22. (a) G.S. 135-5 is amended by adding a new subsection to read:

5 "(eee) From and after July 1, 1998, the retirement allowance to or on account of
6 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
7 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998, in
8 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1998, the retirement
9 allowance to or on account of beneficiaries whose retirement commenced after July 1,
10 1997, but before June 30, 1998, shall be increased by a prorated amount of two and one-
11 half percent (2.5%) of the allowance payable as determined by the Board of Trustees
12 based upon the number of months that a retirement allowance was paid between July 1,
13 1997, and June 30, 1998."

14 (b) G.S. 135-65 is amended by adding a new subsection to read:

15 "(s) From and after July 1, 1998, the retirement allowance to or on account of
16 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
17 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998.
18 Furthermore, from and after July 1, 1998, the retirement allowance to or on account of
19 beneficiaries whose retirement commenced after July 1, 1997, but before June 30, 1998,
20 shall be increased by a prorated amount of two and one-half percent (2.5%) of the
21 allowance payable as determined by the Board of Trustees based upon the number of
22 months that a retirement allowance was paid between July 1, 1997, and June 30, 1998."

23 (c) G.S. 120-4.22A is amended by adding a new subsection to read:

24 "(m) In accordance with subsection (a) of this section, from and after July 1, 1998,
25 the retirement allowance to or on account of beneficiaries whose retirement commenced
26 on or before January 1, 1998, shall be increased by two and one-half percent (2.5%) of
27 the allowance payable on June 1, 1998. Furthermore, from and after July 1, 1998, the
28 retirement allowance to or on account of beneficiaries whose retirement commenced after
29 January 1, 1998, but before June 30, 1998, shall be increased by a prorated amount of two
30 and one-half percent (2.5%) of the allowance payable as determined by the Board of
31 Trustees based upon the number of months that a retirement allowance was paid between
32 January 1, 1998, and June 30, 1998."

33 (d) G.S. 128-27 is amended by adding a new subsection to read:

34 "(uu) From and after July 1, 1998, the retirement allowance to or on account of
35 beneficiaries whose retirement commenced on or before July 1, 1997, shall be increased
36 by two and one-half percent (2.5%) of the allowance payable on June 1, 1998, in
37 accordance with subsection (k) of this section. Furthermore, from and after July 1, 1998,
38 the retirement allowance to or on account of beneficiaries whose retirement commenced
39 after July 1, 1997, but before June 30, 1998, shall be increased by a prorated amount of
40 two and one-half percent (2.5%) of the allowance payable as determined by the Board of
41 Trustees based upon the number of months that a retirement allowance was paid between
42 July 1, 1997, and June 30, 1998."

43 (e) This section becomes effective July 1, 1998.

1
2 Requested by: Senators Jenkins, Plyler, Perdue, Odom

3 **EMPLOYER CONTRIBUTION RATES**

4 Section 28.23. (a) Section 33.23(c) of S.L. 1997-443 reads as rewritten:

5 "(c) Effective July 1, 1998, the State's employer contribution rates budgeted for
6 retirement and related benefits as a percentage of covered salaries for the 1998-99 fiscal
7 year are (i) ~~ten and eighty-three hundredths percent (10.83%)~~ ten and one-tenth percent
8 (10.10%) - Teachers and State Employees; (ii) ~~fifteen and eighty-three hundredths~~
9 ~~percent (15.83%)~~ fifteen and one-tenth percent (15.10%) - State Law Enforcement
10 Officers; (iii) nine and thirty-six hundredths percent (9.36%) - University Employees'
11 Optional Retirement Program; (iv) ~~twenty-two and sixty-five hundredths percent~~
12 ~~(22.65%)~~ eighteen and ninety-seven hundredths percent (18.97%) - Consolidated Judicial
13 Retirement System; and (v) twenty-four and fifty-eight hundredths percent (24.58%) -
14 Legislative Retirement System. Each of the foregoing contribution rates includes two
15 percent (2%) for hospital and medical benefits. The rate for State Law Enforcement
16 Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The
17 rates for Teachers and State Employees, State Law Enforcement Officers, and for the
18 University Employees' Optional Retirement Program include fifty-two hundredths
19 percent (0.52%) for the Disability Income Plan."

20 (b) The change provided by subsection (a) of this section is for the 1998-99
21 fiscal year only. It is the intent of the General Assembly that the rates provided by
22 Section 33.23(b) of S.L. 1997-443 shall apply for the 1999-2001 biennium.

23 (c) Required employer salary-related contributions for employees whose salaries
24 are paid from department, office, institution, or agency receipts shall be paid from the
25 same source as the source of the employees' salary. If an employee's salary is paid in part
26 from the General Fund or Highway Fund and in part from department, office, institution,
27 or agency receipts, required employer salary-related contributions may be paid from the
28 General Fund or Highway Fund only to the extent of the proportionate part paid from the
29 General Fund or Highway Fund in support of the salary of the employee, and the
30 remainder of the employer's requirements shall be paid from the source that supplies the
31 remainder of the employee's salary. The requirements of this section as to source of
32 payment are also applicable to payments on behalf of the employee for hospital-medical
33 benefits, longevity pay, unemployment compensation, accumulated leave, workers'
34 compensation, severance pay, separation allowances, and applicable disability income
35 and disability salary continuation benefits.

36
37 Requested by: Senators Lee, Plyler, Perdue, Odom

38 **PERMIT RETIRED TEACHERS TO WORK AS SUBSTITUTE TEACHERS IN**
39 **PUBLIC SCHOOLS OR AS TEACHERS IN LOW-PERFORMING PUBLIC**
40 **SCHOOLS WITHOUT LOSING RETIREMENT BENEFITS**

41 Section 28.24. (a) G.S. 135-3(8)c. reads as rewritten:

42 "c. Should a beneficiary who retired on an early or service
43 retirement allowance under this Chapter be reemployed, or

1 otherwise engaged to perform services, by an employer
2 participating in the Retirement System on a part-time, temporary,
3 interim, or on a fee-for-service basis, whether contractual or
4 otherwise, and if such beneficiary earns an amount in any
5 calendar year which exceeds fifty percent (50%) of the reported
6 compensation, excluding terminal payments, during the 12
7 months of service preceding the effective date of retirement, or
8 twenty thousand dollars (\$20,000), whichever is greater, as
9 hereinafter indexed, then the retirement allowance shall be
10 suspended as of the first day of the month following the month in
11 which the reemployment earnings exceed the amount above, for
12 the balance of the calendar year. The retirement allowance of the
13 beneficiary shall be reinstated as of January 1 of each year
14 following suspension. The amount that may be earned before
15 suspension shall be increased on January 1 of each year by the
16 ratio of the Consumer Price Index to the Index one year earlier,
17 calculated to the nearest tenth of a percent (1/10 of 1%).

18 The computation of postretirement earnings of a beneficiary
19 under this sub-subdivision, G.S 135-3(8)c., who is or has been
20 certified to teach in North Carolina, shall not include earnings
21 while:

- 22 1. The beneficiary is employed as a substitute or interim
23 teacher in a public school identified by the State Board of
24 Education as low-performing; or
- 25 2. A beneficiary who has been retired for at least 12 months
26 who is employed to teach in a public school identified by
27 the State Board of Education as low-performing, until the
28 school is no longer identified as low-performing; or
- 29 3. A beneficiary who has been retired for at least 12 months
30 who is employed to teach in a public school that qualifies
31 for 'low-wealth supplemental funding'; or
- 32 4. A beneficiary who has been retired for at least 12 months
33 who is employed to teach in a subject area and a
34 geographical area in which the State Board of Education
35 finds that there is a shortage of teachers, until the local
36 board of education locates and hires a teacher certified to
37 teach in the subject area.

38 A beneficiary subject to the provisions of G.S. 135-3(8)c. 1, 2, 3,
39 or 4 shall notify the retirement system when the beneficiary is
40 hired by a local school administrative unit."

41 (b) This section is effective when it becomes law.

42 Requested by: Senators Cooper, Rand, Plyler, Perdue, Odom. Lee

1 **SALARY CONTINUATION BENEFITS FOR UNIVERSITY SYSTEM CAMPUS**
2 **LAW ENFORCEMENT OFFICERS**

3 Section 28.25. (a) G.S. 143-166.13(a) is amended by adding a new subdivision
4 to read:

5 "(19) Sworn State Law-Enforcement Officers with the power of arrest,
6 University System."

7 (b) This section becomes effective July 1, 1998, and applies to incapacities that
8 occur on or after that date.

9
10 Requested by: Senators Jenkins, Plyler, Perdue, Odom

11 **ALLOW MEMBERS OF THE LEGISLATIVE, LOCAL GOVERNMENTAL**
12 **EMPLOYEES', AND TEACHERS' AND STATE EMPLOYEES' RETIREMENT**
13 **SYSTEMS TO CHANGE THEIR DESIGNATED BENEFICIARIES AFTER**
14 **RETIREMENT HAS BECOME EFFECTIVE UNDER CERTAIN**
15 **CIRCUMSTANCES**

16 Section 28.26. (a) G.S. 120-4.26 reads as rewritten:

17 **"§ 120-4.26. Benefit payment options.**

18 Any member may elect to receive his benefits in a retirement allowance payable
19 throughout life, or he may elect to receive the actuarial equivalent of the retirement
20 allowance in a reduced allowance payable throughout life under the provisions of one of
21 the options set forth below. No election may be made after the first payment becomes
22 due, or the first retirement check cashed, nor may an election be revoked or a nomination
23 changed. The election of Option 2 or Option 3 or the nomination of the person
24 thereunder shall be revoked if the person nominated dies prior to the date the first
25 payment becomes normally due or until the first retirement check has been cashed. The
26 election may be revoked by the member prior to the date the first payment becomes
27 normally due or until his first retirement check has been cashed. Provided, however, in
28 the event a member has elected Option 2 or Option 3 and nominated his or her spouse to
29 receive a retirement allowance upon the member's death, and the spouse predeceases the
30 member after the first payment becomes normally due or the first retirement check has
31 been cashed, if the member remarries he or she may nominate a new spouse to receive
32 the retirement allowance under the previously elected option, within 90 days of the
33 remarriage. The new nomination shall be effective on the first day of the month in which
34 it is made and shall provide for a retirement allowance computed to be the actuarial
35 equivalent of the retirement allowance in effect immediately prior to the effective date of
36 the new nomination. ~~Provided, however, any~~ Any member having elected Options 2 or 3
37 and nominated his or her spouse to receive a retirement allowance upon the member's
38 death may, after divorce from his or her spouse, revoke the nomination and elect a new
39 option, effective on the first day of the month in which the new option is elected,
40 providing for a retirement allowance computed to be the actuarial equivalent to the
41 retirement allowance in effect immediately prior to the effective date of the new option.

42 Option 1. For Members Retiring Prior to July 1, 1993. – If a member dies within 10
43 years from his retirement date, an amount equal to his accumulated contributions at

1 retirement, less one-one hundred twentieth (1/120) for each month for which he has
2 received a retirement allowance payment, shall be paid to his legal representative or to
3 the person he nominates by written designation acknowledged and filed with the Board of
4 Trustees;

5 Option 2. – Upon his death, his reduced retirement allowance shall be continued
6 throughout the life of and paid to the person he nominates by written designation duly
7 acknowledged and filed with the Board of Trustees at the time of his retirement. If the
8 person selected is other than his spouse, the reduced retirement allowance payable to the
9 member shall not be less than one half of the retirement allowance without optional
10 modification which would otherwise be payable to him; or

11 Option 3. – Upon his death, one half of his reduced retirement allowance shall be
12 continued throughout the life of and paid to the person he nominates by written
13 designation duly acknowledged and filed with the Board of Trustees at the time of his
14 retirement."

15 (b) G.S. 128-27(g) reads as rewritten:

16 "(g) Election of Optional Allowance. – With the provision that until the first
17 payment on account of any benefit becomes normally due, or his first retirement check
18 has been cashed, any member may elect to receive his benefits in a retirement allowance
19 payable throughout life, or he may elect to receive the actuarial equivalent of such
20 retirement allowance in a reduced allowance payable throughout life under the provisions
21 of one of the Options set forth below. The election of Option two or Option three or
22 nomination of the person thereunder shall be revoked if such person nominated dies prior
23 to the date the first payment becomes normally due or the first retirement check has been
24 cashed. Such election may be revoked by the member prior to the date the first payment
25 becomes normally due or his first retirement check has been cashed. Provided, however,
26 in the event a member has elected Option 2 or Option 3 and nominated his or her spouse
27 to receive a retirement allowance upon the member's death, and the spouse predeceases
28 the member after the first payment becomes normally due or the first retirement check
29 has been cashed, if the member remarries he or she may nominate a new spouse to
30 receive the retirement allowance under the previously elected option, within 90 days of
31 the remarriage. The new nomination shall be effective on the first day of the month in
32 which it is made and shall provide for a retirement allowance computed to be the
33 actuarial equivalent of the retirement allowance in effect immediately prior to the
34 effective date of the new nomination. ~~Provided, however, any~~ Any member having
35 elected Options two, three, or six and nominated his or her spouse to receive a retirement
36 allowance upon the member's death may, after divorce from his or her spouse, revoke the
37 nomination and elect a new option, effective on the first day of the month in which the
38 new option is elected, providing for a retirement allowance computed to be the actuarial
39 equivalent of the retirement allowance in effect immediately prior to the effective date of
40 the new option.

41 Option one. (a) In the Case of a Member Who Retires prior to July 1, 1965. – If
42 he dies before he has received in annuity payments the present value of
43 his annuity as it was at the time of his retirement, the balance shall be

1 paid to such person as he shall nominate by written designation duly
2 acknowledged and filed with the Board of Trustees or, if none, to his
3 legal representative.

4 (b) In the Case of a Member Who Retires on or after July 1, 1965, but prior
5 to July 1, 1993. – If he dies within 10 years from his retirement date, an
6 amount equal to his accumulated contributions at retirement, less one
7 one-hundred-twentieth thereof for each month for which he has received
8 a retirement allowance payment, shall be paid to such person as he shall
9 nominate by written designation duly acknowledged and filed with the
10 Board of Trustees or, if none, to his legal representative; or

11 Option two. Upon his death his reduced retirement allowance shall be continued
12 throughout the life of and paid to such person as he shall nominate by written designation
13 duly acknowledged and filed with the Board of Trustees at the time of his retirement,
14 provided that if the person selected is other than his spouse the reduced retirement
15 allowance payable to the member shall not be less than one half of the retirement
16 allowance without optional modification which would otherwise be payable to him; or

17 Option three. Upon his death, one half of his reduced retirement allowance shall be
18 continued throughout the life of, and paid to such person as he shall nominate by written
19 designation duly acknowledged and filed with the Board of Trustees at the time of his
20 retirement; or

21 Option four. Adjustment of Retirement Allowance for Social Security Benefits. –
22 Until the first payment on account of any benefit becomes normally due, any member
23 may elect to convert his benefit otherwise payable on his account after retirement into a
24 retirement allowance of equivalent actuarial value of such amount that with his benefit
25 under Table II of the Federal Social Security Act, he will receive, so far as possible,
26 approximately the same amount per year before and after the earliest age at which he
27 becomes eligible, upon application therefor, to receive a social security benefit.

28 Option five. For Members Retiring prior to July 1, 1993. – The member may elect to
29 receive a reduced retirement allowance under the conditions of Option two or Option
30 three, as provided for above, with the modification that if both he and the person
31 nominated die within 10 years from his retirement date, an amount equal to his
32 accumulated contributions at retirement, less 1/120th thereof for each month for which a
33 retirement allowance has been paid, shall be paid to his legal representatives or to such
34 person as he shall nominate by written designation duly acknowledged and filed with the
35 Board of Trustees.

36 Option six. A member may elect either Option two or Option three with the added
37 provision that in the event the designated beneficiary predeceases the member, the
38 retirement allowance payable to the member after the designated beneficiary's death shall
39 be equal to the retirement allowance which would have been payable had the member not
40 elected the option."

41 (c) G.S. 135-5(g) reads as rewritten:

42 "(g) Election of Optional Allowance. – With the provision that until the first
43 payment on account of any benefit becomes normally due, or his first retirement check

1 has been cashed, any member may elect to receive his benefits in a retirement allowance
2 payable throughout life, or he may elect to receive the actuarial equivalent of such
3 retirement allowance in a reduced allowance payable throughout life under the provisions
4 of one of the options set forth below. The election of Option 2 or Option 3 or nomination
5 of the person thereunder shall be revoked if such person nominated dies prior to the date
6 the first payment becomes normally due or until the first retirement check has been
7 cashed. Such election may be revoked by the member prior to the date the first payment
8 becomes normally due or until his first retirement check has been cashed. Provided,
9 however, in the event a member has elected Option 2 or Option 3 and nominated his or
10 her spouse to receive a retirement allowance upon the member's death, and the spouse
11 predeceases the member after the first payment becomes normally due or the first
12 retirement check has been cashed, if the member remarries he or she may nominate a new
13 spouse to receive the retirement allowance under the previously elected option, within 90
14 days of the remarriage. The new nomination shall be effective on the first day of the
15 month in which it is made and shall provide for a retirement allowance computed to be
16 the actuarial equivalent of the retirement allowance in effect immediately prior to the
17 effective date of the new nomination. ~~Provided, however, any~~ Any member having
18 elected Options 2, 3, or 6 and nominated his or her spouse to receive a retirement
19 allowance upon the member's death may, after divorce from his or her spouse, revoke the
20 nomination and elect a new option, effective on the first day of the month in which the
21 new option is elected, providing for a retirement allowance computed to be the actuarial
22 equivalent of the retirement allowance in effect immediately prior to the effective date of
23 the new option.

24 Option 1. (a) In the Case of a Member Who Retires prior to July 1, 1963. – If he
25 dies before he has received in annuity payments the present value of his
26 annuity as it was at the time of his retirement, the balance shall be paid
27 to his legal representatives or to such person as he shall nominate by
28 written designation duly acknowledged and filed with the Board of
29 Trustees.

30 (b) In the Case of a Member Who Retires on or after July 1, 1963, but prior
31 to July 1, 1993. – If he dies within 10 years from his retirement date, an
32 amount equal to his accumulated contributions at retirement, less 1/120
33 thereof for each month for which he has received a retirement allowance
34 payment, shall be paid to his legal representatives or to such person as
35 he shall nominate by written designation duly acknowledged and filed
36 with the Board of Trustees; or

37 Option 2. Upon his death his reduced retirement allowance shall be continued
38 throughout the life of and paid to such person as he shall nominate by written designation
39 duly acknowledged and filed with the Board of Trustees at the time of his retirement,
40 provided that if the person selected is other than his spouse the reduced retirement
41 allowance payable to the member shall not be less than one half of the retirement
42 allowance without optional modification which would otherwise be payable to him; or

1 Option 3. Upon his death, one half of his reduced retirement allowance shall be
2 continued throughout the life of, and paid to such person as he shall nominate by written
3 designation duly acknowledged and filed with the Board of Trustees at the time of his
4 retirement; or

5 Option 4. Adjustment of Retirement Allowance for Social Security Benefits. – Until
6 the first payment on account of any benefit becomes normally due, any member may
7 elect to convert his benefit otherwise payable on his account after retirement into a
8 retirement allowance of equivalent actuarial value of such amount that with his benefit
9 under Title II of the Federal Social Security Act, he will receive, so far as possible,
10 approximately the same amount per year before and after the earliest age at which he
11 becomes eligible, upon application therefor, to receive a social security benefit.

12 Option 5. For Members Retiring Prior to July 1, 1993. – The member may elect to
13 receive a reduced retirement allowance under the conditions of Option 2 or Option 3, as
14 provided for above, with the modification that if both he and the person nominated die
15 within 10 years from his retirement date, an amount equal to his accumulated
16 contributions at retirement, less 1/120 thereof for each month for which a retirement
17 allowance has been paid, shall be paid to his legal representatives or to such person as he
18 shall nominate by written designation duly acknowledged and filed with the Board of
19 Trustees.

20 Option 6. A member may elect either Option 2 or Option 3 with the added provision
21 that in the event the designated beneficiary predeceases the member, the retirement
22 allowance payable to the member after the designated beneficiary's death shall be equal
23 to the retirement allowance which would have been payable had the member not elected
24 the option."

25 (d) This section is effective when it becomes law, and its provisions shall apply
26 to all persons who are retired from the Legislative Retirement System, the Local
27 Governmental Employees' Retirement System, or the Teachers' and State Employees'
28 Retirement System on that date or who retire from any of those retirement systems after
29 that date. In the case of retired members who designated a spouse as survivor under one
30 of the options specified in this act, whose designated spouses predeceased them, and who
31 remarried prior to the effective date of this act, such members may nominate the new
32 spouse to receive the survivor retirement benefits in accordance with this act, provided
33 that such nomination is made within 90 days of the effective date of this section.

34
35 Requested by: Senators Jenkins, Plyler, Perdue, Odom

36 **INCREASE RETIREE DEATH BENEFIT**

37 Section 28.27. (a) G.S. 135-5(l) reads as rewritten:

38 "(l) Death Benefit Plan. – There is hereby created a Group Life Insurance Plan
39 (hereinafter called the "Plan") which is established as an employee welfare benefit plan
40 that is separate and apart from the Retirement System and under which the members of
41 the Retirement System shall participate and be eligible for group life insurance benefits.
42 Upon receipt of proof, satisfactory to the Board of Trustees in their capacity as trustees
43 under the Group Life Insurance Plan, of the death, in service, of a member who had

1 completed at least one full calendar year of membership in the Retirement System, there
2 shall be paid to such person as he shall have nominated by written designation duly
3 acknowledged and filed with the Board of Trustees, if such person is living at the time of
4 the member's death, otherwise to the member's legal representatives, a death benefit.
5 Such death benefit shall be equal to the greater of:

- 6 (1) The compensation on which contributions were made by the member
7 during the calendar year preceding the year in which his death occurs, or
- 8 (2) The greatest compensation on which contributions were made by the
9 member during a 12-month period of service within the 24-month
10 period of service ending on the last day of the month preceding the
11 month in which his last day of actual service occurs;
- 12 (3), (4) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1049, s.
13 2.

14 subject to a minimum of twenty-five thousand dollars (\$25,000) and to a maximum of
15 fifty thousand dollars (\$50,000). Such death benefit shall be payable apart and separate
16 from the payment of the member's accumulated contributions under the System on his
17 death pursuant to the provisions of subsection (f) of this section. For the purpose of the
18 Plan, a member shall be deemed to be in service at the date of his death if his death
19 occurs within 180 days from the last day of his actual service.

20 The death benefit provided in this subsection (l) shall not be payable,
21 notwithstanding the member's compliance with all the conditions set forth in the
22 preceding paragraph, if his death occurs

- 23 (1) After December 31, 1968 and after he has attained age 70; or
- 24 (2) After December 31, 1969 and after he has attained age 69; or
- 25 (3) After December 31, 1970 and after he has attained age 68; or
- 26 (4) After December 31, 1971 and after he has attained age 67; or
- 27 (5) After December 31, 1972 and after he has attained age 66; or
- 28 (6) After December 31, 1973 and after he has attained age 65; or
- 29 (7) After December 31, 1978, but before January 1, 1987, and after he has
30 attained age 70.

31 Notwithstanding the above provisions, the death benefit shall be payable on account
32 of the death of any member who died or dies on or after January 1, 1974, but before
33 January 1, 1979, after attaining age 65, if he or she had not yet attained age 65, if he or
34 she had not yet attained age 66, was at the time of death completing the work year for
35 those individuals under specific contract, or during the fiscal year for those individuals
36 not under specific contract, in which he or she attained 65, and otherwise met all
37 conditions for payment of the death benefit.

38 Notwithstanding the above provisions, the Board of Trustees may and is specifically
39 authorized to provide the death benefit according to the terms and conditions otherwise
40 appearing in this Plan in the form of group life insurance, either (i) by purchasing a
41 contract or contracts of group life insurance with any life insurance company or
42 companies licensed and authorized to transact business in this State for the purpose of
43 insuring the lives of members in service, or (ii) by establishing a separate trust fund

1 qualified under Section 501(c)(9) of the Internal Revenue Code of 1954, as amended, for
2 such purpose. To that end the Board of Trustees is authorized, empowered and directed to
3 investigate the desirability of utilizing group life insurance by either of the foregoing
4 methods for the purpose of providing the death benefit. If a separate trust fund is
5 established, it shall be operated in accordance with rules and regulations adopted by the
6 Board of Trustees and all investment earnings on the trust fund shall be credited to such
7 fund.

8 In administration of the death benefit the following shall apply:

- 9 (1) For the purpose of determining eligibility only, in this subsection
10 'calendar year' shall mean any period of 12 consecutive months or, if
11 less, the period covered by an annual contract of employment. For all
12 other purposes in this subsection "calendar year" shall mean the 12
13 months beginning January 1 and ending December 31.
- 14 (2) Last day of actual service shall be:
- 15 a. When employment has been terminated, the last day the member
16 actually worked.
- 17 b. When employment has not been terminated, the date on which an
18 absent member's sick and annual leave expire, unless he is on
19 approved leave of absence and is in service under the provisions
20 of G.S. 135-4(h).
- 21 (3) For a period when a member is on leave of absence, his status with
22 respect to the death benefit will be determined by the provisions of G.S.
23 135-4(h).
- 24 (4) A member on leave of absence from his position as a teacher or State
25 employee for the purpose of serving as a member or officer of the
26 General Assembly shall be deemed to be in service during sessions of
27 the General Assembly and thereby covered by the provisions of the
28 death benefit. The amount of the death benefit for such member shall be
29 the equivalent of the salary to which the member would have been
30 entitled as a teacher or State employee during the 12-month period
31 immediately prior to the month in which death occurred, not to be less
32 than twenty-five thousand dollars (\$25,000) nor to exceed fifty thousand
33 dollars (\$50,000).

34 The provisions of the Retirement System pertaining to Administration, G.S. 135-6,
35 and management of funds, G.S. 135-7, are hereby made applicable to the Plan.

36 A member who is a beneficiary of the Disability Income Plan provided for in Article
37 6 of this Chapter shall be eligible for group life insurance benefits as provided in this
38 subsection, notwithstanding that the member is no longer an employee or teacher or that
39 the member's death occurs after the eligibility period after active service. The basis of the
40 death benefit payable hereunder shall be the higher of the death benefit computed as
41 above or a death benefit based on compensation used in computing the benefit payable
42 under G.S. 135-105 and G.S. 135-106, as may be adjusted for percentage post-disability
43 increases, all subject to the maximum dollar limitation as provided above. A member in

1 receipt of benefits from the Disability Income Plan under the provisions of G.S. 135-112
2 whose right to a benefit accrued under the former Disability Salary Continuation Plan
3 shall not be covered under the provisions of this paragraph.

4 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this
5 subsection, of the death of a retired member of the Retirement System on or after July 1,
6 1988, but before January 1, 1999, there shall be paid a death benefit to the surviving
7 spouse of the deceased retired member or to the deceased retired member's legal
8 representative if not survived by a spouse; provided the retired member has elected, when
9 first eligible, to make, and has continuously made, in advance of his death required
10 contributions as determined by the Board of Trustees on a fully contributory basis,
11 through retirement allowance deductions or other methods adopted by the Board of
12 Trustees, to a group death benefit trust fund administered by the Board of Trustees
13 separate and apart from the Retirement System's Annuity Savings Fund and Pension
14 Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of
15 five thousand dollars (\$5,000) upon the completion of twenty-four months of
16 contributions required under this subsection. Should death occur before the completion of
17 twenty-four months of contributions required under this subsection, the deceased retired
18 member's surviving spouse or legal representative if not survived by a spouse shall be
19 paid the sum of the retired member's contributions required by this subsection plus
20 interest to be determined by the Board of Trustees.

21 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this
22 subsection, of the death of a retired member of the Retirement System on or after January
23 1, 1999, there shall be paid a death benefit to the surviving spouse of the deceased retired
24 member or to the deceased retired member's legal representative if not survived by a
25 spouse; provided the retired member has elected, when first eligible, to make, and has
26 continuously made, in advance of his death required contributions as determined by the
27 Board of Trustees on a fully contributory basis, through retirement allowance deductions
28 or other methods adopted by the Board of Trustees, to a group death benefit trust fund
29 administered by the Board of Trustees separate and apart from the Retirement System's
30 Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a
31 lump-sum payment in the amount of six thousand dollars (\$6,000) upon the completion
32 of 24 months of contributions required under this subsection. Should death occur before
33 the completion of 24 months of contributions required under this subsection, the deceased
34 retired member's surviving spouse or legal representative if not survived by a spouse shall
35 be paid the sum of the retired member's contributions required by this subsection plus
36 interest to be determined by the Board of Trustees."

37 (b) G.S. 135-64(g) reads as rewritten:

38 "(g) Upon the death of a retired member on or after July 1, 1988, but before
39 January 1, 1999, there shall be paid a death benefit to the surviving spouse of a deceased
40 retired member or to the deceased retired member's legal representative if not survived by
41 a spouse; provided the retired member has elected, when first eligible, to make, and has
42 continuously made, in advance of his death required contributions as determined by the
43 Board of Trustees on a fully contributory basis, through retirement allowance deductions

1 or other methods adopted by the Board of Trustees, to a group death benefit trust fund
2 administered by the Board of Trustees separate and apart from the Retirement System's
3 Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a
4 lump-sum payment in the amount of five thousand dollars (\$5,000) upon the completion
5 of 24 months of contributions required under this subsection. Should death occur before
6 the completion of 24 months of contributions required under this subsection, the deceased
7 retired member's surviving spouse or legal representative if not survived by a spouse shall
8 be paid the sum of the retired member's contributions required by this subsection plus
9 interest to be determined by the Board of Trustees."

10 (c) G.S. 135-64 is amended by adding a new subsection to read:

11 "(h) Upon the death of a retired member on or after January 1, 1999, there shall be
12 paid a death benefit to the surviving spouse of a deceased retired member or to the
13 deceased retired member's legal representative if not survived by a spouse; provided the
14 retired member has elected, when first eligible, to make, and has continuously made, in
15 advance of his death required contributions as determined by the Board of Trustees on a
16 fully contributory basis, through retirement allowance deductions or other methods
17 adopted by the Board of Trustees, to a group death benefit trust fund administered by the
18 Board of Trustees separate and apart from the Retirement System's Annuity Savings
19 Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment
20 in the amount of six thousand dollars (\$6,000) upon the completion of 24 months of
21 contributions required under this subsection. Should death occur before the completion of
22 24 months of contributions required under this subsection, the deceased retired member's
23 surviving spouse or legal representative if not survived by a spouse shall be paid the sum
24 of the retired member's contributions required by this subsection plus interest to be
25 determined by the Board of Trustees."

26 (d) G.S. 120-4.27 reads as rewritten:

27 "**§ 120-4.27. Death benefit.**

28 The designated beneficiary of a member who dies while in service after completing
29 one year of creditable service shall receive a lump-sum payment of an amount equal to
30 the deceased member's highest annual salary, to a maximum of fifteen thousand dollars
31 (\$15,000). For purposes of this death benefit 'in service' means currently serving as a
32 member of the North Carolina General Assembly.

33 The death benefit provided by this section shall be designated a group life insurance
34 benefit payable under an employee welfare benefit plan that is separate and apart from
35 the Retirement System but under which the members of the Retirement System shall
36 participate and be eligible for group life insurance benefits. The Board of Trustees is
37 authorized to provide the death benefit in the form of group life insurance either by
38 purchasing a contract or contracts of group life insurance with any life insurance
39 company or companies licensed and authorized to transact business in the State of North
40 Carolina for the purpose of insuring the lives of qualified members in service, or by
41 establishing or affiliating with a separate trust fund qualified under Section 501(c)(9) of
42 the Internal Revenue Code of 1954, as amended.

1 Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired
2 member of the Retirement System or Retirement Fund on or after July 1, 1988, but before
3 January 1, 1999, there shall be paid a death benefit to the surviving spouse of a deceased
4 retired member, or to the deceased retired member's legal representative if not survived
5 by a spouse; provided the retired member has elected, when first eligible, to make, and
6 has continuously made, in advance of his death required contributions as determined by
7 the Retirement System on a fully contributory basis, through retirement allowance
8 deductions or other methods adopted by the Retirement System, to a group death benefit
9 trust fund administered by the Board of Trustees separate and apart from the Retirement
10 System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit
11 shall be a lump-sum payment in the amount of five thousand dollars (\$5,000) upon the
12 completion of twenty-four months of contributions required under this subsection.
13 Should death occur before the completion of twenty-four months of contributions
14 required under this subsection, the deceased retired member's surviving spouse or legal
15 representative if not survived by a spouse shall be paid the sum of the retired member's
16 contributions required by this subsection plus interest to be determined by the Board of
17 Trustees.

18 Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired
19 member of the Retirement System or Retirement Fund on or after January 1, 1999, there
20 shall be paid a death benefit to the surviving spouse of a deceased retired member, or to
21 the deceased retired member's legal representative if not survived by a spouse; provided
22 the retired member has elected, when first eligible, to make, and has continuously made,
23 in advance of his death required contributions as determined by the Retirement System
24 on a fully contributory basis, through retirement allowance deductions or other methods
25 adopted by the Retirement System, to a group death benefit trust fund administered by
26 the Board of Trustees separate and apart from the Retirement System's Annuity Savings
27 Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment
28 in the amount of six thousand dollars (\$6,000) upon the completion of 24 months of
29 contributions required under this subsection. Should death occur before the completion
30 of 24 months of contributions required under this subsection, the deceased retired
31 member's surviving spouse or legal representative if not survived by a spouse shall be
32 paid the sum of the retired member's contributions required by this subsection plus
33 interest to be determined by the Board of Trustees."

34 (e) G.S. 128-27(12) reads as rewritten:

35 "(12) Death Benefit for Retired Members. – Upon receipt of proof, satisfactory to the
36 Board of Trustees in its capacity under this subsection, of the death of a retired member
37 of the Retirement System on or after July 1, 1988, but before January 1, 1999, there shall
38 be paid a death benefit to the surviving spouse of the deceased retired member or to the
39 deceased retired member's legal representative if not survived by a spouse; provided the
40 retired member has elected, when first eligible, to make, and has continuously made, in
41 advance of his death required contributions as determined by the Board of Trustees on a
42 fully contributory basis through retirement allowance deductions or other methods
43 adopted by the Board of Trustees, to a group death benefit trust fund administered by the

1 Board of Trustees separate and apart from the Retirement System's Annuity Savings
2 Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment
3 in the amount of five thousand dollars (\$5,000) upon the completion of 24 months of
4 contributions required under this subsection. Should death occur before the completion of
5 24 months of contributions required under this subsection, the deceased retired member's
6 surviving spouse or legal representative if not survived by a spouse shall be paid the sum
7 of the retired member's contributions required by this subsection plus interest to be
8 determined by the Board of Trustees."

9 (f) G.S. 128-27 is amended by adding a new subsection to read:

10 "(13) Death Benefit for Retired Members. – Upon receipt of proof, satisfactory to the
11 Board of Trustees in its capacity under this subsection, of the death of a retired member
12 of the Retirement System on or after January 1, 1999, there shall be paid a death benefit
13 to the surviving spouse of the deceased retired member or to the deceased retired
14 member's legal representative if not survived by a spouse; provided the retired member
15 has elected, when first eligible, to make, and has continuously made, in advance of his
16 death required contributions as determined by the Board of Trustees on a fully
17 contributory basis through retirement allowance deductions or other methods adopted by
18 the Board of Trustees, to a group death benefit trust fund administered by the Board of
19 Trustees separate and apart from the Retirement System's Annuity Savings Fund and
20 Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the
21 amount of six thousand dollars (\$6,000) upon the completion of 24 months of
22 contributions required under this subsection. Should death occur before the completion of
23 24 months of contributions required under this subsection, the deceased retired member's
24 surviving spouse or legal representative if not survived by a spouse shall be paid the sum
25 of the retired member's contributions required by this subsection plus interest to be
26 determined by the Board of Trustees."

27 (g) This section becomes effective January 1, 1999.

28
29 Requested by: Senator Gulley

30 RIF ABUSES PROHIBITED

31 Section 28.28. G.S. 143-27.2 reads as rewritten:

32 **"§ 143-27.2. Discontinued service retirement allowance and severance wages for**
33 **certain State employees.**

34 (a) When the Director of the Budget determines that the closing of a State
35 institution or a reduction in force will accomplish economies in the State Budget, he shall
36 pay either a discontinued service retirement allowance or severance wages to any affected
37 State employee, provided reemployment is not available. As used in this section,
38 "economies in the State Budget" means economies resulting from elimination of a job
39 and its responsibilities or from a lack of funds to support the job. In determining whether
40 to pay a discontinued service retirement allowance or severance wages, the Director of
41 the Budget shall consider the recommendation of the department head involved and any
42 recommendation of the State Personnel Director. Severance wages shall not be paid to an
43 employee who chooses a discontinued service retirement. Severance wages shall not be

1 subject to employer or employee retirement contributions. Severance wages shall be paid
2 according to the policies adopted by the State Personnel Commission.

3 Notwithstanding any other provisions of the State's retirement laws, any employee of
4 the State who is a member of the Teachers' and State Employees' Retirement System or
5 the Law-Enforcement Officers' Retirement System and who has his job involuntarily
6 terminated as a result of economies in the State Budget may be entitled to a discontinued
7 service retirement allowance, subject to the approval of the employing agency and the
8 availability of agency funds. An unreduced discontinued service retirement allowance,
9 not otherwise allowed, may be approved for employees with 20 or more years of
10 creditable retirement service who are at least 55 years of age; or a discontinued service
11 retirement allowance, not otherwise allowed, may be approved for employees with 20 or
12 more years of creditable retirement service who are at least 50 years of age, reduced by
13 one-fourth of one percent (1/4 of 1%) for each month that retirement precedes his fifty-
14 fifth birthday. In cases where a discontinued service retirement allowance is approved,
15 the employing agency shall make a lump sum payment to the Administrator of the State
16 Retirement Systems equal to the actuarial present value of the additional liabilities
17 imposed upon the System, to be determined by the System's consulting actuary, as a
18 result of the discontinued service retirement, plus an administrative fee to be determined
19 by the Administrator.

20 The salary used to determine severance wages under this section, is the last annual
21 salary except that if the employee was promoted within the previous 12 months, the last
22 annual salary is that annual salary prior to the promotion. If the annual salary prior to the
23 promotion is used, it shall be adjusted to account for any across-the-board legislative
24 salary increases. Excluded from any calculation are any benefits such as, but not limited
25 to, overtime pay, shift pay, holiday premium, or longevity pay.

26 (b) Any employee separated from State government and paid severance wages
27 under this section shall not be employed under a contractual arrangement by the same
28 department until 12 months have elapsed since the separation. This subsection does not
29 affect any reduction in force rights that the employee may have."

30

31 **PART XXIX. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS**

32 **CAPITAL APPROPRIATIONS/GENERAL FUND**

33 Section 29. Appropriations are made from the General Fund of the State for
34 the 1998-99 fiscal year for use by the State departments, institutions, and agencies to
35 provide for capital improvement projects according to the following schedule:

36
37 Capital Improvements - General Fund

38 1998-99

39 **ADMINISTRATION**

40
41 Reserve for State Veterans Nursing Home-Salisbury

42 Renovation of a 100-bed nursing care unit \$1,000,000

43

1	AGRICULTURE AND CONSUMER SERVICES	
2		
3	N.C. State Fair	
4	Conservation Education Center-Design	\$500,000
5		
6	Eastern Agriculture Center	
7	Funds for continued development including parking, paving,	
8	and a covered walkway \$1,000,000	
9		
10	Southeastern Farmers Market and Agriculture Center	
11	Continued Development	\$500,000
12		
13	Union County Equine Facility-Planning	\$1,000,000
14		
15	Umstead Farm Unit	
16	Authorizes the Department to use timber receipts	
17	for fiscal year 1998-99 for the construction of nutrition	
18	and animal care facilities at the Umstead Farm	
19	Unit in Butner	
20		
21	Total Requirements	\$533,000
22	Less Receipts	(\$533,000)
23		
24	Appropriation	0
25		
26	COMMUNITY COLLEGES	
27		
28	Center for Applied Textile Technology	
29	Lab and Administration Building	\$2,000,000
30		
31	Fayetteville Technical Community College	
32	to construct a model early childhood	
33	education center	\$3,000,000
34		
35	CORRECTION	
36		
37	Central Prison-Acute Care Hospital	
38	Design of a new 90-bed facility	\$2,500,000
39		
40	CULTURAL RESOURCES	
41		
42	Museum of Art-Expansion and Renovation	
43	Design funds	\$2,400,000

1		
2	Museum of the Albemarle-New Building	
3	Site preparation and beginning construction	\$7,000,000
4		
5	ENVIRONMENT AND NATURAL RESOURCES	
6		
7	State Match-Water Resources Projects	
8	Funds for the State share of federal civil	\$7,300,000
9	works projects	
10		
11	Construction/Renovation of Aquariums	
12	Funds to complete Roanoke Island facility and to	\$3,750,000
13	do site development at Pine Knoll Shores and	
14	Fort Fisher facilities	
15		
16	Central Piedmont Aquarium-Planning	\$500,000
17		
18	Land Acquisition-Jocassee Lake-Transylvania County	
19	Purchase land adjacent to Jocassee Lake to be preserved	
20	as a park, recreational, and scenic areas	\$5,000,000
21		
22	Detoxification of PCB Landfill in Warren County	\$3,000,000
23		
24	Channel Widening/Deepening-Wilmington Port	
25	To improve navigation for shipping terminals and industries	\$4,800,000
26		
27	HEALTH AND HUMAN SERVICES	
28		
29	Eastern School for the Deaf	
30	Construction of 11,000 square foot Independent Living	
31	Complex in Wilson	\$1,040,000
32		
33	Cherry Hospital/Children and Youth Facility	
34	Replace an existing building which no longer	
35	meets federal standards	\$5,000,000
36		
37	New Whitaker School-Planning	
38	Planning for a 33-bed facility	\$250,000
39		
40	Eastern Vocational Rehabilitation Facility/Goldsboro	
41	Purchase an existing building for the expansion of the	
42	Traumatic Brain Injured Program	\$300,000
43		

1	STATE PORTS	
2		
3	Reserve for Continued Development of State Ports	
4	Continued development of the State ports at Wilmington	
5	and Morehead City	\$2,000,000
6		
7	UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS	
8		
9	East Carolina University	
10	Science Laboratories and Technology Building-Site Development	\$3,200,000
11		
12	East Carolina University	
13	Multipurpose Center-Matching Funds	\$2,000,000
14		
15	Elizabeth City State University	
16	To complete Fine Arts and Mass Communications Building	\$948,600
17		
18	Fayetteville State University	
19	Fine Arts and General Classroom Facility-Site Development	\$1,000,000
20		
21	North Carolina A&T State University	
22	Campus Security Improvements	\$1,450,000
23	General Classroom and Laboratory	
24	Building Complex # 1	\$3,850,000
25		
26	North Carolina Central University	
27	Health and Safety Repairs and Renovations	\$2,000,000
28		
29	North Carolina School of the Arts	
30	Basic Education Complex-Planning	\$800,000
31	Filmmaking Office/Classroom Post Production Complex	\$300,000
32		
33	North Carolina State University	
34	Toxicology Building-Construction	\$13,806,100
35	Engineering Instructional Facility-Advanced Planning	\$5,000,000
36	Upfit and Equip Center for Marine Science and	
37	Technology Building	\$2,400,000
38	Polk House-Funds to relocate and renovate	\$600,000
39	Raulston Arboretum Education Center	\$3,400,000
40		
41	UNC-Asheville	
42	Highsmith Center Renovation and Addition-Planning	\$1,000,000
43		

1	UNC-Chapel Hill	
2	R.B. House Library-Renovation	\$9,332,700
3	Medical Biomolecular Research Building-	
4	Site Development \$6,000,000	
5	Paul Green Theatre	\$1,000,000
6	Additional renovations of Memorial Hall-Planning	\$1,000,000
7	Addition and renovation of the Knapp Building	\$6,570,600
8		
9	UNC-General Administration	
10	School Leadership Academy	\$2,000,000
11		
12	UNC-Public Television	
13	Advanced Planning, Conversion to Digital TV	\$1,100,000
14		
15	UNC-Charlotte	
16	Academic Facilities-Humanities-Site Development	\$3,000,000
17	Academic Facilities-Sciences-Planning	\$2,000,000
18		
19	UNC-Greensboro	
20	Science Instructional Building-Site Development	\$3,850,000
21		
22	UNC-Pembroke	
23	Regional Center for Economic, Professional and	
24	Community Development Planning \$700,000	
25		
26	Western Carolina University	
27	Fine and Performing Arts Center-Site Development	\$2,500,000
28		
29	Winston-Salem State University	
30	Computer Science Facility-Planning	\$700,000
31		
32	TOTAL CAPITAL APPROPRIATION	\$135,348,000

34 Requested by: Senators Odom, Plyler, Perdue

35 **EXPENDITURE OF FUNDS FROM RESERVE FOR REPAIRS AND**
36 **RENOVATIONS**

37 Section 29.1 (a) Of the funds in the Reserve for Repairs and Renovations for the
38 1998-99 fiscal year, forty-six percent (46%) shall be allocated to the Board of Governors
39 of The University of North Carolina for repairs and renovations pursuant to G.S. 143-
40 15.3A, in accordance with guidelines developed in The University of North Carolina
41 Funding Allocation Model for Reserve for Repairs and Renovations, as approved by the
42 Board of Governors of The University of North Carolina, and fifty-four percent (54%)

1 shall be allocated to the Office of State Budget and Management for repairs and
2 renovations pursuant to G.S. 143-15.3A.

3 Notwithstanding G.S. 143-15.3A, the Board of Governors may allocate funds
4 for the repair and renovation of facilities not supported from the General Fund if the
5 Board determines that sufficient funds are not available from other sources and that
6 conditions warrant General Fund assistance. Any such finding shall be included in the
7 Board's submission to the Joint Legislative Commission on Governmental Operations on
8 the proposed allocation of funds.

9 The Board of Governors and the Office of State Budget and Management
10 shall submit to the Joint Legislative Commission on Governmental Operations and to the
11 Fiscal Research Division of the Legislative Services Office, for their review, the
12 proposed allocations of these funds. Subsequent changes in the proposed allocations
13 shall be reported prior to expenditure to the Joint Legislative Commission on
14 Governmental Operations and to the Fiscal Research Division of the Legislative Services
15 Office.

16

17 Requested by: Senators Lee, Winner

18 **UNC REPAIRS AND RENOVATIONS**

19 Section 29.2. The Board of Governors of The University of North Carolina
20 may allocate up to ten million dollars (\$10,000,000) of its funding from the Reserve for
21 Repairs and Renovations for improvements to the technology infrastructure on the
22 campuses of the constituent institutions. Such improvements to the technology
23 infrastructure shall include repairs to existing systems, improvements to improve the use
24 and suitability of existing space for technology, and other improvements to utilities
25 infrastructure that will allow the increased use of advanced technology for educational
26 and research purposes.

27 These funds shall be used in accordance with G.S. 143-15.3A.

28

29 Requested by: Senators Plyler, Perdue, Odom

30 **HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS**

31 Section 29.3. (a) Funds allocated in this act to the Office of State Budget and
32 Management for the Repairs and Renovations Fund may be used to make needed repairs
33 and renovations at the State Historic Sites.

34 (b) There is established the Historic Sites Repairs and Renovations Review
35 Committee. The Committee shall consist of the following members: the three cochairs
36 of the Senate Appropriations and Base Budget Committee and the four cochairs of the
37 House of Representatives Appropriations Committee. The Office of State Budget and
38 Management shall submit its proposal for the use of funds from the Repairs and
39 Renovations Fund for Historic Sites to the Committee before submitting the proposal to
40 the Joint Legislative Commission on Governmental Operations in accordance with this
41 act.

42

43 Requested by: Senators Warren, Plyler, Odom, Perdue

STATE CAPITOL AND VISITOR'S CENTER SITE

Section 29.4. The new State Capitol and Visitor Center being planned for construction shall be located at the site bounded by Blount Street, Wilmington Street, Edenton Street, and Jones Street in Raleigh, unless that construction site is unacceptable for structural reasons.

Requested by: Senator Martin of Pitt

TIMBER RECEIPTS FOR CAPITAL CONSTRUCTION

Section 29.5. The sum of five hundred thirty-three thousand dollars (\$533,000) shall be transferred from the Department of Agriculture and Consumer Services' timber sales capital improvement account, established pursuant to G.S. 146-30, to the Department of Agriculture and Consumer Services for the 1998-99 fiscal year for construction of nutrition and animal care facilities at the Umstead Farm Unit in Butner.

Requested by: Senator Jenkins

SOUTH BROAD PARK LAKE AND WATER CONSERVATION FUND CONVERSION

Section 29.6. Lands purchased by the State to establish a new State park in Transylvania County shall be used as replacement property to fulfill the requirements of the federal Land and Water Conservation Fund for the conversion of land within South Broad Park in Brevard to a use other than outdoor recreation. Except for the tract currently used for an arboretum, Transylvania County may use for library purposes lands in South Broad Park converted under this section.

Requested by: Senators Plyler, Perdue, Odom

CONSTRUCTION FUNDS FOR STATE PORTS AND WANCHESE SEAFOOD INDUSTRIAL PARK

Section 29.7. Of the two million dollars (\$2,000,000) appropriated in this act to the Department of Commerce for capital improvements, the sum of one million seven hundred fifty thousand dollars (\$1,750,000) for the 1998-99 fiscal year shall be divided equally between the State ports at Morehead City and Wilmington to be used for capital improvements. The remaining two hundred fifty thousand dollars (\$250,000) for the 1998-99 fiscal year shall be used for construction of new meeting and office space and renovation of existing meeting and office space at the Wanchese Seafood Industrial Park.

Requested by: Senator Martin of Pitt

WATER RESOURCES DEVELOPMENT PROJECTS FUNDS

Section 29.8. (a)The Department of Environment and Natural Resources shall allocate the funds appropriated in this act for water resources development projects to the following projects whose estimated costs are as indicated:

Name of Project

1	1. Morehead City Harbor Turning Basin	\$ 2,000,000
2		
3	2. Wilmington Harbor Maintenance Dredging	200,000
4		
5	3. B. Everett Jordan Lake Water Supply	110,000
6		
7	4. Wilmington Harbor Long-Term Disposal	1,400,000
8		
9	5. Aquatic Plant Control Statewide and Lake Gaston	150,000
10		
11	6. Beaufort Harbor Maintenance Dredging	80,000
12		
13	7. North Channel Maintenance Dredging	1,200,000
14	and Disposal Site	
15		
16	8. Manteo Shallowbag Bay Maintenance Dredging	200,000
17		
18	9. Rollinson Channel Maintenance Dredging	400,000
19	(Dare County)	
20		
21	10. State-Local Projects	
22		
23	a. Frisco Ditch Snagging (Dare County)	3,500
24	b. Moccasin Creek Restoration (Johnston County)	78,800
25	c. Avery Pond Jetties and Dredging	140,800
26	(Town of Kitty Hawk)	
27	d. High Rock Lake Dredging Feasibility Study	20,000
28	e. Northwest Creek Dredging	100,000
29	f. Other Stream Restoration Projects	256,900
30	Subtotal	600,000
31		
32	11. Pine Knolls Shores Protection (Carteret Co.)	200,000
33		
34	12. Tar River Road Streambank Protection	50,000
35	(City of Greenville)	
36		
37	13. Battery Island Bird Habitat Restoration	140,000
38	(Brunswick County)	
39		
40	14. Dare County Beaches Feasibility Study	70,000
41		
42	15. Deep Creek Watershed Project (Yadkin Co.)	500,000
43		

Total \$ 7,300,000

(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.

Requested by: Senator Ballance

WARREN COUNTY PCB LANDFILL DETOXIFICATION FUNDS

Section 29.9. (a) The Director of the Budget shall place funds appropriated in this act to the Department of Environment and Natural Resources for the 1998-99 fiscal year for the detoxification of the Warren County polychlorinated biphenyl (PCB) landfill, any available funds for the 1998-99 fiscal year, and any available federal funds into a nonreverting reserve to be used by the Department for the detoxification of a landfill located in Warren County that contains polychlorinated biphenyl (PCBs) and dioxin/furan contaminated materials. The detoxification treatment standards for residual concentrations of contaminants remaining in the soil shall be 200 parts per billion for PCBs and 200 parts per trillion toxicity equivalent concentration (TEQ) for dioxins/furans. Based catalyzed decomposition (BCD) technology shall be used to detoxify the landfill in accordance with a plan approved by the Department. The Department shall oversee the detoxification of this landfill.

(b) Any funds remaining in the reserve established under subsection (a) of this section at the conclusion of the detoxification of the landfill shall remain in a

1 nonreverting reserve and shall be transferred to the Department of Commerce to be used
2 for economic development in Warren County or Warren County's infrastructure needs, or
3 both.

4
5 Requested by: Senator Perdue

6 **GLOBAL TRANSPARK RESERVE**

7 Section 29.10. There is established in the Office of State Budget and
8 Management a reserve fund entitled the "Global TransPark Reserve Fund" for runway
9 and taxiway construction, wetlands compensatory mitigation, and assuming the local
10 sponsor role for the Kinston Regional Jetport facility. Of the funds appropriated in this
11 act to the Office of State Budget and Management for the Global TransPark Authority,
12 the sum of five million three hundred twenty-five thousand dollars (\$5,325,000) shall be
13 placed in the Global TransPark Reserve Fund. These funds shall be used to match federal
14 funds and shall be allocated by the North Carolina Global TransPark Authority as
15 follows:

- 16 (1) Up to \$3,500,000 to begin construction of the runway extension and
17 taxiways.
- 18 (2) Up to \$1,500,000 to satisfy wetlands compensatory mitigation
19 requirements associated with obtaining a State water quality
20 certification under section 401 of the federal Clean Water Act or any
21 other compensatory mitigation requirements under section 404 of the
22 federal Clean Water Act in connection with the construction of the
23 runway extension and taxiways. The compensatory mitigation
24 requirements shall be met by the North Carolina Global TransPark
25 Authority by making payment to the Wetlands Restoration Fund in
26 accordance with G.S. 143-214.12.
- 27 (3) Up to \$325,000 to assume the local sponsor role for the Kinston
28 Regional Jetport facility.

29 Any funds not expended or encumbered pursuant to this section by June 30, 2000, shall
30 revert to the General Fund.

31
32 Requested by: Senators Plyler, Perdue, Odom

33 **CAPITAL IMPROVEMENT PROJECTS/SUPPLEMENTAL FUNDING**
34 **APPROVAL/REPORTING REQUIREMENT**

35 Section 29.11. Each department receiving capital improvement appropriations
36 from the Highway Fund under this act shall report quarterly to the Director of the Budget
37 on the status of those capital projects. The reporting procedure to be followed shall be
38 developed by the Director of the Budget.

39 Capital improvement projects authorized in this act that have not been placed
40 under contract for construction due to insufficient funds may be supplemented with funds
41 identified by the Director of the Budget, provided:

- 42 (1) That the project was designed and bid within the scope as authorized by
43 the General Assembly;

- 1 (2) That the funds to supplement the project are the same source as
2 authorized for the original project;
- 3 (3) That the department to which the project was authorized has
4 unsuccessfully pursued all statutory authorizations to award the
5 contract; and
- 6 (4) That the action be reported to the Fiscal Research Division of the
7 Legislative Services Office.
8

9 Requested by: Senator Jordan

10 **RELOCATE GLOBAL TRANSPARK AUTHORITY**

11 Section 29.12. Of funds available to the North Carolina Global TransPark
12 Authority from funds appropriated in this act, the Authority shall relocate its
13 administrative offices from Raleigh to the site of the TransPark in Kinston. No State
14 funds shall be spent to lease office space in Raleigh after June 30, 1999. At the request of
15 the Authority, the State Property Office shall assist the Authority in locating State uses
16 for that space, if practical and economical.

17 The Authority may maintain a contact person housed in the offices of the
18 Department of Transportation in Raleigh.
19

20 **PART XXX. MISCELLANEOUS PROVISIONS**

21 Requested by: Senators Plyler, Perdue, Odom

22 **EXECUTIVE BUDGET ACT APPLIES**

23 Section 30. The provisions of the Executive Budget Act, Chapter 143, Article
24 1 of the General Statutes, are reenacted and shall remain in full force and effect and are
25 incorporated in this act by reference.
26

27 Requested by: Senators Plyler, Perdue, Odom,

28 **COMMITTEE REPORT**

29 Section 30.1. (a) The Senate Appropriations Committee Report on the Continuation,
30 Expansion and Capital Budgets, dated June 30, 1998, which was distributed in the Senate
31 and the House of Representatives and used to explain this act, shall indicate action by the
32 General Assembly on this act and shall therefore be used to construe this act, as provided
33 in G.S. 143-15 of the Executive Budget Act, and for these purposes shall be considered a
34 part of this act and as such shall be printed as a part of the Session Laws.

35 (b) The budget enacted by the General Assembly for the maintenance of the
36 various departments, institutions, and other spending agencies of the State for the 1998-
37 99 fiscal year is a line item budget, in accordance with the Budget Code Structure and the
38 State Accounting System Uniform Chart of Accounts set out in the Administrative
39 Policies and Procedures Manual of the Office of the State Controller. This budget
40 includes the appropriations made from all sources including the General Fund, Highway
41 Fund, special funds, cash balances, federal receipts, and departmental receipts.

42 The General Assembly amended the itemized budget requests submitted to the
43 General Assembly by the Director of the Budget, in accordance with the steps that follow

1 and the line item detail in the budget enacted by the General Assembly may be derived
2 accordingly:

3 (1) The base budget was adjusted in accordance with the base budget cuts
4 and additions that were set out in the Senate Appropriations Committee
5 Report on the Continuation, Expansion and Capital Budgets, dated June
6 30, 1998, together with any accompanying correction sheets.

7 (2) Transfers of funds supporting programs were made in accordance with
8 the Senate Appropriations Committee Report on the Continuation,
9 Expansion and Capital Budgets, dated June 30, 1998, together with any
10 accompanying correction sheets.

11 The budget enacted by the General Assembly shall also be interpreted in
12 accordance with the special provisions in this act and in accordance with other
13 appropriate legislation.

14 In the event that there is a conflict between the line item budget certified by the
15 Director of the Budget and the budget enacted by the General Assembly, the budget
16 enacted by the General Assembly shall prevail.

17
18 Requested by: Senators Plyler, Perdue, Odom

19 **MOST TEXT APPLIES ONLY TO 1998-99**

20 Section 30.2. Except for statutory changes or other provisions that clearly
21 indicate an intention to have effects beyond the 1998-99 fiscal year, the textual provisions
22 of this act apply only to funds appropriated for, and activities occurring during, the 1998-
23 99 fiscal year.

24
25 Requested by: Senators Plyler, Perdue, Odom

26 **1997-98 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

27 Section 30.3. (a) Except where expressly repealed or amended by this act, the
28 provisions of S.L. 1997-443, S.L. 1998-1 Extra Session, and S.L. 1998-9 remain in effect.

29 (b) Notwithstanding any modifications by this act in the amounts appropriated,
30 except where expressly repealed or amended, the limitations and directions for the 1998-
31 99 fiscal year in S.L. 1997-443, S.L. 1998-1 Extra Session, and S.L. 1998-9 that applied
32 to appropriations to particular agencies or for particular purposes apply to the newly
33 enacted appropriations and budget reductions of this act for those same particular
34 purposes.

35 Requested by: Senators Plyler, Perdue, Odom

36
37 **EFFECT OF HEADINGS**

38 Section 30.4. The headings to the parts and sections of this act are a
39 convenience to the reader and are for reference only. The headings do not expand, limit,
40 or define the text of this act, except for effective dates referring to a Part.

41
42 Requested by: Senators Plyler, Perdue, Odom

43 **SEVERABILITY CLAUSE**

1 Section 30.5. If any section or provision of this act is declared unconstitutional
2 or invalid by the courts, it does not affect the validity of this act as a whole or any part
3 other than the part so declared to be unconstitutional or invalid.

4

5 Requested by: Senators Plyler, Perdue, Odom

6 **EFFECTIVE DATE**

7 Section 30.6. Except as otherwise provided, this act becomes effective July 1,
8 1998.