

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 392*

Short Title: Governor's '95 Operating Approp./AB.

(Public)

Sponsors: Representatives Holmes, Creech, Esposito; and Hill.

Referred to: Appropriations.

March 8, 1995

A BILL TO BE ENTITLED

**AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT
OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES,
AND FOR OTHER PURPOSES.**

The General Assembly of North Carolina enacts:

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

Sec. 2. This act shall be known as the "Current Operations Appropriations Act of 1995".

TITLE I. CURRENT OPERATIONS

PART I. CURRENT OPERATIONS/GENERAL FUND

Sec. 3. 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 biennium ending June 30, 1997, according to the following schedule:

<u>Current Operations - General Fund</u>	<u>1995-96</u>	<u>1996-97</u>
General Assembly 31, 647,253	\$ 28,258,680	\$
Judicial Department	281,644,902	283,476,584
Office of the Governor		
01. Office of the Governor	5,739,347	5,758,385
02. Office of State Budget and Management	3,480,776	3,617,191
03. Office of State Planning	1,358,935	1,361,340
04. Office of Public Safety	13,365,032	13,454,457
05. Housing Finance	2,300,000	2,300,000
Office of the Lieutenant Governor	583,398	584,814
Department of Secretary of State	5,262,336	5,249,890
Department of State Auditor	9,014,151	9,006,497
Department of State Treasurer		
01. State Treasurer	6,788,369	6,796,447
02. Special Contributions	7,477,187	7,477,187
Department of Public Education	4,021,138,351	4,102,596,680
Department of Justice	64,830,902	65,037,754
Department of Administration	53,922,682	53,827,598

1				
2	Department of Agriculture			45,383,814
3				45,658,128
4				
5	Department of Labor			15,304,312
6				15,152,477
7				
8	Department of Insurance			15,654,165
9				15,692,935
10				
11	Department of Transportation			
12	01. Aeronautics	9,550,571	10,163,781	
13	02. Aid to Railroads	100,000	100,000	
14	Total Department of Transportation			9,650,571
15				10,263,781
16				
17	Department of Environment, Health,			
18	and Natural Resources			234,317,275
19				231,155,255
20				
21	Office of Administrative Hearings			2,052,641
22				2,057,136
23				
24	Rules Review Commission			262,661
25				262,661
26				
27	Department of Human Resources			
28	01. DHR - Secretary	26,200,220	26,243,829	
29	02. Division of Aging	14,539,150	14,765,659	
30	03. Division of Child Care Development	146,717,113	183,535,083	
31	04. Division of Services for the			
32	Deaf and Hard of Hearing			24,657,139
33		25,370,500		
34	05. Division of Social Services	210,092,841	209,389,943	
35	06. Division of Medical Assistance	1,054,638,922	1,186,745,239	
36	07. Division of Services for the Blind	15,277,506	15,222,584	
37	08. Division of Mental Health,			
38	Developmental Disabilities, and			
39	Substance Abuse Services	481,050,463	481,996,983	
40	09. Division of Facility Services	9,200,664	9,129,245	
41	10. Division of Vocational			
42	Rehabilitation Services	26,342,709	26,660,866	
43	11. Division of Youth Services	72,805,524	71,811,300	

1	Total Department of Human Resources			2,081,522,251
2				2,250,871,231
3				
4	Department of Correction			764,217,692
5				814,711,001
6				
7	Department of Commerce			
8	01. Commerce	45,617,849	35,592,184	
9	02. Biotechnology Reserve	8,379,396	7,379,396	
10	03. MCNC	19,765,000	19,765,000	
11	04. REDC	5,300,625	3,425,625	
12				
13	Department of Revenue			70,372,739
14				62,789,588
15				
16	Department of Cultural Resources			44,161,468
17				45,062,752
18				
19	Office of the State Controller			18,421,977
20				10,037,128
21				
22	University of North Carolina - Board			
23	of Governors			
24	01. General Administration	18,997,125	19,199,490	
25	02. University Institutional			
26	Programs (22,755,873)	(20,993,728)		
27	03. Related Educational Programs	53,179,326	53,446,571	
28	04. University of North Carolina			
29	at Chapel Hill			
30	a. Academic Affairs	154,681,908	157,624,088	
31	b. Health Affairs	125,309,637	126,807,004	
32	c. Area Health Education			
33	Centers	36,000,640	35,987,334	
34	05. North Carolina State University			
35	at Raleigh			
36	a. Academic Affairs	195,320,824	199,786,630	
37	b. Agricultural Research Service	39,537,154	39,287,704	
38	c. Agricultural Extension Service	30,960,095	30,972,381	
39	06. University of North Carolina at			
40	Greensboro	59,226,711	59,657,659	
41	07. University of North Carolina at			
42	Charlotte	67,260,618	68,031,479	
43	08. University of North Carolina at			

1	Asheville	19,151,780	19,439,134	
2	09. University of North Carolina at			
3	Wilmington	37,385,105	38,051,095	
4	10. East Carolina University			
5	a. Academic Affairs	84,293,516	84,864,741	
6	b. Division of Health Affairs	39,907,409	39,954,086	
7	11. North Carolina Agricultural and			
8	Technical State University	48,767,257	49,246,765	
9	12. Western Carolina University	41,022,693	41,272,251	
10	13. Appalachian State University	58,006,783	58,523,368	
11	14. Pembroke State University	18,228,153	18,314,179	
12	15. Winston-Salem State University	18,837,449	19,052,756	
13	16. Elizabeth City State			
14	University	18,315,381	18,392,897	
15	17. Fayetteville State University	23,147,041	23,331,488	
16	18. North Carolina Central			
17	University	33,340,068	33,682,616	
18	19. North Carolina School of the			
19	Arts	10,187,265	10,368,884	
20	20. North Carolina School of			
21	Science and Mathematics	8,794,573	9,129,339	
22	21. UNC Hospitals at Chapel Hill	46,501,774	47,183,012	
23	Total University of North Carolina			1,263,604,412
24				1,280,613,223
25				
26	Department of Community Colleges			442,891,519
27				443,508,811
28				
29	State Board of Elections			835,456
30				835,673
31				
32	Contingency and Emergency			1,125,000
33				1,125,000
34				
35	Reserve for Compensation Increase			99,386,895
36				99,386,896
37				
38	Reserve for Salary Adjustments			1,000,000
39				1,500,000
40				
41	Reserve to Establish Unfunded Accrued			
42	Liability of Eight Years			(6,500,000)
43	(6,500,000)			

1			
2	Reserve for Revenue Enhancement	(3,700,000)	
3		(2,000,000)	
4			
5	Reserve for Salary Adjustment		
6	Retirement	(21,000,000)	
7	(25,000,000)		
8			
9	Debt Service	119,567,551	
10		120,638,536	
11			
12	Reserve Local Government -		
13	Intangibles Tax	98,200,000	
14	102,000,000		
15			
16	GRAND TOTAL CURRENT OPERATIONS--		
17	GENERAL FUND	\$ 9,880,960,317	\$
18	10,178,176,494		

19
20 **PART II. CURRENT OPERATIONS/**
21 **HIGHWAY FUND**

22
23 Sec. 4. Appropriations from the Highway Fund of the State for the
24 maintenance and operation of the Department of Transportation, and for other purposes
25 as enumerated, are made for the biennium ending June 30, 1997, according to the
26 following schedule:

27			
28	<u>Current Operations - Highway Fund</u>	<u>1995-96</u>	
29		<u>1996-97</u>	
30			
31	Department of Transportation		
32	01. Administration	\$ 38,150,529	\$ 38,294,368
33	02. Division of Highways		
34	a. Administration and		
35	Operations	36,934,178	37,000,302
36	b. State Construction		
37	(01) Primary Construction	-	-
38	(02) Secondary		
39	Construction		73,900,000
40	75,563,941		
41	(03) Urban Construction	14,000,000	14,000,000
42	(04) Access and Public Service		

1		Roads		2,000,000	
2		2,000,000			
3	(05)	Discretionary Fund	6,000,000	6,000,000	
4	(06)	Spot Safety			
5		Improvements		9,100,000	
6		9,100,000			
7	c.	State Funds to Match Federal			
8		Highway Aid			
9	(01)	Construction	33,153,153	33,153,153	
10	(02)	Planning Survey and Highway			
11		Planning Research		2,959,649	
12		2,959,649			
13	d.	State Maintenance			
14	(01)	Primary	110,488,379	110,906,401	
15	(02)	Secondary	185,554,790	185,554,790	
16	(03)	Urban	36,184,757	36,184,757	
17	(04)	Contract Resurfacing	94,127,392	94,127,392	
18	e.	Ferry Operations	17,947,994	17,947,994	
19	03.	Division of Motor Vehicles	84,855,866	84,274,498	
20	04.	Governor's Highway Safety Program	302,968	303,237	
21	05.	State Aid to Municipalities	73,900,000	75,563,941	
22	06.	State Aid for Public			
23		Transportation	16,046,921	16,046,921	
24	07.	Salary Adjustment for Highway			
25		Fund Employees	200,000	200,000	
26	08.	Reserve to Correct Occupational Safety			
27		and Health Conditions	425,000	425,000	
28	09.	State Aid to Rail	800,000	800,000	
29	10.	State Aid for Drivers			
30		Education	19,500,000	19,500,000	
31	11.	Asphalt Plant Cleanup	2,000,000	2,000,000	
32	12.	Debt Service	25,133,780	4,978,215	
33	13.	Reserve for Compensation Increases	7,914,055	7,914,055	
34	14.	Reserve for Legislative			
35		Subsistence Increase	200,000	200,000	
36	15.	Transfer to Highway Trust			
37		Fund	12,100,000	32,300,000	
38	16.	Retirement Rate Savings	(211,620)	(211,620)	
39	17.	Personnel Reduction	(783,621)	(2,799,669)	
40	18.	Global TransPark	750,000	750,000	
41					
42		Appropriations for Other State Agencies			
43	01.	Office of Public Safety-Highway			

1	Patrol	104,040,927	105,438,322	
2	02. Other Agencies			
3	a. Department of Agriculture	3,025,401	3,162,344	
4	b. Department of Revenue	2,268,383	2,270,054	
5	c. Department of Environment, Health,			
6	and Natural Resources:			
7	LUST Trust Fund		6,119,216	
8	6,162,602			
9	Chemical Test Program		391,903	
10	391,903			
11	d. Department of State			
12	Treasurer	11,130,000	11,853,450	

**GRAND TOTAL CURRENT OPERATIONS—
HIGHWAY FUND**

14				
15			\$ 1,030,610,000	\$
16	1,034,316,000			

PART III. HIGHWAY TRUST FUND

Sec. 5. Appropriations from the Highway Trust Fund are made for the fiscal biennium ending June 30, 1997, according to the following schedule:

23	<u>Highway Trust Fund</u>			<u>1995-96</u>
24				<u>1996-97</u>
25	01. Intrastate System	\$ 295,184,649	\$ 319,382,722	
26	02. Secondary Roads Construction	61,918,898	64,954,983	
27	03. Urban Loops	119,360,379	129,145,071	
28	04. State Aid - Municipalities	30,971,755	33,510,697	
29	05. Program Administration	20,996,319	21,852,527	
30	06. Transfer to General Fund	170,000,000	170,000,000	

31				
32	GRAND TOTAL—HIGHWAY TRUST FUND		\$ 698,432,000	\$
33	738,846,000			

PART IV. GENERAL PROVISIONS

SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL RECEIPTS/AUTHORIZATION FOR EXPENDITURES

Sec. 6. There is appropriated out of the cash balances, federal receipts, and departmental receipts available to each department, sufficient amounts to carry on authorized activities included under each department's operations. All these cash balances, federal receipts, and departmental receipts shall be expended and reported in accordance with provisions of the Executive Budget Act, except as otherwise provided by

1 statute. The Director of the Budget shall develop necessary budget controls, regulations,
2 and systems to ensure that these funds and other State funds subject to the Executive
3 Budget Act may not be spent in a manner which would cause a deficit in expenditures.

4 Pursuant to G.S. 143-34.2, State departments, agencies, institutions, boards, or
5 commissions may make application for, receive, or disburse any form of non-State aid.
6 All non-State monies received shall be deposited with the State Treasurer unless
7 otherwise provided by State law. These funds shall be expended in accordance with the
8 terms and conditions of the fund award that are not contrary to the laws of North
9 Carolina.

10 11 **INSURANCE AND FIDELITY BONDS**

12 Sec. 7. All insurance and all official fidelity and surety bonds authorized for
13 the several departments, institutions, and agencies shall be effected and placed by the
14 Insurance Department, and the cost of placement shall be paid by the affected
15 department, institution, or agency with the approval of the Insurance Commissioner.

16 17 **AUTHORIZED TRANSFERS**

18 Sec. 8. The Director of the Budget may transfer to General Fund budget codes
19 from the General Fund Salary Adjustment Reserve appropriation, and may transfer to
20 Highway Fund budget codes from the Highway Fund Salary Adjustment Reserve
21 appropriation, amounts required to support approved salary adjustments made necessary
22 by difficulties in recruiting and holding qualified employees in State government.

23 24 **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

25 Sec. 9. All funds appropriated by this act into reserves may be expended only
26 for the purposes for which the reserves were established.

27 28 **STATE MONEY RECIPIENTS/CONFLICT OF INTEREST POLICY**

29 Sec. 10. Each private, nonprofit entity eligible to receive State funds, either by
30 General Assembly appropriation, or by grant, loan, or other allocation from a State
31 agency, before funds may be disbursed to the entity, shall file with the disbursing agency
32 a notarized copy of that entity's policy addressing conflicts of interest that may arise
33 involving the entity's management employees and the members of its board of directors
34 or other governing body. The policy shall address situations where any of these
35 individuals may directly or indirectly benefit, except as the entity's employees or
36 members of the board or other governing body, from the entity's disbursing of State
37 funds, and shall include actions to be taken by the entity or the individual, or both, to
38 avoid conflicts of interest and the appearance of impropriety.

39 40 **PART V. PUBLIC SCHOOLS**

41 42 **CENTRAL ADMINISTRATION/MANAGEMENT FLEXIBILITY**

1 Sec. 11. Funds appropriated to the Department of Public Instruction for State
2 Aid to Local Administrative Units for central office administrators, finance officers, child
3 nutrition administrators, community schools coordinators, health education, and school
4 maintenance supervisors shall be consolidated into one funding category to provide
5 greater flexibility in the management of those funds at the local level. New allotment
6 formulas shall be adopted by the State Board of Education.

7 8 **ALTERNATIVE SCHOOLS**

9 Sec. 12. Any or all funds appropriated to the Department of Public Instruction
10 for the Intervention/Prevention Grant Program for North Carolina school children and the
11 Dropout Prevention Program may be redirected to provide additional funding to the
12 Alternative School Program according to policies developed by the State Board of
13 Education.

14 15 **PUBLIC SCHOOLS WORKERS' COMPENSATION**

16 Sec. 13. G.S. 115C-337(a) reads as rewritten:

17 "(a) Workers' Compensation Act Applicable to School Employees. – The
18 provisions of the Workers' Compensation Act shall be applicable to all school employees,
19 and the State Board of Education shall make ~~such~~ arrangements as necessary to carry out
20 the provisions of the Workers' Compensation Act applicable to ~~such~~ these employees
21 paid from State school funds. Liability of the State for compensation shall be confined to
22 school employees paid by the State from State school funds for injuries or death caused
23 by accident arising out of and in the course of their employment in connection with the
24 state-operated school term. The State shall be liable for ~~said~~ this compensation on the
25 basis of the average weekly wage of ~~such~~ the employees as defined in the Workers'
26 Compensation Act, ~~whether all of said compensation for the school term is paid from~~
27 ~~State funds or in part supplemented by local funds, and in an amount commensurate with~~
28 the percent of the individual's salary that is paid from State funds. The State shall also be
29 liable for workers' ~~compensation~~ compensation, in an amount commensurate with the
30 percent of the individual's salary which is paid from State funds, for all school employees
31 employed in connection with the teaching of vocational agriculture, home economics,
32 trades and industries, and other vocational subjects, supported in part by State and federal
33 funds, which liability shall cover the entire period of service of ~~such~~ these employees.
34 The local school administrative units shall be liable for workers' compensation for school
35 employees, including lunchroom employees, whose salaries or wages are paid by ~~such~~
36 the local units from local or special funds. ~~Such~~ The local units ~~are authorized and~~
37 ~~empowered to~~ may provide insurance to cover ~~such~~ this compensation liability and ~~to~~
38 may include the cost of ~~such~~ this insurance in their annual budgets.

39 The provisions of this subsection shall not apply to any person, ~~firm~~ firm, or
40 corporation making voluntary contributions to schools for any purpose, and ~~such~~ the
41 person, firm, or corporation shall not be liable for the payment of any sum of money
42 under this Chapter."
43

A+ SCHOOLS

Sec. 14. Funds appropriated in this act for the A+ Schools shall be allocated as a grant to the Kenan Charitable Trust to be combined with its foundation funds on a 2:1 matching ratio with two dollars (\$2.00) in foundation funds to every one dollar (\$1.00) of State funds to implement the A+ Schools Program in North Carolina.

OUTCOME-BASED EDUCATION (OBE) REPEALED

Sec. 15. Part 5 of Article 16 of Chapter 115C of the General Statutes is repealed.

CAREER DEVELOPMENT

Sec. 16. The State Board of Education shall require the local school administrative units receiving career development funds to modify their differentiated pay plans for the 1996-97 fiscal year so that the cost of the differentiated pay plan equals (i) one percent (1%) of teacher and administrator salaries and of the employer's contributions for social security and retirement for the prior fiscal year, and (ii) the amount of local funds available for differentiated pay.

It is the intent that this reduction in appropriations not result in employees receiving less on a monthly basis in salary and State-funded bonuses during the 1996-97 fiscal year than they received on a monthly basis during the 1995-96 fiscal year so long as the employees qualify for bonuses under the local differentiated pay plan.

BASIC EDUCATION PROGRAM

Sec. 17. Of the funds appropriated in this act for State Aid to Local School Administrative Units, the sum of twenty-five million nine hundred sixty-six thousand seven hundred seventy-eight dollars (\$25,966,778) in the 1995-96 and 1996-97 fiscal years shall be used to continue implementation of the Basic Education Program (BEP). These funds shall be used to implement fully the class size reduction at the first grade level in accordance with the Basic Education Program, reducing class size in Grade 1 from a ratio of 1:26 to a ratio of 1:23.

FUNDS FOR NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS

Sec. 18. The National Board for Professional Teaching Standards (NBPTS) was established in 1987 as an independent, nonprofit organization to establish high standards for teachers' knowledge and performance and for development and operation of a national voluntary system to assess and certify teachers who meet those standards. In order to apply for the NBPTS certification process, teachers must have three years or more of teaching experience, be currently teaching, have graduated from an accredited college or university, and hold a valid State teaching license. Upon successful completion of a year-long process of developing a portfolio of student work and videotapes of teaching/learning activities for NBPTS review and then participating in

1 NBPTS assessment center simulation exercises, including performance-based activities
2 and a content knowledge examination, teachers may become NBPTS-certified.

3 Of the funds appropriated to the Department of Public Instruction in this act,
4 the sum of seven hundred fourteen thousand four hundred ninety-two dollars (\$714,492)
5 for the 1995-96 fiscal year and one million five hundred eighteen thousand one hundred
6 seventy dollars (\$1,518,170) for the 1996-97 fiscal year shall be used to pay for:

- 7 (1) The National Board for Professional Teaching Standards (NBPTS)
8 participation fee and for up to three days of approved paid leave for
9 teachers participating in the NBPTS program during the 1995-96 and
10 1996-97 school years respectively for State-paid teachers who (i) have
11 completed three years of teaching in North Carolina schools operated by
12 local boards of education, the Department of Human Resources, the
13 Department of Correction, or The University of North Carolina, or
14 affiliated with The University of North Carolina, prior to application for
15 NBPTS certification, and (ii) who have not previously received State
16 funds for participating in any certification area in the NBPTS program.
17 Teachers participating in the program shall take paid leave only with the
18 approval of their supervisors.

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

- 27 (2) An annual bonus of four percent (4%) of the teacher's State-paid salary
28 for the 10-month school year for State-paid teachers who (i) completed
29 three years of teaching in North Carolina schools operated by local
30 boards of education, the Department of Human Resources, the
31 Department of Correction, or The University of North Carolina prior to
32 application for NBPTS certification, (ii) received NBPTS certification
33 in 1994-95, or (iii) complete the certification process in 1994-95 or
34 1995-96, and receive NBPTS certification in 1995-96 or 1996-97
35 respectively. The bonus for the 1995-96 and 1996-97 fiscal years shall
36 be paid immediately upon certification. The bonus for each subsequent
37 fiscal year shall be paid at the end of each full school year that the
38 teacher teaches full-time in a North Carolina school.

39 The State Board of Education shall study incentive options for teachers who
40 obtain NBPTS certification and the cost of those incentives. The State Board shall also
41 study the impact of NBPTS certification on student performance. The State Board shall
42 report the preliminary results of this study to the Joint Legislative Education Oversight
43 Committee in December of 1995. The State Board shall make a final report on the

1 impact of NBPTS certification on student performance to the Joint Legislative Education
2 Oversight Committee in January of 1997.

3 4 **DIFFERENTIATED PAY**

5 Sec. 19. Of the funds appropriated in this act for State Aid to Local School
6 Administrative Units for the 1995-97 fiscal biennium, the sum of nineteen million four
7 hundred thousand dollars (\$19,400,000) in nonrecurring funds for each fiscal year shall
8 be used for differentiated pay for certified public school employees in local school
9 administrative units other than the career development pilot units and the sum of ten
10 million four hundred eight thousand nine hundred fifty dollars (\$10,408,950) in
11 nonrecurring funds for each fiscal year shall be used for differentiated pay for
12 noncertified public school employees in career development pilots and in local school
13 administrative units that are not career development pilots.

14 15 **PART VI. COMMUNITY COLLEGES**

16 17 **NEW AND EXPANDING INDUSTRY PROGRAM FUNDS**

18 Sec. 20. Notwithstanding any law to the contrary, the State Board of
19 Community Colleges may, with the approval of the Director of the Budget, transfer
20 available and uncommitted funds into the New and Expanded Industry Program, if it
21 determines that there is a need to meet additional training needs over and above those
22 currently budgeted.

23 24 **TUITION/PUBLIC SCHOOL STUDENTS TAKING COMMUNITY COLLEGE** 25 **COURSES**

26 Sec. 21. High school students enrolled in a community college in accordance
27 with G.S. 115D-20(4) and G.S. 115D-5 shall be exempt from tuition for community
28 college courses taken in accordance with these two sections.

29 30 **BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR**

31 Sec. 22. Appropriations to the Department of Community Colleges for
32 equipment and library books are made for each year of the fiscal biennium. All
33 unencumbered appropriations shall revert to the General Fund 12 months after the close
34 of each fiscal year for which they were appropriated. Encumbered balances outstanding
35 at the end of each period shall be handled in accordance with existing State budget
36 policies. The Department shall be able to identify to the Office of State Budget and
37 Management which appropriations will revert at the end of the 12 months after the close
38 of each fiscal year.

39 40 **MAINTENANCE OF PLANT**

41 Sec. 22.1. Chapter 115D-31.2 of the General Statutes is repealed.

42 43 **COMMUNITY COLLEGES WORKERS' COMPENSATION**

1 Sec. 23. G.S. 115D-23 reads as rewritten:

2 **"§ 115D-23. Workers' Compensation Act applicable to institutional employees.**

3 The provisions of Chapter 97 of the General Statutes of North Carolina, the Workers'
4 Compensation Act, shall apply to all institutional employees. The State Board of
5 Community Colleges shall make the necessary arrangements to carry out those provisions
6 of Chapter 97 ~~which that~~ are applicable to employees whose wages are paid in whole or
7 in part from State funds. The State shall be liable for compensation, based upon the
8 average weekly wage as defined in the act, of an employee ~~regardless of the portion of~~
9 his wage in the same proportion of the employees' State wage to the total wage, including
10 wages paid from other than State funds.

11 The board of trustees of each institution shall be liable for workers' compensation for
12 employees whose salaries or wages are paid by the board entirely from local public or
13 special ~~funds.~~ funds and for employees whose salaries or wages are partly funded from
14 local or special funds in the same proportion of their local or special wage to the total
15 wage. Each board of trustees ~~is authorized to may~~ purchase insurance to cover workers'
16 compensation liability and ~~to may~~ include the cost of insurance in the annual budget of
17 the institution.

18 The provisions of this section shall not apply to any person, ~~firm~~ firm, or corporation
19 making voluntary contributions to institutions for any purpose, and such a person, firm,
20 or corporation shall not be liable for the payment of any sum of money under the
21 provisions of this section."

22
23 **PART VII. COLLEGES AND UNIVERSITIES**

24
25 **AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT**
26 **LIMITATIONS**

27 Sec. 24. (a) The amount of a tuition grant awarded to a student enrolled in a
28 degree program at a site away from the main campus of the approved private institution,
29 as defined in G.S. 116-22(1), shall be no more than the result of the ratio of the cost per
30 credit hour for off-campus instruction at that site to the cost per credit hour for regular,
31 full-time on-campus instruction, multiplied by the maximum grant award, or the
32 maximum grant award allowable under Section 25 of this act, whichever is less.

33 (b) No Legislative Tuition Grant funds shall be expended for a program at an
34 off-campus site of a private institution, as defined in G.S. 116-22(1), established after
35 May 15, 1987, unless (i) the private institution offering the program has previously
36 notified and secured agreement from other private institutions operating degree programs
37 in the county in which the off-campus program is located or operating in the counties
38 adjacent to that county or (ii) the degree program is neither available nor planned in the
39 county with the off-campus site or in the counties adjacent to that county.

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

42 (c) Any member of the armed services as defined in G.S. 116-143.3(a), abiding in
43 this State incident to active military duty, who does not qualify as a resident for tuition

1 purposes as defined under G.S. 116-143.1, is eligible for a Legislative Tuition Grant
2 pursuant to this section if the member is enrolled as a full-time student. The member's
3 Legislative Tuition Grant may not exceed the cost of tuition less any tuition assistance
4 paid by the member's employer.

6 **AID TO PRIVATE COLLEGES PROCEDURE**

7 Sec. 25. (a) Funds appropriated in this act to the Board of Governors of The
8 University of North Carolina for aid to private colleges shall be disbursed in accordance
9 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up to
10 five hundred fifty dollars (\$550.00) per full-time equivalent North Carolina
11 undergraduate student enrolled at a private institution as of October 1 each year.

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

18 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
19 to all other financial assistance made available to private educational institutions located
20 within the State, or to students attending these institutions, there is granted to each full-
21 time North Carolina undergraduate student attending an approved institution as defined in
22 G.S. 116-22, a sum, not to exceed one thousand two hundred fifty dollars (\$1,250) per
23 academic year, which shall be distributed to the student as hereinafter provided.

24 The tuition grants provided for in this section shall be administered by the
25 State 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
40 a full 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.

9
10 **WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING**
11 **FORMULA**

12 Sec. 26. Funds appropriated in this act to the Board of Governors of The
13 University of North Carolina for continuation of financial assistance to the medical
14 schools of Duke University and Wake Forest University shall be disbursed on
15 certifications of the respective schools of medicine that show the number of North
16 Carolina residents as first-year, second-year, third-year, and fourth-year students in the
17 medical school as of November 1, 1995, and November 1, 1996. Disbursement to Wake
18 Forest University shall be made in the amount of eight thousand dollars (\$8,000) for each
19 medical student who is a North Carolina resident, one thousand dollars (\$1,000) of which
20 shall be placed by the school in a fund to be used to provide financial aid to needy North
21 Carolina students who are enrolled in the medical school. The maximum aid given to any
22 student from this fund in a given year may not exceed the amount of the difference in
23 tuition and academic fees charged by the school and those charged at the School of
24 Medicine at the University of North Carolina at Chapel Hill.

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

35 The Board of Governors shall establish the criteria for determining the
36 eligibility for financial aid of needy North Carolina students who are enrolled in the
37 medical schools and shall review the grants or awards to eligible students. The Board of
38 Governors shall adopt rules for determining which students are residents of North
39 Carolina for the purposes of these programs. The Board shall also make any regulations
40 as necessary to ensure that these funds are used directly for instruction in the medical
41 programs of the schools and not for religious or other nonpublic purposes. The Board
42 shall encourage the two schools to orient students towards personal health care in North
43 Carolina giving special emphasis to family and community medicine.

EPA NONTEACHING POSITION REDUCTIONS/UNC SYSTEM

Sec. 27. In order to not disrupt the program operations and delivery of services in the areas of health education and agricultural research and production, the Area Health Education Centers (A.H.E.C.), Agricultural Research Service, and Cooperative Extension Service programs shall be allowed to substitute equivalent amounts of either personnel or nonpersonnel budgetary reductions from continuing sources in order to effectuate the reductions in EPA nonteaching positions. These programs shall be afforded maximum flexibility in making the reductions, but are required to submit the substitutions as a part of the certification of the ratified appropriations bill in order that the reductions become both identifiable and permanent.

TRANSFER OF OVERHEAD RECEIPTS TO TRUST FUNDS/UNC SYSTEM

Sec. 28. (a) Section 2 of Chapter 936 of the 1989 Session Laws (1990 Session) expressed the intent of the General Assembly "that overhead receipts derived from reimbursement of indirect costs on contracts and grants shall not continue to be budgeted as offsets to General Fund appropriations for current operations of the constituent institutions of the University of North Carolina", that a phased reduction in these offsets be implemented, and that, at such time as the phaseout of the offsets is completed, the special fund codes be transferred to the category of institutional trust funds for budgetary and accounting purposes. The phaseout of the offsets to General Fund appropriations from overhead receipt transfers shall be completed in fiscal year 1996-97.

(b) G.S. 116-36.1(g) is amended by adding a new subdivision to read:

"(10) Moneys received by an institution as reimbursement of overhead and other indirect costs associated with contracts and grants."

(c) Subsection (b) of this section becomes effective July 1, 1996.

PART VIII. DEPARTMENT OF ADMINISTRATION**DOMESTIC VIOLENCE CENTER FUNDS TRANSFERRED**

Sec. 29. The funds appropriated in this act to the Department of Administration, the North Carolina Council for Women, for the domestic violence centers, shall be administered in accordance with G.S. 50B-9, except that the North Carolina Coalition Against Domestic Violence, Incorporated, shall not receive a grant from funds appropriated under this act that exceeds ten thousand dollars (\$10,000).

PART IX. OFFICE OF THE GOVERNOR**COUNCIL OF GOVERNMENTS FUNDS**

Sec. 30. (a) Of the funds appropriated in this act to the Office of State Planning, four hundred thirty-two thousand one hundred twenty-six dollars (\$432,126) for the 1995-96 fiscal year and four hundred thirty-two thousand one hundred twenty-six dollars (\$432,126) for the 1996-97 fiscal year shall only be used as provided by this section.

1 Each regional council of government or lead regional organization is allocated up to
2 twenty-four thousand seven dollars (\$24,007) each fiscal year, with the actual amount
3 calculated as provided in subsection (b) of this section.

4 (b) The funds shall be allocated as follows: A share of the maximum twenty-four
5 thousand seven dollars (\$24,007) each fiscal year shall be allocated to each county and
6 smaller city based on the most recent annual estimate of the Office of State Planning of
7 the population of that county, less the population of any larger city within that county, or
8 smaller city, divided by the sum of the total population of the region, less the population
9 of larger cities within that region, and the total population of the region living in smaller
10 cities. Those funds shall be paid to the regional council of government for the region in
11 which that city or county is located upon receipt by the Office of State Planning of a
12 resolution of the governing board of the county or city requesting release of the funds. If
13 any city or county does not so request payment of funds by June 30 of a State fiscal year,
14 that share of the allocation for that fiscal year shall revert to the General Fund.

15 (c) A regional council of government may use funds appropriated by this section
16 only to assist local governments in grant applications, economic development,
17 community development, support of local industrial development activities, and other
18 activities as deemed appropriate by the member governments.

19 (d) Funds appropriated by this section may not be used for payment of dues or
20 assessments by the member governments, and may not supplant funds appropriated by
21 the member governments.

22 (e) As used in this section "Larger City" means an incorporated city with a
23 population of 50,000 or over. "Smaller City" means any other incorporated city.

24 25 HOME PROGRAM MATCHING FUNDS

26 Sec. 31. (a) Funds appropriated in this act to the North Carolina Housing
27 Finance Agency for the federal HOME Program shall be used by the Agency to match
28 federal funds appropriated for the HOME Program. In allocating State funds
29 appropriated to match federal HOME Program funds, the Agency shall give priority to
30 HOME Program projects, as follows:

- 31 (1) First priority to projects that are located in counties designated as
32 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
33 151.17(c); and
- 34 (2) Second priority to projects that benefit persons and families whose
35 incomes are fifty percent (50%) or less of the median family income for
36 the local area, with adjustments for family size, according to the latest
37 figures available from the U.S. Department of Housing and Urban
38 Development.

39 The Housing Finance Agency shall report to the General Assembly by April 1
40 of each year concerning the status of the HOME Program and shall include in the report
41 information on priorities met, types of activities funded, and types of activities not
42 funded.

1 (b) If the United States Congress changes the HOME Program such that matching
2 funds are not required for a given program year, then the Agency shall not spend the
3 matching funds appropriated under this act for that program year.

4 (c) Funds appropriated in this act to match federal HOME Program funds shall not
5 revert to the General Fund on June 30, 1996, and on June 30, 1997.

6 7 **PART X. DEPARTMENT OF TRANSPORTATION**

8 9 **HIGHWAY FUND ALLOCATIONS BY CONTROLLER**

10 Sec. 32. The Controller of the Department of Transportation shall allocate at
11 the beginning of each fiscal year from the various appropriations made to the Department
12 of Transportation in this act, Titles:

13 State Construction

14 State Funds to Match Federal Highway Aid

15 State Maintenance

16 Ferry Operations,

17 sufficient funds to eliminate all overdrafts on State maintenance and construction
18 projects, and these allocations shall not be diverted to other purposes.

19 20 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND** 21 **APPROPRIATIONS**

22 Sec. 33. The General Assembly authorizes and certifies anticipated revenues
23 of the Highway Fund as follows:

24 For Fiscal Year 1997-98 \$1,075.6 Million

25 For Fiscal Year 1998-99 \$1,093.1 Million

26 Sec. 34. The General Assembly authorizes and certifies anticipated revenues
27 of the Highway Trust Fund as follows:

28 For Fiscal Year 1997-98 \$ 775.8 Million

29 For Fiscal Year 1998-99 \$ 799.8 Million

30 31 **HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES**

32 Sec. 35. (a) Overexpenditures from Section 4 of this act may be made by
33 authorization of the Director of the Budget, Titles:

34 State Construction Primary Construction

35 State Construction Urban Construction

36 Spot Safety Construction

37 State Construction Access and Public Service Roads

38 State Funds to Match Federal Highway Aid

39 State Maintenance

40 Ferry Operations,

41 provided that there are corresponding underexpenditures from these same Titles.
42 Overexpenditures or underexpenditures in any Titles shall not vary by more than ten
43 percent (10%) without prior consultation with the Advisory Budget Commission.

1 Written reports covering overexpenditures or underexpenditures of more than ten percent
2 (10%) shall be made to the Joint Legislative Transportation Oversight Committee. The
3 reports shall be delivered to the Director of the Fiscal Research Division not less than 96
4 hours prior to the beginning of the Commission's full meeting.

- 5 (b) Overexpenditures from Section 4 of this act, Titles:
6 State Construction Primary Construction
7 State Construction Urban Construction
8 Spot Safety Construction
9 State Construction Access and Public Service Roads
10 State Funds to Match Federal Highway Aid
11 State Maintenance
12 Ferry Operations,

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

17 **RESURFACED ROADS MAY BE WIDENED**

18 Sec. 36. Of the contract maintenance resurfacing program funds appropriated
19 in this act to the Department of Transportation, an amount not to exceed fifteen percent
20 (15%) of the Board of Transportation's allocation of these funds may be used for
21 widening existing narrow pavements that are scheduled for resurfacing.

23 **SMALL URBAN CONSTRUCTION PROGRAM DISCRETIONARY FUNDS**

24 Sec. 37. Of the funds appropriated in this act to the Department of
25 Transportation, fourteen million dollars (\$14,000,000) shall be allocated in each fiscal
26 year for small urban construction projects. These funds shall be allocated equally in each
27 fiscal year of the biennium among the 14 Highway Divisions for the small urban
28 construction program for small urban construction projects that are located within the
29 area covered by a one-mile radius of the municipal corporate limits. Discretionary funds
30 of six million dollars (\$6,000,000) shall be used statewide for rural or small urban
31 highway improvements as approved by the Secretary of the Department of
32 Transportation.

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

35 The Department of Transportation shall report to the members of the General
36 Assembly on projects funded pursuant to this section in each member's district prior to
37 the Board of Transportation's action. The Department shall make a quarterly
38 comprehensive report on the use of these funds to the Joint Legislative Transportation
39 Oversight Committee and the Fiscal Research Division.

41 **HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE**

42 Sec. 38. Any unreserved credit balance in the Highway Fund on June 30 of
43 each of the fiscal years of this biennium shall support appropriations in the succeeding

1 fiscal year. If all of the balance is not needed for these appropriations, the Director of the
2 Budget may use the remaining excess to establish a reserve for access and public roads, a
3 reserve for unforeseen happening of a state of affairs requiring prompt action as provided
4 by G.S. 136-44.1, and other required reserves. If all of the remaining excess is not used
5 to establish these reserves, the remainder shall be allocated to the State-funded
6 maintenance appropriations in the manner approved by the Board of Transportation. The
7 Board of Transportation shall report monthly to the Joint Legislative Transportation
8 Oversight Committee and the Fiscal Research Division about the use of the reserve for
9 highway and maintenance.

10 11 **SECONDARY ROAD FUNDS ELIGIBILITY MODIFICATION**

12 Sec. 39. Notwithstanding any other provision of law, the Department of
13 Transportation shall maintain the streets and highways on the State highway system
14 within municipalities that are not eligible for funds under G.S. 136-41.2. The
15 Department of Transportation shall maintain the streets and highways as part of the State
16 secondary system, and maintain the paving priority for the secondary roads the same as if
17 the municipality were not incorporated, as long as the ineligibility for funds under G.S.
18 136-41.2 continues. The provisions of this section apply only to municipalities
19 incorporated between July 1, 1989, and June 30, 1993.

20 21 **DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL** 22 **STATUTES FOR EXPERIMENTAL PROJECT-CONGESTION** 23 **MANAGEMENT**

24 Sec. 40. The Department of Transportation may enter into a design-build-
25 warrant contract to develop, with Federal Highway Administration participation under
26 The 1991 Intermodal Surface Transportation Efficiency Act, Title VI, Part B, Sections
27 6051-6059, a "Congestion Avoidance and Reduction for Autos and Trucks (CARAT)"
28 system of traffic management for the greater Charlotte-Mecklenburg urban areas.
29 Notwithstanding any other provision of law, contractors, contractors' employees, and
30 Department of Transportation employees involved in this project only do not have to be
31 licensed by occupational licensing boards as "license" and "occupational licensing board"
32 are defined in G.S. 93B-1 and for the purpose of entering into contracts, the Department
33 of Transportation is exempted from the provisions of the following General Statutes: G.S.
34 136-28.1, 143-52, 143-53, 143-58, 143-128, and 143-129. These statutory exemptions
35 are limited and available only to the extent necessary to comply with federal rules,
36 regulations, and policies for completion of this project.

37 The Department of Transportation shall report quarterly to the Joint Legislative
38 Transportation Oversight Committee on its efforts to enter into a design-build-warrant
39 contract and to award and construct the project. The report shall include, but not be
40 limited to, the number of types of firms bidding on the project, special qualifications of
41 the firms bidding, and the effect statutory exemptions might have had on the award and
42 construction of the project and the receipt of federal discretionary funding for the project.
43

DRIVER EDUCATION

Sec. 41. G.S. 115C-215 reads as rewritten:

"§ 115C-215. Instruction in driver training and safety education.

There shall be organized and administered under the general supervision of ~~the Superintendent of Public Instruction~~ each local board of education a program of driver training and safety education in the public schools of this State, said courses to be noncredit courses taught by instructors who meet the requirements established by the ~~State Board of Education~~ Board of Transportation. Instructors shall not be required to hold teacher certificates."

Sec. 42. G.S. 115C-216 reads as rewritten:

"§ 115C-216. Boards of education required to provide courses in operation of motor vehicles.

(a) Course of Training and Instruction Required in Public Schools. —~~The State Board of Education and~~ All local boards of education are required to provide as a part of the program of the public high schools in this State a course of training and instruction in the operation of motor vehicles, in accordance with G.S. 20-88.1.

(b) Inclusion of Expense in Budget. — The local boards of education of every local school administrative unit ~~are hereby authorized to~~ may include as an item of instructional service and as a part of the current expense fund of the budget of the several high schools under their supervision, the expense necessary to install and maintain such a course of training and instructing eligible persons in ~~such~~ the schools in the operation of motor vehicles.

(c) to (f) Repealed by Session Laws 1991, c. 689, s. 32(c), effective July 1, 1991."

Sec. 43. G.S. 20-88.1 reads as rewritten:

"§ 20-88.1. Driver education.

(a) In accordance with criteria and standards approved by the ~~State Board of Education, the State Superintendent of Public Instruction~~ Board of Transportation, local boards of education shall organize and administer a program of driver education to be offered at the public high schools of this State for all physically and mentally qualified persons who (i) are older than 14 years and six months, (ii) are approved by the principal of the school, pursuant to rules adopted by the ~~State Board of Education, Board of Transportation,~~ Board of Transportation, (iii) are enrolled in a public or private high school within the State, and (iv) have not previously enrolled in the program. ~~The State Board of Education shall use for such purpose all funds appropriated to it for said purpose, and may use all other funds that become available for its use for said purpose.~~ The driver education program established pursuant to this section shall include instructions on the rights and privileges of the handicapped and the signs and symbols used to assist the handicapped relative to motor vehicles, including the 'international symbol of accessibility' and other symbols and devices as provided in Article 2A of this Chapter. In addition, this program shall include at least six hours of instruction on the offense of driving while impaired and related subjects.

1 ~~(b) The State Board of Education shall adopt a salary range for driver education~~
2 ~~instructors who are public school employees and who do not hold teacher certificates.~~

3 Driver education instructors who are public school employees and who hold teacher
4 certificates shall be paid on the teacher salary schedule. A day of employment for driver
5 education instructors who hold teacher certificates shall be the same number of hours
6 required of all regular classroom teachers as established by the local board of education.

7 ~~(b1) The State Board of Education~~ The Board of Transportation shall adopt rules to
8 permit local boards of education to enter contracts with public or private entities to
9 provide a program of driver education at public high schools. All driver education
10 instructors shall meet the requirements established by the ~~State Board of Education;~~
11 Board of Transportation. ~~provided, however, driver education instructors shall not be~~
12 ~~required to hold teacher certificates.~~

13 ~~All~~ The Board of Transportation shall set the allocation per student and all
14 expenses incurred by the State in carrying out the provisions of this section shall be paid
15 out of the Highway Fund.

16 ~~(d) The Division shall prepare a driver license handbook that explains the traffic~~
17 ~~laws of the State and shall periodically revise the handbook to reflect changes in these~~
18 ~~laws. At the request of the Department of Education, the Division shall provide free~~
19 ~~copies of the handbook to that Department for use in the program of driver education~~
20 ~~offered at public high schools."~~

21 22 **PART XI. DEPARTMENT OF HUMAN RESOURCES**

23 24 **WILLIE M.**

25 Sec. 44. (a) Legislative Findings. The General Assembly finds:

26 (1) That there is a need in North Carolina to provide appropriate treatment
27 and education programs to children under the age of 18 who suffer from
28 emotional, mental, or neurological handicaps accompanied by violent or
29 assaultive behavior.

30 (2) That children meeting these criteria have been identified as a class in the
31 case of Willie M., et al. v. Hunt, et al.; and

32 (3) That these children have a need for a variety of services, in addition to
33 those normally provided, that may include, but are not limited to,
34 residential treatment services, educational services, and independent
35 living arrangements.

36 (b) Funds appropriated by the General Assembly to the Department of Human
37 Resources for serving members of the Willie M. Class shall be expended only for
38 programs serving members of the Willie M. Class identified in Willie M., et al. v. Hunt,
39 et al., including evaluations of potential class members. The Department shall reallocate
40 these funds among services to Willie M. Class members during the year as it deems
41 advisable in order to use the funds efficiently in providing appropriate services to Willie
42 M. Class children.

1 (c) Funds for Department of Public Education. – Funds appropriated to the
2 Department of Public Education in this act for members of the Willie M. Class, are to
3 establish a supplemental reserve fund to serve only members of the class identified in
4 Willie M., et al. v. Hunt, et al. These funds shall be allocated by the State Board of
5 Education to the local education agencies to serve those class members who were not
6 included in the regular average daily membership and the census of children with special
7 needs, and to provide the additional program costs which exceed the per pupil allocation
8 from the State Public School Fund and other State and federal funds for children with
9 special needs.

10 (d) The Department of Human Resources shall continue to implement its
11 prospective unit cost reimbursement system and shall ensure that unit cost rates reflect
12 reasonable costs by conducting cost center service type rate comparisons and cost center
13 line item budget reviews as may be necessary, and based upon these reviews and
14 comparisons, the Department shall reduce and/or cap rates to programs which are
15 significantly higher than those rates paid to other programs for the same service. Any
16 exception to this requirement shall be approved by the Director of Division of Mental
17 Health, Developmental Disabilities, and Substances Abuse Services.

18 (e) The Department of Human Resources shall implement a process to review
19 those cases for whom treatment has been recommended whose annual cost is anticipated
20 to be in excess of one hundred fifty percent (150%) of the average annual per client
21 expenditure of the previous fiscal year and shall take actions to reduce these treatment
22 costs where appropriate.

23 (f) From existing funds available to it, the Department of Human Resources
24 shall document and assess individual class members' progress through the continuum of
25 services. Standardized measures of functioning shall be administered periodically to each
26 member of the class, and the information generated from these measures shall be used to
27 assess client progress and program effectiveness.

28 (g) In fulfilling the responsibilities vested in it by the Constitution of North
29 Carolina, the General Assembly finds:

30 (1) That the General Assembly has evaluated the known needs of the State
31 and has endeavored to satisfy those needs in comparison to their social
32 and economic priorities; and

33 (2) That funds appropriated will enable the development and
34 implementation of placement and services for the class members in
35 Willie M., et al. v. Hunt, et al. within a reasonable period of time
36 considered within the context of the needs of the class members, the
37 other needs of the State and the resources available to the State.

38 (h) The General Assembly supports the efforts of the responsible officials and
39 agencies of the State to meet the requirements of the court order in Willie M., et al. v.
40 Hunt, et al. To ensure that Willie M. Class members are appropriately served, no State
41 funds shall be expended on placement and services for Willie M. Class members except:

42 (1) Funds specifically appropriated by the General Assembly for the
43 placement and services of Willie M. Class members; and

- 1 (2) Funds for placement and services for which Willie M. Class members
2 are otherwise eligible.

3 This limitation shall not preclude the use of unexpended Willie M. funds from prior fiscal
4 years to cover current or future needs of the Willie M. program subject to approval by the
5 Director of the Budget. These Willie M. expenditures shall not be subject to the
6 requirements of G.S. 143-18.

7 (i) Notwithstanding any other provision of law, if the Department of Human
8 Resources determines that a local program is not providing appropriate services to
9 members of the class identified in Willie M., et al. v. Hunt, et al., the Department may
10 ensure the provision of these services through contracts with public or private agencies or
11 by direct operation by the Department of such programs.

12 (j) The Secretary of the Department of Human Resources shall adopt rules to
13 be followed in the provision of services for disabled, violent, and assaultive children who
14 have not reached their eighteenth birthday. These rules shall allow for the continuation
15 of services to any child the Secretary determines is being appropriately served until the
16 end of the fiscal year in which the child reaches the age of 18 or until six months after the
17 child reaches the age of 18, whichever period is longer.

18
19 **THOMAS S.**

20 Sec. 45. (a) Funds appropriated to the Department of Human Resources in this
21 act for the 1995-96 fiscal year and the 1996-97 fiscal year for members of the Thomas S.
22 Class as identified in Thomas S., et al. v. Britt formerly Thomas S., et al. v. Flaherty,
23 shall be expended only for programs serving Thomas S. Class members or for services
24 for those clients who are:

- 25 (1) Adults with mental retardation, or who have been treated as if they had
26 mental retardation, who were admitted to a State psychiatric hospital on
27 or after March 22, 1984, and who are included on the Division of
28 Mental Health, Developmental Disabilities, and Substance Abuse
29 Services' official list of prospective Class members;
- 30 (2) Adults with mental retardation who have a documented history of State
31 psychiatric hospital admissions regardless of admission date and who,
32 without funding support, have a good probability of being readmitted to
33 a State psychiatric hospital;
- 34 (3) Adults with mental retardation who have never been admitted to a State
35 psychiatric hospital but who have a documented history of behavior
36 determined to be of danger to self or others that results in referrals for
37 inpatient psychiatric treatment and who, without funding support, have a
38 good probability of being admitted to a State psychiatric hospital; or
- 39 (4) Adults who are included on the Division of Mental Health,
40 Developmental Disabilities, and Substance Abuse Services' official list
41 of prospective class members and have yet to be confirmed as class
42 members, who currently reside in the community, and who have a good

1 probability of being admitted to a facility licensed as "home for the aged
2 and disabled".

3 No more than five percent (5%) of the funds appropriated in this act for the Thomas S.
4 program shall be used for clients meeting subdivisions (2), (3), or (4) of this subsection.

5 (b) To ensure that Thomas S. Class members are appropriately served, no State
6 funds shall be expended on placement and services for Thomas S. Class members except:

7 (1) Funds specifically appropriated by the General Assembly for the
8 placement and services of Thomas S. Class members; and

9 (2) Funds for placement and services for which Thomas S. Class members
10 are otherwise eligible.

11 (c) The Department of Human Resources shall continue to implement a
12 prospective unit cost reimbursement system and shall ensure that unit cost rates reflect
13 reasonable costs by conducting cost center service type rate comparisons and cost center
14 line item budget reviews as may be necessary.

15 (d) Thomas S. funds may be expended to support services for Thomas S. Class
16 members of domiciliary care facilities when the service needs of individual class
17 members cannot be adequately met via the established maximum domiciliary care rate.

18 (e) Notwithstanding any other provision of law, if the Department of Human
19 Resources determines that a local program is not providing minimally adequate services
20 to members of the class identified in Thomas S., et al. v. Britt formerly Thomas S., et al.
21 v. Flaherty, the Department may ensure the provision of these services through contracts
22 with public or private agencies or by direct operation by the Department of such
23 programs.

24

25 **SUPPLEMENTAL FUNDING FOR THOMAS S. AND WILLIE M.**

26 Sec. 45.1. Notwithstanding the provisions of G.S. 143-23, the Secretary of the
27 Department of Human Resources, with the approval of the Office of State Budget and
28 Management, may use, to the extent possible, any funds appropriated or otherwise
29 available to the Department in the 1995-96 fiscal year and in the 1996-97 fiscal year for
30 the following:

31 (1) Additional funding for community-based services for at least 230
32 additional Thomas S. clients in the 1995-96 fiscal year and 230
33 additional Thomas S. clients in the 1996-97 fiscal year;

34 (2) Funding to expand and enhance community-based diversion services to
35 prevent psychiatric hospitalization of individuals who are mentally ill
36 and mentally retarded; and

37 (3) Additional funding for community-based services based on the
38 Department's plan to end court oversight of Willie M. Services.

39 Funds to be used for these purposes are in addition to funds appropriated by the 1995
40 General Assembly for the expressed purpose of expanding services to Thomas S. and
41 Willie M. clients.

42

43 **MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS**

1 Sec. 46. Funds received by the Department of Human Resources from the tax
2 levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the
3 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall be
4 allocated to the area mental health programs for substance abuse services on a per capita
5 basis as determined by the Office of State Budget and Management's most recent
6 estimates of county populations.

7 8 **PHYSICIAN SERVICES**

9 Sec. 47. With the approval of the Office of State Budget and Management, the
10 Department of Human Resources may use funds appropriated in this act for across-the-
11 board salary increases and performance pay to offset similar increases in the costs of
12 contracting with private and independent universities for the provision of physician
13 services to clients in facilities operated by the Division of Mental Health, Developmental
14 Disabilities, and Substance Abuse Services. This offsetting shall be done in the same
15 manner as is currently done with constituent institutions of The University of North
16 Carolina.

17 18 **PRIVATE AGENCY UNIFORM COST FINDING REQUIREMENT**

19 Sec. 48. To ensure uniformity in rates charged to area programs and funded
20 with State-allocated resources, the Division of Mental Health, Developmental
21 Disabilities, and Substance Abuse Services of the Department of Human Resources may
22 require a private agency that provides services under contract with two or more area
23 programs, except for hospital services that have an established Medicaid rate, to complete
24 an agency-wide uniform cost finding in accordance with G.S. 122C-143.2(a) and G.S.
25 122C-147.2. The resulting cost shall be the maximum included for the private agency in
26 the contracting area program's unit cost finding.

27 28 **NONSUPPLANTING OF MENTAL HEALTH, DEVELOPMENTAL 29 DISABILITIES, AND SUBSTANCE ABUSE FUNDS**

30 Sec. 49. The Department of Human Resources shall ensure that counties do
31 not reduce county appropriations and expenditures for area mental health, developmental
32 disabilities, and substance abuse authorities because the authorities have received
33 additional State appropriations for services.

34 35 **CLIENT SERVICES MONITORING**

36 Sec. 50. The Department of Human Resources, Division of Mental Health,
37 Developmental Disabilities, and Substance Abuse Services, shall utilize a system of
38 monitoring and control for client services. This system shall ascertain whether services
39 are provided in a timely manner. Notwithstanding any other provisions of law, the
40 Division shall withhold area mental health agencies' administrative funds until services
41 are provided in a timely manner.

42 43 **MEDICAID**

1 Sec. 51. (a) Funds appropriated in this act for services provided in accordance
2 with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy
3 and the medically needy. Funds appropriated for these services shall be expended in
4 accordance with the following schedule of services and payment bases. All services and
5 payments are subject to the language at the end of this subsection services and payment
6 bases:

- 7 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
8 prescribed in the State Plan as established by the Department of Human
9 Resources. Administrative days for any period of hospitalization shall
10 be limited to a maximum of three days.
- 11 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
12 prospective reimbursement plan as established by the Department of
13 Human Resources.
- 14 (3) Nursing Facilities - Payment for nursing facility services will be
15 prescribed in the State Plan as established by the Department of Human
16 Resources. Nursing facilities providing services to Medicaid recipients
17 who also qualify for Medicare, must be enrolled in the Medicare
18 program as a condition of participation in the Medicaid program. State
19 facilities are not subject to the requirement to enroll in the Medicare
20 program.
- 21 (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed
22 in the State Plan as established by the Department of Human Resources.
- 23 (5) Drugs - Drug costs as allowed by federal regulations plus a professional
24 services fee per month excluding refills for the same drug or generic
25 equivalent during the same month. Reimbursement shall be available
26 for up to six prescriptions per recipient, per month, including refills.
27 Payments for drugs are subject to the provisions of subsection (f) of this
28 section and to the provisions at the end of subsection (a) of this section,
29 or in accordance with the State Plan adopted by the Department of
30 Human Resources consistent with federal reimbursement regulations.
31 Payment of the professional services fee shall be made in accordance
32 with the Plan adopted by the Department of Human Resources,
33 consistent with federal reimbursement regulations. The professional
34 services fee shall be five dollars and sixty cents (\$5.60) per prescription.
35 Adjustments to the professional services fee shall be established by the
36 General Assembly.
- 37 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
38 Nurse Midwife Services - Fee schedules as developed by the
39 Department of Human Resources. Payments for dental services are
40 subject to the provisions of subsection (e) of this section.
- 41 (7) Community Alternative Program, EPSDT Screens - Payment to be
42 made in accordance with rate schedule developed by the Department of
43 Human Resources.

- 1 (8) Home Health and Related Services, Private Duty Nursing, Clinic
2 Services, Prepaid Health Plans, Durable Medical Equipment - Payment
3 to be made according to reimbursement plans developed by the
4 Department of Human Resources.
- 5 (9) Medicare Buy-In - Social Security Administration premium.
- 6 (10) Ambulance Services - Uniform fee schedules as developed by the
7 department of Human Resources.
- 8 (11) Hearing Aids - Actual cost plus a dispensing fee.
- 9 (12) Rural Health Clinic Services - Provider based - reasonable cost;
10 nonprovider based - single cost reimbursement rate per clinic visit.
- 11 (13) Family Planning - Negotiated rate for local health departments. For
12 other providers - see specific services, for instance, hospitals,
13 physicians.
- 14 (14) Independent Laboratory and X-ray Services - Uniform fee schedules as
15 developed by the Department of Human Resources.
- 16 (15) Optical Supplies - One hundred percent (100%) of reasonable wholesale
17 cost of materials.
- 18 (16) Ambulatory Surgical Centers - Payment as prescribed in the
19 reimbursement plan established by the Department of Human
20 Resources.
- 21 (17) Medicare Crossover Claims - An amount up to the actual coinsurance or
22 deductible or both, in accordance with the Plan, as approved by the
23 Department of Human Resources.
- 24 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT
25 eligible children. Payments are to be made only to the Children's
26 Special Health Services program at rates negotiated by the Department
27 of Human Resources.
- 28 (19) Personal Care Services - Payment in accordance with Plan approved by
29 the Department of Human Resources.
- 30 (20) Case Management Services - Reimbursement in accordance with the
31 availability of funds to be transferred within the Department of Human
32 Resources.
- 33 (21) Hospice - Services may be provided in accordance with Plan developed
34 by the Department of Human Resources.
- 35 (22) Other Mental Health Services - Unless otherwise covered by this
36 section, coverage is limited to agencies meeting the requirements of the
37 rules established by the Commission for Mental Health, Developmental
38 Disabilities, and Substance Abuse Services, and reimbursement is made
39 in accordance with a Plan developed by the Department of Human
40 Resources not to exceed the upper limits established in federal
41 regulations.

- 1 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
- 2 Children - Reimbursement in accordance with Plan approved by the
- 3 Department of Human Resources.
- 4 (24) Health Insurance Premiums - Payments to be made in accordance with
- 5 the Plan adopted by the Department of Human Resources consistent
- 6 with federal regulations.
- 7 (25) Medical Care/Other Remedial Care - Services not covered elsewhere in
- 8 this section include related services in schools; health professional
- 9 services provided outside the clinic setting to meet maternal and infant
- 10 health goals; and services to meet federal EPSDT mandates. Services
- 11 addressed by this paragraph are limited to those prescribed in the State
- 12 Plan as established by the Department of Human Resources. Providers
- 13 of these services must be certified as meeting program standards of the
- 14 Department of Environment, Health, and Natural Resources.
- 15 (26) Pregnancy Related Services - Covered services for pregnant women
- 16 shall include nutritional counseling, psychosocial counseling, and
- 17 predelivery and postpartum home visits by maternity care coordinators
- 18 and public health nurses.

19 Services and payment bases may be changed with the approval of the Director of the
20 Budget.

21 Reimbursement is available for up to 24 visits per recipient per year to any one
22 or combination of the following: physicians, clinics, hospital outpatient, optometrists,
23 chiropractors, and podiatrists. Prenatal services, all EPSDT children, and emergency
24 rooms are exempt from the visit limitations contained in this paragraph. Exceptions may
25 be authorized by the Department of Human Resources where the life of the patient would
26 be threatened without such additional care. Any person who is determined by the
27 Department to be exempt from the 24-visit limitation may also be exempt from the six-
28 prescription limitation.

29 (b) Allocation of Nonfederal Cost of Medicaid. The State shall pay eighty-five
30 percent (85%); the county shall pay fifteen percent (15%) of the nonfederal costs of all
31 applicable services listed in this section.

32 (c) Copayment for Medicaid Services. The Department of Human Resources may
33 establish copayment up to the maximum permitted by federal law and regulation.

34 (d) Medicaid and Aid to Families With Dependent Children Income Eligibility
35 Standards. The maximum net family annual income eligibility standards for Medicaid
36 and Aid to Families with Dependent Children, and the Standard of Need for Aid to
37 Families with Dependent Children shall be as follows:

		<u>Categorically Needy</u>		<u>Medically Needy</u>
		Family Standard	AFDC Payment	
<u>Size</u>	<u>of Need</u>	<u>Level*</u>	<u>AA, AB, AD*</u>	
41	1	\$ 4,344	\$ 2,172	\$ 2,900
42	2	5,664	2,8323,800	

1	3	6,528	3,2644,400			
2	4	7,128	3,5644,800	5	7,776	3,888 5,200
3	6	8,376	4,1885,600			
4	7	8,952	4,4766,000			
5	8	9,256	4,6806,300			

6 *Aid to Families With Dependent Children (AFDC); Aid to the Aged (AA); Aid to the
7 Blind (AB); and Aid to the Disabled(AD).

8
9 The payment level for Aid to Families With Dependent Children shall be fifty percent
10 (50%) of the standard of need.

11 These standards may be changed with the approval of the Director of the
12 Budget with the advice of the Advisory Budget Commission.

13 (e) All Elderly, Blind, and Disabled Persons who receive Supplemental
14 Security Income are eligible for Medicaid coverage.

15 (f) ICF and ICF/MR Work Incentive Allowances. The Department of Human
16 Resources may provide an incentive allowance to Medicaid-eligible recipients of ICF and
17 ICF/MR facilities who are regularly engaged in work activities as part of their
18 developmental plan and for whom retention of additional income contributes to their
19 achievement of independence. The State funds required to match the federal funds that
20 are required by these allowances shall be provided from savings within the Medicaid
21 budget or from other unbudgeted funds available to the Department. The incentive
22 allowances may be as follows:

23
24 Monthly Net Wages Monthly Incentive Allowance

25	\$1.00 to \$100.99	Up to \$50.00
26	\$101.00 - \$200.99	\$80.00
27	\$201.00 to \$300.99	\$130.00
28	\$301.00 and greater	\$212.00.

29 (g) Dental Coverage Limits. Dental services shall be provided on a restricted
30 basis in accordance with rules adopted by the Department to implement this subsection.

31 (h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through
32 G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security
33 Act) a prescription order for a drug designated by a trade or brand name shall be
34 considered to be an order for the drug by its established or generic name, except when the
35 prescriber personally indicates, either orally or in his own handwriting on the prescription
36 order, "dispense as written" or words of similar meaning. Generic drugs, when available
37 in the pharmacy, shall be dispensed at a lower cost to the Medical Assistance Program
38 rather than trade or brand name drugs, subject to the prescriber's "dispense as written"
39 order as noted above.

40 As used in this subsection "brand name" means the proprietary name the
41 manufacturer places upon a drug product or on its container, label, or wrapping at the
42 time of packaging; and "established name" has the same meaning as in section 502(e)(3)
43 of the Federal Food, Drug and Cosmetic Act as amended, 21 U.S.C. 352(e)(3).

1 (i) Exceptions to Service Limitations, Eligibility Requirements, and Payments.
2 Service limitations, eligibility requirements, and payments bases in this section may be
3 waived by the Department of Human Resources, with the approval of the Director of the
4 Budget, to allow the Department to carry out pilot programs for prepaid health plans,
5 managed care plans, or community-based services programs in accordance with plans
6 approved by the United States Department of Health and Human Services, or when the
7 Department determines that such a waiver will result in a reduction in the total Medicaid
8 costs for the recipient.

9 (j) Volume Purchase Plans and Single Source Procurement. The Department
10 of Human Resources, Division of Medical Assistance, may, subject to the approval of a
11 change in the State Medicaid Plan, contract for services, medical equipment, supplies,
12 and appliances by implementation of volume purchase plans, single source procurement,
13 or other similar processes in order to improve cost containment.

14 (k) Cost Containment Programs. The Department of Human Resources,
15 Division of Medical Assistance, may undertake cost containment programs including
16 preadmissions to hospitals and prior approval for certain outpatient surgeries before they
17 may be performed in an inpatient setting.

18 (l) For all Medicaid eligibility classifications for which the federal poverty
19 level is used as an income limit for eligibility determination, the income limits will be
20 updated each April 1 immediately following publication of federal poverty guidelines.

21 (m) The Department of Human Resources shall provide Medicaid to 19, 20,
22 and 21 year olds in accordance with federal rules and regulations.

23 (n) The Department of Human Resources shall provide coverage to pregnant
24 women and to children according to the following schedule:

25 (1) Pregnant women with incomes equal to or less than one hundred eighty-
26 five percent (185%) of the federal poverty guidelines as revised each
27 April 1 shall be covered for Medicaid benefits;

28 (2) Effective July 1, 1995, and subject to approval by the Health Care
29 Financing Administration, the Department of Human Resources shall
30 provide limited Medicaid benefits for one year, postpartum, for women
31 whose family incomes are equal to or less than one hundred thirty-three
32 percent (133%) of the Federal Poverty Level as revised each April 1.
33 On approval from the Health Care Financing Agency, the Department of
34 Environment, Health, and Natural Resources shall transfer to the
35 Department of Human Resources the sum of three hundred thirty-one
36 thousand six hundred thirty-six dollars (\$331,636) in the 1995-96 fiscal
37 year and six hundred sixty-three thousand two hundred seventy-two
38 dollars (\$663,272) in the 1996-97 fiscal year. Of the funds appropriated
39 for the 1995-97 fiscal biennium, the Department shall allocate to
40 counties as a grant-in-aid sufficient funds to offset the cost of providing
41 benefits to women as a result of this expansion. The grant to each
42 county shall be calculated by a formula that estimates the county's
43 relative share of the statewide total of new eligibles who qualify due to

1 this program expansion. In subsequent years, fifteen percent (15%) of
2 the nonfederal share shall be paid by counties;

3 (3) Infants under the age of 1 with family incomes equal to or less than one
4 hundred eighty-five percent (185%) of the federal poverty guidelines as
5 revised each April 1 shall be covered for Medicaid benefits;

6 (4) Effective July 1, 1995, children aged 1 through 5 with family incomes
7 equal to or less than one hundred fifty percent (150%) of the federal
8 poverty guidelines as revised each April 1 shall be covered for Medicaid
9 benefits. Of the funds appropriated for 1995-96 and 1996-97, the
10 Department shall allocate to counties as a grant-in-aid, sufficient funds
11 to offset the cost of providing benefits to children as a result of this
12 expansion. The grant to each county shall be calculated by a formula
13 that estimates the county's relative share of the statewide total of new
14 eligibles who qualify due to this program expansion. In subsequent
15 years, fifteen percent (15%) of the nonfederal share shall be paid by the
16 counties;

17 (5) Children aged 6 through 18 with family incomes equal to or less than
18 the federal poverty guidelines as revised each April 1 shall be covered
19 for Medicaid benefits. Services to pregnant women eligible under this
20 section continue throughout the pregnancy but include only those
21 related to pregnancy and to those other conditions determined by the
22 Department as conditions that may complicate pregnancy. In order to
23 reduce county administrative costs and to expedite the provision of
24 medical services to pregnant women, to infants, and to children eligible
25 under this section, no resources test shall be applied; and

26 (6) The Department of Human Resources shall provide Medicaid coverage
27 for adoptive children with special or rehabilitative needs regardless of
28 the adoptive family's income.

29 (o) The Department of Human Resources may use Medicaid funds budgeted
30 from program services to support the cost of administrative activities to the extent that
31 these administrative activities produce a net savings in services requirements.
32 Administrative initiatives funded by this section shall be first approved by the Office of
33 State Budget and Management.

34 (p) The Department of Human Resources shall submit a monthly status report
35 on expenditures for acute care and long-term care services to the Fiscal Research
36 Division and to the Office of State Budget and Management. This report shall include an
37 analysis of budgeted versus actual experience for eligibles by category and for long-term
38 care beds. In addition, the Department shall revise the program's projected spending for
39 the current fiscal year and the estimated spending for the subsequent fiscal year on a
40 quarterly basis. Reports for the preceding month shall be forwarded to the Fiscal
41 Research Division and to the Office of State Budget and Management no later than the
42 third Thursday of the month.

(q) Disposition of Disproportionate Share Receipts. As it receives funds associated with Disproportionate Share Payments from the State psychiatric hospitals, the Division of Medical Assistance shall deposit funds appropriated for the Medicaid program in a sum equal to the federal share of the Disproportionate Share Payments as nontax revenue. Any of these funds that are not appropriated by the General Assembly shall be reserved by the State Controller for future appropriation.

NONMEDICAID REIMBURSEMENT

Sec. 52. Providers of medical services under the various State programs, other than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program.

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

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

Maximum net family annual income eligibility standards for services in these programs with the exception of Migrant Health, School Health, AIDS Drug Reimbursement Program, diagnostic assessment for infants with sickle cell syndrome, and Home Health shall be as follows:

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

The eligibility level for children in the Medical Eye Care Program in the Division of Services for the Blind and for adults in the Clozaril Program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be one

1 hundred percent (100%) of the federal poverty guidelines, as revised annually by the
2 United States Department of Health and Human Services and in effect on July 1 of each
3 fiscal year.

4 The Department of Human Resources shall contract at, or as close as possible
5 to, Medicaid rates for medical services provided to residents of State facilities of the
6 Department.

7
8 **PURCHASE TRANSPORTATION SERVICES FOR CHILDREN AND**
9 **PREGNANT WOMEN ON MEDICAID**

10 Sec. 53. (a) Of the funds appropriated from the General Fund to the Department
11 of Human Resources, Division of Medical Assistance, in this act, three hundred thousand
12 dollars (\$300,000) for the 1995-96 fiscal year and three hundred thousand dollars
13 (\$300,000) for the 1996-97 fiscal year shall be transferred to the Department of
14 Transportation, Public Transportation Division, to purchase transportation services for
15 children and pregnant women on Medicaid. All funds distributed by the Department
16 under this section to counties are intended to purchase additional transportation for that
17 purpose. These funds shall not to be used towards the purchase of transportation vehicles
18 or equipment and shall not be used to cover State administrative costs. Only those
19 counties maintaining Medicaid transportation services to children and pregnant women at
20 a level that is not reduced from the level of services in place during the 1989-90 fiscal
21 year shall be eligible for additional transportation assistance funds.

22 (b) The Public Transportation Division of the Department of Transportation shall
23 distribute these funds to the counties according to the following formula:

- 24 (1) Fifty percent (50%) divided equally among all eligible counties;
25 (2) Forty-five percent (45%) on the basis of the number of children and
26 pregnant women receiving Medicaid in the county as a percentage of the
27 total number of children and pregnant women receiving Medicaid
28 statewide; and
29 (3) Five percent (5%) based upon a population density factor that
30 recognizes the higher transportation costs in sparsely populated
31 counties.

32 The Department of Transportation shall develop appropriate procedures for the
33 distribution and use of these funds and shall adopt rules to implement these procedures.

34 (c) Funds distributed by the Department of Transportation under this section shall
35 be used by counties in a manner consistent with implemented transportation development
36 plans which have been approved by the Department of Transportation and the boards of
37 county commissioners. To receive funds apportioned for a given fiscal year, a county
38 shall have an approved transportation plan. Funds that are not obligated in a given fiscal
39 year due to the lack of an approved transportation plan shall be distributed to the eligible
40 counties based on the distribution formula in subsection (b) of this section.

41

42 **RETROSPECTIVE ACCOUNTING ADJUSTMENT**

1 Sec. 54. The Department of Human Resources shall use funds appropriated to
2 it by this act to provide a State supplementary payment to Aid to Families with
3 Dependent Children (AFDC) households adversely affected by the retrospective
4 accounting procedure as allowed under section 403(a) of the Social Security Act, as
5 amended by section 157(a) of the Tax Equity and Fiscal Responsibility Act of 1982. The
6 amount of the State supplement shall not exceed the maximum payment standard for the
7 AFDC Program.

8 9 **AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY ADJUSTMENT**

10 Sec. 55. The Division of Social Services, Department of Human Resources,
11 shall provide Aid to Families with Dependent Children (AFDC) to women in their
12 trimester of pregnancy regardless of whether these women have children, if they
13 otherwise qualify for these payments.

14 15 **ADOPTION SUBSIDY**

16 Sec. 56. The maximum rates for State participation in the adoption assistance
17 program are established on a graduated scale as follows:

- 18 (1) \$315.00 per child per month for children aged birth through 5;
- 19 (2) \$365.00 per child per month for children aged 6 through 12; and
- 20 (3) \$415.00 per child per month for children aged 13 through 18.

21 22 **FOSTER CARE**

23 Sec. 57. The maximum rates for State participation in the foster care
24 assistance program are established on a graduated scale as follows:

- 25 (1) \$315.00 per child per month for children aged birth through 5;
- 26 (2) \$365.00 per child per month for children aged 6 through 12; and
- 27 (3) \$415.00 per child per month for children aged 13 through 18.

28 Of these amounts, fifteen dollars (\$15.00) is a special needs allowance for the child.

29 30 **EMERGENCY ASSISTANCE**

31 Sec. 58. The Division of Social Services, Department of Human Resources,
32 shall not expend more State funds than are appropriated for the cash assistance
33 component of the Emergency Assistance Program for the 1995-97 fiscal biennium.
34 Within this limit, Emergency Assistance cash benefits shall not exceed three hundred
35 dollars (\$300.00) per year per family, payable over a 30-day period. After this 30-day
36 period, Emergency Assistance cash benefits are not available to that family until 12
37 months have elapsed from the initial authorization date. The family may have no more
38 than a total of three hundred dollars (\$300.00) in liquid assets in order to qualify for the
39 cash assistance component of the Emergency Assistance Program pursuant to this
40 section.

41 It is the intent of the General Assembly that cash benefits under the Emergency
42 Assistance Program shall only be used to provide assistance to persons to alleviate an
43 emergency. In evaluating whether an emergency exists, the agency receiving the

1 application shall apply prudent judgment to evaluate each emergency on its own merits.
2 Prudent judgment will permit the agency to consider whether the client created the
3 emergency and whether the assistance will resolve the emergency.
4

5 **FOOD STAMP OUTREACH**

6 Sec. 59. The Department of Human Resources shall continue a Food Stamp
7 Outreach Program. Under the Program, the Department shall inform public and private
8 agencies, community groups, potentially eligible persons, and the general public
9 regarding the eligibility requirements of the Food Stamp Program. The Department shall
10 maintain a referral list of public and private agencies, community groups, and interested
11 persons and organizations who serve low-income persons. The Department shall inform
12 these agencies and persons regarding the Food Stamp Program and changes in the law
13 that affect client eligibility or the extent of benefits. The Department shall develop and
14 distribute informational materials, such as public service announcements, brochures,
15 pamphlets, posters, and correspondence.
16

17 **DOMICILIARY CARE REIMBURSEMENT RATE**

18 Sec. 60. As established by the 1994 Regular Session of the 1993 General
19 Assembly, the maximum monthly rates for residents in domiciliary care facilities shall be
20 nine hundred seventy-five dollars (\$975.00) for ambulatory and one thousand seventeen
21 dollars (\$1,017) for semiambulatory residents.
22

23 **SENIOR CENTER OUTREACH**

24 Sec. 61. (a) Funds appropriated to the Department of Human Resources,
25 Division of Aging, for the 1995-97 fiscal biennium, shall be used by the Division of
26 Aging to enhance senior center programs as follows:

- 27 (1) To test "satellite" services provided by existing senior centers to
28 unserved or underserved areas; or
29 (2) To provide start-up funds for new senior centers.

30 All of these funds shall be allocated by October 1 of each fiscal year.

31 (b) Prior to funds being allocated pursuant to this section for start-up funds for
32 a new senior center, the county commissioners of the county in which the new center will
33 be located shall:

- 34 (1) Formally endorse the need for such a center;
35 (2) Formally agree on the sponsoring agency for the center; and
36 (3) Make a formal commitment to use local funds to support the ongoing
37 operation of the center.

38 (c) State funding shall not exceed ninety percent (90%) of reimbursable costs.
39

40 **FAMILY SUPPORT ACT**

41 Sec. 62. (a) The General Assembly finds that it is in the best interest of the State
42 and of all its citizens to encourage recipients of Aid to Families with Dependent Children
43 (AFDC) to obtain jobs and become self-sufficient. It further finds that, by continuing

1 medical assistance and providing limited wage assistance to those recipients who are
2 working, the State will make it possible to help many recipients to be able to keep their
3 jobs, support their families, and become self-sufficient.

4 (b) The Social Services Commission shall adopt rules to change the way it budgets
5 Aid to Families with Dependent Children (AFDC) payments that will result in more
6 recipients being able to find work and keep working. These rules shall include
7 subtracting countable income from the State standard of need, and paying a percentage of
8 the difference. The percentage that shall be applied to determine the amount of
9 assistance shall be the same percentage set in the Current Operations Appropriations Act
10 that determine the AFDC payment level from the standard of need.

11 CAREGIVER SUPPORT SHARING

12 Sec. 63. (a) Of the funds appropriated to the Division of Aging, Department of
13 Human Resources, for the 1995-97 fiscal biennium, the sum of one million eight
14 thousand dollars (\$1,008,000) for the 1995-96 fiscal year and the sum of one million
15 eight thousand dollars (\$1,008,000) for the 1996-97 fiscal year shall be used for services
16 that support family caregivers of elderly persons with functional disabilities, whether
17 physical or mental, who want to stay in their homes rather than be institutionalized but
18 who need assistance with the activities of daily living in order to remain at home. The
19 services that may be purchased from funds received under this section include:

20 (1) Respite Care;

21 (2) Adult Day Care;

22 (3) Stipends and other related costs for senior companions, modeled after
23 the federal Senior Companion Program; and

24 (4) Other related services that meet needs not now adequately addressed by
25 the services described in subdivisions (1) through (3) of this subsection.

26 (b) The Division of Aging shall expend funds for these services according to the
27 population of persons 70 years of age or older in each region. The Division of Aging
28 shall use a minimum of ninety-five percent (95%) of the funds it receives under this
29 section for the services described in subdivisions (1) through (4) of subsection (a) of this
30 section and may only use a maximum of five percent (5%) for technical assistance as
31 described in subsection (c) of this section. The Division of Aging shall choose providers
32 in accordance with procedures under the Older Americans Act. Funds allocated by the
33 Division pursuant to this section shall be allocated by October 1 of each fiscal year.

34 (c) The Division of Aging may contract for technical assistance. The technical
35 assistance shall include training assistance, coordination of various service delivery and
36 funding sources, and ideas for innovative ways to build a lasting system of services for
37 family caregivers.

38 TRANSFERS OF CERTAIN FUNDS AUTHORIZED

39 Sec. 64. In order to assure maximum utilization of funds in county
40 departments of social services, county or district health agencies, and area mental health,
41 developmental disabilities, and substance abuse authorities, the Director of the Budget
42
43

1 may transfer excess funds appropriated to a specific service, program, or fund, whether
2 specified service in a block grant plan or General Fund appropriation, into another
3 service, program, or fund for local services within the budget of the respective State
4 agency.

6 FOSTER CARE REPORTING

7 Sec. 65. Counties receiving funds for foster care shall report annually
8 beginning with the 1995-96 fiscal year, to the Division of Social Services, Department of
9 Human Resources, the following:

- 10 (1) A narrative description of the use of State funds;
- 11 (2) Workload statistics and indicators for foster care as established by the
12 Division of Social Services; and
- 13 (3) Development of a coordinated approach to providing children's services,
14 with emphasis on meeting the total needs of the children and families
15 being served.

17 CHILD PROTECTIVE SERVICES

18 Sec. 66. (a) Funds appropriated to the Division of Social Services, Department
19 of Human Resources, in this act for Child Protective Services shall be allocated for the
20 1995-96 fiscal year and for the 1996-97 fiscal year as follows:

- 21 (1) Each county department of social services shall receive an amount
22 based on a formula that takes into consideration the number of Child
23 Protective Services cases in that county and the number of Child
24 Protective Services workers required to meet a ratio of no more than 20
25 active cases per one Child Protective Services worker. The allocation of
26 these funds to each county shall not be less than that county's allocation
27 in the 1992-93 fiscal year unless the General Assembly appropriates less
28 funds for the 1995-96 fiscal year and the 1996-97 fiscal year for Child
29 Protective Services than it appropriated in the 1992-93 fiscal year; and
- 30 (2) Each county department of social services shall receive a portion of the
31 remainder of these funds, if any, on a proportional basis determined by
32 the amount of funds necessary in that county to enable that county to
33 achieve the caseload prescribed in subdivision (1) of this subsection.
34 Counties that have achieved the caseload ratios prescribed by
35 subdivision (1) of this subsection pursuant to funds allocated in that
36 subdivision in either the 1995-96 fiscal year or the 1996-97 fiscal year
37 shall not receive any funds pursuant to this subdivision in that fiscal
38 year.

39 (b) Funds allocated to county departments of social services pursuant to this
40 section shall be used for Child Protective Services workers and supervisors for carrying
41 out investigations of reports of child abuse or neglect or for providing protective or
42 preventive services in cases in which the department confirms abuse, neglect, or

1 dependency. All expenditures shall be used for direct support of the department's Child
2 Protective Services program.

3 (c) The Division of Social Services, Department of Human Resources, shall
4 establish criteria and guidelines to ensure that the allocations to county departments of
5 social services are used in accordance with this section.

6 (d) All State appropriations for counties for Child Protective Services, including
7 the funds allocated to the counties pursuant to this section, shall be used for the direct
8 costs of employing Child Protective Services workers and their supervisors. Indirect and
9 administrative costs associated with Child Protective Services staffing may fulfill the
10 requirement for county matching funds.

11 12 **COUNTY MATCHING REQUIREMENTS FOR CHILD PROTECTIVE** 13 **SERVICES**

14 Sec. 67. State assistance to counties for Child Protective Services shall be
15 matched by counties at the rate of twenty-five percent (25%) effective July 1, 1995.
16 Counties may use federal funds or county funds to meet matching requirements.

17 18 **HIV FOSTER CARE BOARD PAYMENT**

19 Sec. 68. The maximum rates for State participation in HIV Foster Care Board
20 Payments are established on a graduated scale as follows:

- 21 (1) \$800.00 per month per child with indeterminate HIV status;
- 22 (2) \$1,000 per month per child confirmed HIV-infected, symptomatic;
- 23 (3) \$1,200 per month per child confirmed HIV-infected, symptomatic; and
- 24 (4) \$1,600 per month per child terminally ill with complex care needs.

25 26 **STATE ABORTION FUND ELIGIBILITY CRITERIA**

27 Sec. 69. (a) The Social Services Commission shall adopt rules governing the
28 eligibility of applicants to receive services under the State Abortion Fund. Eligibility for
29 services shall be limited to women whose income is below the federal poverty level, as
30 revised annually, or who are eligible for Medicaid, and:

- 31 (1) The woman is a victim of rape or incest;
- 32 (2) The woman is mentally retarded;
- 33 (3) The woman is a minor;
- 34 (4) A physician, selected by the woman, has advised that the woman's
35 mental or physical health could be impaired by the pregnancy; or
- 36 (5) A physician has determined that a fetal deformity is present.

37 (b) Except as otherwise provided under subsection (a) of this section, eligibility
38 rules adopted by the Commission shall not be based on the applicant's race, creed, color,
39 national origin, marital status, age, or handicapping condition.

40 (c) Services provided under this section shall be in accordance with the provisions
41 of G.S. 14-45.1 governing when abortion is lawful.

1 (d) No State funds in excess of one million two hundred twelve thousand dollars
2 (\$1,212,000) per fiscal year shall be expended for the State Abortion Fund during the
3 1995-96 fiscal year or the 1996-97 fiscal year.

4 5 **LIABILITY INSURANCE**

6 Sec. 70. The Secretary of the Department of Human Resources, the Secretary
7 of the Department of Environment, Health, and Natural Resources, and the Secretary of
8 the Department of Correction may provide medical liability coverage not to exceed one
9 million dollars (\$1,000,000) on behalf of employees of the Departments licensed to
10 practice medicine or dentistry and on behalf of physicians in all residency training
11 programs from The University of North Carolina who are in training at institutions
12 operated by the Department of Human Resources. This coverage may include
13 commercial insurance or self-insurance and shall cover these individuals for their acts or
14 omissions only while they are engaged in providing medical and dental services pursuant
15 to their State employment or training.

16 The coverage provided under this section shall not cover any individual for any
17 act or omission that the individual knows or reasonably should know constitutes a
18 violation of the applicable criminal laws of any state or the United States, or that arises
19 out of any sexual, fraudulent, criminal, or malicious act, or out of any act amounting to
20 willful or wanton negligence.

21 The coverage provided pursuant to this section shall not require any additional
22 appropriations and shall not apply to any individual providing contractual service to the
23 Department of Human Resources, the Department of Environment, Health, and Natural
24 Resources, or the Department of Correction, with the exception that coverage may
25 include physicians in all residency training programs from The University of North
26 Carolina who are in training at institutions operated by the Department of Human
27 Resources.

28 29 **DAY CARE RATES**

30 Sec. 71. (a) Rules for the monthly schedule of payments for the purchase of child
31 day care services for low-income children shall be established by the Social Services
32 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
33 requirements:

34 (1) For child day care facilities, as defined in G.S. 110-86(3), in which
35 fewer than fifty percent (50%) of the enrollees are subsidized by State
36 or federal funds, the State shall continue to pay the same fee paid by
37 private paying parents for a child in the same age group in the same
38 facility.

39 (2) Facilities in which fifty percent (50%) or more the enrollees are
40 subsidized by State or federal funds may be paid the market rate
41 established by the local purchasing agency not to exceed the county
42 market rate.

1 (3) A market rate shall be calculated for each county and for each age group
2 or age category of enrollees and shall be representative of fees charged
3 to unsubsidized private paying parents for each age group of enrollees
4 within the county. The county market rates shall be calculated from
5 facility fee schedules collected by the Division of Child Development
6 on a routine basis. The Division shall also calculate a statewide market
7 rate for each age category. The Division may also calculate regional
8 market rates for each age group and age category. The Social Services
9 Commission shall adopt rules to establish minimum county rates that
10 use the statewide market rates as a reference point.

11 (4) Child day care homes as defined in G.S. 110-86(4) and other home-
12 based child day care arrangements that are not required to be regulated
13 by the State licensing agency may be paid the rate established by the
14 local purchasing agency, not to exceed the market rate for child day care
15 homes, which shall be calculated at least biennially by the Division of
16 Child Development according to the method described in subdivision
17 (3) of subsection (a) of this section.

18 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes
19 may participate in the program that provides for the purchase of care in child day care
20 facilities for minor children of needy families. No separate licensing requirements may
21 be used to select facilities to participate. In addition, child day care facilities shall be
22 required to meet any additional requirements of federal law or regulations.

23 Child day care homes as defined in G.S. 110-86(4) from which the State
24 purchases child day care services shall meet the standards established by the Child Day
25 Care Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any requirements of
26 State law or federal law or regulations. Child day care arrangements exempt from State
27 regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the
28 requirements established by other State law and the Social Services Commission.

29 County departments of social services or other local contracting agencies shall
30 not use a provider's failure to comply with requirements in addition to those specified in
31 this subsection as a condition for reducing the provider's subsidized child day care rate.

32 (c) County departments of social services shall continue to negotiate with child
33 day care providers for child day care services below those rates prescribed by subsection
34 (a) of this section. County departments shall purchase child day care services so as to
35 serve the greatest number of children possible with existing resources.

36 37 DAY CARE ALLOCATION FORMULA

38 Sec. 72. (a) To simplify current day care allocation methodology and more
39 equitably distribute State day care funds, the Department of Human Resources shall
40 apply the following allocation formula to all noncategorical federal and State day care
41 funds used to pay the costs of necessary day care for minor children of needy families:

42 (1) One-third of budgeted funds shall be distributed according to the
43 county's population in relation to the total population of the State;

1 (2) One-third of the budgeted funds shall be distributed according to the
2 number of children under 6 years of age in a county who are living in
3 families whose income is below the State poverty level in relation to the
4 total number of children under 6 in the State in families whose income
5 is below the poverty level; and

6 (3) One-third of budgeted funds shall be distributed according to the
7 number of working mothers with children under 6 years of age in a
8 county in relation to the total number of working mothers with children
9 under 6 in the State.

10 (b) A county's initial allocation shall not be less than that county's initial allocation
11 was in State fiscal year 1990-91 under the formula prescribed by Section 102 of Chapter
12 500 of the 1989 Session Law. However, if the total amount available to allocate is less
13 than the amount allocated by formula in the 1990-91 fiscal year, a county's allocation
14 may be less than the county's initial allocation was in that fiscal year.

15 16 **DAY CARE FUNDS MATCHING REQUIREMENT**

17 Sec. 73. No local matching funds shall be required by the Department of
18 Human Resources as a condition of any locality's receiving any State day care funds
19 appropriated by this act unless federal law requires such a match.

20 21 **CHILD DAY CARE REVOLVING LOAN FUND**

22 Sec. 74. Notwithstanding any law to the contrary, funds budgeted for the Child
23 Day Care Revolving Loan Fund may be transferred to and invested by the financial
24 institution contracted to operate the Fund. The principal and any income to the Fund may
25 be used to make loans, reduce loan interest to borrowers, serve as collateral for
26 borrowers, pay the contractor's cost of operating the Fund, or to pay the Department's
27 cost of administering the program.

28 29 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES** 30 **LOCAL PARTNERSHIP FUNDING FOR ADMINISTRATIVE COSTS**

31 Sec. 75. The Secretary of Human Resources may allow local partnerships
32 receiving funds for Early Childhood Education and Development Initiatives to use up to
33 five percent (5%) or up to one hundred thousand dollars (\$100,000) of their total
34 allocation, whichever is greater, to fund the staff and administrative support for local
35 partnership board activities if the local partnership demonstrates that this additional
36 administrative funding is needed.

37 38 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES** 39 **PLAN**

40 Sec. 76. Counties participating in the Early Childhood Education and
41 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the
42 General Statutes may use the county's allocation of State and federal child care funds to
43 subsidize child care according to the county's Early Childhood Education and

1 Development Initiatives Plan as approved by the Department of Human Resources. The
2 use of federal funds shall be consistent with the appropriate federal regulations. Day care
3 providers shall, at a minimum, comply with the applicable requirements for State
4 licensure or registration pursuant to Article 7 of Chapter 110 of the General Statutes, with
5 other applicable requirements of State law or rule, including rules adopted for
6 nonregistered day care by the Social Services Commission, and with applicable federal
7 regulations.

8 9 **COMMUNITY-BASED ALTERNATIVES PARTICIPATION**

10 Sec. 77. County governments participating in the Community-Based
11 Alternatives Program shall certify annually to the Division of Youth Services,
12 Department of Human Resources, that Community-Based Alternatives Aid to Counties
13 shall not be used to duplicate or supplant other programs within the county.

14 15 **DIVISION OF YOUTH SERVICES CONTINGENCY FOR OVER- 16 ENROLLMENT PERIODS IN STATE-OPERATED DETENTION CENTERS**

17 Sec. 78. Notwithstanding the provisions of G.S. 143-23, the Department of
18 Human Resources, Division of Youth Services, with the approval of the Office of State
19 Budget and Management, may use whatever resources that are available to fund extra
20 direct care staff, teaching staff, and other direct care costs in a State-operated detention
21 center when its population exceeds one hundred twenty percent (120%) of its stated bed
22 capacity for 30 days or more. When the population of a State-operated detention center
23 falls below one hundred twenty percent (120%) of its capacity for more than a 30-day
24 period, the extra staffing shall be discontinued.

25 26 **CHALLENGE PROGRAM (BOOT CAMP)**

27 Sec. 79. Of the three million thirty-six thousand three hundred fifty-two
28 dollars (\$3,036,352) in the Continuation Budget for two additional Wilderness Camps
29 approved in the Crime Session, one million five hundred eighteen thousand one hundred
30 seventy-six dollars (\$1,518,176) shall be used to fund the Challenge Program in the
31 Department of Human Resources, Division of Youth Services.

32 33 **OWNERSHIP, CUSTODY, OR CONTROL OF VEHICLES PURCHASED BY 34 THE DIVISION OF VOCATIONAL REHABILITATION SERVICES**

35 Sec. 80. The Division of Vocational Rehabilitation Services, Department of
36 Human Resources, may use funds made available to it to purchase vehicles to be used
37 primarily to transport clients being served pursuant to the Rehabilitation Act of 1973,
38 42U.S.C. § 701 et seq., as amended. Notwithstanding the provisions of G.S. 143-
39 341(8)i.3., the Division of Vocational Rehabilitation Services shall not be required to
40 transfer ownership, custody, or control of any vehicle purchased pursuant to this section
41 to the Department of Administration.

42 43 **PART XII. DEPARTMENT OF COMMERCE**

WORKER TRAINING TRUST FUND

Sec. 81. (a) There is appropriated from the Worker Training Trust Fund to the Employment Security Commission of North Carolina the sum of six million sixty-four thousand nine hundred sixty-four dollars (\$6,064,964) for the 1995-96 fiscal year and the sum of six million sixty-four thousand nine hundred sixty-four dollars (\$6,064,964) in the 1996-97 fiscal year for the operation of local offices.

(b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special Employment Security Administration Fund to the Employment Security Commission of North Carolina, the sum of two million dollars (\$2,000,000) for the 1995-96 fiscal year and the sum of two million dollars (\$2,000,000) for the 1996-97 fiscal year for administration of the Veterans Employment Program, Employment Services Program, and Unemployment Insurance Program.

(c) Supplemental federal funds or other additional funds received by the Employment Security Commission for similar purposes shall be expended prior to the expenditure of funds appropriated by this section.

(d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the Worker Training Trust Fund to the following agencies the following sums for the 1995-96 and the 1996-97 fiscal years for the following purposes:

- (1) \$2,400,000 for the 1995-96 fiscal year and \$2,400,000 for the 1996-97 fiscal year to the Department of Commerce, Division of Employment and Training, for the Employment and Training Grant Program.
- (2) \$1,000,000 for the 1995-96 fiscal year and \$1,000,000 for the 1996-97 fiscal year to the Department of Labor for customized training of the unemployed and the working poor for specific jobs needed by employers through the Department's Pre-Apprentice Division.
- (3) \$1,528,067 for the 1995-96 fiscal year and \$1,528,067 for the 1996-97 fiscal year to the Department of Human Resources to assist welfare recipients in gaining employment through the federally funded Job Opportunities and Basic Skills Program in such a way as to gain the maximum match of federal funds for the State dollars appropriated.
- (4) \$1,746,000 for the 1995-96 fiscal year and \$1,746,000 for the 1996-97 fiscal year to the Department of Community Colleges to continue the Focused Industrial Training Program.
- (5) \$300,000 for the 1995-96 fiscal year and \$300,000 for the 1996-97 fiscal year to the Department of Community Colleges for the N.C. REAL Enterprises Program.

PETROLEUM OVERCHARGE FUNDS ALLOCATION

Sec. 82. (a) The funds and interest thereon received from the case of the United States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There is appropriated from the Special Reserve to the Department of Commerce the sum of one million six hundred fifty thousand dollars (\$1,650,000) for the 1995-96 fiscal year

1 and the sum of one million six hundred fifty thousand dollars (\$1,650,000) for the 1996-
2 97 fiscal year to be used for projects under the State Energy Conservation Plan.

3 (b) There is appropriated from funds and interest thereon received from the United
4 States Department of Energy's Stripper Well Litigation (MDL378) which remain in the
5 Special Reserve for Oil Overcharge Funds to the Department of Commerce the sum of
6 two million five hundred thousand dollars (\$2,500,000) for the 1995-96 fiscal year and
7 two million two hundred fifty thousand dollars (\$2,250,000) for the 1996-97 fiscal year
8 to be allocated for the Low Income Weatherization Program.

9 (c) Any funds remaining in the Special Reserve for Oil Overcharge Funds after the
10 allocations made pursuant to subsections (a) and (b) of this section may be expended only
11 as authorized by the General Assembly. All interest or income accruing from all deposits
12 or investments of cash balances shall be credited to the Special Reserve Oil Overcharge
13 Funds.

14 (d) The funds and interest thereon received from the Diamond Shamrock
15 Settlement which remain in a reserve in the Office of State Budget and Management for
16 the Department of Commerce to administer the petroleum overcharge funds pursuant to
17 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to the
18 Department of Commerce on an as-needed basis.

19 (e) The Department of Commerce shall submit comprehensive annual reports
20 to the General Assembly by May 15, 1996, and January 31, 1997, which detail the use of
21 all Petroleum Overcharge Funds. Any State department or agency that has received
22 Petroleum Overcharge Funds shall provide all information requested by the Department
23 of Commerce for the purpose of preparing these reports.

24 25 UTILITIES REGULATORY FEE

26 Sec. 83. The percentage rate for the Utilities regulatory fee shall be set at one-
27 tenth of one percent (0.10%) effective July 1, 1995.

28 29 PETROLEUM OVERCHARGE ATTORNEY FEES

30 Sec. 84. (a) Unless prohibited by federal law, rule, or regulation or preexisting
31 settlement agreement, no later than October 1, 1989, the North Carolina Attorney General
32 shall direct the withdrawal of all funds received in the cases of United States v. Exxon
33 and Stripper Well that are held in accounts or reserves located out-of-state for payment of
34 attorney fees and reasonable expenses incurred in connection with oil overcharge
35 litigation authorized by the Attorney General. The Attorney General shall deposit these
36 funds, and all funds to be received from Petroleum Overcharge Funds in the future for
37 attorney fees and reasonable expenses, into the Special Reserve for Oil Overcharge
38 Funds.

39 (b) All attorney fees and reasonable expenses incurred in connection with oil
40 overcharge litigation shall be paid by the State Treasurer from Petroleum Overcharge
41 Funds that have been received by this State and deposited into the Special Reserve for Oil
42 Overcharge Funds.

1 (c) Notwithstanding any other provision of law, the Attorney General may
2 authorize the payment of attorney fees and reasonable expenses from the Special Reserve
3 for Oil Overcharge Funds without further action of the General Assembly, and funds are
4 hereby appropriated from the Special Reserve for Oil Overcharge Funds for the 1995-96
5 fiscal year and for the 1996-97 fiscal year for that purpose.
6

7 **INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH**

8 Sec. 85. Local governments requesting financial assistance from the Industrial
9 Development Fund that wish to request to be exempted from the local matching
10 requirements placed on the receipt of this assistance shall demonstrate to the satisfaction
11 of the Department of Commerce that it would be an economic hardship for the local
12 government to match State assistance from the Fund with local funds. The Department
13 shall develop guidelines for determining hardship.
14

15 **INDUSTRIAL RECRUITMENT COMPETITIVE FUND**

16 Sec. 86. Of the funds appropriated in this act to the Department of Commerce,
17 the sum of ten million dollars (\$10,000,000) for the 1995-96 fiscal year shall be used to
18 continue the Industrial Recruitment Competitive Fund within the Department of
19 Commerce. The purpose of the Fund is to provide financial assistance to those
20 businesses or industries deemed by the Governor to be vital to a healthy and growing
21 State economy and that are making significant efforts to establish or expand in North
22 Carolina. Monies allocated from the Fund shall be used for the following purposes:

- 23 (1) Installation or purchase of equipment;
- 24 (2) Structural repairs, improvements, or renovations of existing buildings to
25 be used for expansion; and
- 26 (3) Construction of or improvements to new or existing water, sewer, gas,
27 or electric utility distribution lines or equipment for existing buildings.

28 Monies may also be used for construction of or improvements to new or
29 existing water, sewer, gas, or electric utility distribution lines or equipment to serve new
30 or proposed industrial buildings used for manufacturing and industrial operations. The
31 Governor shall adopt guidelines and procedures for the commitment of monies from the
32 Fund.
33

34 **BIOTECHNOLOGY FUNDS FOR MINORITY UNIVERSITIES**

35 Sec. 87. Of the funds appropriated in this act from the General Fund to the
36 North Carolina Biotechnology Center for the 1995-96 fiscal year, the sum of one million
37 dollars (\$1,000,000) shall be used to continue the special biotechnology program
38 initiative for North Carolina's Public Historically Black Universities and Pembroke State
39 University. This program initiative is a means to get more funds to these institutions of
40 higher education in the short run to help them develop their biotechnology programs and
41 a means to develop a mechanism to improve these institutions' capacity over the long
42 term. The Center's special initiative shall, at a minimum, provide for:

- 1 (1) A range of program activities, including grants, designed to enhance the
2 existing strengths and capabilities of Pembroke State University, and the
3 Public Historically Black Universities;
- 4 (2) A Facilities and Infrastructure Review Committee to advise the Center
5 on major program elements and priority projects that would be most
6 helpful to these institutions; and
- 7 (3) A Program Advisory Panel with representation from these institutions to
8 advise and make recommendations to the Center's President and Board
9 of Directors on funding proposals under this initiative.

10 The Center shall report to the General Assembly by March 15, 1997, on the use
11 of these funds.

12 In awarding grant funds pursuant to this section, the Center shall ensure that
13 the grant funds are distributed equally among the eligible universities.

14 **RURAL ECONOMIC DEVELOPMENT FUNDS**

15 Sec. 88. (a) Definition. – For purposes of this section, the term "community
16 development corporation" means a nonprofit corporation:

- 17 (1) Chartered pursuant to Chapter 55A of the General Statutes;
- 18 (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Code
19 of 1986;
- 20 (3) Whose primary mission is to develop and improve low-income
21 communities and neighborhoods through economic and related
22 development;
- 23 (4) Whose activities and decisions are initiated, managed, and controlled by
24 the constituents of those local communities; and
- 25 (5) Whose primary function is to act as deal maker and packager of projects
26 and activities that will increase their constituencies' opportunities to
27 become owners, managers, and producers of small businesses,
28 affordable housing, and jobs designed to produce positive cash flow and
29 curb blight in the target community.

30 (b) Community Development Grants. – Of the funds appropriated in this act from
31 the General Fund to the Rural Economic Development Center, Inc., the sum of one
32 million three hundred thousand dollars (\$1,300,000) for the 1995-96 fiscal year shall be
33 used to support community development projects and activities, and to assist with
34 training, technical assistance, resources development, and project assistance within the
35 State's minority communities. Any community development corporation as defined in
36 this section is eligible to apply for funds. The Rural Economic Development Center, Inc.,
37 shall establish performance-based criteria for determining which community
38 development corporations will receive a grant and the grant amount. Of these funds, fifty
39 thousand dollars (\$50,000) is provided to the Rural Economic Development Center, Inc.,
40 for the 1995-96 fiscal year to be used to cover expenses in administering this act.

41 (c) Southeast Raleigh Community Development Corporation. – Of the funds
42 appropriated in this act from the General Fund to the Rural Economic Development
43

1 Center, Inc., the sum of one hundred seventy-five thousand dollars (\$175,000) for the
2 1995-96 fiscal year shall be allocated to the Southeast Raleigh Community Development
3 corporation to support local projects and operations.

4 (d) The North Carolina Minority Credit Union Support Center, Inc. – Of the funds
5 appropriated in this act from the General Fund to the Rural Economic Development
6 Center, Inc., the sum of three hundred thousand dollars (\$300,000) for the 1995-96 fiscal
7 year shall be allocated to the North Carolina Minority Credit Union Support Center, Inc.,
8 to provide technical assistance to community-based credit unions.

9 (e) Of the funds appropriated in this act to the Rural Economic Development
10 Center, Inc., the sum of one hundred thousand dollars (\$100,000) for the 1995-96 fiscal
11 year shall be allocated as follows:

- 12 (1) \$25,000 to the Opportunities Industrialization Center of Wilson, Inc.,
13 for its ongoing job training programs;
- 14 (2) \$25,000 to Opportunities Industrialization Center, Inc., in Rocky
15 Mount, for its ongoing job training program;
- 16 (3) \$25,000 to Pitt-Greenville Opportunities Industrialization Center, Inc.,
17 for its ongoing job training programs; and
- 18 (4) \$25,000 to the Opportunities Industrialization Center of Lenoir, Greene,
19 and Jones Counties.

20 The Rural Economic Development Center, Inc., shall report quarterly to the
21 Joint Legislative Commission on Governmental Operations on the use of funds allocated
22 in this section.

23 24 **PART XIII. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL** 25 **RESOURCES**

26 27 **IMMUNIZATION PROGRAM FUNDING**

28 Sec. 89. (a) Of the funds appropriated to the Department of Environment,
29 Health, and Natural Resources for the 1995-97 fiscal biennium for childhood
30 immunization programs for positions, operating support, equipment, and
31 pharmaceuticals, the sum of up to one million dollars (\$1,000,000) each fiscal year may
32 be used for projects and activities that are also designed to increase childhood
33 immunization rates in North Carolina. These projects and activities shall include the
34 following:

- 35 (1) Outreach efforts at the State and local levels to improve service delivery
36 of vaccines. Outreach efforts may include educational seminars, media
37 advertising, support services to parents to enable children to be
38 transported to clinics, longer operating hours for clinics, and mobile
39 vaccine units; and
- 40 (2) Continued development of an automated immunization registry.

41 (b) Funds authorized to be used for immunization efforts under subsection (a) of
42 this section shall not be used to fund additional State positions in the Department of
43 Environment, Health, and Natural Resources.

STATE PARKS FUNDS

Sec. 90. Of the funds appropriated to the Department of Environment, Health, and Natural Resources in this act, the sum of one million dollars (\$1,000,000) for each fiscal year of the 1995-97 fiscal biennium shall be allocated to the Parks and Recreation Trust Fund established in G.S. 113-44.15, as enacted by Chapter 772 of the 1993 Session Laws, Regular Session 1994, and expended as provided in G.S. 113-44.15(b)(1), (2), and (3).

OCCONEECHEE MOUNTAIN, BIRD ISLAND, HAMMOCKS BEACH STATE PARK LAND ACQUISITION FUNDS

Sec. 91. Notwithstanding G.S. 143-16.3, the Divisions of Parks and Recreation and of Coastal Management of the Department of Environment, Health, and Natural Resources may apply to the North Carolina Recreation and Natural Heritage Trust, and other State and federal agencies for funds to acquire Occoneechee Mountain, Bird Island, and additional land at Hammocks Beach State Park.

GRASSROOTS SCIENCE PROGRAM

Sec. 92. Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources for the Grassroots Science Program, the sum of four hundred fifty thousand dollars (\$450,000) for the 1995-96 fiscal year and the sum of four hundred fifty thousand dollars (\$450,000) for the 1996-97 fiscal year are allocated as grants-in-aid for each fiscal year as follows:

Catawba Science Center	\$50,000
Discovery Place	\$50,000
Imagination Station	\$50,000
North Carolina Museum of Life and Science	\$50,000
Rocky Mount Children's Museum	\$50,000
Schiele Museum of Natural History	\$50,000
Sci Works Science Center and Environmental Park of Forsyth County	\$50,000
Natural Science Center of Greensboro	\$50,000
Western North Carolina Nature Center	\$15,000
The Health Adventure Museum of Pack Place Education, Arts and Science Center, Inc.	\$35,000

FUNDS FOR VOLUNTARY REMEDIAL ACTIONS

Sec. 93. During the 1995-97 fiscal biennium, the Secretary of the Department of Environment, Health, and Natural Resources may contribute from the Inactive Hazardous Sites Cleanup Fund up to ten percent (10%) of the cost each fiscal year, not to exceed fifty thousand dollars (\$50,000) per site, of implementing a voluntary remedial action program at up to three high-priority sites that substantially endanger public health or the environment.

SUPERFUND PROGRAM FUNDS

Sec. 94. The Department of Environment, Health, and Natural Resources may use available funds, with the approval of the Office of State Budget and Management, in order to provide the ten percent (10%) cost share required for Superfund cleanups on the National Priority List sites. These funds may be in addition to those appropriated for this purpose.

LIABILITY INSURANCE PREMIUMS

Sec. 95. The Department of Environment, Health, and Natural Resources may use funds available from lapsed salaries to pay premiums for liability coverage for medical personnel as authorized in this act.

PART XIV. DEPARTMENT OF LABOR**OSHA POSITIONS**

Sec. 96. (a) The Department of Labor may use funds appropriated to the Department of Labor for the Occupational Safety and Health Act of North Carolina (OSHANC) program to fund fully enforcement personnel in the Compliance Bureau of the OSHANC program, provided the Department of Labor certifies to the Office of State Budget and Management that no federal match is available for the 1995-96 fiscal year and for the 1996-97 fiscal year.

PART XV. SALARIES AND BENEFITS**SALARY INCREMENTS/SALARY RELATED CONTRIBUTIONS**

Sec. 97. (a) The Director of the budget may budget funds appropriated in this act for the purpose of providing compensation increases to public school employees, community college institutional personnel, and all other State employees and officers. Increases shall be granted equating to two percent (2%) funding of current salaries.

(b) Required employer salary-related contributions for employees whose salaries are paid from department, office, institution, or agency receipts shall be paid from the same source as the source of the employees' salary. If an employee's salary is paid in part from the General Fund or Highway Fund and in part from department, office, institution, or agency receipts, required employer salary-related contributions may be paid from the General Fund or Highway Fund only to the extent of the proportionate part paid from the General Fund or Highway Fund in support of the salary of the employee, and the remainder of the employer's requirements shall be paid from the source that supplies the remainder of the employee's salary.

(c) The State's employer contribution rates budgeted for retirement and related benefits as percentage of covered salaries for the 1995-56 and 1996-97 fiscal years are (i) ten and eighty-three hundredths percent (10.83%) - Teachers and State Employees; (ii) fifteen and ninety-six hundredths percent (15.96%) - State Law Enforcement Officers;

(iii) nine percent (9.0%) - University Employees' Optional Retirement System; (iv) twenty-two and sixty-five hundredths percent (22.65%) - Consolidated Judicial Retirement System; and (v) thirty-six and seven hundredths percent (36.07%) - Legislative Retirement System. Each of the foregoing contribution rates includes two percent (2.0%) for hospital and medical benefits. The rate for State Law Enforcement Officers, and for the University Employees' Optional Retirement Program includes forty-two hundredths percent (0.42%) for the Disability Income Plan. The rates for Teachers and State Employees and Law Enforcement Officers include sixteen hundredths percent (0.16%) for the Death Benefits Plan.

COUNCIL OF STATE/SALARY INCREASES

Sec. 98. (a) G.S. 147-11(a) reads as rewritten:

"(a) The salary of the Governor shall be ~~ninety-seven thousand six hundred dollars (\$97,600)~~ ninety-nine thousand five hundred fifty-two dollars (\$99,552) annually, payable monthly."

(b) The annual salaries for the members of the Council of State, payable monthly, for the 1995-96 and 1996-97 fiscal years are:

<u>Council</u>	<u>of</u>	<u>State</u>
<u>Annual Salary</u>		
Lieutenant		Governor
\$88,740		
Attorney		General
88,740		
Secretary	of	State
88,740		
State		Treasurer
88,740		
State		Auditor
88,740		
Superintendent	of	Public Instruction
88,740		
Agriculture		Commissioner
88,740		
Insurance		Commissioner
88,740		
Labor		Commissioner
88,740		

NONELECTED DEPARTMENT HEAD/SALARY INCREASES

1 Sec. 99. In accordance with G.S. 143B-9, the maximum annual salaries,
2 payable monthly, for the nonelected heads of the principal State departments for the
3 1995-96 and 1996-97 fiscal years are:

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
Secretary of Administration	\$86,700
Secretary of Correction	86,700
Secretary of Cultural Resources	86,700
Secretary of Commerce	86,700
Secretary of Environment, Health, and Natural Resources	86,700
Secretary of Human Resources	86,700
Secretary of Revenue	86,700
Secretary of Transportation	86,700

CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

17 Sec. 100. The annual salaries, payable monthly, for the 1995-96 and 1996-97
18 fiscal years for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$ 78,912
State Controller	110,436
Commissioner of Motor Vehicles	78,912
Commissioner of Banks	78,912
Chairman, Employment Security Commission	78,912
State Personnel Director	86,700
Chairman, Parole Commission	72,056
Members of the Parole Commission	66,524
Chairman, Industrial Commission	70,900
Members of the Industrial Commission	69,173
Chairman of the Utilities Commission	83,009
Commissioner of the Utilities Commission	81,989
Executive Director, Agency for Public Telecommunications	66,524
General Manager, Ports Railway Commission	60,071
Director, Museum of Art	80,859
Executive Director, Wildlife Resources Commission	68,108
Executive Director, North Carolina Housing Finance Agency	97,661
Executive Director, North Carolina Agricultural Finance Authority	76,808
Director, Office of Administrative Hearings	78,030

JUDICIAL BRANCH OFFICIALS/SALARY INCREASE

1 Sec. 101. (a) The annual salaries, payable monthly, for specified judicial branch
2 officials for the 1995-96 and 1996-97 fiscal years are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
Chief Justice, Supreme Court	\$99,552
Associate Justice, Supreme Court	97,920
Chief Judge, Court of Appeals	95,472
Judge, Court of Appeals	93,840
Judge, Senior Regular Resident Superior Court	91,290
Judge, Superior Court	88,740
Chief Judge, District Court	80,580
Judge, District Court	78,030
District Attorney	82,212
Administrative Officer of the Courts	91,290
Assistant Administrative Officer of the Courts	76,663
Public Defender	82,212

18
19 (b) The district attorney or public defender of a judicial district, with the approval
20 of the Administrative Officer of the Courts, shall set the salaries of assistant district
21 attorneys or assistant public defenders, respectively, in that district such that the average
22 salaries of assistant district attorneys or assistant public defenders in that district do not
23 exceed forty-nine thousand five hundred eighty dollars (\$49,580), and the minimum
24 salary of any assistant district attorney or assistant public defender is at least twenty-five
25 thousand three hundred twelve dollars (\$25,312) effective July 1, 1995.

26 (c) The salaries in effect for the 1994-95 fiscal year for permanent, full-time
27 employees of the Judicial Department, except for those whose salaries are itemized in this
28 Part, shall be increased by two percent (2%), commencing July 1, 1995.

29 (d) The salaries in effect for the 1994-95 fiscal year for all permanent, part-time
30 employees of the judicial Department shall be increased on and after July 1, 1995, by pro
31 rata amounts of the two percent (2%).

32
33 **CLERK OF SUPERIOR COURT SALARY DETERMINATION/INCREASE**

34 Sec. 102. G.S. 7A-101(a) reads as rewritten:

35 "(a) The clerk of superior court is a full-time employee of the State and shall
36 receive an annual salary, payable in equal monthly installments, based on the population
37 of the county as determined in subsection (a1) of this section, according to the following
38 schedule:

Population	Annual Salary	
Less than 100,000	\$57,670	<u>\$58,823</u>
100,000 to 149,999	64,780	<u>66,076</u>

1	150,000 to 249,999	71,890	<u>73,328</u>
2	250,000 and above	79,000-	<u>80,580.</u>

3
 4 The salary schedule in this subsection is intended to represent the following
 5 percentage of the salary of a chief district court judge:

6	Less than 100,000	73%	
7	100,000 to 149,999	82%	
8	150,000 to 249,999	91%	
9	250,000 and above	100%.	

10
 11
 12 When a county changes from one population group to another, the salary of the clerk
 13 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 14 salary appropriate for the new population group, except that the salary of an incumbent
 15 clerk shall not be decreased by any change in population group during ~~his~~ the clerk's
 16 continuance in office."

17
 18 **ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE**

19 Sec. 103. (a) G.S. 7A-102(c) reads as rewritten:

20 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer of
 21 the Courts shall establish an incremental salary plan for assistant clerks and for deputy
 22 clerks based on a series of salary steps corresponding to the steps contained in the Salary
 23 Plan for State Employees adopted by the Office of State Personnel, subject to a minimum
 24 and a maximum annual salary as set forth below. ~~On and after July 1, 1985, each assistant~~
 25 ~~clerk and each deputy clerk shall be eligible for an annual step increase in his salary plan~~
 26 ~~based on satisfactory job performance as determined by each clerk. Notwithstanding the~~
 27 ~~foregoing, if an assistant or deputy clerk's years of service in the office of superior court~~
 28 ~~clerk would warrant an annual salary greater than the salary first established under this~~
 29 ~~section, that assistant or deputy clerk shall be eligible on and after July 1, 1984, for an~~
 30 ~~annual step increase in his salary plan. Furthermore, on and after July 1, 1985, that~~
 31 ~~assistant or deputy clerk shall be eligible for an increase of two steps in his salary plan,~~
 32 ~~and shall remain eligible for a two-step increase each year as recommended by each clerk~~
 33 ~~until that assistant or deputy clerk's annual salary corresponds to his number of years of~~
 34 ~~service. Any person covered by this subsection who would not receive a step increase in~~
 35 ~~fiscal year 1994-95 because that person is at the top of the salary range as it existed for~~
 36 ~~fiscal year 1993-94 shall receive a salary increase to the maximum annual salary~~
 37 ~~provided by subsection (c1) of this section."~~

38 (b) G.S. 7A-102(c1) reads as rewritten:

39 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time
 40 deputy clerk serving as head bookkeeper per county, shall be paid an annual salary
 41 subject to the following minimum and maximum rates:

42 43 Assistant Clerks and Head Bookkeeper	Annual Salary
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1
2 Minimum ~~\$21,126~~ \$21,549
3 Maximum ~~37,406~~ 38,154

4
5 Deputy Clerks Annual Salary
6 Minimum ~~\$16,891~~ 17,229
7 Maximum ~~28,813~~ 29,389."

8
9 **MAGISTRATES' PAY PLAN**

10 Sec. 104. G.S. 7A-171.1(a) reads as rewritten:

11 "(a) The Administrative Officer of the Courts, after consultation with the chief
12 district judge and pursuant to the following provisions, shall set an annual salary for each
13 magistrate.

14 (1) A full-time magistrate shall be paid the annual salary indicated in the
15 table set out in this subdivision. A full-time magistrate is a magistrate
16 who is assigned to work an average of not less than 40 hours a week
17 during the term of office. The Administrative Officer of the Courts shall
18 designate whether a magistrate is full-time. Initial appointment shall be
19 at the entry rate. ~~A magistrate's salary shall increase to the next step~~
20 ~~every two years on the anniversary of the date the magistrate was~~
21 ~~originally appointed for increases to Steps 1 through 3, and every four~~
22 ~~years on the anniversary of the date the magistrate was originally~~
23 ~~appointed for increases to Steps 4 through 6.~~

24
25 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

26

<u>Step Level</u>		<u>Annual Salary</u>
Entry Rate	\$22,958	<u>\$23,417</u>
Step 1	25,262	<u>25,267</u>
Step 2	27,770	<u>28,325</u>
Step 3	30,506	<u>31,116</u>
Step 4	33,503	<u>34,173</u>
Step 5	36,797	<u>37,533</u>
Step 6	40,420	<u>41,228.</u>

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36 (2) A part-time magistrate is a magistrate who is assigned to work an
37 average of less than 40 hours of work a week during the term, except
38 that no magistrate shall be assigned an average of less than 10 hours of
39 work a week during the term. A part-time magistrate is included, in
40 accordance with G.S. 7A-170, under the provisions of G.S. 135-1(10)
41 and G.S. 135-40.2(a). The Administrative Officer of the Courts
42 designates whether a magistrate is a part-time magistrate. A part-time
43 magistrate shall receive an annual salary based on the following

1 formula: The average number of hours a week that a part-time
2 magistrate is assigned work during the term shall be multiplied by the
3 annual salary payable to a full-time magistrate who has the same
4 number of years of service prior to the beginning of that term as does
5 the part-time magistrate and the product of that multiplication shall be
6 divided by the number 40. The quotient shall be the annual salary
7 payable to that part-time magistrate.

- 8 (3) Notwithstanding any other provision of this subsection, an individual
9 who, when initially appointed as a full-time magistrate, is licensed to
10 practice law in North Carolina, shall receive the annual salary provided
11 in the Table in subdivision (1) of this subsection for Step 4. ~~This~~
12 ~~magistrate's salary shall increase to the next step every four years on the~~
13 ~~anniversary of the date the magistrate was originally appointed.~~—An
14 individual who, when initially appointed as a part-time magistrate, is
15 licensed to practice law in North Carolina, shall be paid an annual salary
16 based on that for Step 4 and determined according to the formula in
17 subdivision (2) of this subsection. ~~This magistrate's salary shall increase~~
18 ~~to the next step every four years on the anniversary of the date the~~
19 ~~magistrate was originally appointed.~~The salary of a full-time magistrate
20 who acquires a license to practice law in North Carolina while holding
21 the office of magistrate and who at the time of acquiring the license is
22 receiving a salary at a level lower than Step 4 shall be adjusted to Step 4
23 and, thereafter, shall advance in accordance with the Table's schedule.
24 The salary of a part-time magistrate who acquires a license to practice
25 law in North Carolina while holding the office of magistrate and who at
26 the time of acquiring the license is receiving an annual salary as
27 determined by subdivision (2) of this subsection based on a salary level
28 lower than Step 4 shall be adjusted to a salary based on Step 4 in the
29 Table and, thereafter, shall advance in accordance with the provision in
30 subdivision (2) of this subsection."
31

32 TRAVEL ALLOWANCES OF STATE OFFICERS AND EMPLOYEES

33 Sec. 105. G.S. 138-6(4) reads as rewritten:

- 34 "(4) For convention registration fees not to exceed ~~thirty dollars (\$30.00)~~
35 two hundred dollars (\$200.00) per convention."
36

37 PART XVI. MISCELLANEOUS PROVISIONS

38 EFFECT OF HEADINGS

39 Sec. 106. The headings to the Parts and sections of this act are a convenience
40 to the reader and are for reference only. The headings do not expand, limit, or define the
41 text of this act.
42
43

1 **MOST TEXT APPLIES ONLY TO 1995-97**

2 Sec. 107. Except for statutory changes or other provisions that clearly indicate
3 an intention to have effects beyond the 1995-97 fiscal biennium, the textual provisions of
4 this act shall apply only to funds appropriated for and activities occurring during the
5 1995-97 fiscal biennium.

6
7 **SEVERABILITY CLAUSE**

8 Sec. 108. If any section or provision of this act is declared unconstitutional or
9 invalid by the courts, it does not affect the validity of the act as a whole or any part other
10 than the part so declared to be unconstitutional or invalid.

11
12 **EFFECTIVE DATE**

13 Sec. 109. Except as otherwise provided, this act becomes effective July 1,
14 1995.