



Overview:

Fiscal and Budgetary Actions

**North Carolina General Assembly
1984 Session**

Prepared by the
Fiscal Research Division of
the North Carolina General Assembly

Raleigh, N.C.
September, 1984

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1984 Second Session
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Introduction

This volume is intended to create a "picture" of what the North Carolina General Assembly enacted within the broad area of appropriations and revenues for the 1984-85 fiscal year. We believe it will serve both as a technical record of legislative fiscal action and as an invaluable reference tool for members of the General Assembly, legislative staff members, state agencies, and the general public.

The document is divided into four major sections: "The Economy, Revenues and Fund Conditions"; "The Budget: 1984 Session"; "The Budget: Appropriations, Increases, and Decreases"; "Special Appropriations, Studies, and Revenue Bills".

The first section, "The Economy, Revenues and Fund Conditions", describes the economic and financial backdrop against which the actions detailed in subsequent sections are conducted. Beginning with a short history of the state's economy, the section presents the conditions of state government's two major funds - General and Highway - for 1984-85, together with a description of the amounts and kinds of revenue the state has received (or expects to receive) to sustain these funds.

The second section, "The Budget: 1984 Session", summarizes the fiscal actions authorized by the General Assembly for the 1984-85 fiscal year. Beginning with a short summary of the total State Budget and a look at how each tax dollar is spent, the section continues with operating budget increases, special appropriations, and capital authorizations by department. Also shown in this section are federal block grant allocations, medicaid program changes, and changes in employee salaries and benefits.

Third, in "The Budget: Appropriations, Increases, and Decreases", a look is taken in a more detailed form at how the budget has been allocated to each department. Following the listed fiscal actions for a department, Special Provisions included in appropriation bills and pertinent to that department are briefly summarized.

The fourth and final section is a comprehensive listing of "special" appropriation bills passed in addition to the "main appropriation (budget) bill"; revenue bills authorizing the levy of taxes and other forms of revenue which finance the operation of state government; and legislative studies authorized to scrutinize some special areas of state government with a view toward increased efficiency or cutting costs.

INTRODUCTION - CONTINUED:

We have included in the "Appendix" this year historical data on the State's revenues and expenditures, number of employees and average salaries, university tuition rates, public school enrollments and other frequently requested trend data.

It is hoped that this volume will be useful in making even more accessible legislative information relating to the budget of the State of North Carolina and by providing a more complete understanding of the General Assembly's fiscal functions.

The Economy, Revenues and Fund.Conditions

North Carolina's Economy: The Effect on Revenue Collections

When the 1984 General Assembly convened in June, General Fund tax collections for the 1983-84 fiscal year were running far ahead of the budgeted increase of 11.3% (8.2% after adjusting for the projected effect of the Tax Adjustment Act of 1983). The actual rate of growth through the first eleven months of the fiscal year was 15.3% (around 11% after adjustment). Due to the unpredictability of quarterly corporate income tax declarations and final payments, especially in light of 1983 legislative changes, the Joint Appropriations Committee decided to use an estimate of 15.0% for the full year.

Actual tax collections for the full year were up 16.3% over 1983-84 (12.3% after adjustment). The tax overcollection amount was \$43.2 million, which increased the beginning credit balance for 1984-85.

Approximately 60% of the overcollections came in the corporate income tax. In 1983 the General Assembly enacted legislation requiring corporations to remit state income tax payments during the income year instead of in March the following year. The adjustment was phased-in equally over a four-year period. Due to the lack of understanding of the change and the fact that the federal declaration system has been in effect many years, some corporations went to a 100% declaration system immediately. Other taxpayers may have found it simpler to voluntarily conform their state tax remittance to the federal system already in place. In either case, a substantial portion of the 1983-84 corporate overcollections are, in effect, borrowed against the projected \$30 million of windfall revenue for each of the next two years and does not represent improved profitability.

The economy recovery and expansion since November, 1982 has exceeded that of any period since World War II. Real (after-inflation) gross national product during this period has risen at the annualized rates shown below:

<u>Calendar Quarter</u>	<u>Annualized Percentage Increase</u>
1-83	3.3%
2-83	9.4
3-83	6.8
4-83	5.9
1-84	10.1
2-84	7.6

THE ECONOMIC OUTLOOK AND EFFECT ON REVENUE COLLECTIONS -
CONTINUED:

At the same time, the rate of inflation, as measured by the broad-based gross national product implicit price deflator, has risen at the rate of only $2\frac{1}{2}$ - $4\frac{1}{2}$ % during this period, much lower than expected. The reduction in the inflation rate has substantially lessened pressures on wage and salary increases. Thus inflation/wage experience during this period has been more favorable than any period since the late 1960's.

Combining real growth and inflation for the six-quarter period leads to an 11.2% rate of growth in nominal gross national product. As is typical, this rate corresponds fairly closely to the 12.3% (adjusted) growth in General Fund tax revenues for 1983-84.

An analysis of the most current state taxes, monthly withholding and sales, substantiates underlying personal income growth in the 9-11% range. Monthly withholding collections for large employers rose 14.8% in 1983-84 and many of the individual months were close to the annual rate. Using a withholding elasticity of 1.5-1.6 would suggest an income base growth of 9.2-9.9%. Sales tax collections were up 21.3% for the year and most individual months were close to 20%. Adjusting for the substantial effects of the Tax Adjustment Act would put the rate at 10-11%, which is the estimate of spendable income growth under a 1.0 elasticity assumption.

The projected growth in General Fund tax revenue for 1984-85 as adopted by the Joint Appropriations Committee is 9.2%. With the overcollections that occurred in 1983-84 in the corporate tax sector, the rate now needed to achieve the same dollar forecast is 8.3%. This collection growth rate would, after adjustment for early corporate tax payments, correspond to a growth rate of $9-9\frac{1}{2}$ % in nominal personal income.

The tax forecast for 1984-85 is based on slower real economic growth during the remainder of the 1984 calendar year and early-1985 and slightly higher inflation. As the economy reaches full utilization of capital and labor resources, upward pressure will be exerted on prices. Also, the Federal budget deficit situation will put the federal financing requirements in competition with consumer and business investment demand for funds. As inflation and interest rates rise, the Federal Reserve Board will take a more restrictive stance in monetary policy. The change in policy should begin having an effect on economic growth by mid-1985. Whether a recession occurs, versus slow growth, will depend on the restrictiveness of monetary policy.

THE ECONOMIC OUTLOOK AND EFFECT ON REVENUE COLLECTIONS -
CONTINUED:

General Fund non-tax collections were \$5.7 million higher than expected for 1983-84. The 1984-85 forecast is related to the outlook for the overall economy and interest rates (1-2 percentage point increase).

General Fund Condition
(\$ Millions)

	<u>ACTUAL 1982-83</u>	<u>ACTUAL 1983-84</u>	<u>AUTHORIZED 1984-85</u>
Beginning Credit Balance	\$ 108.5	\$ 71.7	\$ 253.5
Revenues:			
Tax	\$3,279.0 (+6.5%)	3,814.4** (+16.3%)	4,129.7 (+8.3%)
Non-Tax	<u>124.8</u>	<u>142.9**</u>	<u>146.8</u>
Subtotal	\$3,403.8	\$3,957.3	\$4,276.5
Total Availability	\$3,512.3	\$4,029.0	\$4,530.0
Expenditures:			
Current Operations	\$3,374.9	\$3,689.9	\$4,304.0
Capital Improvements	65.7*	59.8*	212.5*
Transfer to Highway Fund	<u>-</u>	<u>25.8</u>	<u>-</u>
Subtotal	\$3,440.6	\$3,775.5	\$4,516.5
Ending Credit Balance	\$ 71.7	\$ 253.5	\$ 13.5

* Appropriated Amount

** The Tax Adjustment Act of 1983 increased 1983-84 General Fund Revenues substantially. Adjusting the data for that legislation would lead to a tax revenue amount of \$3,682.7 million (+12.3%) and non-tax revenue of \$132.5 million.

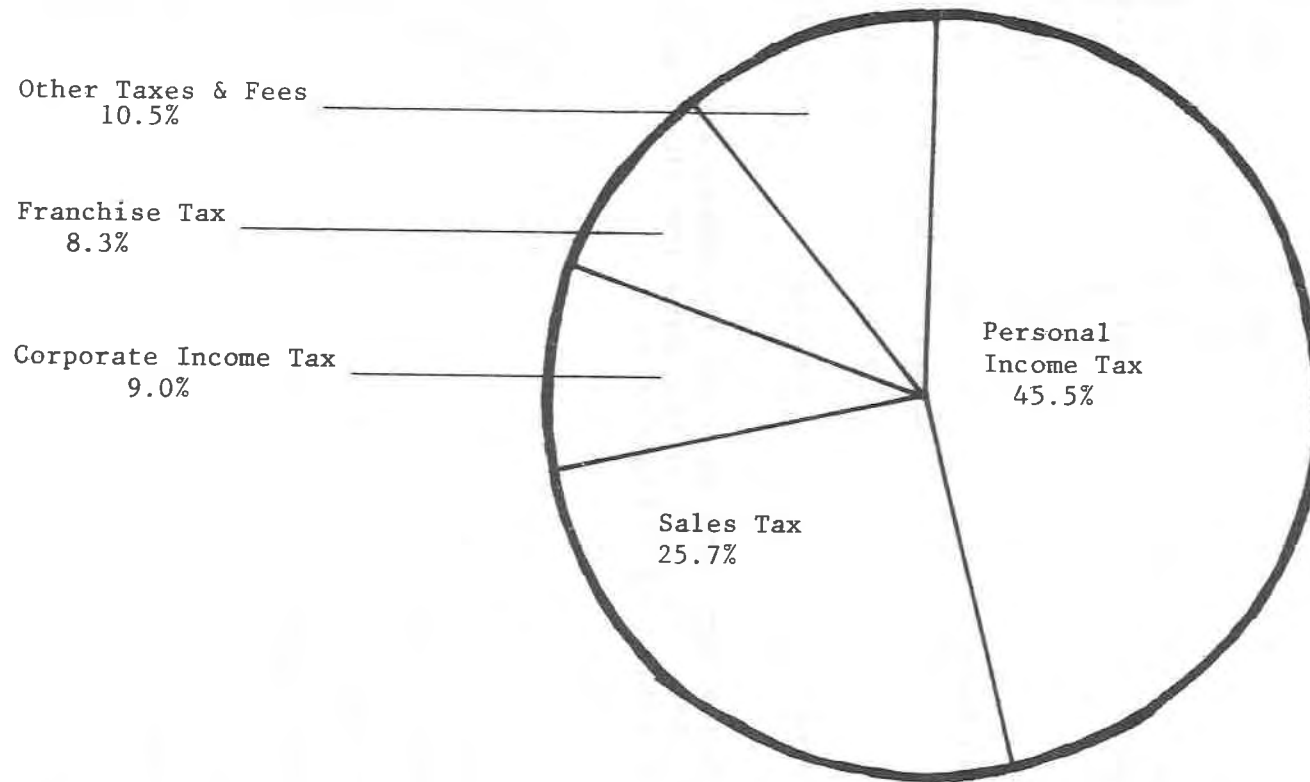
General Fund Tax Revenues
(\$ Millions)

<u>TAX</u>	<u>ACTUAL</u> <u>1982-83</u>	<u>ACTUAL</u> <u>1983-84</u>	<u>AUTHORIZED</u> <u>1984-85</u>
Personal Income	\$ 1,550.1	\$ 1,785.0	\$ 1,946.3
% Change	+7.0%	+15.2%	+9.0%
Sales & Use	823.4	999.0	1,098.9
% Change	+5.9%	+21.3%	+10.0%
Corporate Income	306.5*	367.8	385.8
% Change	+10.5%	+20.0%	+4.9%
Franchise	298.6	326.8	355.6
% Change	+10.7%	+9.4%	+8.8%
Insurance	98.1	106.5	112.9
% Change	+5.7%	+8.6%	+6.0%
Beverage	100.3	101.2	103.2
% Change	+7%	+9%	+2.0%
Inheritance	44.1	66.4	63.6
Soft Drink	21.8	23.7	24.3
Privilege	15.0	15.9*	16.2
Cigarette	15.6	15.0	15.0
Gift	4.2	5.2	5.6
Savings and Loan	.6	1.2	1.4
Other	.7	.8	.8
Total	\$3,279.0	\$3,814.5*	\$ 4,129.6
% Change	(+6.5%)	(+16.3%)	(+8.3%)

*The Tax Adjustment Act of 1983 increased 1983-84 revenues substantially. Adjusting the data for that legislation would yield the following collections:

<u>Tax</u>	<u>Adjusted</u> <u>Actual</u> <u>1983-84</u>
Personal Income	\$ 1,772.0
	(+14.3%)
Sales & Use	952.7
	(+15.7%)
Corporate Income	297.8
	(- 2.8%)
Beverage	98.9
	(- 1.4%)
Privilege	15.8
Other	545.6
Total	\$ 3,682.8
	(+12.3%)

1984-85 GENERAL FUND REVENUE SOURCES



HIGHWAY FUND REVENUE OUTLOOK

State highway fund revenues grew by 11% in fiscal year 1983-84. This occurred for several reasons. Rapid growth in employment and hours worked, coupled with low inflation, led to a sharp increase in disposable income. Gas prices fell relative to costs of other items. In addition, the General Assembly increased certain fees in 1983. The motor fuel registration sticker fee was changed from \$1 to \$10, creating approximately \$3.6 million more in motor fuel tax revenues. The automobile registration fee was increased from \$16 to \$20. This was supposed to generate an additional \$13.4 million in 1983-84. An increase in truck registrations and higher investment earnings also contributed to the 11% growth rate.

The 1984-85 budget reflects the slower economic growth expected for this fiscal year. Inflation and prices will probably increase, checking growth in motor fuel collections. Slower growth will also impact on motor vehicle registrations; and as principal and interest are paid on bonds, there will be lower average daily balances. Hence investment earnings should decline. With these factors in mind, we anticipate a growth rate of .5% for the 1984-85 fiscal year.

Highway Fund Condition

	<u>Actual</u> <u>1983-84</u>	<u>Authorized</u> <u>1984-85</u>
Beginning Credit Balance		
Debt Service	\$ 23,229,018	\$ 19,571,638
Current Fund	33,295,074	60,378,892
Prior Year Reserves	22,200,504	45,106,566
Subtotal Beginning Balance	\$ 78,724,596	\$125,057,096
State Highway Revenue	641,944,740	645,083,000
Transfer from General Fund	25,800,000	-
Transfer from Equipment Fund	-	4,600,000
Total Availability	\$746,469,336	\$774,740,096
Expenditures		
Current Operations	594,673,906	700,875,918
Prior Year Reserves	22,200,504	45,106,566
1983 Capital Improvements	4,537,830	544,474
1984 Capital Improvements		12,177,000
Total Expenditures	\$621,412,240	\$758,703,958
Ending Balance		
Debt Service	19,571,638	16,036,138
Current Fund	60,378,892	-
Appropriation Reserves	45,106,566	-
Ending Credit Balance	\$125,057,096	\$ 16,036,138

Highway Fund State Revenues

(In Millions)

	<u>1982-83</u> <u>Actual</u>	<u>1983-84</u> <u>Actual</u>	<u>1984-85</u> <u>Authorized</u>
Motor Fuel Taxes			
Gasoline - 11¢	\$346.6	\$364.0	\$366.9
Gasoline - 1¢	32.9	34.6	34.9
Gasoline Inspection-¼¢	8.2	8.6	8.8
Highway Use Tax	.9	4.6	5.8
Total-Motor Fuel Taxes	\$388.6	\$411.8	\$416.4
License and Fees			
Motor Vehicle Registration	95.1	123.7	125.7
International Registration Plan	20.9	24.8	26.6
Title Fees	11.0	12.5	13.1
Lien Recording Fees	.7	.7	.8
Driver Licenses	22.5	26.1	26.4
Revocation and Restoration Fees	1.1	1.5	1.0
Safety Equipment Inspection Fees	2.9	3.1	2.8
Dealer and Manufacturer Licenses	.4	.4	.4
Overweight/Size Permits	.3	.4	.4
Total-Licenses and Fees	154.9	193.2	197.2
Other State Revenue			
Penalties	4.5	5.8	6.1
Refunds to Highway Division	.9	.6	.9
Miscellaneous	.7	.4	.3
Total-Other State Revenue	6.1	6.8	7.3
Investment Income	28.5	30.2	24.2
Total Highway Fund Revenue	\$578.1	\$642.0	\$645.1
% Change	4.2	11.0	.5

The Budget:
1984 Session

Summary of the Budget

TOTAL BUDGET	\$7.204 billion for operations and \$234.0 million for capital improvements.
GENERAL FUND	\$4.304 billion for operations and \$212.5 million for capital improvements.
HIGHWAY FUND	\$700.9 million for operations and \$12.7 million for capital improvements.
FEDERAL FUND	\$1.656 billion for operations.
DEPARTMENTAL RECEIPTS	\$542.9 million for operations and \$8.8 million for capital improvements. Made up of tuition fees, patient receipts, and other dedicated receipts.
GENERAL FUND REVENUES	The rate of increase projected for General Fund Tax revenues, 1984-85 over 1983-84, 8.3%.

Comparisons, actual collections, percent of increase over previous year:

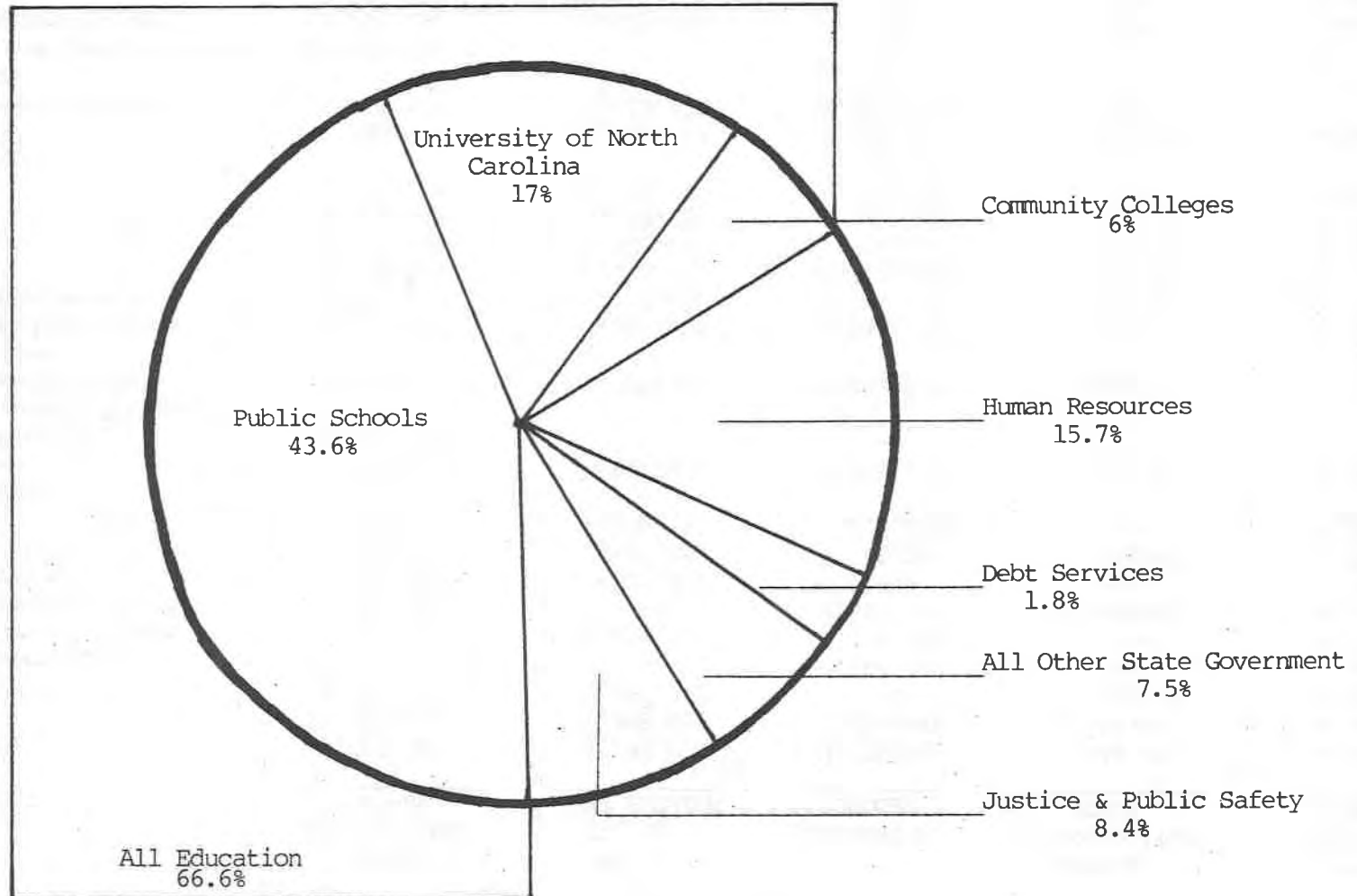
1974-75	6.8%
1975-76	8.3%
1976-77	14.3%*
1977-78	14.6%*
1978-79	13.4%
1979-80	12.9%
1980-81	7.8%
1981-82	8.15%
1982-83	6.15%
1983-84	12.3%**

*After adjustment for \$73 million windfall in 1976-77.

**After adjustment for corporate tax collection windfall.

HIGHWAY FUND REVENUES	Highway Fund motor fuel tax revenues are projected to increase by 1.1% and motor vehicle registration fee collections to increase by 2.1%, an overall growth of Highway Fund Revenue of .5%, 1984-85 as compared to 1983-84.
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1984-85 GENERAL FUND BUDGET
FOR CURRENT OPERATIONS



**NUMBER OF NEW POSITIONS
1984 - 85**

<u>DEPARTMENT</u>	<u>NUMBER</u>
General Assembly	6
Judicial	103
Office of the Governor	2
Secretary of State	8
State Auditor	7
Public Education	1,833
Justice	5
Agriculture	25
Administration	11
Natural Resources & Community Development	99
Human Resources	56
Correction	8
Commerce	6
Cultural Resources	12
Crime Control & Public Safety	34
University System	169.6
Community Colleges	4
Board of Contract Appeals	<u>1</u>
TOTAL NEW GENERAL FUND POSITIONS	2,389.6
TOTAL NEW HIGHWAY FUND POSITIONS	61

Capital Improvements Summary (General Fund)

<u>DEPARTMENT</u>	<u>APPROPRIATIONS</u> 1984-85		<u>SPECIAL BILL</u> <u>APPROPRIATIONS</u>	<u>1984-85</u> <u>TOTAL</u>
	<u>1983 SESSION</u>	<u>1984 SESSION</u>		
Administration	\$ -0-	\$ 7,700,000	\$ 485,000	\$ 8,185,000
Office of State Budget	45,000,000	17,645,000	-0-	62,645,000
Agriculture	195,000	787,500	1,162,838	2,145,338
Community Colleges	-0-	20,000,000	6,395,700	26,395,700
Correction	-0-	50,000	-0-	50,000
Cultural Resources	-0-	-0-	530,000	530,000
Human Resources	-0-	1,420,000	-0-	1,420,000
Justice	-0-	34,000	-0-	34,000
Natural Resources & Community Development	100,000	2,989,000	224,000	3,313,000
University of North Carolina	<u>47,914,000</u>	<u>59,470,000</u>	<u>433,200</u>	<u>107,817,200</u>
TOTAL GENERAL FUND CAPITAL IMPROVEMENTS	\$93,209,000	\$110,095,500	\$9,230,738	\$212,535,238

CAPITAL IMPROVEMENTS BILL
GENERAL FUND

<u>DEPARTMENT</u>	<u>SB 22 (CH. 757)</u> <u>1983 SESSION</u>	<u>1984</u> <u>SESSION</u>	<u>1984-85</u> <u>TOTAL</u>
ADMINISTRATION (Total)	\$ -0-	\$	\$ 7,700,000
1. Purchase of Amoco Building for the State Computer Center		7,700,000	
OFFICE OF STATE BUDGET & MANAGEMENT (Total)	\$45,000,000		\$62,645,000
1. Reserve for Statewide Repairs and Renovations		15,000,000	
2. Reserve for World War I, World War II, Korean War and Vietnam War Memorials		600,000	
3. Reserve for Biotechnology Research Facilities		2,045,000	
AGRICULTURE (Total)	\$ 195,000		\$ 982,500
1. Raleigh Farmers' Market/ Construction of Farmers' Shed		167,500	
2. Mountain Research Station/ Waynesville Facility Development		145,000	
3. Metrology Lab-Raleigh/Reserve for Bid Override on Construction		275,000	
4. Horticultural Crops Research Station-Sampson County/ Sweet Potato Facility		200,000	
COMMUNITY COLLEGES (Total)	\$ -0-		\$20,000,000
1. Reserve for Construction		20,000,000	

GENERAL FUND CAPITAL IMPROVEMENTS - CONTINUED:

<u>DEPARTMENT</u>	<u>SB 22 (CH. 757)</u> <u>1983 SESSION</u>	<u>1984</u> <u>SESSION</u>	<u>1984-85</u> <u>TOTAL</u>
CORRECTION (Total)	-0-		\$ 50,000
1. Harnett Youth Center/Chapel Construction		50,000	
HUMAN RESOURCES (Total)	\$ -0-		\$ 1,420,000
1. Caswell/Chapel Construction		250,000	
2. O'Berry/Chapel Construction		250,000	
3. Western Carolina/Chapel Construction		250,000	
4. Juvenile Evaluation Center/Grading		20,000	
5. Dobbs School/Addition to Vocational Education Facility		650,000	
JUSTICE (Total)	\$ -0-		\$ 34,000
1. SBI/Storage Building		34,000	
NATURAL RESOURCES AND COMMUNITY DEVELOPMENT (Total)	\$ 100,000		\$ 3,089,000
1. Wayne County/Park Development		100,000	
2. Reserve for Civil Works Projects		2,074,000	
3. Reserve for Watershed Projects		815,000	
UNIVERSITY OF NORTH CAROLINA (Total)	\$47,914,000		\$107,384,000
1. School of Science and Mathematics/Construction of Dormitory, Resident Advisor Apartments, and Infirmary		4,400,000	

GENERAL FUND CAPITAL IMPROVEMENTS - CONTINUED:

<u>DEPARTMENT</u>	<u>SB 22 (CH. 757)</u> <u>1983 SESSION</u>	<u>1984</u> <u>SESSION</u>	<u>1984-85</u> <u>TOTAL</u>
UNIVERSITY OF NORTH CAROLINA (Cont.)			
2. NCSU			
1. Cattle Research Facility/ Butner		\$1,900,000	
2. Turf Grass Research Laboratory		50,000	
3. Addition to D. H. Hill Library		9,159,000	
4. Fletcher Research Station		360,000	
3. UNC - Asheville/Classroom Building		6,175,000	
4. Pembroke State/University Center			
Total	6,242,000		
Receipts	2,300,000		
Appropriation		\$ 3,942,000	
5. East Carolina/Classroom Building		14,635,000	
6. UNC - Wilmington/Library Addition		7,611,000	
7. Appalachian State/Industrial Arts Building Addition		4,128,000	
8. Memorial Hospital/NMR Facility		800,000	
9. Board of Governors			
1. Western Carolina/Reserve for Jackson County Board of Education for Vacating Camp Lab Building		5,000,000	
2. Reserve for Advance Planning		1,310,000	
 TOTAL GENERAL FUND CAPITAL IMPROVEMENTS	 \$93,209,000	 \$110,095,500	 \$203,304,500

Capital Improvements Summary (Highway Fund)

	<u>1983</u> <u>Session</u>	<u>1984</u> <u>Session</u>
DEPARTMENT OF TRANSPORTATION		
I. Division of Highways		
a. Security Fencing- Statewide Locations	\$150,000	\$ -0-
b. Energy Saving Improvements- Statewide	108,359	-0-
c. Renovations and Improvements to Division, Maintenance, Equipment and other Highway Facilities	-0-	2,020,000
d. Maintenance and Equipment Complex - Goldsboro	-0-	3,000,000
e. Complete Mann's Harbor Ferry Facility	-0-	4,700,000
II. Division of Motor Vehicles		
a. Motor Vehicles/Highway Patrol Building Kenansville/ Carteret County	286,115	-0-
b. Renovate Motor Vehicles Building	-0-	549,000
c. Highway Patrol Driving Track	-0-	1,308,000
d. Highway Patrol-Renovations to Training Center	-0-	600,000
TOTAL HIGHWAY FUND		
CAPITAL IMPROVEMENTS	\$544,474	\$12,177,000

Federal Block Grant Program: How the Money Will Be Spent in North Carolina

DEPARTMENT OF HUMAN RESOURCES:

1984-85

1. Division of Mental Health, Mental Retardation, and Substance Abuse Services - Alcohol and Drug Abuse and Mental Health Services Block Grant	\$ 9,920,804
2. Division of Health Services	
a. Maternal and Child Health Services Block Grant	\$12,530,310
b. Preventive Health and Health Services Block Grant	\$ 2,684,621
3. Division of Social Services	
a. Social Services Block Grant	\$68,440,031
b. Low Income Energy Assistance Block Grant	\$39,300,000
Total Department of Human Resources	\$132,875,766

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT:

1. Community Services Block Grant	\$ 8,613,640
2. Community Development Block Grant	\$42,435,100
Total Department of Natural Resources and Community Development	\$51,048,740

DEPARTMENT OF PUBLIC EDUCATION:

1. Education Consolidation and Improvement Act Chapter II	\$11,258,157
TOTAL FEDERAL BLOCK GRANTS	\$195,182,663

Changes In The State's Medicaid Program

Medicaid expenditures for Fiscal Year 1983-84 totaled \$657.7 million, up 15.3% over Fiscal Year 1982-83. The General Assembly approved a Medicaid budget for Fiscal Year 1984-85 totaling \$699.7 million.

The following changes in the Medicaid program were made by the General Assembly in 1984.

1. A return to an 85% state, 15% county division of the non federal share of the program for all services. Prior to 1984 the state-county share on nursing home costs had been 65% state, 35% county. \$6,600,000 was appropriated for this purpose.
2. Medicaid services, after January 1, 1985, to married pregnant women whose income meets the medially needy income criteria. Funding for these services will come from an increase in federal matching payments for Medicaid.
3. Medicaid services to children in two-parent households whose family income meets the medically needy income scale. Funding for these services will come from an increase in federal matching payments for Medicaid.

In the area of cost containment the Department of Human Resources was authorized to undertake preadmission screening programs for non-emergency admissions to hospitals and prior approval on outpatient surgeries.

Benefits: Salaries, Insurance, Retirement

SALARY CHANGES

A. Across-the-Board Salary Increase

Effective July 1, 1984, the General Assembly enacted the following additional General and Highway Fund appropriations to provide a 10.0% across-the-board salary increase over the salaries in effect on June 30, 1984, for most employees paid from state funds:

	<u>1984-85</u>
General Fund	\$276,043,700
Highway Fund	27,000,000
Total	\$303,043,700

For employees of the institutions in the Community College System and employees in the University System who are exempt from the provisions of the State Personnel Act, the General Assembly, out of the above appropriations, authorized funds averaging and equivalent to a 10.0% across-the-board salary increase to be awarded to individual employees according to the rules and regulations adopted by the Department of Community Colleges and the University Board of Governors. For university personnel, the funds were authorized to be used in lieu of automatic and merit salary increases and longevity pay. (HB 80, Chapter 1034, Sections 206, 207, 212 and 213, of the 1983 Session Laws)

B. Specified Salary Increases

(1) Legislators: Beginning with the 1985 General Assembly, legislators shall receive the following annual salaries by action of the 1984 Session of the General Assembly, which reflect an average increase of 10.6%.

<u>Legislator</u>	<u>New Salary</u>
House Speaker	\$25,044
Senate Pro Tempore	15,000
House Pro Tempore	12,504
Senate Majority Leader	10,500
House & Senate Minority Leaders	10,500
Other Legislators	8,400

Members of the General Assembly last received an increase in salary beginning with the 1981 Session. Since that time, all other personnel paid by the State have received increases of at least 20%. Even with the increases in legislative salaries authorized by the 1984 Session for members in 1985, North Carolina still has the distinction of having the twelfth lowest-paid legislators in the nation. (Chapter 1034, Section 209, of the 1983 Session Laws)

(2) Governor: The 1984 Session of the General Assembly authorized a 10.0% increase in salary for the Governor (\$93,516), effective when a new Governor takes office in 1985. The General Assembly authorized the increase in salary so as to fully recognize that North Carolina's Governor is the Chief Executive Officer of the State and should be paid accordingly. (Chapter 1034, Section 217, of the 1983 Session Laws)

(3) Judicial Personnel: The 1984 Session also provided a 10.0% salary increase for most officials of the Judicial Department, effective July 1, 1984. These new annual salaries are:

<u>Officials</u>	<u>New Salary</u>
Chief Justice, Supreme Court	\$67,248
Associate Justice, Supreme Court	65,856
Chief Judge, Court of Appeals	63,744
Judge, Court of Appeals	62,352
Judge, Senior Regular Resident Superior Court	57,192
Judge, Superior Court	55,368
Chief Judge, District Court	46,620
Judge, District Court	44,832
District Attorney	51,504
Assistant District Attorney - an average of	33,312

<u>Officials</u>	<u>New Salary</u>
Administrative Officer of the Courts	\$57,192
Assistant Administrative Officer of the Courts	46,620
Public Defender	51,504
Assistant Public Defender - an average of	33,312
<u>Magistrates</u>	
Less than 1 year's service	11,484
1 or more but less than 3 years' service	12,480
3 or more but less than 5 years' service	13,644
5 or more but less than 7 years' service	14,868
7 or more but less than 9 years' service	16,236
9 or more years' service	17,772

In addition to a 10.0% across-the-board salary increase effective July 1, 1984, Superior Court Clerks and their employees received additional salary adjustments by the 1984 Session of the General Assembly. Based upon an interim 1983-84 legislative study committee's findings that almost one-fourth of the State's elected Superior Court Clerks were authorized salaries less than the maximum salary authorized for certain Assistant Clerks and that salaries for Assistant and Deputy Clerks varied substantially across the State among 9-10 different salary classifications, the 1984 Session moved to streamline and more closely standardize the salaries of Court Clerk personnel. Specifically, Court Clerks received an average salary adjustment of an additional 15.0% to supplement the 10.0% across-the-board salary increase at an additional General Fund cost of some \$550,000 for the year beginning July 1, 1984. The new annual salaries for Clerks for 1984-85 are authorized at:

<u>Superior Court Clerks</u>	<u>New Salary</u>
Less than 49,999 Population	\$30,000
50,000 to 99,999 Population	34,500
100,000 to 199,999 Population	39,000
200,000 and above Population	44,500

In addition, the salaries of Clerks are authorized to be changed every two years with the first year of each biennial budget based upon the changes in county population projected by the Office of State Budget and Management. Prior to this change by the 1984 Session of the General Assembly, the salaries of Clerks changed with adjustments in county population every 10 years, resulting from census data changes.

For Assistant and Deputy Clerks of Court, the 1984 Session established one statewide salary range for all Assistants and Deputies from the previously authorized 9-10 different ranges. Beginning July 1, 1984, Assistant and Deputy Clerks become subject to the following salary ranges with intermittent salary steps corresponding to the steps authorized for state employees:

<u>Assistant Clerks</u>	<u>New Salary</u>
Minimum	\$15,132
Maximum	25,980
<u>Deputy Clerks</u>	
Minimum	\$11,664
Maximum	19,716

Beginning July 1, 1985, Assistant and Deputy Clerks will be authorized automatic annual salary step increases as recommended by each Clerk. However, recognizing that a lateral transfer of employees from the old salary plan to the new statewide plan would still leave some Assistants and Deputies at a salary less than what their years of service would warrant, the 1984 Session authorized a one-step "catch-up" salary increase beginning July 1, 1984, and a two-step "catch-up" salary increase beginning July 1, 1985, for all such employees until their salaries under the new plan corresponded with their years of service. The 1984-85 additional General Fund cost for salary adjustments for Assistant and Deputy Clerks of Court is some \$1,300,000 on a declining basis.

In addition to across-the-board salary increases and salary adjustments authorized for Judicial personnel during 1984-85, the 1984 Session also extended longevity pay rates for certain personnel as a reward for long-term continued service in lieu of merit and other incremental salary increases allowed for other state employees. Public Defenders, Assistant Public Defenders and Assistant District Attorneys who have completed 5 or more years of service but less than 10 years receive, effective July 1, 1984, a 4.8% increase in salary each year above that set by the General Assembly. Those who have completed 10 or more years of service receive a 9.6% increase in salary each year above that set by the General Assembly. Judges, Solicitors, and Superior Court Clerks were further authorized longevity pay equal to a 14.4% increase in salary each year above that set by the General Assembly beginning July 1, 1984, when they have completed 15 or more years of service but less than 20 years. Judges, Solicitors and Court Clerks who have completed 20 or more years of service are authorized, effective July 1, 1984, a 19.2% increase in salary each year above that set by the General Assembly. Furthermore, Judges were allowed to count service as a Utilities Commissioner towards their service as a Judge for longevity pay purposes. The 1984 Session of the General Assembly made an additional General Fund appropriation of \$615,250 for 1984-85 to fund the longevity pay changes enacted. (HB 80, Chapter 1034, Sections 86 through 94, Sections 210 and 211, of the 1983 Session Laws; HB 1551, Chapter 1109, Sections 11, 13.1 and 13.5, of the 1983 Session Laws; HB 1496, Chapter 971, Part I, Section 2, of the 1983 Session Laws)

(4) Council of State: The 1984 Session of the General Assembly also provided a 10.0% across-the-board salary increase for most members of the Council of State. Effective July 1, 1984, these new salaries are:

<u>Council of State</u>	<u>New Salary</u>
Lieutenant Governor	\$55,368
Attorney General	55,368
Secretary of State	55,368
State Treasurer	55,368
State Auditor	55,368

<u>Council of State</u>	<u>New Salary</u>
Superintendent of Public Instruction	\$55,368
Agriculture Commissioner	55,368
Insurance Commissioner	55,368
Labor Commissioner	55,368

The 1984 Session authorized a 2.6% salary increase for the Attorney General and Superintendent of Public Instruction so as to equalize the salaries of all members of the Council of State in keeping with the actions of the 1983 Session. (HB 80, Chapter 1034, Section 214, of the 1983 Session Laws)

(5) Governor's Cabinet: The 1984 Session of the General Assembly authorized an average 7.0% salary increase for members of the Governor's Cabinet, effective July 1, 1984.

<u>Cabinet</u>	<u>New Salary</u>
Administration Secretary	\$55,368
Commerce Secretary	55,368
Correction Secretary	55,368
Crime Control Secretary	55,368
Cultural Resources Secretary	55,368
Human Resources Secretary	
Licensed Physician	84,792
Not Licensed Physician	55,368
Natural Resources Secretary	55,368
Revenue Secretary	55,368
Transportation Secretary	55,368

The average salary increase for the Governor's Cabinet was enacted by the 1984 Session so as to relate the salaries of non-elected department heads to those of elected department heads. (HB 80, Chapter 1034, Section 215, of the 1983 Session Laws)

(6) Certain Executive Officers: Based upon the Separation of Powers Act of 1983, the new salaries, effective July 1, 1984, for certain executive officials are as follows, most of which include the 10.0% across-the-board salary increase authorized by the General Assembly.

<u>Officials</u>	<u>New Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$53,256
Commissioner of Motor Vehicles	52,488
Commissioner of Banks	53,256
Deputy Banking Commissioner	40,716
Chairman, Employment Security Commission	53,256
President, Department of Community Colleges	70,056
State Personnel Director	55,368
State Highway Administrator	55,368
Chairman, Parole Commission	48,600
Members of the Parole Commission	44,832
Chairman, Industrial Commission	47,808
Members of the Industrial Commission	46,644
Executive Director, Agency for Public Telecommunications	44,832
Director, Seafood Industrial Park Authority	29,652
General Manager, Ports Railway Commission	40,440

Although the Governor is allowed to increase the foregoing salaries for new appointees by 10%, the 1984 Session of the General Assembly directed that such an increase for a

new appointee not result in a salary greater than that for a member of the Council of State.

Also, under the same Separation of Powers Act of 1983, the Governor was allowed to set the salaries of certain other state executive officials after consultation with the Advisory Budget Commission. The new salaries, effective July 1, 1984, for these officials are as follows, all including the 10.0% across-the-board salary increase authorized by the General Assembly.

<u>Officials</u>	<u>New Salary</u>
Controller, State Board of Education	\$64,092
Executive Director, Art Museum	54,588
Executive Director, Housing Finance Agency	66,000
Executive Director, Ports Authority	50,592
Executive Director, Wildlife Resources Commission	45,924
Executive Director, Technological Development Authority	35,208

(HB 80, Chapter 1034, Section 216 and 218, of the 1983 Session Laws)

(7) Certified Public School Employees: Effective July 1, 1984, the State Salary Schedules for Superintendents, Assistant and Associate Superintendents, Principals, Supervisors, Assistant Principals, and Teachers were increased by an adjustment of one salary classification or 4.8% at a General Fund cost of an additional \$56,272,300 for 1984-85. When combined with the 10.0% across-the-board salary increase granted by the General Assembly, certified public school employees will receive a total increase of 14.8% over the salaries in effect on June 30, 1984. The total 14.8% salary increase for 1984-85 results in raising the salary of a beginning teacher with an "A" certificate or the equivalent to \$15,680 for 10-months' employment, up from \$13,660 in 1983-84. In addition to raising the salaries for certified public school employees, the 1984 Session of the General Assembly also directed the State Board of Education to develop a career growth program for educators

incorporating increased salary classifications, increased job responsibilities, and peer review of demonstrated abilities, efforts, effectiveness, and job performance. The State Board is to present its developed pilot career growth programs for public school educators to the General Assembly upon the convening of the 1985 Session. If approved by the 1985 General Assembly, the State Board of Education is to implement its pilot career growth programs by July 1, 1986. To further substantiate its direction, the 1984 Session established its intent by stating that certified public school employees would receive no form of future salary increases until the pilot career growth and development programs are implemented. (HB 80, Chapter 1034, Section 6, of the 1983 Session Laws; HB 1496, Chapter 971, Part I, Section 2, Part III, Section 4, of the 1983 Session Laws)

(8) Educators in State Agencies: Effective July 1, 1984, the State Personnel Commission is expected to provide the same 4.8% salary increase for teachers, supervisors and directors (principals) in state departments and institutions as were provided by the General Assembly for certified educators in the public schools. Educators in the Departments of Human Resources and Correction will be the beneficiaries of the additional salary adjustments. The 1984 Session of the General Assembly authorized the use of unobligated and available salary increase funds to be used to supplement the State's Salary Adjustment Fund for the purpose of providing the additional salary adjustments for educators in state departments and institutions. The Personnel Commission is expected to take action on the adjustments by September, 1984, retroactive to July 1, 1984 for 12-month employees and to the beginning date of employment during 1984-85 for less than 12-month employees. In addition, the 1984 Session took the position that all educators in state departments and institutions should be treated alike as far as state employment was concerned. Consequently, teachers in the Department of Human Resources' Youth Services' Division were removed from the public schools' teacher tenure provisions, to be covered by the State Personnel Act as are all other teachers in state agencies and institutions. (HB 80, Chapter 1034, Sections 33, 34 & 206, of the 1983 Session Laws; HB 1376, Chapter 1116, Section 96, of the 1983 Session Laws)

(9) Salary Adjustments for Highway Patrol Employees: Effective July 1, 1984, the General Assembly removed Patrol troopers from the State Pay Plan for State Employees, making them eligible for automatic salary step increases on and after July 1, 1985. The change to automatic salary increments was made by the General

Assembly to prevent salary increases from being tied to the volume of citations issued. Troopers are, however, still to be covered by salary classifications, ranges, and longevity pay as are all other state employees. In addition, the Secretary of Crime Control and Public Safety was authorized by the 1984 Session to increase the salaries of troopers through salary adjustments, effective July 1, 1984, to insure that a trooper with more time in rank receives a salary greater than a fellow trooper of the same rank but with less time in rank. The Department of Crime Control and Public Safety was granted an additional appropriation of \$1,800,000 from the Highway Fund for 1984-85 to implement the salary adjustments for Highway Patrol troopers. An additional salary adjustment was also provided by the 1984 Session for employees of the Highway Patrol for 1984-85. Effective July 1, 1984, the Patrol was granted an additional Highway Fund appropriation of \$60,000 for 1984-85 to grant a three-range salary increase for clerical employees in each of the Patrol's 50 District Offices. The State Personnel Commission is expected to follow suit for the Patrol's other clerical employees paid less than those in the District Offices. (HB 80, Chapter 1034, Section 106, of the 1983 Session Laws; HB 1376, Chapter 1116, Sections 89 & 90, of the 1983 Session Laws)

(10) Salary Adjustment for State Employees in Lowest Salary Range: Effective July 1, 1984, the General Assembly provided a one-step salary adjustment increase within grade for state employees paid between \$4.00 and \$4.17 per hour in the lowest salary range (pay grade 50) of the State Employee Salary Plan. The adjustment is contingent upon the availability of funds within each agency's budget. The 1984 Session of the General Assembly also authorized the one-step increase within grade for state employees paid between \$4.35 and \$5.72 per hour during 1984-85 as funds become available within each agency's budget. The major categories of employees to be affected by the salary adjustment are housekeeping assistants, laundry workers, food service workers, and laborers. (HB 80, Chapter 1034, Section 221, of the 1983 Session Laws)

(11) Longevity Pay for Utilities Commissioners: At a General Fund cost of an additional \$12,000 for 1984-85, the 1984 Session of the General Assembly, effective July 1, 1984, provided longevity pay for Utilities Commissioners on the same basis as was authorized for Judges, since Utilities Commissioners are paid the same as Superior Court Judges. Under the longevity pay plan, Commissioners who have completed 5 or more years of

service but less than 10 years receive a 4.8% increase in salary each year above that set by the General Assembly. Commissioners who have completed 10 or more years of service receive a 9.6% increase in salary each year above that set by the General Assembly. (HB 1376, Chapter 1116, Section 91, of the 1983 Session Laws)

(12) Salary Increases for Legislative Principal Clerks, Sergeants-at-Arms, and Reading Clerks: Effective July 1, 1984, the annual salaries of the Principal Clerks in the House of Representatives and Senate were increased by 20.4% to \$32,520 per year. Likewise, the salaries of the Sergeants-at-Arms and Reading Clerks in the House of Representatives and Senate were increased by 19.0% to \$150 per week. (HB 80, Chapter 1034, Section 208, of the 1983 Session Laws; HB 1376, Chapter 1116, Section 110, of the 1983 Session Laws)

C. Automatic and Merit Salary Increments

The 1984 Session of the General Assembly continued the freeze on automatic and merit salary increases, first begun on July 1, 1982, until June 30, 1985. The freeze was continued so as to provide all employees supported by the State an additional 10.0% across-the-board salary increase effective July 1, 1984. Some of the previous 1982-83 restrictions were removed on promotions and salary adjustments to make public employment more competitive with that of the private sector. Furthermore, the 1984 Session requested that the Governor and Advisory Budget Commission give top priority to reinstating the annual and merit salary increment program and to adding a tenth step to the State Employee Salary Plan in their 1985-87 budget recommendations to the 1985 General Assembly. (HB 80, Chapter 1034, Section 219, of the 1983 Session Laws)

D. Pay Equity Study

At a General Fund cost of an additional \$650,000 for 1984-85, the 1984 Session of the General Assembly authorized a Pay Equity Study for state employees to be conducted by the Office of State Budget and Management, a consulting firm, and a 14-member Pay Equity Advisory Committee, consisting of seven members of the House of Representatives and seven Senators. The study is to focus on the general issue of pay equity and comparable worth whereby jobs are evaluated as to responsibilities based upon a selected set of criteria, and equal pay is provided for jobs of different and dissimilar content but of equal responsibilities reflected in the job evaluations. The study is to also give equal weight to the supply and demand of a given job classification within the job market. The Office of State Budget and Management is to

acquire the services of a consulting firm specializing in job evaluation by December 15, 1984. The consulting firm is further directed to make its final report to the Pay Equity Advisory Committee by April 1, 1986, which in turn is to make its report to the General Assembly no later than June 1, 1986. (HB 80, Chapter 1034, Section 146, of the 1983 Session Laws)

E. Salary Increase Funds to Local Governments

At a General Fund cost of an additional \$7,905,600 for 1984-85, the 1984 Session of the General Assembly tried to partially offset the impact of the 10.0% across-the-board salary increase to local governments receiving state funds. The additional form of state aid to local governments is to be used only for salary increases to local government employees and for contracted personal services provided by nongovernmental and nonprofit entities serving state and local governments to the extent that State funds support local employee salaries and locally-contracted personal services originally scheduled to be renewed during 1984-85. (HB 80, Chapter 1034, Section 220, of the 1983 Session Laws)

RETIREMENT AND PENSION CHANGES

A- Currently-Employed Employees

- (1) Mandatory Retirement at Age 70 Eliminated:
Effective October 1, 1984, mandatory retirement at age 70 will be eliminated for all members of the Teachers' and State Employees' and Local Governmental Employees' Retirement Systems. Employees in the University System who are exempted from the provisions of the State Personnel Act will still be subject to mandatory retirement at age 70 until July 1, 1998, unless they are continued in service by the Board of Governors past age 70 on a year-to-year basis. Administrators and certificated employees of the public schools will also be subject to mandatory retirement at age 70, unless they are continued in service by local boards of education past age 70 on a year-to-year basis. (SB 14, Chapter 1019 of the 1983 Session Laws)
- (2) Public Employee Supplemental Retirement Income Act;
Effective January 1, 1985, members of the Teachers and State Employees', Consolidated Judicial, Legislative, Law Enforcement Officers', and Local Governmental Employees' Retirement Systems may voluntarily elect to tax-shelter contributions to a Supplemental Retirement Income Plan providing benefits over and above the defined benefits of the State Retirement Systems. The Supplemental Plan is based upon a qualified profit-sharing arrangement under Section 401(k) of the Internal Revenue Code, which has just recently been allowed for public employers. The Plan permits both employee and employer contributions, provides immediate employee vesting, allows in-service withdrawals after age 59½, allows hardship withdrawals prior to age 59½ for educational expenses of children, medical expenses and the purchase of a primary residence, and allows non-taxable loan features. Employees are afforded the opportunity of investing in stocks, bonds, mutual funds or time deposits or any combination with periodic transfers. Rollovers are also allowed when transferred from other qualified plans, such as IRAs. The administration of the Plan will be handled by the Department of State Treasurer and the Retirement System's Boards of Trustees. (HB 1500, Chapter 975 of the 1983 Session Laws)
- (3) Employees Receiving Salary and Retirement Benefits at the Same Time Curtailed: In response to state employees retiring, becoming reemployed by the State and receiving salary and retirement benefits in

excess of salary before retirement, sometimes for the same job, the 1984 Session of the General Assembly placed further restrictions upon the receipt of a retirement allowance. Beginning on and after September 1, 1985, retired members of the Teachers' and State Employees' and Local Governmental Employees' Retirement Systems who enter into reemployment agreements while receiving a service or early retirement allowance will have their retirement allowance suspended if: reemployment earnings exceed \$1,500 per month; reemployment earnings exceed \$13,500 for any 12 consecutive months; reemployment earnings exceed 50% of the 12-month compensation prior to retirement; and if monthly reemployment earnings when combined with monthly retirement exceeds monthly compensation immediately prior to retirement when reemployed within 90 days after retirement. Whenever a retirement allowance is suspended because of reemployment, the employee would become eligible for further contributions to the Retirement Systems. Any subsequent retirement would take into account service and retirement eligibility both before and after reemployment. State employees retired from the Law Enforcement officers' Retirement System who are reemployed by a state agency will fall under the more stringent requirements on and after January 1, 1989. Local government retirees would be eligible to be reemployed by the State without restrictions, and vice versa. Membership in the Consolidated Judicial and Legislative Retirement Systems was not affected by the reemployment restrictions (HB 1413, Chapter 1106 of the 1983 Session Laws)

4. Discontinued Service Retirement for State Employees and State Law Officers Extended: After an initial 11-month trial period, the 1984 General Assembly extended indefinitely from June 1, 1984, its 1983 actions authorizing either severance pay or a discontinued service retirement for state employees who involuntarily lose their jobs from the closing of a state institution or a reduction in the State's workforce for economy in the State Budget. Both the severance pay and the discontinued service retirement are subject to the approval of the Director of the Budget upon the availability of funds to the employing agency. The discontinued service retirement provides an unreduced allowance for employees 55 years of age with 25 years of service; and an allowance reduced by 3% per year for each year that retirement precedes an employee's 55th birthday, provided the employee is 50 years of age with 20 years of service. The former employing agency is required to make a lump sum payment to the

Retirement Systems equal to the full actuarial cost of the early retirement to be funded on a one-time basis out of the savings resulting from a permanent budget reduction. (HB 80, Chapter 1034, Section 251, of the 1983 Session Laws)

- (5) State Law Officers Transferred to the Teachers' and State Employees' Retirement System: Effective January 1, 1985, all state law enforcement officers in the Law Enforcement Officers' Retirement System will be transferred to the Teachers' and State Employees' Retirement System. All sworn state officers will have the same benefits as were available in the Law Enforcement Officers' Retirement System (i.e., unreduced service retirement at age 55 with 5 years' service, or upon completion of 30 years' service regardless of age). Although fully sworn, some 300 state law officers in the Teachers' and State Employees' System have been entitled to retirement benefits less than were available in the Law Enforcement Officers' System. The transfer allows state officers retirement credit for all state service regardless of whether in the Law Officers' or Teachers' and State Employees' System, allows immediate vesting in the Special Supplemental Annuity Accounts (IRC 401(k) designation), allows market rates of return on Special Supplemental Annuity Accounts rather than the current 4% assumed return, and directs 50¢ of the \$2.00 court cost receipts in the Law Enforcement Officers' System to the Special Supplemental Annuity Accounts of state officers to supplement employer contributions of 5% of salary. Furthermore, all state employees will be afforded the same post-retirement cost-of-living increases in allowances. During the last 20 years, retired state officers in the Law Enforcement Officers' System have received only about one-half the COLA increases that other retired state employees have enjoyed in the Teachers' and State Employees' Retirement System. An additional \$720,000 in Highway Fund appropriations for 1984-85 was made by the 1984 Session to accomplish the transfer. (HB 80, Chapter 1034, Sections 227 through 249, of the 1983 Session Laws)
- (6) Separate Judicial, Solicitorial and Superior Court Clerk Retirement Systems Merged into One Consolidated Judicial Retirement System: Effective January 1, 1985, the Judicial Department's three separate retirement systems will be merged into one Consolidated Judicial Retirement System to affect overhead cost savings in audit and actuarial fees. The result is that only one set of records will have to be maintained rather than three separate sets.

Although benefit levels remain the same, portability of service among the three separate systems would be accomplished, allowing credit for service as a judge, solicitor or court clerk to count towards retirement as a judge, solicitor or clerk. With the consolidated system, employer contribution rates would be reduced below the current rate of contribution for the Judicial System. The consolidated employer rate would however be higher than the current rates for the Solicitorial and Clerks System. The net change would be an overall reduction in the employer contribution rate of about 0.1%. (HB 1681, Chapter 1031 of the 1983 Session Laws)

- (7) Part-Time Service Credit for Teachers' and State Employees' Retirement: For the first time, the 1984 Session of the General Assembly has allowed members of the Teachers' and State Employees' Retirement System with 10 years of membership service to purchase retirement credits for part-time service, effective January 1, 1985. The Board of Trustees of the Retirement System is charged with the responsibility of equating part-time service with full-time retirement benefits on a pro-rated basis. Employees desiring retirement credit for part-time employment will be required to pay the full actuarial cost of the additional retirement allowance accruing from the additional service credits. (HB 1632, Chapter 1030 of the 1983 Session Laws)
- (8) Retirement Service Credit for Teachers' and State Employees' Employment with Local Governments: Effective June 29, 1984, teachers and state employees employed after July 1, 1974 with 10 years of membership service in the Teachers' and State Employees' Retirement System may purchase additional retirement service credits for employment with local governments not creditable in the Local Governmental Employees' Retirement System by paying the full actuarial cost of the additional retirement allowance accruing from the additional service credits (SB 815, Chapter 1045 of the 1983 Session Laws)
- (9) Retirement Service Credit for Judges', Solicitors' and Superior Court Clerks' Service as a State Employee or Local Government Employee: Effective July 1, 1984 members of the Consolidated Judicial Retirement System are allowed credit for service under the Teachers' and State Employees' and Local Government Employees' Retirement Systems. The members, after a transfer of any accumulated contributions in the Teachers' and State Employees' and Local Government

Employees' Systems, pay the balance of the full actuarial cost for the additional retirement allowance in the Judicial System accruing from the additional service credits as a teacher, state employee or local government employee. (HB 687, Chapter 1041 of the 1983 Session Laws)

- (10) Retirement Service Credits for Teachers' and State Employees' Employment with the General Assembly: Between July 1 and December 31, 1984, members of the Teachers' and State Employees' Retirement System who have at least 60 months of aggregate service as an employee of the General Assembly and who have waited more than 3 years after first eligibility to purchase retirement credits for service as an employee of the General Assembly may purchase such additional service credit by paying the employee contributions which would have been paid had employment with the General Assembly been creditable in the Retirement System. After December 31, 1984, such members will be required to pay the full actuarial cost for the additional retirement service credits. A General Fund appropriation of \$27,800 was made to the General Assembly for 1984-85 in order to pay the difference between the full actuarial cost of the additional service credits allowed for employment with the General Assembly and the purchase price required of former legislative employees. (HB 80, Chapter 1034, Section 183, of the 1983 Session Laws)
- (11) Retirement Death Benefit Payable within 180 Days after Teachers', State Employees', Local Government Employees', and Law Officers' Last Day of Service: Effective January 1, 1984, surviving beneficiaries of deceased members of the Teachers' and State Employees', Law Enforcement Officers', and, Local Governmental Employees' Retirement Systems are entitled to receive the \$20,000 maximum death benefit if the member's death occurred within 180 days after his last day of employment service. Prior to this change, the death benefit was payable if death occurred within 366 days after the last day of service if the member was retired on a disability retirement, or within 90 days after the last day of service otherwise. The change was made as a partial attempt to simplify, standardize, and streamline the State's retirement benefits and at the same time further reduce incentives for disability retirement. (HB 1736, Chapter 1049 of the 1983 Session Laws)

- (12) State Funding for Locally Employed Officers in the Law Enforcement Officers' Retirement System: The 1984 Session of the General Assembly continued its 1983 efforts towards requiring local government employers to pay for the basic retirement benefits of their respective locally employed law enforcement officers in the Law Enforcement Officers' Retirement System. The 1984 Session reduced the 1984-85 state funding for local law officers in the System by one-half of the \$6,933,300 annual General Fund appropriation enacted since 1981-82. During 1984-85, local government employers, even with the General Fund appropriation enacted by the General Assembly of \$3,466,650, will be expected to fund an employer contribution rate of some 4.25% of payroll for basic benefits of local officers in the Law Enforcement Officers' Retirement System at a cost of some \$6 million. Such a rate is expected to be about 3.15% more than the rate paid by local employers in 1983-84. In addition to cutting state funding by one-half in 1984-85, the 1984 Session directed the State Treasurer to notify all local government employers by September 30, 1984, that state funding for basic retirement benefits of local officers in the Law Enforcement Officers' System will be completely eliminated beginning July 1, 1985. The actions of the 1983 and 1984 Sessions of the General Assembly in this respect are expected to finally control an area of state costs which has previously been largely open-ended and uncontrollable, subject only to the decisions of local governments as to the number of officers employed and the salaries paid to local officers. (HB 1376, Chapter 1116, Section 112, of the 1983 Session Laws)
- (13) Actuarial Funding of the National Guard Pension Fund: The 1984 Session of the General Assembly again followed-up on its 1983 efforts towards placing all of the State's retirement and pension funds on a sound financial footing. In 1983, the General Assembly required that the financial support for the National Guard Pension Fund be converted from a pay-as-you-go basis similar to Social Security to an actuarial basis. Since the 1983 Session, the State Treasurer secured the Fund's first actuarial valuation. Based upon the valuation, the 1984 Session followed the actuary's conclusions and appropriated an additional \$1,100,000 from the General Fund to the Department of Crime Control and Public Safety for 1984-85 to begin, for the first time, liquidating the Fund's unfunded liabilities of some \$17 million as of June 30, 1983. The actuary noted that on June 30, 1983, the Fund had no assets against the \$17 million liability. Based upon the

1984-85 appropriation, the Fund's liabilities would be expected to be liquidated over the next 22 years. (HB 1496, Chapter 971, Part I, Section 2, of the 1983 Session Laws)

- (14) Retirement Study for Sheriffs and Registers of Deeds: In response to requests from county sheriffs and registers of deeds for separate retirement systems funded by the State patterned after the State System for Superior Court Clerks, the 1984 Session of the General Assembly recommended that the Association of County Commissioners submit a retirement plan for sheriffs and registers of deeds to subsequent sessions of the General Assembly, provided the plan is funded by the counties, sheriffs and registers of deeds on an actuarially sound basis. (HB 80, Chapter 1034, Section 250, of the 1983 Session Laws)
- (15) Reduced Appropriation for Firemen and Rescue Squad Workers' Pension Fund: The 1984 Session of the General Assembly reduced the General Fund appropriation to the Department of State Auditor made in 1983 for 1984-85 by \$445,000 to reflect the most current available actuarial valuation of the Fund. The actuarial valuation for the year ended June 30, 1983, indicated that a \$75,000 reduction could be made for firemen's pensions without jeopardizing benefits or changing actuarial assumptions. A similar change was available for rescue squad workers in the amount of \$370,000 since the 1984-85 budget was based upon a projected number of 2,700 rescue squad workers to be enrolled rather than the actual number of 1,900 enrolled members when the open-enrollment period ended for rescue squad workers on December 31, 1983. (HB 1496, Chapter 971, Part I, Section 2, of the 1983 Session Laws)

B- Legislators

- (1) Technical Changes to the Legislative Retirement System: The 1984 Session of the General Assembly made several technical changes in the Legislative Retirement System enacted in 1983, based upon the advice and recommendations of the System's consulting actuary and Director of the State's Retirement Systems. The changes included a more accurate definition of who was excluded from the System because of "contributing" membership in other State Retirement Systems; a more accurate definition of prior service before "becoming a member" of the System; nomenclature changes involving other State Retirement Systems; statutory citation and date changes; and a requirement that a refund of a member's contributions be made within 60 days

following a termination of service, as is the case with all other State Retirement Systems. Another change in the Legislative Retirement System involved allowing former members of the General Assembly with at least 8 years of legislative service membership in the System, regardless of whether or not they were members of the previous 1969 Legislative Retirement Fund. Such former legislators would still be subject to all other membership requirements as are applicable to current members of the General Assembly. The System's consulting actuary suggested that the 25-year unreduced retirement regardless of age provision enacted by the 1983 Session be eliminated since it contained an element of cost for which very few members would use. The age and service characteristics of legislators eligible for membership in the Legislative Retirement System indicate that a member would be at least age 60 and close to age 65 upon the completion of 25 years of legislative service, when they would already be entitled to a retirement allowance with 8 years of service. (HB 80, Chapter 1034, Sections 188 through 199, of the 1983 Session Laws)

- (2) Military Service Credit Purchases under the Legislative Retirement System: As was done for state employees in 1974, the General Assembly has authorized members of the Legislative Retirement System with 8 years of legislative service to purchase additional retirement service credits for initial active military service up to the time they were first eligible to be discharged. Members are required to purchase the additional retirement credits for military service at the same rates as are required for the purchase of legislative service prior to becoming a member of the Legislative Retirement System. The 1984 Session appropriated an additional \$12,200 from the General Fund to the General Assembly for 1984-85 to provide an increase in the State's employer contribution rate to the System for allowing the military service credits. (HB 80, Chapter 1034, Section 187, of the 1983 Session Laws)

C-9. Retired Employees

- (1) Cost-of-Living Adjustment in Retirement Allowances for Retired Teachers, State Employees, Law Enforcement Officers, Judges, Solicitors and Superior Court Clerks: Effective July 1, 1984, the General Assembly provided an 8.0% increase in the retirement allowances paid to beneficiaries in the State-supported Systems whose retirement began on or before July 1, 1983.

The 8.0% increase was granted to retired beneficiaries so as to give them a comparable increase to that provided currently-employed employees in the form of salary increases. Comparability was determined by the relative impact of the increase upon the average net disposable income of each group of active and retired employees, considering payroll deductions for retirement contributions, social security taxes, state income withholding taxes, and federal income withholding taxes required by law of each group. For 1984-85, comparable increases for both employees and retirees were determined as follows:

	<u>Employee</u>	<u>Retiree</u>
<u>Average Gross Salary/ Retirement Allowance</u>	\$16,009	\$ 5,568
<u>Less: Statutory Deductions</u>		
(1) Retirement Contribution @ 6.00%;	\$ 961	\$ -0-
(2) Social Security Tax @ 6.70%;	1,073	-0-
(3) State Income Withholding Tax @ 3.62% Average with 3 Dependents;	580	-0-
(4) Federal Income Withholding Tax @ (a) 9.10% Average with 3 Dependents	1,457	-0-
(b) 2.67% Average with 1 Dependent	-0-	149
(5) Total	\$4,071	\$ 149
<u>Average Net Disposable Salary/Retirement Allowance</u>	\$11,938	\$5,419
- Percentage of Gross	75%	97%
<u>Gross Increase in Salary/Retirement Allowance</u>	10.0%	8.0%
Less: Statutory Deductions	2.5%	0.2%
<u>Net Increase</u>	7.5%	7.8%

It should be noted, however, that the foregoing comparison in salary and retirement allowance increases did not take into account increases in Social Security benefits due retirees, nor a 4.5% increase in Social Security taxes to be paid by employees beginning in January, 1985. The 1984 General Assembly financed the 8.0% increase in retiree allowances as follows:

<u>Systems</u>	<u>Total Increase</u>	<u>Available from System Gains</u>	<u>1984-85 Appropriation</u>
<u>Teachers & State Employees</u>	8.0%	4.7%	3.3%
- General Fund		\$109.9 Million	\$5,347,500
- Highway Fund			450,800
<u>State Law Enforcement Officers</u>	8.0%	- %	8.0%
- General Fund	-	-	46,900
- Highway Fund	-	-	128,700
<u>Judges, Solicitors & Court Clerks</u>	8.0%	2.0%	6.0%
- General Fund	-	\$0.4 Million	\$1,252,900
Total	8.0%	\$110.3 Million	\$7,226,800

(HB 80, Chapter 1034, Sections 222 through 224, of the 1983 Session Laws)

- (2) Cost-of-Living Adjustment in Retirement Allowances for Retired Local Government Employees: At a cost of some \$23.4 million from available actuarial gains in the Local Governmental Employees' Retirement System, the 1984 General Assembly, effective July 1, 1984, provided an 8.0% increase in the retirement allowances paid to beneficiaries in the Local Government System whose retirement began on or before July 1, 1983. Such an increase was the first time in two years that retired local government employees received a post-retirement allowance increase. (HB 1544, Chapter 1044 of the 1983 Session Laws)

- (3) Refund of Teacher and State Employee Payments for Unreduced Retirements at Age 60 with 25 Years' Service during 1981-83: During the 1981 Session, the General Assembly allowed teachers and State employees an unreduced retirement at age 60 with 25 years service, provided they pay 6% of their salary for each year that retirement preceded age 65 or the completion of 30 years of service. In 1983, the General Assembly extended the unreduced retirement provision at age 60 with 25 years' service but eliminated the employee 6% of salary payments. Consequently, the 1984 Session authorized refunds to some 225 teachers and State employees who retired during 1981-83 under the 1981 act. A one-time General Fund appropriation of \$516,100 was made to the Department of State Treasurer for 1984-85 in order for the refunds to be made. In addition, the 1984 Session eliminated, on a prospective basis, the retirement reduction factors for those teachers and State employees, age 60 with 25 years of service, who retired during 1981-83 and did not make the required employee payments for an unreduced retirement in accordance with the 1981 act. Some \$890,000 in available actuarial gains in the Teachers' and State Employees' Retirement System are to be used to eliminate the reduction factors for those affected employees who retired during 1981-83. (HB 80, Chapter 1034, Sections 113 and 114, of the 1983 Session Laws)
- (4) Retirement Allowance Increase for Judges In-Service Prior to Creation of the Uniform Judicial Retirement System. The 1973 General Assembly, effective January 1, 1974, created the Uniform Judicial Retirement System for all of the State's judges in a continuation of the North Carolina Court Reform Act. Prior to January 1, 1974, retired judges received a retirement allowance equal to two-thirds of the salary of a sitting judge in the same capacity from which a judge retired. Whenever the Uniform Judicial System was created, the same two-thirds of salary requirement was continued, but only applied to the initial allowance payable at the time of retirement. Since 1974, however, constitutional questions have been raised as to whether or not the General Assembly, in enacting the Uniform Judicial Retirement System, violated Article IV, Section 21, of the State Constitution by reducing a judge's compensation while in office, since retirement benefits have been ruled a deferred form of compensation. Consequently, the 1984 Session increased the retirement allowances of retired judges who were in-service upon the creation of the new Retirement System in January, 1974, so

that the allowances of the affected judges become no less than two-thirds of the salary and longevity pay of a currently-sitting judge in the same capacity from which a judge retired. The 1984 Session appropriated an additional \$36,000 to the Judicial Department for 1984-85 to increase the retirement allowances of some 15-20 retired judges who were in-service on January 1, 1974, by an average of 12%. (HB 1551, Chapter 1109, Sections 13.6 through 13.16, of the 1983 Session Laws)

- (5) Refund of Locally Employed and Retired Firemen's Retirement Contributions in Excess of Social Security Contributions: The 1984 Session of the General Assembly authorized a refund of retirement contribution made by firemen who were not covered by Social Security but were members of the Local Governmental Employees' Retirement System from July 1, 1965 through June 30, 1971, to the extent that retirement contributions were in excess of Social Security contributions. During this period, firemen covered by Social Security made a 3% of salary contribution to the Retirement System. Firemen not covered by Social Security contributed 5% of salary to the Retirement System. The 1984 change would refund the 2% of salary difference on a maximum annual Social Security base of \$5,600 to those firemen not covered by Social Security. Actuarial gains within the Local Governmental Employees' Retirement System are projected to be sufficient to cover the anticipated small amount of cost related to the refunds to locally employed and retired firemen. (SB 478, Chapter 1086 of the 1983 Session Laws)

STATE EMPLOYEE HEALTH BENEFIT CHANGES

- A. Benefit Changes for Alcohol and Drug Dependency: As enacted by the General Assembly in 1982 and amended in 1983, the Comprehensive Major Medical Plan for Teachers and State Employees covered hospital and medical expenses for alcohol and drug addiction by allowing inpatient hospital and skilled nursing facility care for up to 30 days per calendar year unless extended on an individual basis by the Plan Administrator. In addition, alcohol and drug dependency was covered under the Plan's outpatient psychiatric provisions which carried a \$100 deductible, 20% employee coinsurance, and maximums of \$2,200 and 50 visits per year. Beginning January 1, 1985, the foregoing coverages will be eliminated for chemical dependencies and be replaced by the Plan's normal benefits, subject to the following limitations for each individual covered:

\$3,000 maximum for any 30 consecutive day period;
\$5,000 maximum per calendar year; and
\$15,000 lifetime maximum.

However, with these changes come expanded avenues of treatment for chemical dependency to include:

- (1) General hospital chemical dependency units licensed under Article 5 of the General Statutes Chapter 131E; or
- (2) Facilities licensed under Article 1A of General Statutes Chapter 122:
 - a. Chemical dependency units in psychiatric hospitals;
 - b. Chemical dependency hospitals;
 - c. Residential chemical dependency treatment facilities;
 - d. Social setting detoxification facilities or programs; or
 - e. Medical detoxification facilities or programs.
- (3) Duly licensed physicians and duly licensed practicing psychologists and certified professionals working under the direct supervision of such physicians or psychologists in day/night programs or outpatient treatment facilities licensed under Article 1A of the General Statutes Chapter 122.

These foregoing changes in the State Employee Health Benefit Plan were a product of the State Mental Health Study Commission's recommendations to expand the treatment of chemical dependencies through the most effective cost-containing measures. For example, an average length of hospital stay for alcohol and drug dependency might be 7 days @ \$375/day resulting in a \$2,625 hospital charge under the current coverages of the State Employee Health Benefit Plan. According to the Report of the Mental Health Study Commission, the same \$2,625 would support almost 25 days of treatment @ \$110/day in alternative residential and inpatient treatment programs. Annual and lifetime maximum benefits on chemical dependency costs were implemented to control the rates of recidivism which can escalate treatment charges. With these new opportunities and benefits available for the treatment of chemical dependency effective January 1, 1985, General and Highway Fund cost to the Plan are projected to increase some \$145,000 for 1984-85 to be offset by longer-term cost-containment. Plan reserves of some \$40 million beginning July 1, 1984 are expected to cover the cost of the benefit changes for alcohol and drug dependency for 1984-85. (SB 724, Chapter 1110, Sections 10 through 12, of the 1983 Session Laws)

- B. Payment of Outstanding Blue Cross and Blue Shield Claims: When the Teachers' and State Employees' Comprehensive Major Medical Plan became effective on October 1, 1982, the State's contract with the Predecessor Plan, Blue Cross and Blue Shield, released Blue Cross and Blue Shield from any liability for claims incurred on and after October 1, 1982. Blue Cross and Blue Shield was further released from any liability for claims incurred before October 1, 1982, but presented for payment after December 31, 1983. The Predecessor Plan as of June 30, 1984, had on-hand some \$15,000 - \$20,000 in claims incurred before October 1, 1982, but which were not presented for payment until after December 31, 1983. The 1984 Session of the General Assembly directed the Board of Trustees of the State Employee Health Benefit Plan to make payment on these outstanding and unpaid claims under the Predecessor Plan, so long as payment was made prior to September 30, 1984, in accordance with the benefits in existence at the time the claims were incurred. (HB 1376, Chapter 1116, Section 114, of the 1983 Session Laws)
- C. Reduced General Fund Appropriation for Retiree Health Benefit Premiums: During the 1983 Session, the General Assembly directed that the State's General Fund would no longer bear the full cost of health benefit premiums for

retirees since many retirees had been paid from non-state funds, such as local funds, fees, federal funds, sales and other receipts, during their employment with the State. Consequently, a surcharge of 0.85% of payroll was added to each agency's employer contribution rate to the Retirement Systems in order to create a reserve in the Retirement Systems for paying retiree health benefit premiums. The reserve was consequently created from whatever sources of funds that support the salaries of current employees. After a year's experience, the percentage of the reserve from non-state funds has been greater than first anticipated. In response, the 1984 General Assembly reduced the employer's retirement contribution surcharge to 0.80% of payroll, resulting in a \$1,070,000 reduction in the General Fund appropriation enacted in 1983 for 1984-85. The reduction in no way affects the benefits for retirees nor does it affect the current premium rates for retirees. The reduction only affects the internal mechanisms for generating funds to pay premiums, funds which will continue to be adequate. (HB 1496, Chapter 971, Part I, Section 2, of the 1983 Session Laws)

- D. Monitoring by the State Budget Office: Effective July 1, 1984, an additional General Fund appropriation of \$50,000 was made to the Office of State Budget and Management for 1984-85 for monitoring the activities of the State Employee Health Benefit Plan as authorized by the statutes that created Plan on October 1, 1982. Since 1982, the Office of State Budget and Management's oversight responsibilities, in this respect, have been financed out of the assets of the Plan (i.e., employer and employee premiums, investment earnings, and refunds). The change in funding was made in response to declining reserves in the Plan and in an attempt to stabilize the Budget Office's duties to the Legislative Committee on Employee Hospital and Medical Benefits when requested and to the Plan's Board of Trustees. (HB 1376, Chapter 1116, Section 54, of the 1983 Session Laws)

OTHER BENEFIT CHANGES

- A. Separation Allowances for State Law Enforcement Officers: In response to a 1983 U. S. Supreme Court ruling that State and local government employees are subject to the federal Age Discrimination in Employment Act (ADEA) which generally prohibits involuntary retirement of employees before age 70, the 1984 Session of the General Assembly directed its attention to law enforcement job classifications which would be the first area of State employment affected by the ruling. Generally, State agencies have adopted individual personnel policies for sworn law enforcement officers resulting in involuntary retirements at ages 60-62, due to the rigors and hazards of the law enforcement profession. State retirement policies are involved in this regard only to the extent that members of the Law Enforcement Officers' Retirement System can retire on an unreduced service retirement allowance at age 55 with 5 years of service, or upon the completion of 30 years of service regardless of age. In its ruling, the Supreme Court did acknowledge that ADEA permits the use of age as a bona fide occupational qualification, allowing age to be used as a basis for mandatory retirement, provided age can be justified by job requirements. In a practical sense, allowable involuntary retirements based upon age would then have to be judged on a case-by-case basis, probably resulting in a considerable amount of Equal Employment Opportunity Commission (EEOC) litigation. Rather than having to restructure the State's retirement programs for law enforcement officers, the General Assembly upon recommendation of the Department of Crime Control and Public Safety, enacted a Separation Allowance, effective July 1, 1984, for State law enforcement officers as an incentive for officers to abide by agency retirement policies. Under the Separation Allowance, State agency heads are required to establish policies for the selection and retention of law enforcement officers which are not in conflict with State or federal law. Although officers would be permitted to continue in-service as allowed by law, any officer who complied with agency policy on retirement would be entitled to the following Separation Allowance to be paid by each respective employing department whenever the officer terminates employment:

Requirements

- (1) Officer must be retired on a service retirement allowance;
- (2) Officer must be age 55 with 5 years of service or have 30 years of service regardless of age.

Allowance

- (1) The allowance is equal to 0.85 of 1.0% of the latest paid base salary for each year of service;
- (2) The allowance is to be paid monthly;
- (3) The allowance ceases whenever the officer qualifies for Social Security at age 62;
- (4) The allowance ceases at the officer's death without any joint survivorship provision; and
- (5) The allowance is expected to be subject to Social Security, federal withholding and State withholding taxes, but not be subject to State retirement contributions.

Since the Separation Allowance is to be funded from within appropriations already made to State agencies for salaries and fringe benefits, the 1984 Session of the General Assembly made no additional appropriation for 1984-85 for the allowance. (HB 80, Chapter 1034, Section 104, of the 1983 Session Laws)

- B. Expense and Subsistence Allowances for Legislators: Effective July 1, 1984, members of the General Assembly when traveling out-of-state on official legislative business are authorized a daily subsistence allowance of \$50 for meals and lodging, or a daily subsistence allowance of \$16.50 for meals plus actual charges for lodging not to exceed the maximum amount allowed for executive branch employees of the federal government when traveling to a high rate geographical area. Effective upon the convening of the 1985 Session of the General Assembly, the rates for daily subsistence will be changed to \$60 for meals and lodging, or \$20.00 for meals plus actual charges for lodging not to exceed the maximum amount allowed for federal employees traveling to a high rate geographical area.

The expense allowances for legislators were also increased by the 1984 Session to become effective upon the convening of the 1985 General Assembly. The new allowances will be:

<u>Legislators</u>	<u>Monthly Expense</u>
House Speaker	\$770
Senate Pro Tempore	500
House Pro Tempore	279
Senate Majority Leader	279
House & Senate Minority Leaders	279
Other Legislators	209

The increased expense allowances reflect a 10% increase in rates over the ones authorized by the 1983 Session of the General Assembly. Such an increase was in keeping with established State policy that legislators should be compensated with percentage salary and expense increases equal to those authorized for employees of the State. (HB 80, Chapter 1034, Sections 184, 185, 186 and 209, of the 1983 Session Laws)

The Budget:

Appropriations, Increases, Decreases

DEPARTMENT OF ADMINISTRATION

Statutory Authority: General Statutes, Chapter 143-B

The Department of Administration is set up to assist in the management of State government. It has become more and more a central source of services that all agencies need, such as the Motor Fleet Management Division and the cost sharing Computer Center. Services to other agencies also include courier mail, purchasing and contracting for goods and services, and telephone and utilities coordination.

The Department of Administration also has its public services side. It coordinates state and local programs and research designed to concentrate on certain contemporary community problems. The department also houses advocacy programs to promote the development and growth of various ethnic and minority groups and programs for persons with disabilities.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$36,876,893

EXPANSION BUDGET:

1. PERSONNEL ADMINISTRATION. To provide a reserve for the purpose of Expanding the Public Manager Program and to support a Cooperative Education Program. \$ 250,000
2. MARINE RESOURCE CENTERS. To provide additional personnel to handle the increased number of visitors and the increased demand for educational programs and service. 112,405
(6)
3. VETERANS' AFFAIRS. To pay support costs related to the computerization of the Children of Veterans Scholarship Program. 19,235

DEPARTMENT OF ADMINISTRATION - CONTINUED:

	<u>1984-85</u>
4. VETERANS' AFFAIRS. Reduce appropriation for office rental due to move into a state-owned facility.	\$ (9,409)
5. PHYSICAL PLANT. To provide operating funds to allow occupancy of the state-owned Coddington Building in Charlotte.	
Total Requirements	\$300,000
Less: Receipts	<u>177,420</u>
General Fund Appropriation	122,580
6. PHYSICAL PLANT. To provide operating funds for the Amoco Building to be purchased for use by the State Computer Center.	
Total Requirements	\$404,500
Less: Receipts	<u>404,500</u>
General Fund Appropriation	-0-
7. DAY CARE LICENSING. To provide additional personnel for the inspection of child day care facilities.	150,000 (5)
8. RAPE CRISIS CENTERS. To provide grant-in-aid funds to qualifying centers throughout North Carolina.	200,000
9. SCHOOL OF SCIENCE AND MATHEMATICS. Transferred to UNC-Board of Governors.	(3,583,370)
TOTAL EXPANSION BUDGET	\$(2,738,559) (11)

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DEPARTMENT OF ADMINISTRATION - CONTINUED:

1984-85

SPECIAL APPROPRIATION BILLS:

HB 1376	Funds to continue operation of the Tribal Economic Development Project of the Commission on Indian Affairs. (Sec. 45)	\$ 31,597
	Funds to enable the Juvenile Law Study Commission to carry out its legislative mandate pursuant to Article 58 of Chapter 7A of the General Statutes. (Sec. 50)	10,000
SB 187	Funds for the North Carolina Human Relations Council's Police/Community Relations Training Program to improve the human dimensions of police community work. (Sec. 294)	25,000
	Funds for the North Carolina Agency for Telecommunications to enable WUNF at Asheville to purchase equipment. (Sec. 307)	19,500
	TOTAL SPECIAL BILLS	\$ 86,097
	TOTAL GENERAL FUND OPERATING BUDGET	\$34,224,431
	TOTAL NUMBER OF NEW POSITIONS	11

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CAPITAL IMPROVEMENTS:

PURCHASE OF THE AMOCO BUILDING FOR THE STATE COMPUTER CENTER: To provide funds for the purchase, renovations and equipment needs.	\$ 7,700,000
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DEPARTMENT OF ADMINISTRATION - CONTINUED:

1984-85

SPECIAL APPROPRIATIONS BILLS:

HB 1376	Funds for the purchase of land in Robeson County for an Indian Cultural Center. (Sec. 14)	\$ 485,000
TOTAL GENERAL FUND CAPITAL BUDGET		\$ 8,185,000

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SPECIAL PROVISIONS:

House Bill 80

Section 123	The Department may secure federal and other non-State funds of \$125,000 to provide assistance to Reach, Inc., and Respect, Inc., to support shelter services, counseling and community education for victims of family violence in the following counties: Cherokee, Clay, Graham, Haywood, Henderson, Macon, Swain, and Transylvania.
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DEPARTMENT OF AGRICULTURE

Statutory Authority: General Statutes, Chapter 106

The head of this department is the Commissioner of Agriculture who is elected for a four-year term, and who, as an elected official, serves on the Council of State.

The primary responsibility of the Department of Agriculture is to enhance the production and quality of food marketed in North Carolina. In addition, the department places a major emphasis on the protection of the consumer, the farmer, and the wholesaler from unfair and deceptive marketing practices. Many research and inspection activities also contribute to healthier products, as well as promote more efficient and profitable farming methods. The department has three major programs to carry out its responsibilities: Agricultural Services and Development, Consumer Protection, and Education and Research. Included in these programs are the State Fair, the Museum of Natural History, fifteen agriculture research stations, thirteen farm units which supply food to the mental hospitals in the State, and many other inspection and regulatory activities.

The major base budget reduction made in the 1983 Session was the deletion of 17 positions in the State Farms Operations Division. The major addition to the base budget made in the 1984 Session was the creation of 23 new positions throughout the Department.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$23,401,561

EXPANSION BUDGET:

1. WOODY ORNAMENTAL PROMOTION. To continue the program of market development and promotion of woody ornamental and other horticultural crops in Western North Carolina. (Chapter 852 1983 Session) \$ 50,129 (1)
2. FEED TESTING PROGRAM. To provide personnel and operating funds required to open the new automated Forage Testing Lab at Constable Lab in Raleigh. 143,217 (4)

DEPARTMENT OF AGRICULTURE - CONTINUED:

1984-85

3.	HAMPTON MARINER'S MUSEUM. To continue funding for two curator positions and provide funds for additional personnel and equipment required for the opening of the New Hampton Mariner's Museum in January 1985. Funds for furniture and equipment required by Museum of Natural History for the old Health Building are also included.	\$ 187,570 (9)
4.	OXFORD RESEARCH STATION. To provide additional operating funds to support new personnel and research activities.	140,000 (3)
5.	MUSEUM OF NATURAL HISTORY. Funds to expand the education section of the museum to meet the demands for service.	106,138 (6)
6.	AGRICULTURE FACILITIES FINANCE AGENCY. Reserve to support the administration of the Agriculture Facilities Bond Act.	75,000 (2)
TOTAL EXPANSION BUDGET		\$ 702,054 (25)

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SPECIAL APPROPRIATION BILLS:

HB 1376	Gypsy Moth Treatment Funds (Sec. 67)	\$ 72,966
TOTAL GENERAL FUND OPERATING BUDGET		\$24,176,581
TOTAL NUMBER OF NEW POSITIONS		25

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DEPARTMENT OF AGRICULTURE - CONTINUED:

CAPITAL IMPROVEMENTS:

	<u>1984-85</u>
1. To construct a Retail Farmer's Shed at the Raleigh Farmer's Market.	\$ 167,500
2. To construct facilities at the Mountain Research Station in Waynesville.	145,000
3. To provide a reserve for bid override on construction of Metrology Lab in Raleigh (Weights and Measures).	275,000
4. To construct a Sweet Potato Facility at the Horticultural Crops Research Station in Sampson County.	<u>200,000</u>
SUBTOTAL CAPITAL BUDGET	\$ 787,500

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SPECIAL APPROPRIATION BILLS:

HB 1376	Charlotte Farmers Market Funds (Sec. 72)	\$ 300,000
	Fletcher Agriculture Center (Sec. 66)	500,000
	Peanut Research Funds (Sec. 61)	222,838
	Poultry Research Facility Funds (Sec. 69)	100,000
SB 187	Charlotte Market Funds (Sec. 530)	<u>40,000</u>
	TOTAL SPECIAL BILLS	\$1,162,838
	TOTAL GENERAL FUND CAPITAL BUDGET	\$1,950,338

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DEPARTMENT OF AGRICULTURE - CONTINUED:

SPECIAL PROVISIONS:

House Bill 80:

Section 108 The name of the "Hampton Mariner's Museum"
is changed to the "North Carolina Maritime
Museum".

DEPARTMENT OF STATE AUDITOR

Statutory Authority: General Statutes, Chapter 147

The 1983 General Assembly enacted a rewrite of the statutes on the operations and authority of the State Auditor (HB 517). During the 1984 Session, six additional audit positions were added to complete the implementation of the single audit requirement. This made a total of eighteen positions that have been added for this purpose. The six new positions will be supported from billings for audit services made to agencies/departments receiving indirect cost overhead receipts not already budgeted from federal funds administered. The other twelve positions are being funded from appropriations.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$8,644,150

EXPANSION BUDGET:

1. FIELD AUDIT DIVISIONS. To provide additional audit positions and for the costs associated with the positions to bring North Carolina into full compliance with the federal single audit regulations.
Total Requirements \$194,753
Less: Receipts 194,753
General Fund Appropriation \$ -0-
(6)
2. FIELD AUDIT DIVISION. To provide for loss of indirect cost receipts previously earned from CETA. 18,000
3. ADMINISTRATION. To provide a personnel technician position and for costs associated with the position so as to provide responsibility for the daily administration of the personnel function. 21,473
(1)

DEPARTMENT OF STATE AUDITOR - CONTINUED:

1984-85

- | | |
|--|-----------|
| 4. DUES. To provide funds to support the National Governmental Accounting Standards Board (GASB) being formed. | \$ 23,000 |
| 5. CONTRACTED AUDITS. To provide for contracting with private CPA firms to perform certain audits so that the Office of State Auditor can concentrate on materiality and completing on a timely basis the larger and more complicated audits, which have a greater impact on the Comprehensive Annual Financial Report, without the necessity of hiring additional personnel. | 100,000 |
| 6. ACTUARIAL FEES. The actuarial firm that provides services for the Firemen's and Rescue Squad Workers' Pension Fund have given notice that their annual fee will increase effective July 1, 1984. | 1,500 |
| 7. SERVICE AND MAINTENANCE CONTRACTS. To provide for the increasing costs on existing contracts and for new contracts on recently acquired equipment. | 5,000 |
| 8. TRAVEL-PENSION FUND ADMINISTRATION. To provide funds to enable the Pension Fund Counselor to begin traveling on behalf of the Firemen's and Rescue Squad Workers' Pension Fund. No travel money was appropriated when the position was authorized by the 1983 Regular Session and in 1983-84 the employee did only limited traveling due to the backlog of work in the division and the training necessary. | 3,000 |

DEPARTMENT OF STATE AUDITOR - CONTINUED:

1984-85

9.	OFFICE FURNITURE AND EQUIPMENT. To provide funds for the replacement of a ten-year old copier used to make masters for the print shop with a new image maker which will provide higher quality images and has greater reduction capacities and is designed for higher productivity.	\$ 15,517
10.	FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND. Decrease state contributions to reflect actuarial requirements for 1,900 enrolled rather than 2,700 budgeted rescue squad workers.	<u>(445,000)</u>
	TOTAL EXPANSION BUDGET	\$ (257,510) (7)
	TOTAL GENERAL FUND OPERATING BUDGET	\$8,386,640
	TOTAL NUMBER OF NEW POSITIONS	7

BOARD OF ELECTIONS

Statutory Authority: General Statutes, Chapter 163

The State Board of Elections is an independent, regulatory and quasi - judicial agency of the State. The five members of the Board are appointed by the Governor to four-year terms. Administration and execution of the Board's decisions and orders, staffing, and other responsibilities assigned by the Board, are carried out by the Executive Director, who is appointed by the Board.

The Board is responsible for administering and enforcing all laws relating to elections and election procedures, including regulating contributions and expenditures in political campaigns.

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	<u>1984-85</u>
SENATE BILL 23 (CHAPTER 761, 1983 SESSION LAWS)	\$ 231,440
NO LEGISLATIVE BUDGET CHANGES	
TOTAL GENERAL FUND OPERATING BUDGET	\$ 231,440

BOARD OF STATE CONTRACT APPEALS

Statutory Authority: General Statutes, Chapter 143

This Board was created by the 1983 General Assembly, Regular Session, to hear and decide appeals from the decisions of the Secretary of Administration and the State Highway Administrator concerning claims raised under State construction contracts.

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	<u>1984-85</u>
SENATE BILL 23 (CHAPTER 761, 1983 SESSION LAWS)	\$ -0-
<u>EXPANSION BUDGET:</u>	
1. To provide funds for operating expenses.	\$ 87,000 (1)
TOTAL EXPANSION BUDGET	\$ 87,000
TOTAL GENERAL FUND OPERATING BUDGET	\$ 87,000
TOTAL NUMBER OF NEW POSITIONS	1

DEPARTMENT OF COMMERCE

Statutory Authority: General Statutes, Chapter 143B-429

The head of the Department is the Secretary who is appointed by and serves at the pleasure of the Governor. One of the major duties of the department is to promote and assist in the total economic development of North Carolina.

Major appropriation initiatives during the 1984 Session included providing equipment funds to the Microelectronics Center (\$3 million), providing additional funds for research grants to the Biotechnology Center (\$1 million) and to the Technological Development Authority (\$680,000).

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$18,524,404

EXPANSION BUDGET:

- | | |
|---|----------------|
| 1. MINORITY BUSINESS DEVELOPMENT. Replace reduced federal funds. | \$ 46,837 |
| 2. TRAVEL AND TOURISM FUNDS. To provide additional funds for advertising due to increased cost and activity and provide support funds for the 50th Anniversary Blue Ridge Parkway (See Sec. 96 of HB 80). | 175,000 |
| 3. UTILITIES COMMISSION FUNDS. To provide funding support for a Public Utility Telecommunications Specialist due to increased workload related to the breakup of AT&T. | 39,037
(1) |
| 4. EXPORT MARKETING PROGRAM. Provide State support of the export marketing program, previously federally funded. | 50,000
(1) |
| 5. WOMEN IN ECONOMIC DEVELOPMENT PROGRAM. Provide funding to accomplish the goals established by the Governor's Conference on Women and the Economy. | 153,879
(4) |
| 6. BIOTECHNOLOGY CENTER FUNDS. Provide funds for competitive research grants and university/industry interactions (refer to pages <u>106</u> and <u>175</u> for other biotechnology related appropriations. | 1,000,000 |

DEPARTMENT OF COMMERCE - CONTINUED:

1984-85

7. TECHNOLOGICAL DEVELOPMENT AUTHORITY FUNDS. Funds to provide research grants, incubator, facilities, and start up costs for incubator facilities (See Sec. 97 of HB 80).	\$ 680,000
8. UTILITIES COMMISSIONERS - LONGEVITY PAY. Provides for 4.8% of longevity pay for Commissioners after five years of service as a Commissioner (See Sec. 91 of HB 1376)	<u>12,000</u>
TOTAL EXPANSION BUDGET	\$ 2,156,753 (6)

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SPECIAL APPROPRIATION BILLS:

HB 1376 CHARLOTTE DISCOVERY FUNDS. Operating Funds for Discovery Place (Sec. 2)	<u>\$ 250,000</u>
TOTAL GENERAL FUND OPERATING BUDGET - DEPARTMENT OF COMMERCE	\$20,931,157
TOTAL NUMBER OF NEW POSITIONS	6

MICRO-ELECTRONICS CENTER

SENATE BILL 23 (CHAPTER 761, 1983 SESSION LAWS)	\$10,045,000
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EXPANSION BUDGET:

1. MICROELECTRONICS CENTER FUNDS. Provide equipment funds for testing and analysis of the microchip fabrication process.	<u>\$ 3,000,000</u>
TOTAL GENERAL FUND OPERATING BUDGET - MICRO ELECTRONICS CENTER	\$13,045,000

DEPARTMENT OF COMMERCE

SPECIAL PROVISIONS:

House Bill 80:

Section 96 Appropriates \$25,000 for activities related to the fiftieth anniversary of the Blue Ridge Parkway conditional on the State of Virginia providing the same amount.

Section 97 Specifies that of the funds appropriated to the Technological Development Authority that \$105,000 be placed in a reserve to provide start-up costs for three incubator facilities.

House Bill 1376:

Section 91 Provides longevity pay to members of the Utilities Commission after they have served at least five years.

DEPARTMENT OF COMMUNITY COLLEGES

Statutory Authority: General Statutes, Chapter 115D

The Department of Community Colleges provides state-level administration over a system of 58 institutions under the direction of the State Board of Community Colleges. The board is a 19-member body: 2 are ex officio, 7 are appointed by the General Assembly, and 10 are appointed by the Governor. Serving at the pleasure of the board is a State President who has the responsibility to administer all policies, regulations and standards adopted by the board to operate the department and the institutions.

Each of the 24 Community Colleges and 34 Technical Colleges/Institutes in the system is administered by a local board of trustees and a president who is chosen by the local board and approved by the state board. The local boards of trustees have 13 members: 4 elected by the local board of education, 4 elected by the local board of county commissioners, 4 appointed by the Governor, and the president of the student government as an ex officio non-voting member.

Programs and services offered by each institution reflect the needs and concerns of the citizens and industries in the community. Instruction is provided through curriculum and continuing education (extension) programs to more than 600,000 different individuals each year.

The major issue during this session was the appropriation of capital construction funds for the Community College system. A total of \$26,280,700 was appropriated for this purpose in the 1984-85 fiscal year.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$226,126,908

EXPANSION BUDGET:

- | | |
|--|----------------|
| 1. ENROLLMENT: Reduction in FTE estimates by 6,666 due to updated information on actual 1983-84 enrollments. | \$ (5,981,538) |
| 2. ADULT BASIC EDUCATION. Restore funds to Adult Basic Education program | 2,476,977 |

DEPARTMENT OF COMMUNITY COLLEGES - CONTINUED:

1984-85

3. OPERATING INCREASES. Increase funds for supplies, travel, printing and postage due to inflation.	\$ 971,070
4. ADDITIONAL POSITIONS. Funds for two new staff to work on civil rights compliance issues and one new staff to provide leadership in the allied health field.	145,666 (3)
5. SCHOLARSHIP FUNDS. To provide a one time appropriation as a trust fund with the interest to be used for scholarships for needy students.	2,000,000
TOTAL EXPANSION BUDGET	\$ (387,825) (3)

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SPECIAL APPROPRIATION BILLS:

HB 1376	Public radio grants to Craven Community College (\$72,912) and to Isothermal Community College (\$65,000) (Sec. 21)	\$ 137,912
	Funds for the administration of the High Technology Center at Haywood Technical College (Sec. 23)	50,000

DEPARTMENT OF COMMUNITY COLLEGES - CONTINUED:

	<u>1984-85</u>
SB 187 Community College Area Coordinator for industrial development in northeastern North Carolina (Sec. 183)	\$ 30,000 (1)
Davidson County Community College Bienstock library project (Sec. 204)	25,000
	<hr/>
TOTAL SPECIAL BILLS	\$ 242,912 (1)
TOTAL GENERAL FUND OPERATING BUDGET	\$225,981,995
TOTAL NUMBER OF NEW POSITIONS	4

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CAPITAL IMPROVEMENTS:

1. Capital construction reserve for community college construction needs.	\$ 20,000,000
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SPECIAL APPROPRIATION BILLS:

HB 80 Additional capital con- struction funds. (Sec. 36)	\$ 6,180,700
Funds for feasibility studies authorized by the Board of Community Colleges for new programs or capital proposals. (Sec. 36)	100,000
SB 187 Johnston Tech Fire Tower (Sec. 198)	40,000
Wilkes Community College land acquisition (Sec. 167)	75,000
TOTAL SPECIAL BILLS	\$ 6,395,700
TOTAL GENERAL FUND CAPITAL BUDGET	\$ 26,395,700

DEPARTMENT OF COMMUNITY COLLEGES - CONTINUED:

SPECIAL PROVISIONS:

House Bill 80:

- Section 36 Allocation of Capital Funds. This section allocates the \$26,280,700 which was appropriated by the General Assembly for capital construction in the Community College system. It also specifies matching requirements for capital expenditures and earmarks \$100,000 to fund feasibility studies for new projects or programs.
- Sections 37-38 Community College Scholarship Fund. It establishes a \$2 million non-reverting Scholarship Fund with the interest to be used for scholarships for needy students to attend Community Colleges.
- Section 39 Book and Equipment Funds 2 year Allocation. This allows the Department of Community Colleges to keep books and equipment funds for two years before they revert.
- Section 40 Designation of Courses as Vocational or Avocational. The State Board of Community Colleges shall review and determine for each Community College which courses are vocational and which are avocational.
- Section 41 Community College Tuition. Allows the State Board of Community Colleges to set tuition and fees within the system as long as they are adequate to meet the necessary revenues anticipated in the budget.
- Sections 42-44 Equipment Funds. Allocates \$100,000 for equipment to Bladen Technical College and \$90,000 to Rockingham Community College. Both of these allocations are for computer equipment.
- Prohibits the State Board of Community Colleges from considering any equipment or capital appropriation to a particular institution as a part of its normal equipment allocation. It also prohibits the Board from changing the equipment formula before July 1, 1985.

DEPARTMENT OF COMMUNITY COLLEGES - CONTINUED:

SPECIAL PROVISIONS

House Bill 80 (Cont.)

Section 45 Program Approval by State Board. Requires the State Board of Community Colleges to approve all new programs offered by institutions unless they are self-supporting. Also requires a feasibility study be completed on all new programs serving more than one institution. The Board must report on an annual basis its reasons for program approvals to the Governor, Lieutenant Governor, Speaker of the House, Joint Legislative Commission on Governmental Operations and the Advisory Budget Commission.

House Bill 1376:

Section 78 Caldwell Community College. Restricts the use of the \$250,000 capital appropriation made in HB 80 to the construction of an Early Childhood Education Training Center.

Section 110.1 Tri-County Community College. Exempts Tri-County Community College from any matching requirements for its capital construction appropriation.

Section 111.1 Vance-Granville Community College. Requires that \$500,000 of the money appropriated to Vance-Granville Community College for capital be used for a student development center and \$500,000 be placed in a reserve to fund the building of a satellite campus in the Butner-Creedmoor area.

DEPARTMENT OF CORRECTION

Statutory Authority: General Statutes, Chapter 143B-260

The Department's responsibilities include: 1) incarcerating criminal offenders and supervising parole and probation as directed by the North Carolina judicial system, 2) providing appropriate levels of security and care and 3) providing opportunities for self-improvement.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$180,620,865

EXPANSION BUDGET:

- | | |
|--|---------------------|
| 1. POPULATION REDUCTION RESERVE.
Reduce unobligated funds in the
Population Reduction Reserve due
to a lower than estimated prison
population. (HB 80, Sec. 144) | \$ (964,762) |
| 2. OFFICE RENTAL. Reduce funds for
the Pre-Release and Aftercare
Program for rental of office space
due to move into the Coddington
Building in Charlotte (which is
state owned). | (30,318) |
| 3. NEW CHAPLAIN POSITIONS. To provide
funds for eight additional chaplain
positions. | 200,878
(8) |
| TOTAL EXPANSION BUDGET | \$ (794,202)
(8) |

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DEPARTMENT OF CORRECTION - CONTINUED:

1984-85

SPECIAL APPROPRIATIONS BILLS:

HB 80	Transfer of former Rehabilitation Center for the Blind at Butner from Department of Human Resources for primary use for the Umstead Youth Center Program. (Sec. 72)	\$ 175,090
HB 1376	Fund continuation of WINGS cultural program at North Carolina Correctional Center for Women. (Sec. 55)	5,000
SB 187	Fund vocational programs at North Carolina Correctional Center for Women. (Sec. 339)	10,000

TOTAL SPECIAL BILLS \$190,090

TOTAL GENERAL FUND OPERATING BUDGET \$180,016,753

TOTAL NUMBER OF NEW POSITIONS 8

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CAPITAL IMPROVEMENTS:

1. Provide funds to assist in chapel construction at Harnett Youth Center.	\$ 50,000
TOTAL GENERAL FUND CAPITAL BUDGET	\$ 50,000

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SPECIAL PROVISIONS:

HB 1376

Section 95	Authorize use of funds necessary for projects that correct deficiencies, improve living conditions, or renovate unneeded patient space for State office space.
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DEPARTMENT OF CRIME CONTROL & PUBLIC SAFETY

Statutory Authority: General Statutes, Ch. 143B-475

The Department's responsibilities include a statewide crime control program, victim services, assistance to local law enforcement, disaster response, alcohol law enforcement, and the National Guard.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS

\$10,280,231

EXPANSION BUDGET:

- | | |
|--|---------------|
| 1. NATIONAL GUARD PENSION. Fund the actuarial requirements for the National Guard Pension Fund. | \$ 1,100,000 |
| 2. "THINK SMART". Continue funding of this program. | 50,000 |
| 3. HURRICANE EVACUATION PLANNING. Match federal funds in the Office of Emergency Management to do a comprehensive hurricane evacuation plan for the entire North Carolina coastline. | <u>50,000</u> |
| TOTAL EXPANSION BUDGET | \$ 1,200,000 |

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SPECIAL APPROPRIATIONS BILLS:

HB 80	Expansion of the Deferred Prosecution, Community Service Restitution and Volunteer Program for youthful and adult defenders. (Sections 101-103)	\$ 630,000 (31)
HB 1376	Increase funding for Community Penalties Program. (Sec. 58)	75,000
	Fund three new positions and vehicle replacements in the Butner Public Safety Division. (Sec. 59)	138,731 (3)

DEPARTMENT OF CRIME CONTROL & PUBLIC SAFETY - CONTINUED:

	<u>1984-85</u>
HB 1376 Fund changes in National Guard Tuition Assistance Program (Sec. 60)	\$ 45,213
SB 187 Fund planning grant-in-aid for the Murphy National Guard Armory (Sec. 340)	<u>5,000</u>
TOTAL SPECIAL BILLS	\$ 893,944 (34)
TOTAL GENERAL FUND OPERATING BUDGET	\$12,374,175
TOTAL NUMBER OF NEW POSITIONS	34

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SPECIAL PROVISIONS:

Senate Bill 187

Section 340 Authorize expenditure of previous capital
 improvement appropriations not to exceed
 \$25,000 for planning armories at West
 Jefferson and the Raleigh - Durham Airport

House Bill 80

Section 98 Require Department to report on statutory
 and regulatory changes necessary to create
 a new Division of Emergency Services.

Sections 99 Allow National Guard Tuition Assistance Grant
 & 100 to be used for other education fees in
 addition to tuition; allow recipients to
 receive grants for more than four years
 if \$2000 maximum is not exceeded.

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HIGHWAY PATROL (HIGHWAY FUND):

SENATE BILL 23, (CHAPTER 761, 1983 SESSION LAWS)	\$49,990,482
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DEPARTMENT OF CRIME CONTROL & PUBLIC SAFETY - CONTINUED:

	<u>1984-85</u>
<u>EXPANSION BUDGET:</u>	
1. Increase data processing	\$ 300,000
2. Fund reserve for salary adjustments	1,800,000
3. Fund salary grade increase for clerk-stenographers in the district offices.	<u>60,000</u>
TOTAL EXPANSION BUDGET	\$ 2,160,000
TOTAL HIGHWAY PATROL OPERATING BUDGET	\$52,150,482

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CAPITAL IMPROVEMENTS:

1. Fund construction of a Highway Patrol Defensive Driving and Training Facility.	\$ 1,308,000
2. Fund renovations to the Highway Patrol Training Center in Raleigh.	600,000
TOTAL HIGHWAY PATROL CAPITAL BUDGET	\$ 1,908,000

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SPECIAL PROVISIONS:

House Bill 80

Section 204 Allow use of specified capital improvement balances to be used for a district office in Harnett County or a firearms instruction facility at the Highway Patrol Training Center.

DEPARTMENT OF CULTURAL RESOURCES

Statutory Authority: Article 2, Chapter 143B, General Statutes

The head of the Department is the Secretary who is appointed by and serves at the pleasure of the Governor. The Department is responsible for providing the necessary management, development of policy, establishment and enforcement of standards for the furtherance of resources, services and programs for historical records, sites and property, including museums, arts resources, and libraries. An important function of the Department is the administration and awarding of funds appropriated for grants-in-aid.

Appropriations for grants-in-aid accounted for \$11.7 million (47%) of the Department's General Fund appropriation of \$24.9 million in 1983-84 and \$13.1 million (50%) of the appropriation of \$26.2 million in 1984-85.

Local governments are the primary beneficiary of the grants-in-aid appropriations. Aid to public libraries was increased by \$3 million in 1983 bringing the total to \$7.8 for each year of the 1983-85 biennium and the \$850,000 annual appropriation for Grassroots Arts was increased to \$1 million in 1984. The \$8.8 million total for these two purposes accounts for 67% of the funds appropriated for grants in the 1984-85 fiscal year.

Funds were approved to establish three new facilities in 1983-84; the Charlotte Hawkins Brown Memorial State Historic Site, a service branch of the State Museum of History in Fayetteville, and the Eastern Regional Office of Archives and History in Greenville. The Elizabeth II State Historic Site was scheduled for its grand opening in July, 1984 to coincide with the 400th Anniversary Celebration.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$24,288,050

EXPANSION BUDGET:

1. CHEROKEE HISTORICAL ASSOCIATION.
Grant-in-aid.

\$ 50,000

DEPARTMENT OF CULTURAL RESOURCES - CONTINUED:

		<u>1984-85</u>
STATE HISTORIC SITES		
2. ELIZABETH II STATE HISTORIC SITE - 400TH ANNIVERSARY CELEBRATION AT MANTEO. To provide two additional positions and operating funds for the visitor center which will be completed and formally opened July 13th to begin the three year celebration of the 400th anniversary.	\$	185,000 (2)
Reserve for project overruns and one-time costs associated with the Celebration.		150,000
3. CHARLOTTE HAWKINS BROWN MEMORIAL. To provide two positions and operating expenses for planning and development of the site which will serve as the North Carolina Black History Center.		67,377 (2)
4. TOWN CREEK INDIAN MOUND. To continue services at present level by providing funds for two positions and necessary operating expenses.		26,856 (2)
5. ANDREW JACKSON MEMORIAL. To continue the research for a proper memorial to Andrew Jackson.		26,500 (1)
ARCHIVES AND HISTORY		
6. EASTERN OFFICE. Funds for three positions and operating expenses in order to continue services at the current level.		69,816 (3)

DEPARTMENT OF CULTURAL RESOURCES - CONTINUED:

1984-85

ARTS COUNCIL

7. LOCAL ARTS. To provide a reserve
for funding local arts programs. \$ 500,000

TOTAL EXPANSION BUDGET \$ 1,075,549
(10)

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SPECIAL APPROPRIATION BILLS:

HOUSE BILL 1376

GRANTS-IN-AID

ROANOKE VOYAGERS AND ELIZABETH
II COMMISSION. (Section 15) \$ 3,000

CRAVEN COURTHOUSE RESTORATION.
Grant to the Craven County Board
of Commissioners for restoration
of the Courthouse contingent upon
the Board matching the grant on
a dollar for dollar basis.
(Section 1) 125,000

STATE HISTORIC SITES

HISTORIC BATH. Funds to add two
Building Guides to assist with
visitor tours. (Section 79) 26,550
(2)

HISTORIC PRESERVATION

COUNTY HISTORIC SURVEY FUNDS.
Reserve to provide for historic
surveys of counties. (Section
7) 60,000

DEPARTMENT OF CULTURAL RESOURCES - CONTINUED:

1984-85

House Bill 1376 (Cont.)

ARTS COUNCIL

PROFESSIONAL THEATRE FUNDS.

Increases grants to local professional theater groups in 1984-85 to \$98,791.

(Section 3)

\$ 50,000

GRASSROOTS ARTS FUNDS. Increases 1984-85 total to one million dollars for distribution on a per capita basis to counties for local arts programs. (Section 4)

150,000

ART IN STATE BUILDINGS. Funds for the use by Committee on Art in State Buildings to promote art work in State buildings.

(Section 8)

10,000

SENATE BILL 187

GRANTS-IN-AID

HISTORIC RESOURCES

SALISBURY RAILROAD STATION. Grant to Historic Salisbury Foundation, Inc. to assist in the purchase, stabilization, and pre-development, planning of the station. (Section 2)

42,000

N.C. COUNCIL ON HOLOCAUST. Grant to portray the historical significance of the Holocaust.

(Section 18)

5,000

ST. THOMAS CHURCH RESTORATION. Grant to the Historic St. Thomas Preservation Society, Inc. for restoration of the church.

(Section 59)

13,300

DEPARTMENT OF CULTURAL RESOURCES - CONTINUED:

	<u>1984-85</u>
Senate Bill 187 (Cont.)	
KINSTON HISTORIC PROPERTIES. For nomination of eligible properties and districts to the National Register of Historic Places. (Section 79)	\$ 15,000
REIDSVILLE HISTORIC PROPERTIES. For nomination of eligible properties and districts to the National Register of Historic Places. (Section 140)	23,000
ROCKFORD RESTORATION FUNDS. Grant to the Rockford Preservation Society, Inc. for rehabilitating the four historic buildings in Surry County that are owned or leased by the Society. (Section 145)	10,000
ANDREW JACKSON MEMORIAL. Grant to construct a memorial in the Waxhaw region in accordance with the recommendation of the Andrew Jackson Memorial Committee. (Section 161)	28,000
DEROSSETT HOUSE FUNDS. To continue restoration of the historical property. (Section 29)	10,000
CRAVEN COURTHOUSE FUNDS. Grant to Craven County Board of Commissioners for restoration of the Courthouse contingent upon the Board matching the grant on a dollar for dollar basis. (Section 154)	20,000
MURRAYS MILL COMPLEX. Grant to the Catawba County Historical Association for the continued restoration of the Complex provided the Association matches the grant on a dollar-for-dollar basis. (Section 4)	35,000

DEPARTMENT OF CULTURAL RESOURCES - CONTINUED:

1984-85

Senate Bill 187 (Cont.)

PERSON PLACE. Grant to the Person Place Preservation Society, Inc. to rehabilitate Person Place provided the grant is matched on a dollar-for-dollar basis. (Section 1) \$ 5,000

LATHAM HOUSE RESTORATION. Grant to the Latham Foundation for the adaptive restoration of the Latham House in Plymouth provided the grant is matched on a dollar-for-dollar basis. (Section 72) 10,000

NEWBOLD-WHITE HOUSE FUNDS. Grant to the Perquimans County Restoration Association for completion of the restoration of the David Newby House, period fencing and funding of an Educational Director position provided the Association matches the grant on a dollar-for-dollar basis. (Section 73) 25,000

CHICAMACOMICO LIFE SAVING STATION. Grant to the Chicamacomico Historical Association, Inc. for the exterior and interior restoration of the Station provided the Association matches the grant on a dollar-for-dollar basis. (Section 78) 15,000

HOLT HOUSE. Grant to the Town of Holly Springs for rehabilitating the Holt House and property provided the town matches the grant on a dollar-for-dollar basis. (Section 80) 68,000

DEPARTMENT OF CULTURAL RESOURCES - CONTINUED:

1984-85

Senate Bill 187 (Cont.)

STATE HISTORIC SITES

FORT FISHER FUNDS. To reconstruct
a portion of the earthworks at the
Sites. (Section 58) \$ 13,400

FORT FISHER FERRY GUIDE FUNDS.
To provide an oral history tour
guide on the Southport-Fort Fisher
Ferry during the summer season.
(Section 103) 4,000

BRUNSWICK HISTORIC SITE FUNDS.
To assist Revolution, Inc. in
constructing an amphitheater at
the Site. (Section 107) 20,000

MUSEUM OF HISTORY SERVICES

MUSEUM OF THE ALBEMARLE FUNDS.
To continue the salary of an
Exhibits Designer at the Museum.
(Section 14) 20,000

ARTS COUNCIL

EASTERN MUSIC FESTIVAL FUNDS.
Grant to the Eastern Music Festival
in Greensboro. (Section 63) 25,000

NATIVE AMERICAN FESTIVAL FUNDS.
Grant to the Native American
Festival held annually in
Statesville. (Section 64) 2,500

STATE SHAKESPEARE FESTIVAL FUNDS.
Grant for production and marketing
expenses of the Festival.
(Section 82) 40,000

TOTAL SPECIAL BILLS \$ 873,750
(2)

TOTAL GENERAL FUND OPERATING BUDGET \$26,237,349

TOTAL NUMBER OF NEW POSITIONS 12

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DEPARTMENT OF CULTURAL RESOURCES - CONTINUED:

1984-85

CAPITAL IMPROVEMENTS:

NONE IN MAIN APPROPRIATIONS BILL

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SPECIAL APPROPRIATION BILLS:

HB 1376	SPENCER SHOPS. Installation of appropriate doors and windows on the Back Shop for protection from vandalism and the elements. (Sec. 16)	\$ 100,000
	FAYETTEVILLE MUSEUM BRANCH. To renovate the Highsmith-Rainey Nursing School in Fayetteville for use as a museum service branch of the North Carolina Museum of History. (Section 9)	130,000
SB 187	SPENCER SHOPS. To continue the rehabilitation and development of the Flue Shop. (Sec. 89)	40,000
	FAYETTEVILLE MUSEUM BRANCH. To renovate the Highsmith-Rainey Nursing School in Fayetteville for use as a museum service branch of the North Carolina Museum of History. (Section 69)	220,000
	JAMES POLK HISTORIC SITE. To design, fabricate, and install new interpretive exhibits at the Site in Pineville. (Section 11)	<u>40,000</u>
TOTAL GENERAL FUND CAPITAL BUDGET		\$ 530,000

CULTURAL RESOURCES - CONTINUED:

SPECIAL PROVISIONS

HB 80 (Chapter 1034)

- Section 128 Continuation Reserve. Of the funds appropriated to a reserve in the Department of Cultural Resources in Section 2 of Chapter 971, Session Laws of 1983, the sum of fifty thousand dollars (\$50,000) shall be allocated to the Cherokee Historical Association; sixty-seven thousand three hundred seventy-seven dollars (\$67,377) shall be allocated to the Charlotte Hawkins Brown Memorial State Historic Site; twenty-six thousand five hundred dollars (\$26,500) shall be allocated to the Andrew Jackson Memorial Commission; twenty-six thousand eight hundred fifty-six dollars (\$26,856) shall be allocated to the Town Creek Indian Mound Site; and sixty-nine thousand eight hundred sixteen dollars (\$69,816) shall be allocated to the Eastern Regional Office of the Department of Cultural Resources.
- Section 129 Historical Marker Program Funds Increased. The Department of Transportation may spend up to forty thousand dollars (\$40,000) a year to purchase historical markers prepared and delivered to it by the Department of Cultural Resources. The Department of Transportation shall erect the markers on sites selected by the Department of Cultural Resources.
- Section 130 Tryon Palace Over-Realized Admission Fee Receipts. Any admission fee receipts at the Tryon Palace complex that exceed expenditures as of June 30, 1984, may be placed in a nonreverting Restoration Repair Fund by the Director of the Budget. Upon request of the Tryon Palace Commission and the Secretary of Cultural Resources, the Director of the Budget may authorize expenditures from the Restoration Repair Fund for necessary repairs and restoration expenses in the Tryon Palace complex.

Section 131

Increase Old Art Museum Renovation Project.
The amount of funds that may be expended by the Old Art Museum Renovation Capital Project is increased by one million dollars (\$1,000,000). This increase shall be supported with gifts and grants to the Museum.

GENERAL ASSEMBLY

Statutory Authority: General Statutes, Chapter 120

The General Assembly is the lawmaking body for the State of North Carolina. Its 170 members are elected for two year terms in every odd year. The Speaker of the North Carolina House of Representatives and the President Pro Tempore of the North Carolina Senate jointly chair the fourteen-member Legislative Services Commission that oversees the operations of the General Assembly and its permanent staff.

Major actions impacting this department in recent years include: (1) the construction of an \$8.5 million office building that provides additional space to legislators and staff and committees as well as space for the Secretary of State, State Auditor, Lieutenant Governor, Office of State Construction, and Division of Motor Fleet Management; (2) the enactment of a health insurance program for legislators; (3) the enactment of a legislative retirement system; and (4) modernization of the food service operation in the General Assembly.

Funds were approved by the 1984 Session to establish a Legislative Information Services Division in preparation for the future implementation of a computer system for the General Assembly.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$11,245,627

1. LEGISLATIVE RESEARCH COMMISSION.
Biotechnology Study Commission
(Chapter 899, Section 6, 1983
Session Laws)

\$ 10,000

TOTAL GENERAL FUND OPERATING BUDGET

\$11,255,627

GENERAL ASSEMBLY - CONTINUED

1984-85

EXPANSION BUDGET:

House and Senate

1. LEGISLATORS' INCREASES. To establish \$391,441
a reserve to support increases authorized
in 1983 for Legislators, to become
effective upon convening of the 1985
Regular Session, (Ch. 761, 1983 S.L.)
(a) Subsistence Allowance \$291,339
(b) Expense Allowance 42,102
(c) Travel and Per Diem 58,000
2. MILITARY SERVICE CREDIT PURCHASE UNDER 12,200
THE LEGISLATIVE RETIREMENT SYSTEM.
Establish a reserve to pay the State's
employer contribution rate to the System
for members of the Legislative Retirement
System who purchase retirement service
credit for active military service as
authorized by Section 187 of Chapter
1034 of the 1983 Session Laws.
3. RETIREMENT SERVICE CREDIT FOR TEACHERS 27,800
AND STATE EMPLOYEES FOR FORMER EMPLOY-
MENT WITH GENERAL ASSEMBLY. To provide
the difference in the actuarial cost and
the employee purchase price for service
credit in the Teachers' and State Employees'
Retirement System for time employed with
the General Assembly (Chapter 1034, Section
183, 1983 Session Laws).
4. STAFF EXPENSE. To establish a reserve 101,201
for additional staff expense.

Other

5. LEGISLATIVE INFORMATION SERVICES 279,704
DIVISION. Provide a reserve to
(6)
establish a new division for the
implementation of a computer
system for the General Assembly.
Funds to support six positions and
operating costs of the division.
6. LEGISLATIVE RESEARCH COMMISSION. To 50,000
continue studies of state-wide matter
during the interim.

GENERAL ASSEMBLY - CONTINUED

	<u>1984-85</u>
7. AGRICULTURE, FORESTRY AND SEAFOOD AWARENESS STUDY COMMISSION. Funds to enable the Commission to complete their study.	\$ 10,000
8. COMMISSION ON CHILDREN. Funds to continue the work of the Commission.	3,000
9. FOOD SERVICE. To restore funds for operating the Snack Bar since the services are no longer being provided under contract.	74,012
Department-Wide	
10. GENERAL ASSEMBLY SUPPORT STAFF. Continue funding staff salaries and related costs at the current level.	180,642
TOTAL EXPANSION BUDGET	\$1,130,000 (6)

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SPECIAL APPROPRIATION BILLS:

LEGISLATIVE RESEARCH COMMISSION STUDIES
House Bill 738 (Chapter 1112)

Medical Cost Containment Commission (Sec. 6)	\$ 5,000
Administrative Procedures Study (Sec. 7)	100,000
Public Education Policy Council (Sec. 8)	36,000
Criminal Justice Information Study (Sec. 9)	5,000
Credit Insurance and Interest Rate Study (Sec. 10)	10,000
State Parks Study Commission (Sec. 11)	10,000

GENERAL ASSEMBLY - CONTINUED

1984-85

House Bill 738 (Chapter 1112) - Continued

Commission on Cafeteria-Style Benefits Program for Teachers and State Employees (Sec. 12)	\$ 10,000
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TOTAL LEGISLATIVE RESEARCH COMMISSION STUDIES	\$176,000
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HOUSE BILL 1376 (Chapter 1116)

CRIMINAL CODE STUDY COMMISSION (Sec. 51)	\$ 20,000
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STUDENT LEGISLATURE. Grant-in-aid to the North Carolina Student Legislature for operating expenses and the cost of their annual session. (Sec. 46)	10,000
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SENATE BILL 187 (Chapter 1114)

AGRICULTURE, FORESTRY AND SEAFOOD AWARENESS STUDY COMMISSION. (Sec. 454)	\$ 10,000
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TOTAL SPECIAL BILLS	\$216,000
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TOTAL GENERAL FUND OPERATING BUDGET	\$12,601,627
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TOTAL NUMBER OF NEW POSITIONS	6
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GENERAL ASSEMBLY - CONTINUED

SPECIAL PROVISIONS

HB 80 (Chapter 1034)

- Section 177 Information to be Supplied. Requires every State department, agency or institution to furnish any information or records requested by the Legislative Administrative Office and the Research, Fiscal Research and Bill Drafting Divisions and to give the Fiscal Research Division access to any data base or stored information maintained by computer, telecommunications, or other electronic data processing equipment and the Personnel Management Information System.
- Section 177.1 Meetings of the Board of Awards and the Council of State. Authorizes a member of the Fiscal Research Division staff and a member of the General Research or Bill Drafting staff to attend all meetings of the Board of Awards and Council of State, unless the Board or Council has voted to exclude them from the specific meeting, and no formal action may be taken while they are so excluded.
- Section 178 Legislative Research Commission Terms. Changes the expiration of commission members' terms from the fourth Friday in November to December 15.
- Section 179 Publication of Session Laws and Journals. Authorizes the Legislative Services Commission to publish the Session Laws and House and Senate Journals of extra and special sessions of the General Assembly in the same volume or volumes as those of regular sessions.
- Section 180 Funds Not Revert. Provides that funds appropriated for operations of the General Assembly in the 1981-83 biennium remain available for the use of the General Assembly and that the funds may be encumbered for such purpose as may be approved by the Director of the Budget.

GENERAL ASSEMBLY - CONTINUED

HB 80 (Con't)

- Section 181** Funds Not Revert. Provides that maintenance appropriations to the General Assembly shall remain available until expended, unless provided otherwise by the Legislative Services Commission.
- Section 182** Authorizes the Legislative Services Commission to specify the uses of funds appropriated to the General Assembly which remain available for expenditure after the end of the biennial fiscal period and to revert funds under G.S. 143-18.
- Sections 184-186** Legislators' Travel Allowances. Authorizes payment of travel and subsistence allowances for legislators when the General Assembly is in session, and whether in or out of session when the member travels as a representative of the General Assembly or of its committees or commissions, with the approval of the Legislative Services Commission as follows:
- Travel. At the rate allowed by statute for State employees.
- Subsistence. Authorizes allowance of sixty dollars (\$60) a day or actual lodging expenses and twenty dollars (\$20) a day for meals when traveling out-of-state to a high rate geographical area (as published in Federal Register). Actual lodging expenses shall be evidenced by a receipt satisfactory to the Legislative Administrative Officer but shall not exceed the federal maximum. Effective with convening of 1985 Session.

OFFICE OF THE GOVERNOR

Statutory Authority: Article III Sec. 5 N. C. Constitution

The head of this office and the Chief Executive of the State of North Carolina is the Governor who is elected for a four-year term and who as Chief Executive of the State, serves as chairman of the Council of State.

The majority duties of this office are to administer and supervise the affairs of the State. Over the last two bienniums, three agencies (the Office of State Budget and Management, the Housing Finance Agency, and the Medical Student Loan Program) have been transferred to this office. In 1983, the N. C. Housing Commission was established within the Office of the Governor.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$ 7,781,375

EXPANSION BUDGET:

N. C. Housing Commission

- | | |
|--------------------------------|-------------------|
| 1. To provide operating funds. | \$ 100,000
(2) |
|--------------------------------|-------------------|

Housing Finance Agency

- | | |
|--|-----------|
| 2. To provide reserve funds to allow
for the issuance of additional
bonds. | 3,000,000 |
|--|-----------|

Special Appropriations

- | | |
|---|-----------|
| 3. To provide grants-in-aid for
Nuclear Magnetic Resonance Equipment
to be used as research instruments
for clinical investigation to bene-
fit the citizens of North Carolina
through improved diagnosis and
treatment which will help to con-
tain rising health care costs: | |
| Duke University Medical Center | 1,000,000 |
| Bowman Gray School of Medicine | 1,000,000 |

OFFICE OF THE GOVERNOR - CONTINUED

	<u>1984-85</u>
4. To provide a reserve for the repair of historic sites damaged by tornados (not state-owned facilities).	\$ 500,000
5. To provide funds for refurbishing the N. C. Memorial at Gettysburg.	<u>10,000</u>
TOTAL EXPANSION BUDGET	\$ 5,610,000 (2)

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SPECIAL APPROPRIATION BILLS:

Office of State Budget and Management

HB 1376	Funds for continuing oversight activities of the Comprehensive Major Medical Plan in accordance with G.S. 135-39.3. (Sec. 54)	\$ 50,000
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Special Appropriations

HB 1376	To provide a capital reserve for the Cannon Memorial YMCA Public Library in Kannapolis. (Sec. 5)	100,000
	To provide for the development of a solar observatory at the Edward R. Zane Planetarium in Greensboro. (Sec. 6)	165,590
	To provide for continued restoration of the Cabarrus County Court House. (Sec. 10)	50,000
	To provide for the construction of an administration building on the Cherokee Indian Reservation. (Sec. 11)	300,000
	To provide for the support of the Historic Hope Plantation. (Sec. 12)	75,000

OFFICE OF THE GOVERNOR - CONTINUED

1984-85

House Bill 1376 (Con't.)

To provide a reserve to construct the Roanoke Island Center for the Arts when the Roanoke Island Historical Association, Inc. provides proof it has raised \$1,500,000 in non-state funds; pledges not realized may not be considered as match. (Sec. 13)	\$ 500,000
To provide for the expansion of North Carolina's statewide revolving fund for historic preservation provided a like amount is raised by the Historic Preservation Foundation after the effective date of this bill. (Sec. 17)	150,000
To provide a grant-in-aid to Bethlem Center for operations. (Sec. 34)	30,000
To provide a reserve for the operation of the North Carolina Commission on the Bicentennial of the United States Constitution for use during the term of the Commission (terminates on December 31, 1989). (Sec. 49)	300,000
To provide two non-recurring contingency reserves which may be used for selected economic and industrial development, historical, restorative, community development, health and public safety, agricultural, educational, or human service projects. (Sec. 52)	1,500,000
To provide a grant-in-aid for operating expenses to the McGrady Fire Department in Wilkes County. (Sec. 62.1)	2,000

OFFICE OF THE GOVERNOR - CONTINUED

1984-85

House Bill 1376 (Con't.)

To provide funds for a farmers' market in Pasquotank County. (Sec. 64)	\$ 50,000
To provide for the continued construction of a boat harbor to the Pungo District Hospital in Belhaven. (Sec. 68)	20,000
To provide funds to the Town of Bath for water and sewer projects. (Sec. 72.1)	70,000
To provide additional funds for a Fayetteville municipal farmers' market. (Sec. 72.2)	100,000
SB 187 See detailed list of appropriations made for various local projects.	<u>6,265,850</u>
TOTAL SPECIAL BILLS	\$ 9,728,440
TOTAL GENERAL FUND OPERATING BUDGET	\$23,119,815
TOTAL NUMBER OF NEW POSITIONS	2

* * * * *

CAPITAL IMPROVEMENTS:

Office of State Budget and Management

1. RESERVE FOR STATEWIDE REPAIRS AND RENOVATIONS. To increase the \$45,000,000 reserve established for 1984-85 for the purpose of repairing and renovating facilities throughout the State. The 1983 authorization and the 1984 authorization only fund approximately one-half of the requested needs. \$15,000,000

OFFICE OF THE GOVERNOR - CONTINUED:

1984-85

2. RESERVE FOR WORLD WAR I, WORLD WAR II, KOREAN WAR AND VIETNAM WAR MEMORIALS. To provide funds for erecting memorials to veterans of these wars.	\$ 600,000
3. RESERVE FOR BIOTECHNOLOGY RESEARCH FACILITIES. To provide a reserve for the Board of Governors to establish Biotechnology Research Facilities.	<u>2,045,000</u>
TOTAL GENERAL FUND CAPITAL BUDGET	\$17,645,000

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SPECIAL PROVISIONS

House Bill 80:

- Section 133 Of the \$4,000,000 appropriated to the Housing Finance Agency for 1984-85, \$1,500,000 shall be placed in a general debt service reserve to support the issuance of additional bonds, \$2,000,000 shall be placed in the multi-family rental assistance fund, and \$500,000 shall be placed in the single-family home ownership fund. Interest earned on the \$4,000,000 shall not be used by the Housing Finance Agency for administrative purposes without the prior approval of the General Assembly.
- Section 140 Funds received by any State agency within the scope of the Executive Budget Act pursuant to the Federal Emergency Veterans Job Training Act of 1983 shall not revert to the General Fund at the end of the biennial fiscal period.
- Section 143 The Reserve for Repairing and Renovating Facilities shall be used only to repair and renovate facilities and not used for new buildings or additions to existing buildings.

House Bill 80 (Cont.):

- Section 146 (a) The Pay Equity Study shall be conducted as a general examination of the pay equity issue, and shall include but not be limited to a factor based on supply and demand on the relevant job market for a given job category which factor shall be given equal weight.
- (b) To ensure that North Carolina conducts a pay equity study as in (a) above, there is created a Pay Equity Advisory Committee comprised of seven Senators and seven Representatives. The Committee shall advise and monitor the development of a job evaluation and pay equity study for the State's classified employees in accordance with the directions set out in (a) above. Staff for the Committee shall be provided by the Office of State Budget and Management. The Committee shall make a final report to the General Assembly no later than June 1, 1986.
- (c) The State Budget Officer is empowered to engage a consulting firm, no later than December 15, 1984, to study the State Personnel System so it can identify wage policies that inhibit pay equity and develop a job evaluation and pay system in accordance with the directions as herein set out. The consultant shall make an interim report to the Committee no later than June 1, 1985, and a final report no later than April 1, 1986.

House Bill 1376:

- Section 101 The Director of the Budget may use up to \$500,000 in lapsed capital improvement funds to assist local libraries with repair and renovation projects.

DEPARTMENT OF HUMAN RESOURCES

Statutory Authority: General Statutes, Chapters 108, 111, 122, 130 and 131.

The Department of Human Resources, established by the Reorganization Act of 1971, consolidated several formerly independent departments and commissions into a single agency. These included Health Services, Mental Health Services, Social Services, Services for the Deaf and the Blind, Vocational Rehabilitation Services, and Facility Services. In 1975, the Division of Youth Services was transferred from the Department of Correction to Human Resources, and in 1978 the Division of Medical Assistance was created by executive order and given operational responsibility for the Medicaid program. The goal of the 1971 and 1973 Reorganization Acts was to put all human service functions into one department. The Department of Human Resources is the second largest department in State government and the largest under the Governor's direct control.

The major budgetary issues in the department during the 1984 legislative session included additional "Willie M" funds; Medically Needy and AFDC payment increases; additional prenatal and perinatal funds; rest home rate increase, and additional sickle cell funds.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$603,429,293

EXPANSION BUDGET:

DIVISION ON AGING

1. IN HOME SERVICES. Appropriation to provide additional match for Title III funds thereby generating an additional \$1.4 million in federal receipts. \$ 80,000
2. SENIOR CITIZENS CENTERS. To provide a grants-in-aid to counties for construction of Senior Citizen Centers. 500,000

DEPARTMENT OF HUMAN RESOURCES - CONTINUED

1984-85

SERVICES FOR THE BLIND

- | | |
|--|------------|
| 1. CODDINGTON BUILDING - CHARLOTTE. Reduce appropriation for rental of office space. | \$ (3,715) |
|--|------------|

DAY CARE DIVISION

- | | |
|---|---------|
| 1. ARC DAY CARE. To continue present level of day care programs in the Appalachian Region Commission. | 400,000 |
|---|---------|

FACILITY SERVICES

- | | |
|---|---------|
| 1. HEALTH SYSTEMS AGENCIES. Appropriation for grant-in-aid to six health systems agencies: Western, Piedmont, Southern Piedmont, Capital, Cardinal and Eastern. | 360,000 |
|---|---------|

HEALTH SERVICES

- | | |
|---|-----------|
| 1. PERINATAL FUNDS. To provide additional funding to the Division of Health Services, Maternal and Child Health for the Perinatal Health Program. | 2,000,000 |
| 2. NEURAL TUBE DEFECTS PROGRAM. To provide funds for a statewide screening program for the detection of fetal neural tube defects (HB 164). | 160,000 |
| 3. PRENATAL CLINICS. To provide additional funds for delivery if prenatal services in public health departments statewide. | 1,700,000 |
| 4. SICKLE CELL PROGRAM. Funds for expansion of screening, treatment and educational programs for sickle cell syndrome. | 256,000 |
| 5. CODDINGTON BUILDING - CHARLOTTE. Reduce appropriation for rental if office space. | (2,994) |

DEPARTMENT OF HUMAN RESOURCES - CONTINUED

1984-85

MEDICAL ASSISTANCE

- | | | |
|----|--|-------------|
| 1. | NURSING HOME/REST HOME FORMULA CHANGE.
To provide funds in the Medicaid Program to return the participation formula for nursing homes to 85% state, 15% county of non-federal share; and to return the participation formula for rest homes to 50% of state 50% county of monthly rate. (Section 62b and 66, House Bill 80) | \$6,600,000 |
| 2. | MEDICALLY NEEDY CEILING RAISED. Funds to provide for a medically needy increase due to change in AFDC payment level effective October 1, 1984. (Section 62, House Bill 80) | 2,161,438 |

MENTAL HEALTH

- | | | |
|----|---|-----------|
| 1. | ADAP SUBSIDY INCREASE. Funds to raise Adult Developmental Activity Program fees from \$171 to \$191 per client per month. | 813,120 |
| 2. | COMMUNITY MENTAL RETARDATION FUNDS. To raise rates for 139 slots of seven specialized community residential centers from \$1,000 to \$1,100 per slot per month. (Section 70, House Bill 80) | 312,800 |
| 3. | HOKE COUNTY CHILDRENS CENTER. To provide a grant-in-aid to Hoke County Childrens Center. (Section 82, House Bill 80) | 44,000 |
| 4. | OUTPATIENT COMMITMENT FUNDS. To provide support for Involuntary Outpatient Commitment Program established by HB 124, effective January 1, 1984 (SB 116). | 250,000 |
| 5. | WILLIE M. FUNDS. Funds for additional service needs for Willie M. clients. (Section 61, House Bill 80) | 2,625,000 |
| 6. | ALCOHOL AND DRUG BLOCK GRANT FUNDS. Funds to replace the loss of Alcohol and Drug Block Grant Funds. | 807,356 |

DEPARTMENT OF HUMAN RESOURCES - CONTINUED

1984-85

MENTAL HEALTH (Cont.)

- | | | |
|----|---|------------|
| 7. | ADULT DAY CARE FUNDS. To provide additional funds for adult day care programs (SB 552). | \$ 100,000 |
| 8. | ADAP SUBSIDY INCREASE AND PROGRAM EXPANSION. Funds to raise Adult Developmental Activity Program Subsidy from \$191 to \$200 per client, per month, and to expand program with funding for new slots. (Section 63, House Bill 80) | 1,460,004 |
| 9. | GROUP HOME FOR MENTALLY RETARDED ADULTS. To provide reserve funds for a group home for mentally retarded adults. | 100,000 |

SOCIAL SERVICES

- | | | |
|----|---|-----------|
| 1. | AID TO COUNTY DSS. Funds for increased support for State Aid to County Social Services Administration (SB 23, Sec. 64). | 1,000,000 |
| 2. | DSS ELIGIBILITY SYSTEM FUNDS. To provide support for automation of eligibility determination support systems at local social services offices. | 2,604,795 |
| 3. | CHILD SUPPORT ENFORCEMENT PROGRAM. To provide funds to offset a reduction in federal participation rate from 75% to 70% in the Child Support Enforcement Program. | 215,000 |
| 4. | COMMUNITY WORK EXPERIENCE PROGRAM. Funds to provide support for expansion of the Community Work Experience Program. (Section 79, House Bill 80) | 600,000 |
| 5. | LUTHERAN FAMILY SERVICES FUNDS. To provide support in Aid-to-Child-Caring Institutions (HB 509, Ch. 845). | 153,046 |
| 6. | FREE WILL BAPTIST HOME FUNDS. To provide support in Aid-to-Child Caring Institutions. | 21,356 |

DEPARTMENT OF HUMAN RESOURCES - CONTINUED

1984-85

SOCIAL SERVICES (Cont.)

- | | | |
|----|--|-------------|
| 7. | REST HOME RATE INCREASE. To provide the states share of funding to increase rates from \$525 per month per ambulatory patient and to provide an additional 5% over the \$40 increase for nonambulatory patients. (Section 67, House Bill 80) | \$2,630,473 |
| 8. | CODDINGTON BUILDING - CHARLOTTE. Reduce appropriation for rental of office space. | (7,220) |

VOCATIONAL REHABILITATION

- | | | |
|----|--|--------|
| 1. | CENTER FOR THE HEARING IMPAIRED. Appropriation to the Division of Vocational Rehabilitation to continue funding of the Center for the Hearing Impaired in Morganton (SB 313, SEC. 61). | 50,977 |
|----|--|--------|

YOUTH SERVICES

- | | | |
|----|--|-------------------|
| 1. | JUVENILE DETENTION FUNDS. To continue support for regional juvenile detention centers funded in SB 25 for 1983-84 only (SB 23, Sec. 62). | 1,296,802 |
| 2. | TRAINING SCHOOLS. Appropriation to the Division of Youth Services to hire staff and provide supplies, materials and equipment. | 1,500,000
(56) |
| 3. | COMMUNITY BASED ALTERNATIVES. To allocate additional funds to 100 counties to further support community programs for troubled youth. (Section 83, House Bill 80) | 1,500,000 |
| 4. | ECKERD WILDERNESS CAMPS. Appropriation to fully fund girls program and provide for inflationary increases at Eckerd Wilderness Camps. | 320,240 |

TOTAL EXPANSION BUDGET	\$32,608,478 (56)
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DEPARTMENT OF HUMAN RESOURCES - CONTINUED

SPECIAL APPROPRIATIONS BILLS:

		<u>1984-85</u>
HB 80	BLIND REHABILITATION CENTER TRANSFER. Transfer of funds from Services to the Blind to the Department of Correction for operation of the Umstead Youth Center Program in facilities formerly used as a Rehabilitation Center for the Blind in Butner.	\$ (35,622)
	UMSTEAD YOUTH CENTER PROGRAM. Transfer of funds from John Umstead Hospital to the Department of Corrections for operation of the Umstead Youth Center Program.	(139,468)
HB 1376	PRIVATE RESIDENTIAL CHILD CARE GRANT. Appropriation to the Department of Human Resources to raise the level of grants-in-aid to private child caring institutions (Sec. 26).	311,786
	ALZHEIMERS DISEASE SUPPORT FUNDS. Appropriation to the Division on Aging to develop Alzheimers support groups statewide. (Sec. 27)	50,000
	SHELLFISH WATERS MONITORED. Appropriation to the Division of Health Services to increase monitoring and survey activities of shellfish waters. (Sec. 28)	88,000
	ATTENDANT CARE FUNDS. Appropriation to Division of Vocational Rehabilitation for operation of a demonstration personal care attendant program. (Sec. 29)	75,000
	BLACK MOUNTAIN DHR POLICE. Appropriation to Department of Human Resources for the operation of a special police force for Black Mountain Center Alcohol Rehabilitation Center and the Juvenile Evaluation Center. (Sec. 30)	50,000
	STANLY COUNTY AUTISTIC HOME. Appropriation to the Department of Human Resources for operation of a group home for autistic children. (Sec. 31)	50,000

DEPARTMENT OF HUMAN RESOURCES - CONTINUED:

1984-85

HB 1376 (Cont.)	TASC PROGRAM. Appropriation to the Division of Mental Health, Mental Retardation and Substance Abuse for the establishment of Treatment Alternatives to Secret Crimes Program (TASC). (Sec. 32)	\$ 177,507
	HEARING IMPAIRED OUTREACH PROGRAM. Appropriation for continuing operation of the Resources to Parents and Providers Project for hearing impaired children. (Sec. 33)	50,000
	AREA MENTAL HEALTH PROGRAM FUNDS. Appropriation to Area Programs who received less state match monies than the per capita median of 4.706. (Sec. 35)	1,149,754
	NURSING/REST HOME REIMBURSEMENT. A one-time appropriation to those counties who lost funds due to the change in the nursing/rest home formula. (Sec. 36)	100,000
	SPECIAL CHILDREN PROGRAMS FUNDS. Appropriation to the Division of Mental Health, Mental Retardation and Substance Abuse for Developmental Day and Early Intervention Programs. (Sec. 37)	678,933
	COMMUNITY CENTER MR FUNDS. Appropriation to the Division of Mental Health, Mental Retardation and Substance Abuse to increase the per child per month subsidy rate by \$75, and to provide transition funds for 12 persons who have aged out of the program. (Sec. 38)	215,000
	AUTISTIC ADULT GROUP HOME.. Appropriation to the Division of Mental Health, Mental Retardation and Substance Abuse for start-up and operating expenses for a group home for autistic adults. (Sec. 39)	32,500
	PREVENTIVE DENTISTRY FUNDS. Appropriation to supplement the preventive dental health program. (Sec. 40)	332,500

DEPARTMENT OF HUMAN RESOURCES - CONTINUED

		<u>1984-85</u>
SB 187	EASTERN SCHOOL FOR DEAF FUNDS. Appropriates building and equipment funds to the Department of Human Resources for Audiometric testing services at the school in Wilson. (Sec. 209)	\$ 67,735
	DIX ADOLESCENT TREATMENT FUNDS. Appropriates funds to the Adolescent Treatment Program at Dorothea Dix Hospital funds to upgrade the physical activities, music therapy, and art therapy programs for adolescents. (Sec. 210)	55,700
	AUTISTIC ADULT GROUP HOMES. Appropriates funds to the Division of Mental Health, Mental Retardation and Substance Abuse Services to start and operate a group home for high functioning autistic adults. (Sec. 211)	90,000
	WESTERN CAROLINA CENTER FUNDS. Appropriates funds to the Western Carolina Center in Morganton for furnishings. (Sec. 234)	30,000
	TAMMY LYNN FUNDS. Appropriates funds to the DHR, Division of Mental Health, Mental Retardation and Substance Abuse Services for the intermediate care facility for mentally retarded at the center. (Sec. 241)	15,000
	GASTON BATTERED SPOUSE FUNDS. Appropriates funds to DHR as a grant-in-aid for operating expenses. (Sec. 244)	25,000

DEPARTMENT OF HUMAN RESOURCES - CONTINUED

1984-85

SB 187 (cont.)	WAKE RESPITE CARE FUNDS. Appropriates funds to DHR for respite care services administered by the Wake County Association for Retarded Citizens. (Sec. 245)	\$ 12,000
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TOTAL SPECIAL BILLS	\$3,481,325
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TOTAL GENERAL FUND OPERATING BUDGET	\$639,519,096
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TOTAL NUMBER OF NEW POSITIONS	56
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CAPITAL IMPROVEMENTS:

- | | | |
|----|---|------------|
| 1. | CHAPELS AT MR CENTER. To provide
funds for the construction of three
(3) new chapels at Caswell, O'Berry
and Western Carolina Center. | \$ 750,000 |
| 2. | JUVENILE EVALUATION CENTER PROJECT.
To provide funds to complete
grading. | 20,000 |
| 3. | DOBBS VOCATIONAL EDUCATION BUILDING.
To provide for construction of a
new addition to the vocational
education facility at Dobbs School. | 650,000 |

TOTAL GENERAL FUND CAPITAL BUDGET	\$ 1,420,000
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DEPARTMENT OF HUMAN RESOURCES - CONTINUED:

SPECIAL PROVISIONS:

House Bill 80:

- Section 61 Willie M. determines how appropriations for Willie M. class members will be expended by the Departments of Human Resources and Public Instruction. Requires both departments to report expenditures to the Governor and 1985 General Assembly. Requires periodic reports in the interim to the Joint Legislative Commission on Governmental Operations. Forbids the transfer of any additional funds beyond those already appropriated.
- Section 62 MEDICAID. Establishes the reimbursement policies for all the providers of services under the Medicaid program. Establishes income eligibility standards for Medicaid and Aid to Families with Dependent Children.
- Section 62.1 MEDICAID/MARRIED PREGNANT WOMEN. Authorizes the Department of Human Resources, after January 1, 1985, subject to approval of the Director of the Budget, to provide Medicaid services to married pregnant women whose income meets the medically needy income criteria. Funds will come from changes in federal matching payments for Medicaid.
- Section 62.2 MEDICAID/INTACT FAMILIES. Authorizes the Department of Human Resources after January 1, 1985, subject to the approval of the Director of the Budget, to provide Medicaid services to children in two-parent households with family income levels that meet the medically needy income criteria. Funds will come from changes in federal matching payments for Medicaid.
- Section 63 ADULT DEVELOPMENTAL ACTIVITIES PROGRAMS (ADAP). Appropriates \$1.4 million to ADAP programs for the following: 1) an increase in the reimbursement rate from \$191 to \$200 per month; 2) the balance of the funds to reimburse for new ADAP slots in these areas of the state with the most critical needs.

DEPARTMENT OF HUMAN RESOURCES - CONTINUED:

House Bill 80 (Cont.)

- Section 64 AID FOR DISABLED CITIZENS. Authorizes the Department of Human Resources to expend up to \$600,000 on the following: 1) providing assistance for purchasing prescription drugs to persons terminated from Social Security between March 1, 1981 and September 30, 1983; 2) establish a toll-free number for information on Social Security Disability; 3) establish a Social Security Disability Task Force to oversee the program.
- Section 65 CYSTIC FIBROSIS FUNDS. Authorizes the Department of Human Resources to expend \$50,000 in FY 84-85 on services to persons with Cystic Fibrosis over the age of 21.
- Section 66 AGED AND FAMILY CARE/COUNTY AND STATE SHARE OF COSTS. Changes state and county rates of participation in the cost of rest homes to 50% state 50% county. Previous rate was 70% state 30% county. Section 62 (c) change the state/county share for nursing homes from 65% state 35% county to 85% state 15% county. Almost every county benefitted financially from these two changes.
- Section 67 DOMICILIARY CARE FACILITIES. Increases the rates paid to rest homes from \$525 to \$565 per month effective July 1, 1984. The rates paid to rest homes for semi-ambulatory patients is 5% greater.
- Section 67.1 ICF/MR CON DISTRIBUTION. Establishes certain criteria that the Department of Human Resources shall take into account in developing the 1985 Medicaid Facilities Plan. These include equitable geographical distribution of ICF/MR beds, and no restrictions on the issuance of certificates of need until existing facilities are complete.
- Section 68 Change Reporting Date on Deinstitutionalization Project. Amends 1983 Appropriations Act to require a report by February 1, 1985.
- Section 69 FUNDS FOR AUTISTIC ADULTS. Requires the Department of Human Resources to expend \$35,000 to design and establish a program plan for autistic persons who are too old to be served by the public schools.

DEPARTMENT OF HUMAN RESOURCES - CONTINUED:

House Bill 80 (Cont.)

- Section 70 COMMUNITY RESIDENTIAL PROGRAMS FOR THE MENTALLY RETARDED. Appropriates \$312,800 to community residential centers. This will increase the funding allocations to each center.
- Section 71 MATCHING FUND REQUIREMENT FOR CHAPELS. Requires a dollar for dollar match for funds appropriated for chapels at Caswell, O'Berry, and Western Carolina Centers.
- Section 72 BLIND REHABILITATION CENTER AT BUTNER TRANSFER. Transfers, effective July 1, 1984, the facilities in Butner formerly known as the Blind Rehabilitation Center. Maintenance funds budgeted to the Department of Human Resources were also transferred to the Department of Correction.
- Section 73 SANITARY LANDFILL REQUIREMENTS FOR LOCAL GOVERNMENT. Amends G.S. 130A-294(a)(4) to exempt local governments from any requirements for environmental impact statements on sanitary landfills.
- Section 74 EMERGENCY HAZARDOUS WASTE SITE REMEDIAL FUND. Amends G.S. 130A by creating a Hazardous Waste Site Remedial Fund to be used to defray expenses incurred by the Department of Human Resources in developing and implementing an emergency hazardous waste remedial program. Fund may not exceed \$200,000.
- Section 75 QUALIFICATIONS OF LOCAL HEALTH DIRECTORS. Amends G.S. 130A-40 to give the State Personnel Commission authority to consider both education and experience in establishing qualifications for local health directors.
- Section 76 COUNTY DUTY TO SUPPORT IVD PROGRAMS. Effective July 1, 1985 county commissioners must provide for county administration of child support enforcement programs.

DEPARTMENT OF HUMAN RESOURCES - CONTINUED:

House Bill 80 (Cont.)

- Section 77 CHILD SUPPORT ENFORCEMENT PROGRAM REPORT. Requires the Department of Human Resources, with the advice and participation of the Administrative Office of the Courts and the Department of Justice, to report jointly to the 1985 General Assembly on the administration of the IVD program; new changes in the state law to conform to federal requirements; and improvements in the operation of the program.
- Section 78 AFTER-SCHOOL CHILD CARE. Amends G.S. 110-86(4) to allow day-care plan providers to provide after-school care for up to three additional children.
- Section 79 COMMUNITY WORK EXPERIENCE PROGRAM. Appropriates \$600,000 to the Department of Human Resources to continue to the phase-in of the community work experience program.
- Section 80 ALCOHOL AND DRUG PROGRAMS IN THE PUBLIC
Section 81 SCHOOLS. Requires the Superintendent of Public Instruction and local school districts to expand efforts to teach the dangers of harmful or illegal drugs, including alcohol. Superintendent required to report annually on the program to the Joint Legislative Commission on Governmental Operations.
- Section 82 HOKE COUNTY CHILDRENS CENTER. Appropriates \$44,000 to the Hoke County Children's Center to pay the balance of the mortgage on the Center.
- Section 83 HAWTHORNE HEIGHTS JUVENILE SHELTER. Allocates \$40,000 in Community Based Alternative Funds to the Hawthorne Heights Juvenile Shelter. These funds are not included as a part of the Department of Human Resources Community based alternatives allocation formula.

DEPARTMENT OF HUMAN RESOURCES - CONTINUED:

House Bill 1376:

- Section 76 "WILLIE M." Requires the Departments of Human Resources and Public Instruction to report periodically, as requested, on operation of the "Willie M." program.
- Section 80 MODIFY DHR BED FREEZE. Allows the Department of Human Resources to award a certificate of need for skilled nursing beds, if those beds were taken out of use prior to January 1, 1983.
- Section 81 REIMBURSEMENT FOR MEDICAID PRESCRIPTIONS. Increases the rate for filling a prescription in Medicaid from \$3.22 to \$3.36.
- Section 82 ICF-MR LONG TERM CARE. Amends G.S. 143-127.1(d) to exclude the parents income when determining Medicaid eligibility for a child under 19, if the patient's physician certifies that the care and treatment is expected to exceed twelve months. This provision expires June 30, 1986.
- Section 83 AID TO DISABLED CITIZENS. Amends Section 64 of HB 80 by increasing the amount that the Department of Human Resources may expend, to aid persons terminated from Social Security Disability, from \$600,000 to \$1,200,000.
- Section 84 EYE CLINICS. Forbids the expenditure of funds by the Department of Human Resources to hold eye clinics in any county in which an optometrist or ophthalmologist is willing to perform the services that would be performed in the clinic.

DEPARTMENT OF INSURANCE

Statutory Authority: General Statutes, Chapter 58

The Department of Insurance is authorized to regulate insurance rates, to license companies and agents, and to check on their operations in the public interest. It also helps the insurance industry by weeding out dishonest operators, and by investigating cases of fraud by policy holders or embezzlement and fraud by company agents. The department serves as the fire and casualty insurance company for state government, enforces the state's building codes, helps set up community fire departments and rescue squads, and helps train emergency workers. The Department is under the administration of the Insurance Commissioner who is elected to serve a four-year term. As an elected State Official, the Commissioner is a member of the Council of State.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$ 4,423,737

EXPANSION BUDGET:

1. COMPUTERIZATION COSTS. To continue on-going costs for the computerized system established in the Licensing Division from a \$170,000 reserve appropriated for 1983-84 and to begin implementing computerized systems in the Consumer Division; Life, Accident and Health Division; and Fire and Casualty Division in that sequence.

\$ 170,000

TOTAL EXPANSION BUDGET

\$ 170,000

TOTAL GENERAL FUND OPERATING BUDGET

\$ 4,593,737

DEPARTMENT OF INSURANCE - CONTINUED:

SPECIAL PROVISIONS:

House Bill 80:

Section 145

Director of the Budget to allocate State funds to Department in a manner to ensure the Department does not expend or encumber more than one-twelfth of its State funds during each month of 1984. Any outstanding budget obligations of the Department as of June 30, 1984 are to be satisfied no later than December 31, 1984.

JUDICIAL DEPARTMENT

Statutory Authority: General Statutes, Chapter 7A

The North Carolina Constitution establishes three branches of government to provide a system of checks and balances. The Judicial Department is the branch which operates the State's system of courts, consisting of District and Superior Courts at the trial level and the Court of Appeals and Supreme Court at the appeals level. The Administrative Officer of the Courts, who serves at the pleasure of the Chief Justice of the Supreme Court, manages the operations of the entire system.

Funds were appropriated for the 1983-85 biennium for a nonreverting special fund in the Judicial Department entitled "The Indigent Person's Attorney Fee Fund". This fund will be used solely for payment of attorney's fees and related expenses for representation of indigents.

HB 1551 (Omnibus Courts Bill), in the 1984 short session, appropriated \$4.9 million dollars to the Administrative Office of the Courts for additional personnel, equipment, and longevity pay increases.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$87,174,560

EXPANSION BUDGET:

1. ADDITIONAL POSITIONS ESTABLISHED
IN 1983-84. To continue support
for a reserve provided for 1983-84
which has been used to establish
additional positions as the area
of need has been determined. HB 33,
Ch. 881 appropriated funds for
1983-84 only.

\$ 250,000
(18)

2. INCREASE IN JURY FEES. To continue
support for the increase in jury
fees, from \$8 to \$12 per day (HB 33,
Ch. 881 appropriated funds for
1983-84 only.)

1,245,000

JUDICIAL DEPARTMENT - CONTINUED:

1984-85

3. SUPPORT FOR INVOLUNTARY COMMITMENT OF MENTAL HEALTH OUTPATIENTS. To continue support for expenses (printing, training, etc.) related to the implementation of the Involuntary Commitment of Mental Health out-patients. (SB 116, Sec. 2, Ch. 864; Program established by HB 124.)	\$ 50,000
4. SALARY ADJUSTMENTS. Salary Adjustments for Clerks of Court, Assistant Clerks and Deputy Clerks	1,850,000
5. LONGEVITY PAY. To implement longevity pay for Assistant District Attorneys, Public Defenders and Assistant Public Defenders	247,500
6. LONGEVITY PAY. 9.6% longevity pay for Judges who were former Commissioners on the Utilities Commission. Service on Utilities Commission to count towards longevity pay for Judges.	<u>8,500</u>
TOTAL EXPANSION BUDGET	\$3,651,000 (18)

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SPECIAL APPROPRIATION BILLS:

HB 1551	Omnibus Courts Bill	
(a)	Four superior court judges; for judicial districts 1, 9, 18, and 30. (Funded for seven months)	\$ 209,804 (4)
(b)	Four district court judges; for judicial districts 2, 12, 21, and 26	256,812 (4)
(c)	Four court reporters for superior court; to be appointed in accordance with G.S. 7A-95(e). (Funded for seven months)	55,168 (4)

JUDICIAL DEPARTMENT - CONTINUED:

	1984-85
House Bill 1551 (Cont.)	
(d) Seven magistrates positions; to be appointed in accordance with provisions of G.S. 7A-171	\$ 105,434 (7)
(e) Four assistant district attorneys; for judicial districts 2, 12, 17B and 18	154,076 (4)
(f) Fifty-three deputy clerks of superior court; to be allocated by the Administrative Officer of the Courts pursuant to the formula developed under Sec. 9 of the 1983 Session Laws, Chapter 881	765,645 (53)
(g) Nine positions authorized for the Administrative Office of the Courts	159,698 (9)
Supreme Court Director of Research Statistical Analyst Purchasing Agent Microfilm Clerk (5) Secretarial positions	
(h) Temporary clerical positions for indigency screening pilot program in three counties	46,500
(i) Increase expense allowance for judges of superior court from \$5,500 per year to \$6,500 per year. Amends G.S. 7A-44(a)	72,000
(j) Equipment for Clerk of Superior Court accounting system to upgrade program	600,000
(k) Expansion of court information system	1,700,000
(l) Update filing systems in offices of the Clerk of Superior Court	153,785

JUDICIAL DEPARTMENT - CONTINUED:

1984-85

House Bill 1551 (Cont.)

(m)	Funding for equalization of the salaries of employees resulting from personnel classification and pay studies	\$ 156,247
(n)	Grant-in-aid to the Buncombe County Dispute Settlement Center	16,000
(o)	Longevity for Judges, District Attorneys, Asst. District Attorneys, Clerks of Superior Courts - 14.4 percent after 15 years of service and 19.2 percent after 20 years of service.	359,250
(p)	Increase employer's contribution rate to the Uniform Judicial Retirement System by .32% of covered payroll of members.	36,000
(q)	Continuation of Mecklenburg County pilot program requiring mediation of disputes over child custody and visitation.	<u>85,000</u>
	Subtotal HB 1551	\$4,931,419 (85)
HB 1376	Dispute Settlement Center-Wake County	\$ 45,000
	Dispute Settlement Center-Durham County (Sec. 57)	5,000
SB 187	Dispute Settlement Center-Cherokee County	2,500
	Dispute Settlement Center-Haywood County	5,000
	Dispute Settlement Center-Henderson County	5,000
	Dispute Settlement Center-Jackson County	3,000
	Dispute Settlement Center-Swain County	2,000

JUDICIAL DEPARTMENT - CONTINUED:

1984-85

Senate Bill 187 (Cont.)

Dispute Settlement Center- Polk County	\$ 2,000
Dispute Settlement Center- Clay County	2,000
Dispute Settlement Center- Transylvania County	5,000
Dispute Settlement Center- Graham County	2,000
Dispute Settlement Center- Macon County	3,000
One Step Further Dispute Settlement Center	20,000
(Sec. 313, 316, 319, 322, 325, 328, 330, 333, 336, 308, 341)	
TOTAL SPECIAL BILLS	\$5,032,919
Subtotal General Fund Operating Budget-Judicial Department	\$95,858,479 (103)

INDIGENT PERSON'S ATTORNEY FEES FUND:

SENATE BILL 23 (CHAPTER 761, 1983 SESSION LAWS)	\$12,931,431
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EXPANSION BUDGET:

None

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SPECIAL APPROPRIATION BILLS:

HB 1376 Reduce appropriations to current level of expenditures (Sec. 86)	<u>\$(2,000,000)</u>
Subtotal General Fund Operating Budget-Indigent Person's Attorney Fees Fund	\$10,931,431
TOTAL GENERAL FUND OPERATING BUDGET	\$106,789,910
TOTAL NUMBER OF NEW POSITIONS	103

JUDICIAL DEPARTMENT - CONTINUED:

SPECIAL PROVISIONS

HB 1551:

- Section 9 Adds new section, G.S. 7A-113. Proposed changes in bookkeeping and accounting system equipment employed by the clerks of superior court shall be subject to review and approval by the Office of State Budget and Management. Formerly required review and approval by the State Auditor's Office.
- Section 10 Amends G.S. 143-2 to include new section G.S. 7A-113 above in the Executive Budget Act.
- Section 11 Amends four sections of G.S. 7A to add that time served as a member of the Utilities Commission is credited to judges for longevity purposes.
- Section 12 Orders the court to fix the money value of services rendered by assigned counsel or public defender for representatives of an indigent person. Value to be as a judgment, and shall constitute a lien as prescribed by law applicable to judgments. Funds collected from judgments to be deposited in State Treasury and credited against the judgment, except that counsel fees ordered paid on behalf of assigned counsel may be paid directly to the counsel.
- Section 13(1) Initial appointment of superior court judgeships shall be made by the Governor for a term to expire December 31, 1986.
- Section 13(2) Initial appointment of district court judgeships shall be made by the Governor for a term to expire on the first Monday in December, 1986.

JUDICIAL DEPARTMENT - CONTINUED:

HB 1551 (Cont.):

Section 13.1 Amends several sections of G.S. 7A to authorize longevity pay for Supreme Court Justices, Judges of the Court of Appeals, Judges of Superior Court, District Court Judges, District Attorneys, and Clerks of Superior Court; 14.4% after 15 years of service and 19.2% after 20 years of service. (Amount of funds required shown in Item 15.)

House Bill 80:

Section 84 Amends G.S. 7A-171.1. Adds new section that a magistrate may not be reimbursed by the State for travel expenses incurred on official business within the county in which the magistrate resides.

Section 85 Amends G.S. 7A-146(4) regarding a chief district court judge assigning duties or matters to magistrates.

Section 86-91 Authorizes salary revisions for assistant and deputy clerks of superior court; establishes new population ranges and salary schedules for clerks of superior court; directs the Administrative Officer of the courts and each Clerk of Superior Court to classify all personnel in each office as either an assistant or deputy clerk; and authorizes the transfer of an unexpended amount of salary and fringe benefit funds from 1983-84 to 1984-85 to complete salary surveys for the offices of the Clerk of Superior Court.

Section 92 Establishes longevity pay for assistant district attorneys; 4.8% after five years service and 9.6% after ten years service as an assistant district attorney.

Section 93 Establishes longevity pay for assistant public defenders; 4.8% after five years service and 9.6% after ten years service as an assistant public defender.

JUDICIAL DEPARTMENT - CONTINUED:

House Bill 80 (Cont.):

- Section 94 Establishes longevity pay for public defenders; 4.8% after five years service and 9.6% after ten years service as a public defender.
- Section 210 Schedule of salary revisions for Judicial Branch officials, 10% Cost-of-Living Increase.
- Section 211 Schedule of revised salaries for magistrates, 10% Cost-of-Living Increase.

House Bill 1376:

- Section 87 Provides training courses for magistrates at such times and locations necessary to assure availability to all magistrates without extensive travel to other parts of the State. Courses to be provided in Asheville for magistrates from the western region of the State.
- Section 117 All funds appropriated for fiscal year 1984-85 to dispute settlement centers, dispute mediation centers or other similar centers as grants-in-aid shall be administered in accordance with rules promulgated by the Administrative Office of the Courts. The State Auditor or the Administrative Office of the Courts may inspect, examine and audit the fiscal affairs of centers receiving funds through the Administrative Office of the Courts.

DEPARTMENT OF JUSTICE

Statutory Authority: General Statutes, Chapter 114

The Department provides legal and law enforcement services to state agencies, local governments and the citizens of North Carolina.

* * * * *

1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$27,102,751

EXPANSION BUDGET:

1. TORT CLAIMS. Transfer Tort Claim
funds to Department of Public Education
(HB 80, Sections 30 and 31) \$ (1,528,000)

2. SUBMERGED LAND ATTORNEYS. Continue
funding for these positions. 124,802
(2)

TOTAL EXPANSION BUDGET \$ (1,403,198)
(2)

* * * * *

SPECIAL APPROPRIATION BILLS:

HB 1376 Continue funding for radar
training program \$ 97,435
(3)

TOTAL GENERAL FUND OPERATING BUDGET \$25,796,988

TOTAL NUMBER OF NEW POSITIONS 5

* * * * *

CAPITAL IMPROVEMENTS:

1. Fund construction of a storage
building for the SBI for storage
of hazardous chemicals and
explosive materials \$ 34,000

TOTAL GENERAL FUND CAPITAL BUDGET \$ 34,000

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT

Statutory Authority: General Statutes, 143B-278

The head of the Department is the Secretary who is appointed by and serves at the pleasure of the Governor. The department's major duties include protecting, preserving, and managing the State's natural resources, administering two major federal programs (the Community Development Block Grant and the Job Training Partnership Act), and managing the State's Park and Recreation areas.

Expansion appropriations during the 1984-85 fiscal year include a major initiative in environmental management encompassing several components as noted below, additional equipment funds for the Division of Forest Resources, State funding of Community Action Agencies to serve the elderly, needy, and handicapped, and funds for the State's share in civil works/watershed projects.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$40,781,073

EXPANSION BUDGET:

1. MARINE FISHERIES FUNDS.
To reinstate funds cut
during the 1983 Session. 240,000
2. MARINE FISHERIES OYSTER
CULTCH FUNDS. To reinstate
funds cut during the 1983
Session. 35,000
3. WATER BUDGET FUNDS
 - a. NUTRIENT SENSITIVE WATERSHED
PROJECT. Agriculture cost
sharing funds to control
erosion and runoff in certain
watersheds. 3,038,655
(18)

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT - CONT.

1984-85

- | | |
|--|---------------------------|
| <p>b. COASTAL MANAGEMENT PROGRAM.
Funds to provide a demonstration project to control drainage in the Broad Creek area, develop a water management plan for Lake Matamuskeet in Hyde County, and to conduct research and monitoring.</p> | <p>\$ 331,667
(1)</p> |
| <p>c. STATEWIDE TOXICS PROGRAM.
Funds to provide for evaluation and elimination of toxic wastewater in North Carolina.</p> | <p>550,272
(14)</p> |
| <p>d. POLLUTION PREVENTION PAYS.
Provides funding to promote and apply techniques to reduce, prevent, recycle, or eliminate waste materials before they become pollutants.</p> | <p>116,150
(2)</p> |
| <p>e. MINE RECLAMATION FUNDS.
Matching funds to reclaim abandoned mines in Avery, Mitchell, and Yancey Counties.</p> | <p>48,000</p> |
| <p>4. ZOOLOGICAL PARK FUNDS. Funds to provide additional personnel required for operation of the African Phase.</p> | <p>348,160
(27)</p> |
| <p>5. STATE PARK FUNDS. Operating funds for Falls and Jordan Lakes and for truck at Fort Macon State Park.</p> | <p>132,285
(5)</p> |

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT - CONT.

1984-85

6. FORESTRY FUNDS. To provide state support of 17 positions in forest management and fire control and to provide equipment funds and personnel to operate equipment.

\$ 2,222,778
(32)

7. COMMUNITY ACTION AGENCIES. To provide funds to Community Action Agencies for services to the elderly, needy, and handicapped.

1,000,000

TOTAL EXPANSION BUDGET

\$ 8,062,967
(99)

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SPECIAL APPROPRIATION BILLS:

- HB 1376 NATURAL HERITAGE PROGRAM FUNDS.
Additional funds for the
Natural Heritage program.
(Sec 62)

\$ 100,000

- CARTERET ARTIFICIAL REEF FUNDS.
Funds to establish and maintain
an artificial reef in the
waters of Carteret County.
(Sec. 63)

100,000

- WILDLIFE RESOURCES COMMISSION
FUNDS. Operating and capital
funds to improve law enforcement
and for capital improvements.
(Sec. 88)

500,000

- SB 187 CEDAR ISLAND BOAT RAMP FUNDS.
Funds to build jetties at the
Cedar Island Boat Ramp. (Sec.
420)

40,000

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT - CONT.

1984-85

Senate Bill 187 (Cont.)

EAST WAKE WATER STUDY FUNDS. Funds to study water supply alternatives for the Knight- dale/Zebulon-Wendell area of Wake County. (Sec. 459)	\$ 25,000
HAZELWOOD WATER WORKS FUNDS. Funds for water system analysis and rehabilitation program. (Sec. 445)	10,000
BALSAM HATCHERY FUNDS. To provide for renovations and construction of a work center at the Wildlife Fish Hatchery near the Town of Waynesville. (Sec. 444)	7,500
SMOKIES HERITAGE FESTIVAL FUNDS. (Sec. 416)	5,000
COROLLA BOAT ACCESS FUNDS. Funds to provide a boating access area at Corolla in Currituck County. (Sec. 456)	10,000
CEDAR POINT BOAT RAMP FUNDS. Funds to construct a boating access area at Cedar Point in Carteret County. (Sec. 457)	20,000
WILSON REDEVELOPMENT FUNDS. Funds for renovation of historical property as part of the Main Street Community Project. (Sec. 452)	30,000
WILSON OPPORTUNITY INDUSTRIAL IZATION CENTER FUNDS. Support funds for programs operated. (Sec. 453)	10,000

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT - CONT.

1984-85

Senate Bill 187 (Cont.)

CAPE FEAR AREA OIC FUNDS.
Support funds for programs
operated by the Cape Fear Area
OIC in Wilmington. (Sec. 455)

\$ 13,300

TOTAL SPECIAL BILLS

\$ 870,800

TOTAL GENERAL FUND OPERATING BUDGET

\$49,714,840

TOTAL NUMBER OF NEW POSITIONS

99

* * * * *

CAPITAL IMPROVEMENTS:

1. To provide for the development
of a park in Wayne County.

\$ 100,000

2. Reserve for Civil Works Project.

2,074,000

3. Reserve for Watershed Projects

815,000

SUBTOTAL CAPITAL BUDGET

\$ 2,989,000

SPECIAL APPROPRIATION BILLS

SB 187 Randolph Forestry Head-
quarters Funds. (Sec. 432)

\$ 113,000

Burke Forestry Headquarters
Funds. (Sec. 415)

71,000

Piper-Dixon House on the
Eno funds. (Sec. 52)

40,000

TOTAL SPECIAL BILLS

\$ 224,000

TOTAL GENERAL FUND CAPITAL BUDGET

\$ 3,213,000

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT - CONT.

1984-85

Senate Bill 187 (Cont.)

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DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT - CONT.

1984-85

Senate Bill 187 (Cont.)

CAPE FEAR AREA OIC FUNDS.
Support funds for programs
operated by the Cape Fear Area
OIC in Wilmington. (Sec. 455)

\$ 13,300

TOTAL SPECIAL BILLS

\$ 870,800

TOTAL GENERAL FUND OPERATING BUDGET

\$49,714,840

TOTAL NUMBER OF NEW POSITIONS

99

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CAPITAL IMPROVEMENTS:

1. To provide for the development
of a park in Wayne County.

\$ 100,000

2. Reserve for Civil Works Project.

2,074,000

3. Reserve for Watershed Projects

815,000

SUBTOTAL CAPITAL BUDGET

\$ 2,989,000

SPECIAL APPROPRIATION BILLS

SB 187 Randolph Forestry Head-
quarters Funds. (Sec. 432)

\$ 113,000

Burke Forestry Headquarters
Funds. (Sec. 415)

71,000

Piper-Dixon House on the
Eno funds. (Sec. 52)

40,000

TOTAL SPECIAL BILLS

\$ 224,000

TOTAL GENERAL FUND CAPITAL BUDGET

\$ 3,213,000

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT

SPECIAL PROVISIONS:

House Bill 80:

- Section 109 States that the participation in the Nutrient Sensitive Watershed Project shall be voluntary. Establishes limitations on how funds can be used and authorizes studies of nutrient sensitive water quality in selected watersheds.
- Section 110 States that detailed plans for implementation of the agricultural portion of the Nutrient Sensitive Watershed Project shall be reviewed by a committee consisting of selected agricultural leaders in the State.
- Section 111 Requires that counties, receiving mine reclamation funds appropriated to NRCD in Section 2 of Chapter 971, Session Laws of 1983, must match in cash or in kind for this purpose.
- Section 111.1 Appropriates for the first time \$1,000,000 in State funds to support Community Action Agencies throughout the State in providing services to the elderly, needy, and handicapped.
- Section 112 Appropriates \$2,889,000 to NRCD for civil works and watershed projects and allocates the funds among various projects.

House Bill 1376:

- Section 88 Transfers to the Wildlife Resources Fund the \$2,000,000 in sales tax revenue collected on hunting and fishing supplies and equipment sold in the State.

DEPARTMENT OF PUBLIC EDUCATION

Statutory Authority: General Statutes, Chapter 115C

The department consists of a 13-member State Board of Education (11 members appointed by the Governor, plus the Lieutenant Governor and the State Treasurer); the State Superintendent of Public Instruction, a constitutional officer, serves as the secretary and chief administrative officer of the State Board of Education; and an appointed controller administers the fiscal affairs of the Board.

The major duties of the department are to communicate the needs of public elementary and secondary education, to provide leadership and support services to public schools, to assure standards of quality for programs and personnel, and to equitably distribute resources to operate educational programs which provide all pupils an opportunity to achieve their full potential.

Net appropriations increases for all school operations at State and local levels, including salary increase of \$198.1 million, were about 13 percent over that provided a year earlier in the 1984-85 budget.

When salary increases are excluded, agency increases total \$3.0 million for the Department of Public Instruction, 17.5 percent and \$72.1 million for the State Board of Education and local education agencies, 4.76 percent. An additional \$6.8 million in special bill monies for statewide projects in the local schools--school bus replacements, an additional 16 health coordinators and maintenance supervisor support--brings the total fiscal support increase to \$78.9 million, or 5.2 percent excluding salary increases. (See detailed breakdown below).

Salary increases represent 71 percent of the total school expansion package at a cost of \$198.1 million. Certified school personnel gained the 10 percent increase awarded to State employees and non-certified school personnel. In addition, they received the equivalent of one increment, or 4.8 percent, for a total increase of 14.8 percent. This increase is expected to place North Carolina's average teacher salaries above the regional average and improve the state's national ranking significantly.

Governor James B. Hunt, Jr. appointed a Commission on Education and Economic Growth in 1983. The Commission's recommendations for the public schools fared well in the 1984

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

session. Of the total Commission's budget request of \$301 million, \$257 million, or 85 percent, was approved and funded for 1984-85. Legislative initiatives provided additional funding of \$24 million, providing an overall expansion increase of \$281 million, including \$2.2 million for four programs operated by the several campuses of the University of North Carolina.

Major funding increases provided for class size reduction in grades 4-6 - \$31 million; math and science improvements, \$6.6 million; computer laboratories, grades 7-8, \$5.3 million; vocational education, \$6.0 million; exceptional children's programs, \$4.1 million; enrollment increases, \$6.4 million; school bus replacements, \$6.2 million; competency curriculum development and testing, \$2.1 million; plus a number of staff development and other program initiatives and expansions.

In other actions, the General Assembly enacted substantive legislation in the form of directives to the State Board of Education to develop a career growth program for certified school personnel. Also, the Assembly approved recommendations from its Public Education Policy Council clarifying policy goals and public funding for the public schools. The Council continues its work in the interim and will report to the 1985 General Assembly. (See more detailed description of the Elementary and Secondary School Reform Act of 1984, HB 1567, Chapter 1103, in the "Special Provisions" section below).

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1984-85

A. PROGRAM ADMINISTRATION AND SUPPORT

SENATE BILL 23 (CHAPTER 761, 1983 SESSION LAWS)	\$17,340,089
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EXPANSION BUDGET:

GOVERNOR'S COMMISSION ON EDUCATION AND
ECONOMIC GROWTH

- | | |
|---|--------------|
| 1. COMPETENCY DEVELOPMENT K-12.
To specify and select competencies
and courses students must master
as they progress through grade
levels K-3, 4-6, 7-8, 9-12 | \$ 1,000,000 |
|---|--------------|

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

	<u>1984-85</u>
2. COMPETENCY TESTING/MEASUREMENT. To develop testing procedures and measurement instruments required to implement a competency-based curriculum	\$ 1,146,500
3. TEACHER PREPARATION PROGRAM DATA BASE. To evaluate the effective- ness of teacher preparation programs by designing a data base to monitor new teacher progress and provide feedback to colleges during the two-year initial certification period.	15,000
4. SCHOLARSHIP/LOAN FUND-PROSPECTIVE TEACHERS. To create a scholarship/loan forgiveness fund for top high school students interested in a teaching career. 200 @ \$2,000 each.	400,000
5. MICROCOMPUTER EDUCATION. To provide technical assistance in the acquisition of computer hardware and software by local school systems, to develop effective course curricula and teacher training in microcomputers; to establish and support a computer soft- ware clearinghouse for public schools in North Carolina.	375,000 (7)
6. COMMUNITY SCHOOLS. To increase travel allowance	24,229
7. QUALITY ASSURANCE PROGRAM-ALL ADMINISTRATORS. To develop and implement rigorous quality assurance programs for all school administrators.	<u>75,000</u>
TOTAL EXPANSION BUDGET	\$ 3,035,729 (7)
TOTAL GENERAL FUND OPERATING BUDGET - PROGRAM ADMINISTRATION AND SUPPORT	\$20,375,818

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

1984-85

B. FISCAL ADMINISTRATION AND SUPPORT

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$1,513,713,235

EXPANSION BUDGET:

GOVERNOR'S COMMISSION ON EDUCATION
AND ECONOMIC GROWTH

1. STAFF DEVELOPMENT FUNDS. To increase from \$25 to \$50 per State-allotted certified position. \$1,363,825
2. SCIENCE/MATH TEACHERS EXTENDED EMPLOYMENT GRADES 9-12. To increase from 350 to 700 the number of science and math high school teachers funded for an additional 6 weeks of employment 1,167,950
3. CLASS SIZE REDUCTION GRADES 4-6. To reduce the allocation from 1:30 to 1:26 in grades 4-6 and to reduce maximum class size from 33 to 29. 31,098,760
(1,265)
4. AUTOMATED STUDENT INFORMATION SYSTEM (Statewide). To develop and pilot test an automated record-keeping system and increase teachers' instructional time. 600,000
(6)
5. SCIENCE AND MATH LAB EQUIPMENT AND MATERIALS. To upgrade materials and equipment and allocate on a graduated scale: 5,446,515
 - math/science grades K-6 \$2/ADM
 - math grades 7-12 \$2.50/ADM
 - science grades 7-8 \$4.50/ADM
 - science grades 9-12 \$6.00/ADM

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

	<u>1984-85</u>
6. VOCATIONAL EDUCATION EQUIPMENT GRADES 7-12. To upgrade equipment at \$5/ADM.	\$ 2,609,915
7. TEXTBOOKS. To increase high school textbook allotment from \$9 to \$15 per student.	2,003,340
8. COMPUTER LABS GRADES 7-12. To establish computer laboratories in all schools grades 7-12--one work station for each 100 students. Provides hardware, software and maintenance.	5,321,910
9. COMMUNITY SCHOOLS. To complete the program in all 142 units; increase base allocation to \$28,000.	715,771 (9)
10. AUTOMATED BUSINESS MANAGEMENT INFORMATION SYSTEM CONTROLLER'S OFFICE. To plan for a modern information management system.	200,000 (1)
11. EXCEPTIONAL CHILDREN'S FUNDS. To increase the formula support for exceptional children; and to provide for additional placements in Community Residential Centers	3,672,260 427,740 <u>(157)</u>
Subtotal Governor's Commission	\$54,627,986
LEGISLATIVE INITIATIVES	
12. RESERVE FOR OVERENROLLMENT. To fund an additional 9,733 students in average daily membership making a total ADM of 1,089,303 in 1984-85	6,443,036 (252)

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

	<u>1984-85</u>
13. EXTENDED DAY/YEAR PILOT PROGRAMS. 2nd year funds for Halifax and Polk County schools	\$ 2,200,000
14. ENERGY COSTS. To increase State support for rising energy costs.	1,500,000
15. VOCATIONAL EDUCATION. To expand pilot projects in 7-8th grades at 72 new sites @ \$32,000 (estimated), 9 sites in each of the 8 educational regions	2,363,400 (36)
16. VOCATIONAL EDUCATON - HANDICAPPED. To pick up the local match for handi- capped students, and earn maximum federal grant of \$3.1 million	1,013,009
17. SPORTS MEDICINE. To expand the number of teacher athletic trainers in high schools from 150 to 200 at a maximum of \$500 each	25,000
18. MAINTENANCE SUPERVISORS. To fully fund a supervisor in each local school administrative unit	2,420,805 (84)
19. TORT CLAIMS. To transfer funds budgeted for tort claims from the Justice Dept. to Public Education - Aid to Local Schools	<u>1,528,000</u>
Subtotal Legislative Initiatives	\$17,493,250
TOTAL EXPANSION BUDGET	\$72,121,236 (1810)

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DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

1984-85

SPECIAL APPROPRIATIONS BILLS:

HB 1376	SCHOOL BUSES. To provide funds for an estimated 265 bus replacements. (Sec. 25)	\$ 6,200,000
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	HEALTH COORDINATORS. To increase the number of coordinators from 16 to 32. (Sec. 20)	485,559 (16)
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	MAINTENANCE SUPERVISORS. To provide sufficient funds to fully support a supervisor position in each local school administrative unit in the State. (Sec. 74)	<u>140,993</u>
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TOTAL SPECIAL BILLS	\$ 6,826,552 (16)
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TOTAL GENERAL FUND OPERATING BUDGET - FISCAL ADMINISTRATION & SUPPORT	\$1,592,661,023
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GRAND TOTAL GENERAL FUND OPERATING BUDGET - DEPARTMENT OF PUBLIC EDUCATION	\$1,613,036,841
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TOTAL NUMBER OF NEW POSITIONS	
- State Level	14
- Local Level	<u>1,819</u>
TOTAL	1,833

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

SPECIAL PROVISIONS:

House Bill 80:

- Section 6 Salary adjustment for certified public school employees includes the equivalent of a salary grade classification increase resulting in 14.8 percent overall.
- Section 7-8 Competency testing/measurement designated as pilot programs, shall not duplicate existing tests, shall result in more objective decisions about student placement and promotion, and shall be cost-effective.
- Section 9 Summer employment extension for 350 math and science teachers in high schools. Limits purpose to teaching summer school and related classroom activities.
- Section 10 Scholarship Loan Fund for Prospective Teacher -- Appropriates \$400,000 for 200 new scholarships at \$2,000 each. Criteria to be based on academic performance. Awards equally available in each of the State's Congressional districts.
- Section 11 Class size reduced from 1:30 to 1:26 in grades 4-6 and funds shall be used for no purpose other than for additional teachers to reduce class size in grades 4-6.
- Section 12 Class size maxima are 29 students per teacher in grades 4-6.
- Section 15 Science and Math Equipment and materials funds to be allocated on a graduated schedule:
-- math and science (K-grades 6) \$2 ADM;
-- math (grades 7-12) \$2.50/ADM;
-- science (grades 7-8) \$4.50/ADM;
-- science (grades 9-12) \$6.00/ADM.
- Section 16 Centralized Payroll System for Public Schools. Mandates development in 1984-85; implementation for certified personnel in 1985-86; and for all personnel in 1986-87.

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

House Bill 80 (Cont.):

- Section 17 Basic and Vocational Skills Pilot Program expands from 32 sites to 104 sites in 1984-85. The pilot program initiated in 1983-84 serves under-achieving/high-risk students in grades 7-8.
- Section 17.1 Dropout Prevention programs in the middle grades may utilize federal funds.
- Section 18 Job Training Readiness. The Board may utilize Job Training Partnership Act funds and up to \$200,000 of the Vocational 7-8 grades Pilot Program funds to offer job readiness and other school-to-work transition and guidance programs.
- Section 19 Exceptional Children/Community Residential Centers. Permits \$427,740 from the State Aid to Exceptional Children's funds to CRCs for an increase in pupils eligible for such placement.
- Section 20 Exceptional Children/Funding Formula. Amends allocation methods on an eligible weighted headcount basis as of July 1, 1984, in accord with State Board of Education's existing formula as of June 1, 1984, with maxima for separate categories and overall.
- Section 21 Tuition may be charged for pupils 19 years old and over and who have not completed a standard high school course of study. The age change applies to general and special education pupils.
- Section 25 Handicapped Children Textbooks. Authorizes local boards to purchase high school textbooks appropriate for handicapped pupils in each subject and grade from the textbook funds generated by these pupils. Provision sunsets on July 1, 1985 unless extended by the General Assembly.
- Section 26 Match for federal Vocational Education funds for handicapped. State picks up the local match in the amount of \$1,013,009 to increase federal availability of more than \$3.0 million.

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

House Bill 80 (Cont.):

- Section 27 Accounting for ADM positions serving Exceptional Children. For 1984-85, each superintendent will account for the proper utilization of the regular positions it is allotted based on exceptional children in self-contained classrooms and shall report to the State Board of Education, which will then report its findings to the Legislative Commission on Children With Special Needs.
- Section 28 Exceptional Children Accountability. Continues accountability requirements for the State board of Education relative to precise admissions and exit criteria effective January 1, 1985.
- Section 29 Average Daily Membership Adjustment. Appropriates \$6,443,006 for an increase of 9,733 pupils in ADM.
- Section 32 Maintenance supervisors. Appropriates \$2.5 million for a full-time supervisor in each LEA. (Additional provision in Chap. 1116, HB 1376, Sec. 74).
- Section 34 Tenure. Treats equally all teachers in institutions under the Departments of Corrections and Human Resources as exempt from the tenure act, by repealing G.S. 115C-325(p) which lists some but not all institutions.
- Section 35 Authorizes continuation of the Forsyth County Schools alternative primary reading program.

House Bill 1376:

- Section 20 Health coordinators are increased from 16 to 32 - \$485,559.
- Section 25 School bus funds of \$6.2 million provide an estimated 265 additional replacements

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

House Bill 1376 (Cont.):

- Section 73 School liability insurance funds to be allocated to local administrative school units based on the number of State-allotted personnel covered.
- Section 74 An additional appropriation of \$140,993 provides full funding for one maintenance supervisor and a 10 percent salary increase in each of 142 LEAs.
- Section 76 Willie M Program reports to be made to the Commission on Children With Special Needs as well as to the Joint Governmental Operations Commission.
- Section 77 Staff Development funds for certified personnel to be allocated to local school units according to rules adopted by the State Board of Education.

Other legislation:

1. The Main Appropriations Act (Chap. 971, HB 1496) mandates development of a career growth program for teachers, principals and other certified school administrators.

Purpose -- to give recognition and pay based upon experience, ability and performance.

Elements --

- (a) Annual examinations with peer participation from outside the local school unit; opportunities to correct deficiencies; and dismissal, if the person cannot or will not perform.
- (b) Future salary increments to be an integral part of the career growth program; salary increases shall follow implementation of the pilot programs.

Time Frame --

- (a) State Board of Education to submit a preliminary report to the Legislative Education Policy Council by November 1, 1984 and
- (b) submit a report to named officers of the General Assembly on its career growth plan no later than five days after the 1985 assembly convenes

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

- (c) State Board of Education to implement program approved by the General Assembly by July 1, 1986. (Reference HB 1496, Chapter 971, 1983 Session Laws 1984).

- 2. "The Elementary and Secondary School Reform Act of 1984" (Chapter 1103, HB 1567) clarifies State policy for financing public schools and the school curriculum. Briefly, it articulates a new State policy for the public schools as follows:

"to create a public school system that graduates good citizens with the skills demanded in the market place, and the skills necessary to cope with contemporary society, using State, local and other funds in the most cost-effective manner." (Section 12)

Further, the new law directs the State Board of Education to develop a number of plans and to report to the General Assembly, or officers and committees thereof, by dates certain as follows:

- (a) to develop a Standard Course of Study to be offered to every child in North Carolina public schools and to submit the proposal to the General Assembly by October 15, 1984;
- (b) to conduct a Statewide audit of current curricula and to refine it to reflect "a rigorous academic course of study stressing mastery of integrated knowledge based on mastery of competencies in the basic skill areas..."
- (c) to include a core curriculum for all students, plus electives;
- (d) to establish a minimum length of the instructional day;
- (e) to prescribe standards for student performance and promotion;
- (f) to describe appropriate class sizes for each course required by the Standard Course of Study;
- (g) may include minimum staffing for schools regardless of size and minimum facility and materials requirements for the Standard Course of Study;

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

- (h) to prescribe minimum credentials, educational prerequisites and experience for local superintendents no later than January 1, 1985.

Requires principals to have been a second-level teacher with four years experience, and hold a Masters Degree in Educational Administration. It exempts personnel certified as of July 1, 1984;

- (i) to develop and recommend a quality assurance program for administrators by March 1, 1986;
- (j) to recommend a plan to upgrade teacher preparation programs through more rigorous courses of study and standards and to submit such plan not later than November 1, 1984;
- (k) to provide for lateral entry into the teaching profession before the 1985-86 year;
- (l) to begin a differential salary system based upon performance and other relevant factors in 1986-87;
- (m) to recommend a system to determine noncertified support personnel for local school units based on factors and formulas and to do so by November 1, 1984;
- (n) to recommend a program to remedy deficiencies and difficulties revealed through the evaluation process by December 1, 1986;
- (o) to adopt a differentiated staffing policy with at least five categories. It may pilot test the program in 1985-86, and shall recommend a statewide program for 1986-87.
- (p) to develop personnel policies as are required to ensure a coherent progression through the system of differentiation and to prevent imbalances at any level;

DEPARTMENT OF PUBLIC EDUCATION - CONTINUED:

- (q) to consider methods of enhancing quality of continuation programs;
- (r) to recommend a method of loan/scholarship assistance to prospective teachers in areas of anticipated shortage by November 1, 1984.

The law provides that teachers employed prior to 1984-85 may elect to continue under existing employment system or elect to enter the new system of differentiation during the 1986-87 year.

DEPARTMENT OF REVENUE

Statutory Authority: General Statutes, Chapter 143B

The Secretary of Revenue is appointed by the Governor. It is the Secretary's duty to make a continuing study of economic conditions and to evaluate the effect of these conditions on the tax bases and prospective collections. The Secretary is required to make and publish copies of biennial factual statistics of State and local taxation.

Under the Secretary's supervision his Department spends much time auditing tax returns and collecting taxes that support a majority of State expenditures.

The Department also serves as a consultant and advisor on state tax preparation. Local governments are also assisted in appraising and taxing property.

The 1983 General Assembly granted funding for 29 new positions for 1983-84 and 14 new positions for 1984-85 fiscal year. This will enable the Department to curtail violations of tax laws with stricter investigation and more audits.

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	<u>1984-85</u>
SENATE BILL 23 (CHAPTER 761, 1983 SESSION LAWS)	\$30,164,632
<u>EXPANSION BUDGET:</u>	
1. SERVICE AND SUPPLY DIVISION. Reduce appropriation for office rental due to move into a state-owned facility.	\$ (47,950)
TOTAL EXPANSION BUDGET	\$ (47,950)
TOTAL GENERAL FUND OPERATING BUDGET	\$30,116,682

SECRETARY OF STATE

Statutory Authority: General Statutes, Chapter 147

The 1983 General Assembly reviewed and adjusted the fees and taxes collected by the Department of the Secretary of State. The Department is continuing its modernization of operations by increasing the use of data processing equipment and personnel. The 1984 Session expanded Uniform Commercial Code Filing to include farm products liens.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION)

\$1,187,659

EXPANSION BUDGET:

1. CORPORATIONS FILING. To provide
new positions and related costs
due to increased filings.

\$ 56,000
(4)

2. PUBLICATIONS. To provide funds to
lamine old land grant records

10,000

TOTAL EXPANSION BUDGET

\$ 66,000
(4)

* * * * *

SPECIAL APPROPRIATIONS BILLS:

HB 1376 Funds to implement a system
for the central filing of
security interests in farm
products. (Sec. 44)

\$ 99,086
(4)

TOTAL SPECIAL BILLS

\$ 99,086
(4)

TOTAL GENERAL FUND OPERATING BUDGET

\$1,352,745

TOTAL NUMBER OF NEW POSITIONS

8

DEPARTMENT OF STATE TREASURER

Statutory Authority: General Statutes, Chapter 143A

The State Treasurer, who is elected to a four-year term serves the State as its banker and money manager. It is the Treasurer's responsibility to invest State monies, issue and sell bonds and manage several trust funds. The Treasurer also assists local governments with similar duties.

As an elected official the State Treasurer is a member of the Council of State.

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1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$7,875,628

EXPANSION BUDGET:

Administration

1. BANKING OPERATIONS. To change basis of funding support from departmental receipts to General Fund non-tax revenues. \$ 488,473
2. BANKING OPERATIONS. To provide funds from General Fund non-tax revenues to purchase new and more sophisticated equipment to replace rental of older deteriorating equipment which will no longer provide the level of services needed. 582,000
3. RETIREMENT OPERATIONS. To provide funds to refund employee contributions for the age 60 with 25 years of service early retirement program made during 1981-83 which were not required from employees during 1983-85. 516,100

DEPARTMENT OF STATE TREASURER - CONTINUED:

1984-85

Law Enforcement Officers Retirement -
Local's Share

4. LEO RETIREMENT SYSTEM. Delete state
contributions for locally-employed
law officers. \$ (6,933,300)

TOTAL EXPANSION BUDGET \$ (5,346,727)

* * * * *

SPECIAL APPROPRIATIONS BILLS:

Administration

HB 80 To supplement funds in the Ex-
pansion Budget for Banking
Operations to change its basis of
funding support from departmental
receipts to General Fund non-tax
revenues. (Sec. 119) \$ 72,885

HB 80 To change basis of funding support
for Investment Operations from de-
partmental receipts to General Fund
non-tax revenues. (Sec. 119) 1,513,405

Law Enforcement Officers Retirement -
Local's Share

HB 1376 To provide funds to continue the
State subsidy for local officers in
in the Law Enforcement Officers'
Retirement System at one-half of
the previous subsidy which was
deleted in total in the Expansion
Budget. (Sec. 112) 3,466,650

TOTAL SPECIAL BILLS \$5,052,940

TOTAL GENERAL FUND OPERATING BUDGET \$7,581,841

DEPARTMENT OF STATE TREASURER - CONTINUED:

SPECIAL PROVISIONS

House Bill 80:

Section 114

Any member of the Teachers' and State Employees' Retirement System who was at least 60 years of age with 25 or more years of creditable service and who retired on a reduced service retirement allowance between July 1, 1981 and June 30, 1983 shall have his retirement allowance increased by the elimination of the reduction factors applicable at the time of retirement. This increase in retirement allowances shall apply equally to the allowance of a surviving annuitant of a beneficiary. This section is effective on the first of the month following a determination by the System's consulting actuary that sufficient gains are available in the System to pay the total present value actuarial cost of the increased retirement allowance.

Section 115

The Local Government Commission may use \$56,000 from the fees charged to issuers of private-purpose revenue bonds for employing additional personnel in reviewing the financial positions of the bond issuers.

House Bill 1376:

Section 112

It is the intent of the General Assembly that the State subsidy for local officers in the Law Enforcement Officers' Retirement System be eliminated beginning July 1, 1985. The Department shall notify in writing every local government employer (county commissioners, municipal councils, and commissions, etc.) participating in the Law Enforcement Officers' Retirement System not later than September 30, 1984, that the State subsidy for locally employed law enforcement officers will be eliminated beginning July 1, 1985.

DEPARTMENT OF TRANSPORTATION (DOT) — HIGHWAY FUND

Statutory Authority: General Statutes, Chapters 20 and 136

The 1981-83 biennium was a period marked by policy shifts from construction to an emphasis on maintenance and major cutbacks in employees. The General Assembly appropriated approximately \$152 million over the two years for a new contract resurfacing program, which funded over 7,900 miles of road resurfacing.

The 1983 Session focused on finding additional state funds to match the massive \$236 million increase in federal highway funds over the 1983-85 biennium. Major funding came from new revenues, base budget cuts, use of existing resources, and \$25.8 million from the General Fund.

The 1983 General Assembly consolidated trucking regulation in the Division of Motor Vehicles, increased enforcement of drivers licensing and registration laws, and allowed citizens to apply for voter registration when they visit driver's license offices.

The 1984 Session provided \$2 million per Division for urban and rural construction projects; provided funding for an experimental rail passenger transportation project from Henderson to Charlotte via the Piedmont Crescent; and provided funding to complete the Manns Harbor Ferry project. The 1984 Session also eliminated the requirement that the sales price of a motor vehicle in a casual sale be based on a book value for sales tax purposes. The sales tax required is now based on the actual sales price.

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1984-85

SENATE BILL 23, (CHAPTER 761,
1983 SESSION LAWS)

\$609,722,953

EXPANSION BUDGET:

Department-Wide

- | | |
|--|--------------|
| 1. 10% Legislative Salary Increase for Highway Fund employees. | \$27,000,000 |
| 2. 8% Legislative increase for retiree benefits. | 579,500 |

DEPARTMENT OF TRANSPORTATION - HIGHWAY FUND - CONTINUED:

1984-85

DIVISION OF HIGHWAYS

1. Provided funds to repair facilities and equipment and purchase highway lab testing equipment. \$ 409,307
2. Provided the statutory required equivalent for each to County Secondary Roads and Aid to Municipalities (Powell Bill) of 1 3/8 cents per gallon. 4,100,000
3. Continued Urban Construction at 1983-84 level by providing \$1 million per Highway Division. An additional \$1 million per division is provided to allow for additional urban and rural construction projects, subject to the availability of funds. 23,800,000
4. Provided funding to match fiscal year estimated Federal-aid Construction Funds (utilizes \$6.8 million 1984-85 Reserve and unspent 1983-84 Reserve). 21,700,000
5. Provided funding to offset equipment rental increases and material cost increases. 5,100,000

PUBLIC TRANSPORTATION

1. Provided funding for one year experiment of rail transportation service from Henderson to Charlotte via the Piedmont Crescent, and return daily. 500,000

DIVISION OF MOTOR VEHICLES

1. Provided funding for 54 additional positions for process serving due to anticipated auto liability insurance terminations. 1,400,000
(54)
2. Provided funding for 7 positions in the School Bus Driver training program. 200,000
(7)
3. Provided funding for license plates and stickers, uniforms and postage, supplies related to increased activity. 815,783

DEPARTMENT OF TRANSPORTATION - HIGHWAY FUND - CONTINUED:

1984-85

- | | | |
|----|---|--------------|
| 4. | Provided funding for computer capacity
in 92 local Driver License Offices. | \$ 1,111,000 |
|----|---|--------------|

APPROPRIATIONS TO OTHER DEPARTMENTS

- | | | |
|----|--|----------------|
| 1. | Provided funds to Department of Crime
Control and Public Safety for State
Highway Patrol step increase (\$1,800,000)
and provided for data processing
provisions for Highway Patrol. (\$300,000) | 2,100,000 |
| 2. | Provided a Reserve for the transfer of
the State Law Enforcement Officers Retire-
ment to the Teachers and State Employees
Retirement System. | <u>720,000</u> |

TOTAL EXPANSION BUDGET	\$89,535,590 (61)
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SPECIAL APPROPRIATION BILLS:

HB 1376	Provided funds as a grant-in-aid to the Atlantic and North Carolina Railroad Company for the design of a new draw to replace an old draw. (Sec. 70)	\$ 300,000
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Provided funds to increase Branch Agents fee from sixty-four cents (64¢) to seventy cents (70¢). (Sec. 71)	310,000
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Other Departments - Provided funds to Department of Crime Control and Public Safety for salary adjustment for secretarial personnel. (Sec. 90)	<u>60,000</u>
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TOTAL SPECIAL BILLS	\$ 670,000
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TOTAL HIGHWAY FUND OPERATING BUDGET	\$699,928,543
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TOTAL NUMBER OF NEW POSITIONS	61
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* * * * *

DEPARTMENT OF TRANSPORTATION - HIGHWAY FUND - CONTINUED:

1984-85

CAPITAL IMPROVEMENTS:

DIVISION OF HIGHWAYS

- | | |
|--|--------------|
| 1. Complete Mann's Harbor Ferry Facility. | \$ 4,700,000 |
| 2. Renovations and improvements to Division Maintenance, Equipment and Other Highway Facilities. | 2,020,000 |
| 3. Maintenance and Equipment Complex - Goldsboro | 3,000,000 |

DIVISION OF MOTOR VEHICLES

- | | |
|--------------------------------------|---------|
| 1. Renovate Motor Vehicles Building. | 549,000 |
|--------------------------------------|---------|

OTHER DEPARTMENTS

- | | |
|---|----------------|
| 1. Highway Patrol Driving Track. | 1,308,000 |
| 2. Highway Patrol - Renovations to training center. | <u>600,000</u> |

TOTAL HIGHWAY FUND CAPITAL BUDGET	\$12,177,000
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* * * * *

SPECIAL PROVISIONS:

House Bill 80:

Section 129 Authorize the Department of Transportation to spend up to \$40,000 per year to purchase historical markers.

Section 200 Provided \$2 Million for each of the 14 Highway Divisions for urban and rural construction projects, subject to the availability of funds. Funds allocated for Division rural construction projects are not subject to the County formula allocations as provided by G.S. 136-44.5.

DEPARTMENT OF TRANSPORTATION - HIGHWAY FUND - CONTINUED:

House Bill 80:

- Section 201 Repeals Section 8(a) of Chapter 761 of the 1983 Session Laws thereby requiring all funds in the Special Reserve to match additional Federal Funds to revert to the Highway Fund effective 6/30/84.
- Section 202 Provides a fee increase from sixty-four (64¢) to seventy (70¢) commissions paid per transaction to Branch Agents.
- Section 203 Provides a one time allocation of \$500,000 for operating cost of the proposed Amtrak Passenger Service in the Piedmont Crescent. The economic feasibility study of the train service to be prepared by the Department of Transportation shall be reviewed and approved by the Joint Legislative Commission on Governmental Operations no later than October 1, 1985.
- Section 204 Provides that funds appropriated for the construction of a defensive driving and training facility and to renovate the Motor Vehicles building that are not expended or obligated for that purpose during 1984-85 may be applied to construct district office facilities for the Highway Patrol in conjunction with the Harnett County Law Enforcement Center or a firearms instruction facility at the Highway Patrol Training Center, or both.
- Section 205 Limits the transfer of certain funds within the Division of Highway's budget of the original appropriation from which the transfer is made. The amount reduced shall not be more than 10%, without consultation with the Advisory Budget Commission and the approval of the Director of the Budget. Requires some transfers that provide additional positions be approved by the Director of the Budget.

House Bill 1376:

- Section 105- The General Statutes is amended to permit
109 "three, four and five-axle vehicles transporting garbage, refuse, and trash" to be exempt from the truck weight limitations as provided in G.S. 20-118(b).

DEPARTMENT OF TRANSPORTATION - HIGHWAY FUND - CONTINUED:

OTHER SPECIAL BILLS

House Bill 1482: Changes the method of assessing sales tax on casual sales of motor vehicles by eliminating the requirement that the sales tax be based on a book value of the vehicle for sales tax purposes. Sales tax is assessed on the actual sales price.

House Bill 1772:

Section 5 Provides for the issuance of special military reserve license plates to eligible members of the reserve components of the Armed Forces of the United States.

Section 7 Provides for the issuance of special identification cards to any person 11 years old or older who is a resident of the State of North Carolina.

DEPARTMENT OF TRANSPORTATION (DOT) -- General Fund

1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

Public Transportation
Aeronautics
Aid to Railroads

\$1,340,000
3,516,571
100,000

TOTAL DEPARTMENT OF TRANSPORTATION -
GENERAL FUND

\$4,956,571

* * * * *

NO LEGISLATIVE BUDGET CHANGES

THE UNIVERSITY OF NORTH CAROLINA (UNC) BOARD OF GOVERNORS

Statutory Authority: General Statutes, Chapter 116

The Board of Governors is composed of thirty-two members elected for eight year terms by the General Assembly. The Board is required to plan and develop a coordinated system of higher education in North Carolina.

The President of The University of North Carolina is the chief administrative officer of the University. He establishes administrative organizations to carry out the policies of the University. In carrying out his duties and responsibilities the President is assisted by his staff officers and by the chancellors of the constituent institutions.

The 1984 Session of the General Assembly transferred the North Carolina School of Science and Mathematics to the Board of Governors and allowed military personnel stationed in North Carolina to pay in-state tuition at UNC institutions.

* * * * *

1984-85

SENATE BILL 23 (CHAPTER 761,
1983 SESSION LAWS)

\$630,345,302

EXPANSION BUDGET:

UNIVERSITY OPERATIONS-LUMP SUM

1. ENROLLMENT CHANGES (PRIORITY #2).
To provide for a projected
enrollment growth of 545 students.
The 1983-84 budgeted enrollment
is 104,655.

\$ 2,211,640

2. INCREASED TUITION-BASE BUDGET.
Revise tuition receipts estimate
based on 1983-84 collections due
to shift in enrollment of more
out-of-state students, who pay
higher tuition than in-state
students.

(1,300,000)

UNC - BOARD OF GOVERNORS - CONTINUED:

1984-85

3. EAST CAROLINA UNIVERSITY SCHOOL OF MEDICINE (PRIORITY #3). To complete the developmental phase of the School of Medicine by adding additional faculty and staff and increasing the number of residents. Funds also provide for equipment purchases and other non-professional support. \$ 585,719
4. SCHOOL OF VETERINARY MEDICINE (PRIORITY #4). To complete the developmental phase of the School of Veterinary Medicine by adding additional faculty and staff, equipment and other non-personnel support for the instructional program and operation of the teaching hospital. 1,521,036 (73)

PRIORITIES 5-9. To fund the remainder of the Schedule of Priorities, Items 5 through 9. The 1983 General Assembly directly funded these items with \$10.0 million and mandated a tuition increase of \$10.0 million which was also to be used for these requirements. An additional \$4,700,000 will be available from further increases in nonresident tuition rates effective with the 1984 fall term.

Priority Line

5. Research and Teaching in Engineering and Science \$ 3,759,652
6. Inter-Institutional Programs 539,008
7. Libraries 1,866,000

UNC - BOARD OF GOVERNORS - CONTINUED:

1984-85

8. Physical Plant Maintenance	\$ 4,544,000	
9. Basic Program Support	14,402,472	
Total Requirements	<u>\$25,111,132</u>	
Less 1983 Appropriation	10,000,000	
Less 1983 Tuition Increase	10,000,000	
Less 1984 Non-Resident Tuition Increase	<u>4,700,000</u>	
Requested Appropriation	\$ 411,132	\$411,132 (81.6)
5. TRAINING PROGRAM-LOCAL OFFICIALS.		
To provide training for local officials in the western part of the State. Training to be done through the Institute of Government at Western Carolina University.		75,000
6. SUMMER INSTITUTES SCIENCE/MATH.		
Provide residential summer institutes in math and science at constituent institutions for academically talented rising high school juniors and seniors.		1,150,000
7. SMALL BUSINESS DEVELOPMENT CENTERS.		
Establish Small Business Development Centers at constituent institutions to develop and expand business activities in small cities and rural areas.		300,000
8. RESEARCH FUNDS. Provide additional support to major research universities of the University of North Carolina System.		4,500,000 (Non-Recurring)
9. MATH/SCIENCE EDUCATION CENTERS.		
To expand the network of mathematics and science education centers on university campuses. The purpose is to improve the quality and increase the number of qualified math and science teachers.		\$ 590,000 <u>(10)</u>
EXPANSION -LUMP SUM SUBTOTAL*		\$10,044,527 (164.6)

UNC - BOARD OF GOVERNORS - CONTINUED:

1984-85

10. RELATED EDUCATIONAL PROGRAMS.
The Legislative Tuition Grant
Program was increased from \$750
to \$850 per year per student. \$ 664,100

UNC-CHAPEL HILL
ACADEMIC AFFAIRS

11. PRINCIPALS MANAGEMENT PROGRAM.
Establish a short-term, in-
residence management training
program for principals. 105
principals would attend the
first year, with potential
expansion to 350 participants
per year. 374,000

HEALTH AFFAIRS

12. UNC-TEACCH. Reduce budget
for office rental due to move
to state-owned building in
Charlotte. (7,890)
13. AHEC/MENTAL HEALTH. Funding
to begin implementation of a
5-year plan for training,
recruiting, and retention of
psychiatrists and other
mental health professionals
through the Area Health
Education Centers and Area
Mental Health Centers. Total
cost in 1988-89 is projected
to be \$2.8 million. 270,000

EXPANSION-UNC-CH HEALTH AFFAIRS \$ 262,110

*Biotechnology Research. Operating funds of \$910,000 and Capital
Funds of \$2,045,000 are included in the Office of State Manage-
ment and Budget as reserves for biotechnology efforts in the
University system. (See pages 106 and 175)

UNC - BOARD OF GOVERNORS - CONTINUED:

1984-85

NORTH CAROLINA STATE UNIVERSITY AT RALEIGH
AGRICULTURAL PROGRAMS

- | | |
|--|-------------------|
| 14. SWINE SPECIALIST. Provide for swine specialist in Extension for 10-county area inadvertently omitted in 1979 appropriations. | \$ 60,000
(1) |
| 15. TURF GRASS RESEARCH. Provide support for turf grass research and related extension programs at NCSU. | 30,000 |
| 16. CORN RESEARCH. Provide for corn research and related extension faculty and technician positions in Department of Crop Science at NCSU. | 40,000
(2) |
| <hr/> | |
| EXPANSION-NCSU AGRICULTURAL PROGRAMS SUBTOTAL | \$ 130,000
(3) |

EAST CAROLINA UNIVERSITY

- | | |
|--|-----------|
| 17. NUCLEAR MAGNETIC RESONANCE (NMR) UNIT. Funds to purchase NMR diagnostic equipment for ECU Medical School | 1,800,000 |
|--|-----------|

NORTH CAROLINA MEMORIAL HOSPITAL

- | | |
|---|-----------|
| 18. NUCLEAR MAGNETIC RESONANCE (NMR) EQUIPMENT. Funds to purchase NMR diagnostic equipment. | 1,800,000 |
|---|-----------|

NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS

- | | |
|--|-----------|
| 19. TRANSFER. Funding for the N.C. School of Science and Mathematics in Durham was transferred to the UNC Board of Governors from the Department of Administration | 3,583,370 |
|--|-----------|

UNC - BOARD OF GOVERNORS - CONTINUED:

1984-85

20. NEW POSITIONS. Provide staff
to operate and maintain the
new boiler.

\$ 34,983
(2)

N.C. SCHOOL OF SCIENCE AND
MATHEMATICS - SUBTOTAL

\$ 3,618,353
(2)

TOTAL EXPANSION BUDGET

\$ 18,693,090
(169.6)

* * * * *

SPECIAL APPROPRIATION BILLS:

HB 1376 RURAL EDUCATION. Establish
Offices of Rural Education
at East Carolina and Western
Carolina Universities to
focus on the needs of
schools in rural areas.

\$ 100,000

SB 187 PUBLIC RADIO WFAE. Provide
operating funds to WFAE in
Charlotte.

55,000

HISTORICAL EXHIBIT. Provide
grant to restore the Scotch-
Irish exhibit at the Mountain
Heritage Center at Western
Carolina University.

10,000

GRANTS-ECU. Provide grants-
in-aid to the East Carolina
Summer Theatre (\$5,000) and
the East Carolina Friends of
Music (\$1,000).

6,000

NCCU ANNIVERSARY. Provide
funds for celebration of
the 75th anniversary of North
Carolina Central University

15,000

TOTAL SPECIAL BILLS

\$ 186,000

TOTAL GENERAL FUND OPERATING BUDGET

\$649,224,392

TOTAL NUMBER OF NEW POSITIONS

169.6

UNC - BOARD OF GOVERNORS - CONTINUED:

1984-85

CAPITAL IMPROVEMENTS:

1.	School of Science and Mathematics/Construction of Dormitory, Resident Advisor Apartments, and Infirmary	4,400,000
2.	NCSU	
1.	Cattle Research Facility/Butner	1,900,000
2.	Turf Grass Research Laboratory	50,000
3.	Addition to D.H. Hill Library	9,159,000
4.	Fletcher Research Station	360,000
3.	UNC-Asheville/Classroom Building	6,175,000
4.	Pembroke State/University Center	
	Total	6,242,000
	Receipts	2,300,000
	Appropriation	3,942,000
5.	East Carolina/Classroom Building	14,635,000
6.	UNC-Wilmington/Library Addition	7,611,000
7.	Appalachian State/Industrial Arts Building Addition	4,128,000
8.	Memorial Hospital/NMR Facility	800,000
9.	Board of Governors	
1.	Western Carolina/Reserve for Jackson County Board of Education for Vacating Camp Lab Building	5,000,000
2.	Reserve for Advance Planning	<u>1,310,000</u>
	SUBTOTAL CAPITAL BUDGET	\$59,470,000

* * * * *

UNC - BOARD OF GOVERNORS - CONTINUED:

1984-85

SPECIAL APPROPRIATION BILLS:

HB 1376	UNC-Asheville Athletic Fields (Sec. 18)	\$ 150,000
	North Carolina Central University - Athletic Field Lighting (Sec. 22)	65,000
	North Carolina State University - Peach Research Center Laboratory (Sec. 19)	70,000
SB 187	UNC-Asheville Athletic Fields (Sec. 168)	138,200
	UNC-Asheville-Capital Improve- ments for Radio Station WUNF (Sec. 169)	<u>10,000</u>
	TOTAL SPECIAL BILLS	\$ 433,200
	TOTAL GENERAL FUND CAPITAL BUDGET	\$ 59,903,200

* * * * *

SPECIAL PROVISIONS:

House Bill 80:

Sections 49-50 The N.C. School of Science and Mathematics was transferred to the Board of Governors. Recommendations on statutory changes shall be made to the 1985 General Assembly.

Sections 57-59 Military personnel stationed in North Carolina and their dependents are now eligible for in-state tuition at campuses of the University of North Carolina and the Community College system. They are also eligible for the Legislative Tuition Grant Program if they attend a private college in North Carolina as a full-time undergraduate.

Statewide Operating Reserves

1984-85

GENERAL FUND:

- | | | |
|----|--|----------------------|
| 1. | 10% Across-the-Board Salary Increase for All State Employees and Public School Personnel. In addition, <u>Certified School Personnel</u> were granted a 4.8% salary grade adjustment. | |
| | Public Schools, School Personnel | \$196,584,600 |
| | Community Colleges, Institutional Personnel | 20,641,654 |
| | University System, EPA Personnel | 37,772,670 |
| | Other State Employees | 77,317,076 |
| | Total | <u>\$332,316,000</u> |
| 2. | 10% Across-the-Board Salary Increase funds for Local Government Employees Supported by State Appropriations. | 7,905,600 |
| 3. | 8% Across-the-Board Increase in Retirement Allowances for Retired Educators, State Employees, Law Officers, Judges, Solicitors, and Superior Court Clerks as of July 1, 1983 to compensate for across-the-board salary increases for active employees. | 6,647,300 |
| 4. | To provide funds for a Pay Equity Study. | 650,000 |
| 5. | To provide a reserve to meet critical needs for computer systems and for office automation. | 1,000,000 |
| 6. | To provide funds for the conversion of the Old Art Museum into the Museum of History. | 500,000 |
| 7. | Reserve for the Board of Governors to establish Biotechnology Research Programs. | 910,000 |
| 8. | Reserve for computer rate increases made necessary by the move to the Amoco Building site. | 200,000 |

STATEWIDE RESERVES - CONTINUED:

1984-85

9. Reserve for the implementation of the Administrative Procedures Act.	\$ <u>500,000</u>
TOTAL GENERAL FUND RESERVES	\$355,128,900

HIGHWAY FUND:

1. 10% Across-the-Board Salary Increase for All State Employees.	\$ 27,000,000
2. 8% Across-the-Board Increase in Retirement Allowances for Retired Educators, State Employees, Law Officers, Judges, Solicitors and Superior Court Clerks as of July 1, 1983 to compensate for across-the-board salary increases for active employees.	579,500
3. Reserve to the Department of Crime Control and Public Safety to provide funds for salary adjustments to certain members of the State Highway Patrol.	1,800,000
4. Reserve to the Department of Crime Control and Public Safety to provide funds for salary adjustments to secretarial personnel in highway patrol district offices.	<u>60,000</u>
TOTAL HIGHWAY FUND RESERVES	\$ 29,439,500

**Special Appropriations,
Studies and Revenue Bills**

**SPECIAL APPROPRIATIONS
1984-85**

<u>DEPARTMENT</u>	<u>APPROPRIATIONS</u>	
	<u>OPERATING</u>	<u>CAPITAL</u>
General Assembly	\$ 216,000	\$ -
Judicial	3,032,919	-
Governor's Office	50,000	-
Special Appropriations	9,678,440	-
Secretary of State	99,086	-
State Treasurer		
Operations	1,586,290	-
LEO Retirement	3,466,650	-
Public Education		
Fiscal Administration	6,826,552	-
Justice	97,435	-
Agriculture	72,966	1,162,838
Administration	86,097	485,000
Natural Resources & Comm. Dev.	870,800	224,000
Human Resources	3,481,325	-
Correction	190,090	-
Commerce	250,000	-
Cultural Resources	873,750	530,000
Crime Control	893,944	-
	60,000 HF	
University System	186,000	433,200
Community Colleges	242,912	6,395,700
Reserve for Admin. Procedures Act	500,000	-
Transportation	<u>610,000 HF</u>	<u>-</u>
TOTAL GENERAL FUND	\$32,701,256	\$9,230,738
TOTAL HIGHWAY FUND	\$ 670,000	\$ -0-

GENERAL FUND
STATEWIDE MONEY BILLS

HOUSE BILL 80:

<u>SECTION NUMBER</u>	<u>SUBJECT</u>	<u>1984-85 Appropriation</u>
36	Capital Improvements-Community Colleges	\$6,280,700 CI
101	Crime Control and Public Safety - Deferred Prosecution Program	630,000
119	Department of State Treasurer - Investment Management Division and Banking Operation	<u>1,586,290</u>
	SUBTOTAL - OPERATING	\$2,216,290
	SUBTOTAL - CAPITAL	\$6,280,700
	TOTAL - HB 80	\$8,496,990

HOUSE BILL 1376:

<u>SECTION NUMBER</u>	<u>SUBJECT</u>	<u>1984-85 Appropriation</u>
CULTURAL RESOURCES -		
3	Aid for Professional Theatre	\$ 50,000
4	Grassroots Arts-Program	150,000
7	Cultural Resources for Historical Surveys of Counties	60,000
1	Archives & History/Restoration of Craven County Courthouse	125,000
10	Cabarrus County Courthouse Restoration	50,000
5	Cabarrus County-Kannapolis Library Building Funds	100,000
8	Art in State Buildings	10,000
15	Roanoke Voyages Commission	3,000
11	Cherokee Historical Asso. Adm. Building	300,000
9	Fayetteville Museum Branch	130,000 CI
6	Natural Science Center of Greensboro -Solar Observatory Funds	165,590
12	Historic Hope Plantation	75,000
16	Spencer Shops	100,000 CI
17	N.C. Historic Preservation Foundation	150,000
79	Bath Historic Site	26,550

EDUCATION -

18	UNC-Asheville Athletic Fields	150,000 CI
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General Fund Statewide Money Bills - Continued

<u>SECTION NUMBER</u>	<u>SUBJECT</u>	<u>1984-85 Appropriation</u>
20	Health Coordinators 16 Positions (Public Schools)	\$ 485,559
24	Office of Rural Education (1 East Carolina University @ \$50,000 and 1 Wake Forest University @ \$50,000)	100,000
22	N.C. Central Univ. Athletic Field lights	,65,000 CI
19	Construction of office and lab for Sandhills Peach Research Center (North Carolina State University)	70,000 CI
21	Public Radio Funds (Regional stations in Craven and Rutherford counties) (Community Colleges)	137,912
25	School Bus Replacements (State Board of Education)	6,200,000
74	Maintenance Supervisor Funds (Public Schools)	140,993

DEPARTMENT OF HUMAN RESOURCES -

37	Special Child Programs Funds	678,933
36	Nursing/Rest Home Reimbursement	100,000
34	Bethlehem Center Funds	30,000
30	Black Mt. DHR Police	50,000
29	More Care Attendant Funds	75,000
31	Stanley Autistic Home Fund	50,000
33	Hearing Impaired Outreach Program	50,000
38	Community Centers Mental Retardation Funds	215,000
28	Shellfish waters monitored	88,000
35	Area Match Funding Equalization	1,149,754
26	Private resident child-care grant	311,786
27	Alzheimers disease support funds	50,000
39	Autistic Adult Group Home	32,500
32	Funds for Treatment Alternatives to Street Crime Programs	177,507
40	Preventive Dentistry Funds	332,500

GENERAL GOVERNMENT -

54	Oversight of State Comprehensive Major Medical Plan (Office of State Budget and Management)	50,000
50	Juvenile Study Funds-(Department of Administration)	10,000
53	Administrative Procedures Act Funds - (Governor's Office)	500,000
46	Student Legislature Funds - (Legislative Service Commission)	10,000

General Fund Statewide Money Bills - Continued

<u>SECTION NUMBER</u>	<u>SUBJECT</u>	<u>1984-85 Appropriation</u>
47,48 & 49	Constitution Bicentennial Commission (Office State Budget and Management)	\$ 300,000
44	Farm Products Liens Funds (Secretary of State)	99,086
41,42 & 43	Farm Products Liens Filings (Secretary of State)	
51	Criminal Code Study Funds (Legislative Services Commission)	20,000
45	More Tribal Training Funds (Department of Administration)	31,597
52	FY 85 Contingency Reserves (Office of Budget and Management)	1,500,000
13	Roanoke Island Performing Arts Center (Governor's Office)	500,000
14	Indian Cultural Center (Department of Administration)	485,000 CI
112	Subsidy for Local Officers in LEO (State Treasurer)	3,466,650
JUSTICE AND PUBLIC SAFETY -		
56	Radar Act Funds (Justice)	97,435
57	Wake and Durham Dispute Settlement Center (\$45,000 - Wake, \$5,000 Durham) (Administrative Office of the Courts)	50,000
58	Community Penalties Funds (Department of Crime Control and Public Safety)	75,000
59	Butner Public Safety Department (Dispatcher, Radio Engineer, Secretary, Automobiles) (Department of Crime Control and Public Safety)	138,731
55	Funds For Wings Program (Department of Correction)	5,000
60	National Guard Tuition (Department of Crime Control & Public Safety)	45,213
*62.1	McGrady Fire Department (Governor's Office)	2,000
86	Reduce Indigent Person's Fund (Judicial)	(2,000,000)
NATURAL AND ECONOMIC RESOURCES -		
63	Carteret Artificial Reef Fund (NRCD)	100,000
66	Western N.C. Agricultural Center (Agriculture)	500,000

General Fund Statewide Money Bills - Continued

<u>SECTION NUMBER</u>	<u>SUBJECT</u>	<u>1984-85 Appropriation</u>
67	Gypsy Moth (eradication program funds) (Agriculture)	\$ 72,966
*64	Pasquotank Farmers Market (Agriculture)	50,000
*68	Belhaven Boat Harbour (NRCD)	20,000
61	Peanut Research (Agriculture)	222,838
62	Natural Heritage Program (NRCD)	100,000
69	Poultry Research (Agriculture)	100,000
72	Charlotte Market Funds (Agriculture)	300,000
*72.1	Bath Water and Sewer (NRCD)	70,000
*72.2	Fayetteville Farmers Mkt. (Agriculture)	100,000
88b	Wildlife Resources Commission (Wildlife Resources Commission)	500,000
2	Discovery Place of Charlotte (Commerce)	<u>250,000</u>
	SUBTOTAL - OPERATING	\$19,057,100
	SUBTOTAL - CAPITAL	\$ 1,000,000
	TOTAL - HB 1376	\$20,057,100
	GRAND TOTAL GENERAL FUND	\$28,554,090

HIGHWAY FUND

HOUSE BILL 1376:

<u>SECTION NUMBER</u>	<u>SUBJECT</u>	<u>1984-85 Appropriation</u>
70	Railroad River Draw Funds (Transportation)	\$ 300,000
71	Funds For Branch Agents Commission (Transportation)	310,000
90	Highway Patrol/Secretary Salary Increase (Department of Crime Control and Public Safety)	<u>60,000</u>
	TOTAL HIGHWAY FUND	\$ 670,000

Special Appropriations

SENATE BILL 187

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
01	447	Aycock Brown Welcome Center	\$ 69,000
01	14	Museum of the Albemarle Funds	20,000
02	98	King Bazemore House Funds	15,000
02	100	Gallery Theater Funds	5,000
02	230	Center for Human Development Funds	5,000
02	95	Northampton Museum Funds	5,000
02	94	Murfreesboro Historical Association Funds	15,000
02	236	Warren County Hospital	15,000
02	97	Historic Hope Plantation Funds	5,000
02	96	Winton's Brown Hall Funds	10,000
02	21	Gates Courthouse Funds	5,000
02	300	WVSP-Operational Funds	15,000
03	420	Cedar Island Boat Ramp	40,000
03	154	Craven Courthouse Funds	20,000
03	414	Pamlico Rescue Squad Funds	10,000
03	22	Craven Arts Council/Gallery Funds	10,000
04	23	Onslow Museum Funds	25,000
04	24	Onslow Arts Council Funds	25,000
04	215	Onslow Aging Council	25,000
04	71	Beirut Marine Memorial Funds	5,000
05	25	Black Artists's Guild Funds	5,000
05	61	Harmony Hall Funds	5,000
05	26	Jones Auditorium Funds	50,000
05	160	Kinston Library Funds	5,000
06	27	Roanoke Canal Arts Center Funds	15,000

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
06	421	Roanoke River Canal	\$ 45,000
06	28	"First For Freedom" Funds	15,000
07	29	de Rossett House Funds	10,000
07	30	Thalian Hall Commission Funds	10,000
08	422	Waynesborough Park	70,000
08	237	Community Development School Funds	5,000
09	423	Winterville Recreation	20,000
09	31	Winterville History/Arts Society	10,000
09	347	Grimesland Fire Department Funds	10,000
09	348	Winterville First Department Funds	5,000
09	349	Eastern Pines Fire Department Funds	5,000
09	32	Bethels Arts Council Funds	10,000
09	346	Pactolus Fire Department Funds	5,000
09	352	Simpson Fire Department Funds	5,000
09	353	Stokes Fire Department Funds	5,000
09	350	Winterville Rescue Squad Funds	5,000
09	351	Chocowinity Fire Department Funds	5,000
10	209	Eastern School for Deaf Funds	67,735
11	424	Franklin County Industrial Development	50,000
11	223	Franklin County Senior Citizens Fund	5,000
11	425	Wendell Park Improvements	5,000
11	459	Appropriation East Wake Water Study	10,000
11	426	Wake Forest Town Development	10,000
11	1	Person Place Funds	5,000
11	236	Warren County Hospital	5,000
12	417	Fayetteville Municipal Market	100,000
12	69	Fayetteville Museum Branch Funds	60,000 CI

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
13	231	Durham United Urban Ministeries	\$ 25,000
13	33	Museum of Life and Science Funds	25,000
13	412	Butner Rescue Squad Funds	5,000
13	413	Granville Rescue Squad Funds	5,000
13	528	North Granville EMC	2,500
13	34	Durham Arts Center Funds	40,000
13	35	American Dance Festival Funds	35,000
13	427	Operation Breakthrough	15,000
14	60	General Lee Museum Funds	35,000
14	210	Dix Adolescent Treatment Funds	55,700
14	343	Gethsemane-Rainbow Funds	5,000
14	339	Correction Department Vocational Prog.	10,000
14	80	Holt House Funds	20,000
14	294	Police/Community Relations Training	25,000
14	211	Autistic Adult Group Home	90,000
14	311	Garner Rescue Squad Funds	10,000
15	428	Sampson Migrant Services	30,000
15	429	Johnston Migrant Services	20,000
15	430	Kenly Tobacco Museum	10,000
15	198	Johnston Tech. Fire Tower	40,000 CI
16	222	Orange Industries, Inc.	10,000
16	159	Pittsboro Community House Funds	3,250
16	299	Chatham Rape Crisis Funds	2,500
16	115	Chapel Hill Preservation Funds	2,500
16	116	Alexander Dickson House Funds	1,000
16	119	Moore County Library Funds	2,500
16	220	Pinetree Enterprises	1,000

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
16	221	Moore County Children's Center	\$ 10,000
16	431	Southern Pines Field Lighting	10,000
16	120	Aberdeen Station Funds	1,000
16	117	Malcolm Blue Farm Funds	1,000
16	118	Weymouth Center Funds	5,000
16	432	Randolph Forestry Headquarters	30,000 CI
16	222	Orange Industries, Inc.	10,000
16	159	Pittsboro Community House Funds	3,250
16	299	Chatham Rape Crisis Funds	2,500
16	115	Chapel Hill Preservation Funds	2,500
16	116	Alexander Dickson House Funds	2,750
16	119	Moore County Library Funds	1,000
16	220	Pinetree Enterprises	1,000
16	221	Moore County Children's Center	5,000
16	345	Randolph Prison Chaplaincy Funds	12,000
16	432	Randolph Forestry Headquarters	40,000 CI
17	432	Randolph Forestry Headquarters	43,000 CI
17	36	Rockingham-Richmond Library Funds	10,000
17	121	Kemp Memorial Library Funds	5,000
17	411	Uwharrie Fire Department Funds	5,000
17	354	Union County Fire Departments Funds	5,000
17	430	Kenly Tobacco Museum	5,000
17	411	Uwharrie Fire Department Funds	5,000
17	9	Temperance, McNeill House Funds	10,000
17	36	Rockingham-Richmng Library Funds	10,000
17	354	Union County Fire Departments Funds	34,000
17	37	Old Union Courthouse Funds	28,000

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
17	161	Andrew Jackson Memorial Funds	\$ 28,000
18	355	Beaver Dam Fire/Rescue Funds	15,000
18	356	Ammon Fire Department Funds	2,500
18	357	Tar Heel Fire Department Fund	2,500
18	358	Kelly Fire Department Funds	2,500
18	359	White Oak Fire Department Funds	2,500
18	360	Hickory Grove Fire Department Funds	2,500
18	434	Clarkton Sewer Funds	50,000
18	361	Lisbon Fire Department Funds	2,500
18	364	Carvers Creek Fire Department Funds	2,500
18	362	Calabash Rescue Squad Funds	2,500
18	363	Leland Fire Department Funds	2,500
18	435	Waccamaw Park Improvements	5,000
18	104	4th of July Festival Funds	2,500
18	433	Brunswick County Development	5,000
18	436	Tabor City Economic Development	15,000
18	224	Columbus Senior Citizens Center	10,000
18	38	Watermelon Festival Funds	2,500
18	39	Chadbourn Strawberry Festival Funds	2,500
19	218	Teen Challenge of Greensboro	30,000
19	438	Pleasant Grove Community Center	10,000
19	437	Kernersville, Lindsay Street Park	15,000
19	216	United Services for Older Adults	10,000
19	217	Greensboro Family Services	15,000
20	40	Imagination Celebration Funds	20,000
20	298	Forsyth Job Skills Funds	20,000
20	41	N.C. Dance Theater Funds	35,000

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
20	42	Winston Fine Arts Center Funds	\$ 20,000
20	43	Old Salem Funds	25,000
20	219	Winston-Salem YWCA	40,000
22	67	Spirit Square Arts Center Funds	25,000
22	297	WIVI Capital Improvements Funds	60,000
22	44	Hugh Torrance House/Store Funds	50,000
22	240	Charlotte Family Support Center	25,000
22	165	Matthews School Building Restoration	25,000
22	45	Afro-American Cultural Center Funds	50,000
22	293	Council for Children Funds	25,000
22	270	Gethsemene Enrichment Program	7,500
22	184	WFAE Public Radio Funds	15,000
22	13	Cabarrus Fire/Rescue Funds	35,000
22	446	Appropriate Cannon Mem. YMCA Center	35,000
22	11	James Polk Historic Site Funds	40,000 ^{CI}
23	259	Davidson Sheltered Workshop	2,000
23	48	Davie Historical Association Funds	20,000
23	166	Finch Field Lights	32,000
23	226	Davidson Domestic Violence Funds	7,500
23	439	Davidson County, Petersville Park	3,000
23	46	Lexington Library Funds	5,000
23	47	Rowan Library Funds	7,500
23	365	Rowan County Rescue Funds	3,000
23	227	Rowan Retarded Citizens Funds	3,000
23	2	Salisbury Railroad Station Funds	42,000
23	144	Davidson Historical Association Funds	5,000
23	399	Davidson County Life Support Funds	2,500

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
23	398	Davidson Rescue Funds	\$ 2,500
23	440	Davidson County Rec. Department	5,000
23	48	Davie Historical Association Funds	10,000
23	49	Davie Library Funds	10,000
24	164	W. Rock. School/Shiloh Fire Funds	80,000
24	441	Madison-Mayodan Recreation Comm.	5,000
24	77	Eden Historic Restoration Funds	15,000
24	17	Mt. Airy Restoration Funds	20,000
24	6	Jones House Funds	40,000
24	419	Laurel Springs Livestock Funds	15,500
24	235	Watauga Senior Citizens Funds	10,000
25	442	Shelby Museum Park	30,000
25	5	Schiele Museum Funds	20,000
25	234	Western Carolina Center Funds	30,000
25	19	Lincoln Arts Council Funds	25,000
25	5	Schiele Museum Funds	40,000
25	228	Shelby Children's Center Funds	5,000
25	123	Flat Rock Playhouse Funds	5,000
25	86	Rutherford Arts Council Funds	5,000
25	18	Council on Holocaust Funds	5,000
25	7	Gaston Art & History Museum Funds	80,000
26	4	Murray's Mill Funds	35,000
26	233	Catawba Sheltered Workshop Funds	25,000
26	81	Richmond Hill Law School Funds	10,000
26	50	Iredell County Library Funds	10,000
26	51	Mooreville Library Funds	10,000
27	415	Burke Forestry Headquarters Fund	71,000 CI

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
27	8	Burke Courthouse Funds	\$ 20,000
27	213	421 Sanitary District Funds	20,000
27	344	Jonas Ridge Fire/Rescue Funds	10,000
27	448	Granite Falls Center Funds	5,000
27	167	Wilkes Community College Improvements	75,000 CI
28	15	Belle Chere Festival Funds	5,000
28	52	Appalachian Theatre Funds	17,500
28	296	Madison Water Line Funds	17,000
28	443	Yancey Mine Reclamation	4,000
28	232	Foothills Mental Health Funds	10,000
28	239	Yancey Council Funds	3,000
28	53	Parkway Playhouse Funds	3,000
28	168	UNC-Asheville Athletic Facilities	95,000 CI
28	169	WUNF Capital Improvements	10,000 CI
28	366	Madison County Sheriff Funds	6,500
29	316	Haywood Dispute Center Funds	5,000
29	214	Waynesville Armory Renovation Funds	30,000
29	445	Hazelwood Water Works	10,000
29	170	Haywood Educational Enrichment	5,000
29	444	Balsam Hatchery-Waynesville	7,500
29	3	Henderson Apple Festival Funds	5,000
29	319	Henderson Dispute Center Funds	5,000
29	322	Jackson Dispute Center Funds	3,000
29	416	Smokies Heritage Festival Funds	5,000
29	333	Transylvania Dispute Center Funds	5,000
29	328	Polk Dispute Center Funds	2,000
29	308	Macon Dispute Center Funds	3,000

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
29	330	Clay Dispute Center Funds	\$ 2,000
29	336	Graham Dispute Center Funds	2,000
29	295	Bates House Crisis Center Funds	5,000
29	313	Cherokee Dispute Center Funds	2,500
29	325	Swain Dispute Center Funds	2,000
29	340	Murphy Armory Funds	5,000
29	20	Haywood Repertory Theater Funds	2,500
29	54	John Campbell Folk School Funds	15,000
29	123	Flat Rock Playhouse Funds	2,000
29	171	Western Carolina Historical Exhibit	10,000
29	-	Board of Education for following units:	-
29	178	Henderson County School Enrichment	5,000
29	179	Hendersonville City School Enrichment	1,500
29	180	Transylvania County School Enrichment	5,000
29	181	Polk County School Enrichment	2,500
29	182	Tryon City School Enrichment	1,000
29	174	Jackson County School Programs	5,000
29	173	Macon Supplemental School Programs	5,000
29	172	Cherokee School Enrichment	5,000
29	176	Clay County School Enrichment	2,500
29	175	Graham County School Enrichment	2,500
29	177	Swain School Enrichment	2,500
30	55	Hoke Courthouse Funds	67,500
30	139	"Strike At The Wind" Funds	5,000
30	56	Hoke Library Funds	5,000
30	229	Robeson Community Center Funds	10,000
30	113	Carolina Theater/Raleigh Funds	5,000

<u>SENATE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
31	341	One Step Further Disp. Center Funds	\$ 20,000
31	342	Crime and Delinquency Council Funds	22,000
31	16	William Penn Foundsation Funds	20,000
31	212	Gate City Jr. Tennis Acad. Funds	8,000
31	12	Frank Holder Dance Company	4,000
31	70	William Fields House Funds	6,000
32	12	Frank Holder Dance Company	<u>100,000</u>
		SUBTOTAL - SENATE	\$4,091,185

SPECIAL APPROPRIATIONS
GENERAL FUND

SENATE BILL 187

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
01	454	Agriculture Awareness funds	\$ 10,000
01	65	Camden County Jail Funds	37,000
01	73	Newbold-White House Funds	25,000
01	456	Corolla Boat Access Funds	10,000
01	78	Chicamiconico Funds	15,000
01	72	Latham House Funds	10,000
02	92	Pantego Academy Funds	8,000
02	129	"Blackbeard" Outdoor Drams Funds	8,000
02	130	Aurora Library Funds	4,000
02	208	Washington Civic Center	10,000
02	526	Belhaven City Hall	5,000
03	451	Eastern Regional Jet Port Funds	5,000
03	131	Lenoir Historical Funds	10,000
03	79	Kinston Historic Property Funds	15,000
03	61	Harmony Hall Funds	10,000
04	273	Carteret Senior Citizens Funds	2,500
04	269	Carobell Center, Jacksonville	5,000
04	93	Swansboro Bicentennial Park Funds	7,500
04	457	Cedar Point Boat Ramp Funds	10,000
04	275	Onslow Co. MH Detox.	10,000
04	215	Onslow Aging Council	5,000
04	386	Sea Level Fire/Rescue Funds	15,000
04	373	Atlantic Beach Fire/Rescue Funds	25,000
04	71	Beirut Marine Memorial Funds	25,000
04	457	Cedar Point Boat Ramp Funds	10,000

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
04	266	Onslow ADAP Equipment	\$ 5,000
05	94	Murfreesboro Historical Association Funds	25,000
05	95	Northampton Museum Funds	6,000
05	96	Winton's Brown Hall Funds	9,000
06	183	Comm. College Area Coordinator	30,000
06	163.4	Hotel Freeman Restoration Funds	5,000
06	99	ASA Biggs Homeplace Funds	2,500
06	100	Gallery Theatre Funds	2,500
06	101	Martin County Players Fund	5,000
07	460	Martin County Community Action, Inc.	1,000
07	188	Carol C. Wilson Scholarship Fund	3,500
07	276	Economic Development Funds	21,000
07	461	Littleton Civic and Planning	2,000
08	452	Wilson Redevelopment Corp. Funds	30,000
08	453	Approp.-Wilson Op. Indus. Center	10,000
08	253	Tri County Rehab-Rocky Mount	15,000
08	462	Rocky Mt. Oppor. Indus. Center	25,000
08	463	Edgecombe Land Trust	40,000
08	163.1	Nash Historical Assoc. Funds	15,000
08	163.3	Spring Hope Public Library	10,000
08	163.3	Middlesex Public Library	5,000
08	163.3	Bailey Public Library	5,000
08	163.3	Nashville Public Library	5,000
08	163.3	Whitaker Public Library	5,000
09	464	Farmville Recreational Facilities	10,000
09	465	Pitt-Greenville Chamber of Commerce	6,500
09	466	Greene County Economic Development Fund	5,000

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
09	189	ECU Summer Theater	\$ 5,000
09	387	Scuffleton Fire Department Funds	3,000
09	252	Pitt County Senior Citizens Center	4,000
09	190	ECU Friends of Music	1,000
09	388	Greene County Rescue Funds	5,000
09	132	Farmville Public Library Funds	1,000
09	389	Pitt Rescue Squads Funds	8,000
09	405	Greenville Rescue Squad Funds	3,000
09	277	Pitt Mental Health Funds	1,000
09	133	Ayden Public Library Funds	1,000
09	406	Simpson Development Funds	2,000
09	250	Green County Senior Citizens Center	3,000
09	134	Sheppard Memorial Library Funds	2,500
09	151	Farmville Arts Council Funds	1,000
09	152	Grifton Historical Museum Funds	1,000
09	312	Gardnerville Fire Department Funds	2,000
09	153	Ayden-Grifton Drama Playhouse Funds	1,000
09	529	Pitt Farmers' Market	2,500
09	251	Pitt County Family Violence Center	3,000
09	102	Greene County Arts Council	1,500
09	467	Falkland Town Development	1,000
09	372	Belvoir Fire Department Funds	2,000
09	468	Fountain Town Development	1,000
09	390	Bell Arthur Fire Department Funds	3,000
10	191	Wallace-Rose Hill Athletic Facility	3,500
10	192	Kenan High School Athletic Facility	3,500
10	193	North Duplin Athletic Facilities	3,500

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
10	194	East Duplin Athletic Facilities	\$ 3,500
10	195	Jones Senior High Athletic Facility	3,500
10	391	Duplin County Law Enforcement Association	3,500
10	135	Duplin County Arts Council	7,000
10	278	Jones Senior Citizens Funds	12,000
11	249	Wayne Sheltered Workshop Funds	20,000
11	302	Appropriation Wayne Boys Club	2,500
11	303	Appropriation Mt. Olive Boys Club	2,500
11	187	Wayne Homework Hotline	10,000
11	369	Appropriation-Wayne Fire Blankets	5,000
11	185	Herman Park, 4-H, School Funds	40,000
12	374	Pender Rescue Squad Funds	5,000
12	469	Watha Community Center	2,500
12	375	Maple Hill Fire Department Funds	2,500
12	470	Harrells Neighborhood Center	6,000
12	196	Sampson Alumni Renovation	5,000
12	371	Roseboro Rescue Squad Funds	6,000
12	376	Turkey Fire Department Funds	3,000
12	471	Ingold Community Center	2,000
12	472	Taylors Bridge Community Center	2,000
12	473	Piney Grove Community Center	2,000
12	474	Mingo Community Center	2,000
12	475	Westbrook Community Center	2,000
12	476	Sampson Livestock Association Arena	10,000
12	257	Sampson Dog Pound	5,000
12	477	Clinton/Sampson Recreation Department	7,000
12	392	Pender County Fire Department Funds	4,000

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
12	478	Burgaw Depot Renovations	\$ 5,000
12	393	East Arcadia Fire Department Funds	2,000
12	407	Carvers Creek Fire Department Funds	2,000
12	479	Garland Recreation Department	3,000
12	394	Kelly Fire Department Funds	2,000
13	58	Fort Fisher Funds	13,400
13	59	St. Thomas Church Restoration Funds	13,300
13	455	Cape Fear Area OIC Funds	13,300
14	103	Fort Fisher Ferry Guide Funds	4,000
14	377	Castle Hayne Fire Department Funds	2,000
14	378	Wrightsboro Fire Department Funds	2,000
14	104	4th of July Festival Funds	2,500
14	105	Oyster Festival Funds	1,500
14	197	Topsail High School Improvements	2,000
14	106	Leland Library Funds	2,000
14	395	Coastland Rescue Funds	1,000
14	396	Calsbash Rescue Funds	1,000
14	379	Shallotte Rescue Squad Funds	1,000
14	397	Waccamaw Rescue Funds	1,000
14	107	Brunswick Historic Site Funds	20,000
15	199	Whiteville School Auditorium Res.	30,000
15	224	Columbus Senior Citizens Center	4,000
15	527	Tabor City-Rec. Athl. Com., Inc.	6,000
16	408	Lumberton Police Vehicle Funds	25,000
16	136	Gilbert Patterson Library Funds	40,000
16	506	Robeson Community Center	15,000
16	162	Carolina Theater Funds	15,000

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
16	279	Hoke Literacy Funds	\$ 8,000
16	507	St. Pauls Pool	10,000
16	137	Rowland Depot Restoration Funds	5,000
16	138	Saint Paul Library Funds	9,000
16	139	"Strike At The Wind" Funds	15,000
16	280	Scotland House Inc.	5,000
16	508	Robeson County Rec. Department	6,000
16	509	Scotland County Recreation Department	3,000
16	510	Hoke County Recreation Department	3,000
16	511	Town of Rennert	2,000
16	512	Raeford/Hoke Industrial Dev.	10,000
16	281	Scotland Literacy Funds	5,000
17	69	Fayetteville Museum Branch Funds	20,000 CI
17	513	Spring Lake Civic Center	5,000
17	514	Seventy-First Improv. Ass'n. Inc.	3,000
17	256	Fayetteville Senior Citizens Center	2,500
17	200	J. C. Jones Scholarship	2,500
17	515	Fayetteville Business League	2,500
17	255	Cumberland Assoc. for Retarded	1,000
17	516	Savory Heights Rec. Dev. Council	1,000
17	517	Seabrook Recreation Council	1,000
17	518	Spivey Rec. Dev. Council	1,000
17	254	Learning Enrichment Program	500
17	69	Fayetteville Museum Branch Funds	20,000 CI
17	513	Spring Lake Civic Center	5,000
17	514	Seventy-First Improvement Ass'n. Inc.	3,000
17	256	Fayetteville Senior Citizens Center	2,500

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
17	200	J. C. Jones Scholarship	\$ 2,500
17	515	Fayetteville Business League	2,500
17	255	Cumberland Assoc. for Retarded	1,000
17	516	Savory Heights Rec. Dev. Council	1,000
17	517	Seabrook Rec. Council	1,000
17	518	Spivey Rec. Dev. Council	1,000
17	254	Learning Enrichment Program	500
18	69	Fayetteville Museum Branch Funds	120,000 CI
19	60	General Lee Museum Funds	35,000
19	268	t. l. c. Inc. in Sanford	15,000
19	267	Sanford Center for Independent Living	15,000
19	201	Harnett County Schools	2,500
19	201	Harnett County Schools	6,500
19	272	Gateway House	7,000
20	519	Selma Union Station	25,000
20	202	Johnston County Cultural Arts	15,000
20	520	Louisburg Parks Program	20,000
20	108	Johnston County Choral Society Funds	2,500
20	304	Princeton Beautification Funds	1,000
20	109	Johnston County Library Funds	5,000
20	265	Johnston Council on Aging	1,500
20	264	Johnston Courthouse Ramp	10,000
21	110	Artspace, Inc. Funds	25,000
21	245	Wake Respite Care Funds	12,000
21	241	Tammy Lynn Funds	15,000
21	282	Wake Life Experiences Funds	5,000
21	203	Shelley School Child Development	10,000

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
21	291	Rolesville Senior Citizen Center	\$ 5,000
21	80	Holt House Funds	48,000
21	459	Approp. East Wake Water Study	15,000
21	111	Cary Historical Clock Funds	5,000
21	112	Morrisville Town Hall Funds	5,000
21	113	Carolina Theater/Raleigh Funds	15,000
21	114	Spring Hill House Funds	50,000
21	283	Wake Health Ed. Center	10,000
21	156	Operation Raleigh Funds	20,000
22	305	Caswell Civic Center Funds	6,000
22	90	Caswell Courthouse Funds	5,000
22	482	Lake Farmer Park	4,000
22	481	Caswell County Bd. of Commissioners	2,000
22	91	Perry Memorial Library Funds	25,000
22	284	Person Learning Center Funds	11,000
22	126	Granville Arts Council Funds	5,000
22	127	Granville Historical Socieity Funds	5,000
22	128	Lakeland Arts Center Funds	25,000
22	403	Creedmoor Rescue Funds	5,000
22	480	Town of Creedmoor	7,000
22	285	Granville Hospital	20,000
23	521	Piper-Dixon House on Eno	40,000 - CI
23	186	NCCU Celebration	10,000
23	427	Operation Breakthrough	10,000
23	404	Redwood Fire Department Funds	10,000
23	231	Durham United Urban Ministries	10,000
23	186	NCCU Celebration	5,000

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
23	246	DHA Youth Enrichment Prog. Funds	\$ 20,000
23	247	Orange-Durham YWC Coalition	2,500
23	368	Probation Challenge Program Funds	2,500
23	458	Hayti Development Corporation Funds	5,000
23	248	Lincoln Health Center Funds	5,000
24	115	Chapel Hill Preservation Funds	20,000
24	222	Orange Industries, Inc.	10,000
24	299	Chatham Rape Crisis Fund	5,000
24	261	Chatham Trades	5,000
24	262	Orange Women's Center	5,000
24	116	Alexander Dickson House Funds	10,000
24	522	Siler City Water Sewer Projects	10,000
24	523	Pittsboro Water Sewer Projects	7,500
24	524	Haw River Assembly	7,500
25	140	Reidsville Historic Property Fund	23,000
25	441	Madison-Mayodan Recreation Hall	5,000
25	76	Rockingham Theater Funds	15,000
25	77	Eden Historic Restoration Funds	15,000
25	75	Madison Historic District Funds	7,000
25	141	Burlington Boys Choir Funds	2,000
25	142	Penn House Funds	10,000
25	88	"Sword of Peace" Funds	35,000
25	242	Approp.-Wesley Hall of Alamance	35,000
25	301	Alamance Emergency Services Funds	13,000
26	274	Greensboro Senior Club	60,000
26	292	Hayes-Taylor YMCA Funds	10,000

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
27	63	Eastern Music Festival Funds	\$ 25,000
27	70	William Fields House Funds	15,000
28	82	State Shakespeare Festival Funds	40,000
29	525	Stokesdale Community Park	15,000
29	271	Triad Poison Center	25,000
31	117	Malcolm Blue Farm Funds	4,000
31	118	Weymouth Center Funds	4,000
31	119	Moore County Library Funds	6,500
31	220	Pinetree Enterprises	7,000
31	120	Aberdeen Station Funds	1,500
31	221	Moore County Children's Center	10,000
31	370	Moore County Fire/Rescue Funds	7,000
32	121	Kemp Memorial Library	32,000
32	483	Beaver Dam Community Center	8,000
33	83	Montgomery Library Funds	6,000
33	411	Uhwarrie Fire Department Funds	3,500
33	400	Montgomery County Fire Comm. Funds	14,000
33	401	Anson County Firemen's Assn. Funds	17,500
34	484	City of Monroe	20,000
34	485	Town of Indian Trail	3,000
34	486	Town of Marshville	5,000
34	487	Town of Stallings	3,000
34	488	Town of Waxhaw	4,000
34	489	Town of Weddington	1,000
34	490	Town of Wingate	4,000
34	380	Stanley Crime Prevention Funds	5,000
34	402	Norwood Fire Department Funds	2,000

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
34	409	Aquadale Fire Department Funds	\$ 2,000
34	263	Oakboro Community Building	4,000
34	491	Stanley Agriculture Learning Center	20,000
34	381	Richfield-Misenheimer F. D. Funds	2,000
34	382	New London Fire Department Funds	2,000
34	143	Badin Library Funds	3,000
34	68	Mount Pleasant Museum Funds	25,000
35	89	Spencer Shops Historic Site Funds	40,000 CI
36	243	Mecklenburg Youth Council Funds	40,000
36	492	Matthews Community Club	25,000
36	240	Charlotte Family Support Center	10,000
36	238	Matthews HELP Center Funds	5,000
36	293	Council for Children Funds	40,000
36	67	Spirit Square Arts Center Funds	40,000
36	184	WFAE Public Radio Station	40,000
36	530	Charlotte Farmers' Market	40,000 CI
36	44	Hugh Torrance House/Sore Funds	25,000
36	297	WTVI Capital Improvement Funds	15,000
37	163	Thomasville Library Funds	5,000
37	260	Davidson Retarded Children	14,000
37	258	Davidson M. H. Assn.	14,000
37	259	Davidson Sheltered Workshop	12,000
37	204	Davidson City Comm. Col.	25,000
37	144	Davidson Historical Assoc. Funds	5,000
37	493	Arcadia Boost. Club Comm. Park	5,000
37	399	Davidson Co. Life Support Funds	2,500
37	398	Davidson Rescue Funds	2,500

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
37	48	Davie Historical Association Funds	\$ 5,000
39	494	Nature Science Center	105,000
39	225	Forsyth Council on Drug Abuse	50,000
39	495	Forsyth County Farm Museum	5,000
39	383	Rural Hall Fire Department Funds	5,000
39	496	Kernersville Exer./Fit. Trail	5,000
39	384	Union Cross First Department Funds	5,000
39	385	Lewisville Fire Department Funds	5,000
39	205	Afro-Academic Olympics	5,000
39	287	Forsyth Self-Reliance Funds	10,000
39	286	Winston-Salem Lake YMCA	5,000
40	497	Pilot Mountain Foundation	25,000
40	495	Forsyth County Farm Museum	2,000
40	145	Rockford Restoration Funds	10,000
40	146	Edwards Franklin House Funds	25,000
40	495	Forsyth County Farm Museum	2,000
40	147	Rock House Funds	15,000
40	148	Stokes Great Ways Road Funds	1,800
40	149	Ashe Historical Society Funds	15,000
40	146	Edward Franklin House Funds	10,000
40	498	Alleghany County EDA Grant Match	35,000
40	410	Todd Fire Department Funds	5,000
42	64	Native American Festival Funds	2,500
42	57	Statesville City Hall Funds	37,500
44	62	Lincoln Historical Survey Funds	20,000
44	244	Gaston Battered Spouse Fund	25,000
44	87	Mt. Holly Beautification Funds	2,000

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
44	10	Gastonia Little Theater Funds	\$ 25,000
44	5	Schiele Museum Funds	88,000
45	155	Catawba Arts Funds	10,000
47	499	Glen Alpine Recreation Foundation	10,000
47	206	Freedom High Fitness Program	10,000
47	207	East Burke Track Improvements	10,000
47	150	"From This Day Forward" Funds	5,000
47	500	McGalliard Falls Park	5,000
47	163.2	Rock School House Fund	50,000
48	228	Shelby Children's Center Funds	75,000
48	86	Rutherford Arts Council Funds	5,000
48	501	Becthler Mine	5,000
48	84	Polk Courthouse Funds	15,000
48	85	Rutherfordton-Norris Library Funds	10,000
48	502	Town of Chimney Rock	10,000
49	443	Yancey Mine Reclamation	4,000
49	239	Yancey Council Funds	3,000
49	53	Parkway Playhouse Funds	3,000
49	306	Family Services of McDowell, Inc.	10,000
49	157	McDowell Arts & Crafts Funds	7,500
49	503	McDowell Clean Comm. System	5,000
49	288	McDowell Aging Council	7,500
51	307	WUNF Equipment Funds	19,500
51	122	Richmond Pearson House Funds	19,500
51	123	Flat Rock Playhouse Funds	1,000
51	124	YMI Cultural Center Funds	20,000
51	123	Flat Rock Playhouse Funds	4,800

<u>HOUSE DISTRICT</u>	<u>SECTION NO.</u>	<u>SUBJECT</u>	<u>1984-85 APPROPRIATION</u>
51	168	UNC-Asheville Athletic Facilities	\$ 15,200 CI
51	125	Western Arts Council Funds	20,000
51	168	UNC-Asheville Athletic Facilities	20,000 CI
51	289	Elida Home Inc.	11,000
51	504	W.N.C. Development Association	20,000
51	505	Crab Creek Community Center	1,000
51	168	UNC-Asheville Athletic Facilities	8,000 CI
52	449	Madison Housing Authority Funds	18,000
52	158	Canton Memorial Armory Funds	30,000
52	290	Madison Refuse Truck	40,000
53	450	Cherokee County Development Funds	15,000
53	367	Clay County Rescue Squad Funds	10,000
53	66	Tribal Gathering Funds	10,000
53	74	Graham Courthouse Funds	<u>28,000</u>
		SUBTOTAL - HOUSE	\$4,179,300
		TOTAL OPERATING FUNDS	\$7,443,285
		TOTAL CAPITAL FUNDS	\$ 827,200
		GRAND TOTAL - SENATE BILL 187	\$8,270,485

Legislative Research Commission Studies

HOUSE BILL 738:

<u>SECTION NUMBER</u>	<u>SUBJECT</u>	<u>1984-85 Appropriation</u>
6	Legislative Commission on Medical Cost Containment	\$ 5,000
7	Administrative Procedure Act Study Commission	100,000
8	Public Education Policy Council	36,000
9	Criminal Justice Information System and Computerized Records Study Commission	5,000
10(g)	Credit Insurance and Interest Rates Study Commission	10,000
11(f)	State Parks Study Commission	10,000
12(h)	Cafeteria-Style Benefits Program for Teachers and State Employees	<u>10,000</u>
	TOTAL GENERAL FUND	\$176,000

INTERIM NON-LRC STUDIES
AUTHORIZED BY 1984 SESSION
(by Subject)

SUBJECT: Amtrak Passenger Service economic feasibility
LEGISLATION: Chapter 1034, § 203, HB 80
REPORT FROM: Department of Transportation
DUE DATE: October 1, 1985
REPORT TO: Governmental Operations

SUBJECT: Boating under the influence of alcohol/drugs
LEGISLATION: Chapter 1059, HB 1657
REPORT FROM: Wildlife Resources Commission
DUE DATE: 1985 Session
REPORT TO: General Assembly

SUBJECT: Cafeteria-style benefits for teachers and state employees
LEGISLATION: Chapter 1112, § 12, HB 738; HB 1032
REPORT FROM: Commission on a Cafeteria-Style Benefits Program for Teachers and State Employees
DUE DATE: February 15, 1985
REPORT TO: General Assembly

SUBJECT: Career growth program for school teachers and administrators
LEGISLATION: Chapter 971, § 4, HB 1496
REPORT FROM: State Board of Education
DUE DATE: November 1, 1984/5 days after 1985 GA convenes
REPORT TO: Education Policy Council/GA and specified officers

SUBJECT: Chemical dependency insurer report
LEGISLATION: Chapter 1110, § 14, SB 724
REPORT FROM: Department of Insurance
DUE DATE: May 1, 1986
REPORT TO: Mental Health Study Commission and Governmental Operations

SUBJECT: Child Support Enforcement program
LEGISLATION: Chapter 1034, § 77, HB 80
REPORT FROM: Department of Human Resources; Administrative Office of the Courts; Department of Justice
DUE DATE: March 1, 1985
REPORT TO: Lt. Governor; Speaker

SUBJECT: Classroom teacher differentiation system
LEGISLATION: Chapter 1103, § 11, HB 1567
REPORT FROM: State Board of Education
DUE DATE: March 1, 1986
REPORT TO: General Assembly

SUBJECT: Credit insurance and interest rates
LEGISLATION: Chapter 1112, § 10, HB 738; HB 855
REPORT FROM: Credit Insurance and Interest Rate Study Commission
DUE DATE: February 15, 1985
REPORT TO: General Assembly

SUBJECT: Effect of chemical dependency insurance changes
LEGISLATION: Chapter 1110, § 15, SB 724
REPORT FROM: Department of Human Resources
DUE DATE: Interim 1987 Session; Final 1989 Session
REPORT TO: General Assembly

SUBJECT: Emergency medical technician and ambulance attendant recertification
LEGISLATION: Chapter 1034, § 98, HB 80
REPORT FROM: N.C. Medical Care Commission
DUE DATE: August 29, 1984
REPORT TO: Department of Crime Control and Public Safety

SUBJECT: Expanded on-the-job training for public school employees
LEGISLATION: Chapter 1103, § 7, HB 1567
REPORT FROM: State Board of Education
DUE DATE: None specified - report optional
REPORT TO: General Assembly

SUBJECT: Hazardous waste generators and impoundment inventory, and compliance timetable
LEGISLATION: Chapter 973, § 7, SB 734
REPORT FROM: Department of Human Resources
DUE DATE: February 1, 1985
REPORT TO: General Assembly

SUBJECT: Hazardous waste management
LEGISLATION: Chapter 973, § 1, SB 734
REPORT FROM: N.C. Hazardous Waste Treatment Commission
DUE DATE: May 1, 1985; June 1, 1986 (conditionally)
REPORT TO: General Assembly

SUBJECT: JTPA and matching State funds expenditure
LEGISLATION: Chapter 1034, § 18, HB 80
REPORT FROM: State Board of Education
DUE DATE: April 1, 1985
REPORT TO: General Assembly Appropriations Chairmen

SUBJECT: Knightdale-Zebulon-Wendell water supply
LEGISLATION: Chapter 1114, § 459, SB 187; HB 1756
REPORT FROM: Department of Natural Resources and Community Development
DUE DATE: None
REPORT TO: Not specified

SUBJECT: Loan & scholarship assistance to prospective teachers in teacher shortage areas
LEGISLATION: Chapter 1103, § 13, HB 1567
REPORT FROM: State Board of Education
DUE DATE: November 1, 1984
REPORT TO: General Assembly

SUBJECT: Middle school drop-out prevention - federal funds expenditure
LEGISLATION: Chapter 1034, § 17.1, HB 80
REPORT FROM: State Board of Education
DUE DATE: April 1, 1985
REPORT TO: General Assembly Appropriations Chairmen

SUBJECT: Noncertified school personnel allotment system
LEGISLATION: Chapter 1103, § 9, HB 1567
REPORT FROM: State Board of Education
DUE DATE: November 1, 1984
REPORT TO: General Assembly

SUBJECT: Nutrient Sensitive Watershed Project agricultural portion review
LEGISLATION: Chapter 1034, § 110, HB 80
REPORT FROM: Nutrient Sensitive Watershed Committee
DUE DATE: Not specified
REPORT TO: General Assembly -- Specified officers

SUBJECT: Public school administrators quality assurance program
LEGISLATION: Chapter 1103, § 5, HB 1567
REPORT FROM: State Board of Education
DUE DATE: March 1, 1986
REPORT TO: General Assembly

SUBJECT: Public school employee evaluation improvements and teacher skills development
LEGISLATION: Chapter 1103, § 10, HB 1567
REPORT FROM: State Board of Education
DUE DATE: December 1, 1986
REPORT TO: General Assembly

SUBJECT: Public school standard course of study
LEGISLATION: Chapter 1103, § 2, HB 1567
REPORT FROM: State Board of Education
DUE DATE: October 15, 1984
REPORT TO: General Assembly

SUBJECT: School employees centralized payroll system
LEGISLATION: Chapter 1034, § 16, HB 80
REPORT FROM: State Board of Education
DUE DATE: December 1, 1984/April 1, 1985/April 1, 1986
REPORT TO: Governmental Operations/specified officers of GA/Governmental Operations

SUBJECT: Sheriffs and registers of deeds retirement system
LEGISLATION: Chapter 1034, § 250, HB 80
REPORT FROM: N.C. Association of County Commissioners
DUE DATE: 1985 Session or later (study not mandatory)
REPORT TO: General Assembly

SUBJECT: Social Security Disability
LEGISLATION: Chapter 1112, § 5, HB 738; Chapter 880, § 8, SB 570
REPORT FROM: Disability Review Commission (continued)
DUE DATE: February 15, 1985
REPORT TO: General Assembly

SUBJECT: State employee pay equity
LEGISLATION: Chapter 1034, § 146, HB 80; Chapter 971, HB 1496
REPORT FROM: Pay Equity Advisory Committee
DUE DATE: June 1, 1986
REPORT TO: Lt. Governor; Speaker

SUBJECT: State parks and recreation areas
LEGISLATION: Chapter 1112, § 11, HB 738; HB 1748
REPORT FROM: State Parks Study Commission
DUE DATE: February 15, 1985
REPORT TO: Lt. Governor; Speaker

SUBJECT: State salary grade 50 elimination
LEGISLATION: Chapter 1034, § 221, HB 80
REPORT FROM: State Personnel Commission
DUE DATE: 1985 Session (convention)
REPORT TO: General Assembly

SUBJECT: Statutory and regulatory changes needed to create
Division of Emergency Services
LEGISLATION: Chapter 1034, § 98, HB 80
REPORT FROM: Department Crime Control & Public Safety; Department of Human Resources; Department of Insurance
DUE DATE: April 15, 1985
REPORT TO: Lt. Governor; Speaker

SUBJECT: Superior Court clerk assignment criteria
LEGISLATION: Chapter 1034, § 90, HB 80
REPORT FROM: Administrative Officer of the Courts
DUE DATE: 1985 Session (convention)
REPORT TO: General Assembly

SUBJECT: Teacher preparation programs' upgrading
LEGISLATION: Chapter 1103, § 6, HB 1567
REPORT FROM: State Board of Education
DUE DATE: November 1, 1984
REPORT TO: General Assembly

SUBJECT: U.S. Constitution bicentennial commemoration
LEGISLATION: Chapter 1116, § 48, HB 1376
REPORT FROM: Commission on the Bicentennial of the United States
Constitution
DUE DATE: December 1, 1986
REPORT TO: General Assembly and Administrative Office of the
Courts

SUBJECT: Utilization of school personnel serving children
with special needs
LEGISLATION: Chapter 1034, § 27, HB 80
REPORT FROM: State Board of Education
DUE DATE: November 1, 1984
REPORT TO: Legislative Commission on Children with Special
Needs

SUBJECT: Willie M. Class progress report
LEGISLATION: Chapter 1034, § 61 (e), HB 80
REPORT FROM: Department of Human Resources and Department of
Public Education
DUE DATE: March 1, 1985
REPORT TO: General Assembly and Governor

SUBJECT: Willie M. definitions/compliance
LEGISLATION: Chapter 1034, § 28, HB 80
REPORT FROM: State Board of Education
DUE DATE: December 1, 1984
REPORT TO: Legislative Commission on Children with Special
Needs

SUBJECT: Willie M. unit cost reimbursement system
LEGISLATION: Chapter 1034, § 61 (d), HB 80
REPORT FROM: Department of Human Resources
DUE DATE: March 1, 1985
REPORT TO: General Assembly

Revenue Bills

General Fund:

<u>Explanation</u>	<u>Effective Date</u>	<u>1984-85</u>	<u>Fiscal Effect 1985-86</u>	<u>1986-87</u>
H 9 Updates for changes in technology sales tax exemption for medical equipment purchased on prescription.	7/1/85	-	-625,000	-75,000
H 88 Increase annual gift tax exclusion for gifts made to any one donee from \$3,000 to \$10,000.	1/1/85	-	-625,000	-800,000
H 104 Allows one spouse, with consent of the other spouse, to claim the other spouse's \$10,000 annual gift tax exclusion.	1/1/85	-	-200,000	-255,000
H 158 Increases \$3,150 Class A inheritance tax credit (equivalent to exemption of first \$100,000) to \$4,650 (first \$130,000).	1/1/85	-	-3,600,000	-4,800,000
H 541 Allows a state personal and corporate income tax credit of 25% (up to \$2,500 per year) of cost of conservation tillage equipment used in farming operations.	1984 tax year	-275,000	-300,000	-330,000
H 665 Clarifies 1981	1985 tax	-	Up to	Up to
H 666 legislation allowing a personal and corporate income tax credit for equipment and installation costs of solar equipment used for production of industrial process heat. Clarification extends credit to equipment used in service industries.	year		-100,000	-110,000

<u>Explanation</u>	<u>Effective Date</u>	<u>1984-85</u>	<u>Fiscal Effect 1985-86</u>	<u>1986-87</u>
H 1099 Allows a personal and corporate income tax credit of 10% "gleaned" crops.	1984 tax year	Unknown	Unknown	Unknown
H 1482 Rewrites 1983 legislation applying sales tax to casual vehicles, boats, aircraft, etc. Rewrite replaces use of book value in establishing tax basis by requiring only the written statement of buyer as to transaction price.	7/1/84	Unknown	Unknown	Unknown
H 1485 Makes numerous technical changes to state tax laws.	Upon Rat.	-	-	-
H 1488 Authorizes Department of Revenue to collect taxes due from taxpayers located outside state.	Upon Rat.	Small cost savings		
H 1513 Recodifies 6% public utilities gross receipts tax into 3% gross receipts tax and 3.22% sales tax in order that taxpayers can take an itemized deduction on their federal income tax return.	1985 tax year	No effect on State revenue (Will allow N. C. taxpayers to receive \$8-10 million of federal tax reduction annually)		
H 1697 Exempts from inheritance tax at least one half of bank deposits, stocks, or bonds when the securities are in name of both spouses and there is right of survivorship.	7/1/84	-275,000	-1,200,000	-1,300,000

<u>Explanation</u>	<u>Effective Date</u>	<u>1984-85</u>	<u>Fiscal Effect 1985-86</u>	<u>1986-87</u>
S 21 Allows a \$3,000 personal income tax deduction for children who maintain and care for their parent if parent's disposable income less than \$9,000 per year.	1985 tax year	-	-8,000,000	-9,000,000
S 731 Allows an additional personal income tax exemption for tax- payers or dependents having cystic fibrosis.	1984 tax year	-27,000	-30,000	-33,000

Highway Fund:

<u>Explanation</u>	<u>Effective Date</u>	<u>1984-85</u>	<u>Fiscal Effect 1985-86</u>	<u>1986-87</u>
H 650 Allows garbage truck operators to receive a motor fuel tax refund of 1/3 of tax paid.	1/1/84 (1985/86 Refund Year)	-100,000	-100,000	-100,000
H 1483 Amends 1980 and 1983 legislation allowing a partial exemption from motor fuel tax for gasahol. The amendment ensures that Secretary of Revenue will have authority to grant usual refunds after exemption repealed in 1992.	Upon Rat.	-	-	-
S 629 Eliminates additional \$10 fee for Civil Air Patrol License Plates	Upon Rat.	Negl.	Negl.	Negl.

Local Revenue:

<u>Explanation</u>	<u>Effective Date</u>	<u>1984-85</u>	<u>Fiscal Effect 1985-86</u>	<u>1986-87</u>
H 1676 Requires that property tax liens be advertised in a newspaper only once instead of four times.	1/1/85	-	Small reduction in costs	
H 1682 Rewrites 1973 property tax exemption for nuclear materials to ensure that manufacturers or processors, not ultimate users, receive exemption.	1/1/85	-	Unknown, due to legal uncertainty	

H 1572 Authorizes local
1590 occupancy taxes as
1595 follows:
1615
1621

<u>Jurisdiction</u>	<u>Tax Rate</u>	<u>Use of Proceeds</u>
Cherokee County	3%	Tourism for promotion
Craven County	3%	Tourism, convention promotion
Cumberland County	3%	50% For county auditorium capital
		50% For Tourism and convention promotion
Town of Long Beach	Up to 3%	Tourism-related activities
City of Lumberton	Up to 3%	50% For Civic Center promotion
		50% For Tourism-related expenditure
Guilford County	3%	85% For Tourism promotion
		15% For Tourism-related activities

H 1621 Rewrites 1983 New Hanover County occupancy tax with regard to disposition of proceeds.

Appendix

TREND DATA

GENERAL FUND REVENUE
(MILLIONS)

Fiscal Year	TAX REVENUE				NON-TAX REVENUE				Total General Fund Revenue
	Income Tax	Sales & Use Tax	Other Taxes	Total	Income From Treasurer's Investments	Other Sources	Federal Revenue Sharing	Total	
1961-62	\$ 150.1	\$ 131.2	\$ 81.6	\$ 362.9	\$ 4.8	\$ 7.1	\$ -	\$ 11.9	\$ 374.8
1962-63	164.1	145.9	92.8	402.8	5.2	7.3	-	12.5	415.3
1963-64	177.8	156.7	93.7	428.2	6.0	3.6	-	9.6	437.8
1964-65	210.1	168.5	101.8	480.4	7.9	15.4	-	23.3	503.7
1965-66	252.7	188.3	114.4	555.4	10.3	7.5	-	17.8	573.2
1966-67	284.8	201.6	118.8	605.2	12.3	6.2	-	18.5	623.7
1967-68	311.2	216.2	125.1	652.5	19.3	7.4	-	26.7	679.2
1968-69	350.2	239.5	149.8	739.5	20.3	16.3	-	36.6	776.1
1969-70	380.1	264.4	197.3	841.8	22.6	14.2	-	36.8	878.6
1970-71	413.6	285.9	221.9	921.4	29.4	16.8	-	46.2	967.6
1971-72	483.9	324.8	243.2	1,051.9	24.3	17.7	-	42.0	1,093.9
1972-73	566.3	368.8	278.9	1,214.0	26.8	18.6	-	45.4	1,259.4
1973-74	653.1	409.4	295.7	1,358.2	53.6	18.0	-	71.6	1,429.8
1974-75	715.4	423.0	312.8	1,451.2	73.3	19.6	-	92.9	1,544.1
1975-76	760.5	464.8	346.6	1,571.9	48.6	27.6	48.8	125.0	1,696.9
1976-77	985.5	510.3	374.2	1,870.0	43.1	39.4	51.0	133.5	2,003.5
1977-78	1,076.9	579.0	404.6	2,060.5	44.1	30.2	38.5	112.8	2,173.3
1978-79	1,248.9	646.7	441.6	2,337.2	59.3	33.8	30.3	123.4	2,460.6
1979-80	1,471.1	691.9	476.2	2,639.2	110.4	35.7	56.9	203.0	2,842.2
1980-81	1,583.3	737.1	515.5	2,845.9	108.6	40.9	28.4	177.9	3,023.8
1981-82	1,726.8	777.5	573.4	3,077.7	115.6	36.2	-	151.8	3,229.5
1982-83	1,856.6	823.4	599.0	3,279.0	88.0	36.8	-	124.8	3,403.8
1983-84	2,152.8	999.0	662.6	3,814.4	96.3	46.6	-	142.9	3,957.3

TREND DATA
GENERAL FUND EXPENDITURES
(MILLIONS)

<u>Fiscal Year</u>	<u>Current Operating Expense</u>	<u>Debt Service Expense</u>	<u>Capital Improvement Appropriations</u>	<u>Total General Fund Expenditures</u>
1961-62	\$ 357.1	\$ 9.9	\$ 1.8	\$ 368.8
1962-63	373.7	10.3		384.0
1963-64	419.5	10.4	60.6	490.5
1964-65	448.3	11.7	3.0	463.0
1965-66	505.2	11.9	41.6	558.7
1966-67	549.1	16.1		565.2
1967-68	626.5	17.5	112.4	756.4
1968-69	700.5	17.8		718.3
1969-70	819.6	17.8	75.6	913.0
1970-71	921.5	17.8		939.3
1971-72	1,013.1	18.2	64.9	1,096.2
1972-73	1,118.1	21.4		1,139.5
1973-74	1,387.4	45.9 (a)	86.6	1,519.9
1974-75	1,627.7	-	36.2	1,663.9
1975-76	1,639.9	30.1	24.0	1,694.0
1976-77	1,851.1	39.7	29.0	1,919.8
1977-78	2,082.3	48.8	4.7	2,135.8
1978-79	2,308.8	49.6	93.8	2,452.2
1979-80	2,606.4	53.8	84.4	2,744.6
1980-81	2,990.0	60.1	104.1	3,154.2
1981-82	3,183.0	61.7	30.9	3,275.6
1982-83	3,300.1	74.8	65.7	3,440.6
1983-84	3,636.6	79.1	59.8	3,775.5

(a) Includes \$25.2 million as appropriation for debt service expense in 1974-75

TREND DATA
GENERAL FUND CREDIT BALANCE
(MILLIONS)

<u>Fiscal Year</u>	<u>General Fund Balance - July 1</u>	<u>General Fund Revenue</u>	<u>General Fund Expenditures</u>	<u>General Fund Balance - June 30</u>
1961-62	\$ 74.4	\$ 374.8	\$ 368.8	\$ 80.4
1962-63	80.4	415.3	384.0	111.7
1963-64	111.7	437.8	490.5	59.0
1964-65	59.0	503.7	463.0	99.7
1965-66	99.7	573.2	558.7	114.2
1966-67	114.2	623.7	565.2	172.7
1967-68	172.7	679.2	756.4	95.5
1968-69	95.5	776.1	718.3	153.3
1969-70	153.3	878.6	913.0	118.9
1970-71	118.9	967.6	939.3	147.2
1971-72	147.2	1,093.9	1,096.2	144.9
1972-73	144.9	1,259.4	1,139.5	264.8
1973-74	264.8	1,429.8	1,519.9	174.7
1974-75	174.7	1,544.1	1,663.9	54.9
1975-76	54.9	1,696.9	1,694.0	57.8
1976-77	57.8	2,003.5	1,919.8	141.5
1977-78	141.5	2,173.3	2,135.8	179.0
1978-79	179.0	2,460.6	2,452.2	187.4
1979-80	187.4	2,842.2	2,744.6	285.0
1980-81	285.0	3,023.8	3,154.2	154.6
1981-82	154.6	3,229.5	3,275.6	108.5
1982-83	108.5	3,403.8	3,440.6	71.7
1983-84	71.7	3,957.3	3,775.5	253.5

TREND DATA
GENERAL FUND REVERSIONS

<u>Year</u>	<u>Net Reversions (Millions)</u>	<u>% of Appropriation</u>
1961-62	\$ 12.0	3.1%
1962-63	16.4	4.1
1963-64	10.4	2.0
1964-65	18.2	3.8
1965-66	21.2	3.6
1966-67	25.9	4.4
1967-68	26.7	3.4
1968-69	26.5	3.6
1969-70	38.8	4.0
1970-71	41.8	4.3
1971-72	41.9	3.6
1972-73	47.9	4.0
1973-74	87.5	5.4
1974-75	70.7	4.1
1975-76	67.6	3.8
1976-77	72.1	3.6
1977-78	62.2	2.8
1978-79	93.7	3.7
1979-80	90.7	3.2
1980-81	100.9	3.1
1981-82	157.0	4.6
1982-83	186.2	5.1
1983-84	82.1	2.2

TREND DATA

PERMANENT STATE POSITIONS

<u>Year</u>	<u>Public Schools</u>	<u>Other General Fund</u>	<u>Total General Fund</u>	<u>Total Highway Fund</u>	<u>Receipts Supported</u>	<u>Grand Total</u>
1972-73	66,655	46,478	113,133	14,142	*	
1973-74	69,114	50,136	119,250	14,880	*	
1974-75	72,433	52,659	125,092	15,475	*	
1975-76	75,939	54,566	130,505	15,375	*	
1976-77	75,680	55,541	131,221	15,484	13,082	159,787
1977-78	81,968	56,368	138,336	15,406	14,344	168,086
1978-79	85,892	58,741	144,633	15,542	15,011	175,186
1979-80	86,726	59,826	146,552	15,562	14,384	176,498
1980-81	89,886	61,616	151,502	15,258	14,181	180,941
1981-82	88,978	61,795	150,773	14,818	14,042	179,633
1982-83	88,241	63,210	151,451	14,246	13,443	179,140
1983-84	88,366	63,795	152,161	14,201	13,658	180,020
1984-85	90,123	65,001	155,124	14,627	13,839	183,590

*Data not available.

SUMMARY OF PERMANENT POSITIONS
(July 1, 1984)

<u>DEPARTMENT</u>	<u>GENERAL FUND</u>	<u>HIGHWAY FUND</u>	<u>RECEIPTS- SUPPORTED</u>	<u>TOTAL POSITIONS</u>
General Assembly	102	-	-	102
Judicial Department	3,645.65	-	24.2	3,669.85
Governor's Office	155	-	41.5	196.5
Lt. Governor's Office	9	-	-	9
Secretary of State	56	-	-	56
State Auditor	157	-	6	163
State Treasurer	66	-	151.5	217.5
State Board of Education (Depts.)	610.53	-	268.21	878.74
Public Schools	90,122.75	-	-	90,122.75
Department of Justice	769	-	56	825
Department of Agriculture	965.75	68	309.25	1,343
Department of Labor	156.7	-	121.3	278
Department of Insurance	149	-	55	204
Department of Administration	861.58	-	353.61	1,215.19
Math and Science High School	104	-	9.75	113.75
Natural Resources and Comm. Dev.	1,488.5	-	987	2,475.5
Human Resources	15,224.2	11.8	2,531.71	17,767.71
Department of Correction	7,604.9	-	256	7,860.9
Department of Commerce	434	-	2,252.75	2,686.75
Department of Revenue	1,017	35	15	1,067
Department of Cultural Resources	559.25	-	55.75	615
Crime Control and Public Safety	461.55	1,446	61.25	1,968.8
Board of Governors	21,337.23	-	6,227.27	27,564.5
Department of Community Colleges	195.5	-	27	222.5
Community Colleges (Institutions)	8,866.1	-	-	8,866.1
State Board of Elections	5.75	-	-	5.75
Department of Transportation	-	13,066.55	28.75	13,095.3
 TOTAL	 155,123.94	 14,627.35	 13,838.80	 183,590.09

TREND DATA

AVERAGE SALARY OF EMPLOYEES SUBJECT
TO THE PERSONNEL ACT

<u>Year</u>	<u>Average Salary</u>
1960-61	\$ 3,828
1962-63	4,154
1964-65	4,453
1966-67	4,995
1968-69	5,707
1970-71	6,748
1972-73	7,680
1973-74	8,249
1974-75	9,013
1975-76	9,092
1976-77	9,431
1977-78	11,060
1978-79	11,756
1979-80	12,677
1980-81	14,233
1981-82	15,329
1982-83	15,329
1983-84	16,026
1984-85	17,587

- NOTE: (1) Prior to 1972 computations were only made every two years.
- (2) The average salary figures show all permanent SPA employees at a particular point in time. During these years new programs were added and coverage was extended to positions previously exempt. When new positions were added at salaries above the average or at salaries below the average, this resulted in an increase or decrease in average salary levels. Therefore, changes in average salaries are not measures of salary increases or decreases.

TREND DATA
LEGISLATIVE INCREASES SINCE 1949

<u>Year</u>	<u>State Employees</u>	<u>Teachers</u>
1953-55	10%	10%
1955-57	-0-	-0-
1957-59	11% (Average)	15% + 1% bonus (1 step added to schedule)
1959-61	3%	3.5% plus 5% bonus (employment extended 180 to 183 days)
1961-63	5%	21% (employment extended 183 to 185 days)
1963-65	\$120 (average 2.5%)	5% (\$15 month increase 1963-64; \$10 month increase 1964-65)
1965-67	10%	10%
1967-69	6%	20%
1969-70	average 10% (7.5% to 13.9%)	10%
1970-71	2%	10%
1971-72	5%	5%
1972-73	5%	5% (employment extended 185 to 187 days = 1% salary increase)
1973-74	5% + (5% for those under \$2.75 hr.)	5% (employment extended 185 to 200 days = 7% salary and 1 step added to schedule)
1974-75	7.5%	7.5%
1975-76	-0-	-0-
1976-77	4% + \$300 (average 7.2%)	4% + \$300 (average 6.8%)
1977-78	6.5%	6.5%
1978-79	6%	6%
1979-80	5% + (\$200 one-time bonus payment)	5% + (\$200 one-time bonus payment)
1980-81	10%	10% (Salary schedule changed = 2% to 10% added to each step of salary range)
1981-82	5% (effective 1-1-82)	5% (effective 1-1-82)
1982-83 ^a	-0-	-0-
1983-84 ^a	5%	5%
1984-85 ^a	10%	10% + 4.8% salary classification adjustment

^a Salary increment program frozen

TREND DATA

ACROSS-THE-BOARD SALARY
COST FOR EACH 1% INCREASE
(MILLIONS)

<u>Year</u>	<u>General Fund</u>	<u>Highway Fund</u>
1971-72	\$ 8.40	\$ 1.17
1972-73	8.43	1.17
1973-74	10.13	1.35
1974-75	12.27	1.51
1975-76	No Increase Granted	
1976-77	13.91	1.73
1977-78	15.79	1.84
1978-79	17.44	2.01
1979-80	18.86	2.13
1980-81	21.29	2.26
1981-82	25.14 ^a	2.51 ^a
1982-83	25.25 ^b	2.51 ^b
1983-84	25.97	2.57
1984-85	27.60	2.70

(a) Figure reflects annual cost, even though the increase was not effective until January 1, 1982.

(b) Figure reflects cost to continue the increase granted January 1, 1982; no additional salary increase.

THE UNIVERSITY OF NORTH CAROLINA
TUITION RATES FOR REGULAR FULL-TIME STUDENTS
1973-74 THROUGH 1984-85

<u>In-State</u>	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1977-78</u>	<u>1981-82</u>	<u>1983-84</u>	<u>1984-85</u>
Elizabeth City State Univ.	246	246	246	270	318	350	350
Fayetteville State Univ.	205	230	246	270	318	350	350
Pembroke	235	246	246	270	318	350	350
UNC-Asheville	280	246	246	270	318	350	350
UNC-Wilmington	270	246	246	270	318	350	350
Winston-Salem State Univ.	230	246	246	270	318	350	350
Appalachian State Univ.	245	270	282	310	372	410	410
East Carolina Univ. ⁽¹⁾	264	282	282	310	372	410	410
N.C. A&T State Univ.	282	282	282	310	372	410	410
N.C. Central Univ.	264	282	282	310	372	410	410
UNC-Charlotte	282	282	282	310	372	410	410
Western Carolina Univ.	282	282	282	310	372	410	410
N.C. State Univ. ⁽²⁾	316	330	330	364	436	480	480
UNC-Chapel Hill ⁽³⁾	316	330	330	364	436	480	480
UNC-Greensboro	316	330	330	364	436	480	480
N.C. School of the Arts ⁽⁴⁾	490	516	516	568	666	732	732
<u>Out-of-State</u>							
Elizabeth City State Univ.	1,570	1,570	1,654	1,754	1,900	2,384	2,600
Fayetteville State Univ.	1,588	1,588	1,672	1,772	1,900	2,384	2,600
Pembroke State Univ.	1,576	1,576	1,660	1,760	1,900	2,384	2,600
UNC-Asheville	1,840	1,840	1,940	2,040	1,900	2,384	2,600
UNC-Wilmington	1,825	1,825	1,925	2,025	1,900	2,384	2,600
Winston-Salem State Univ.	1,615	1,615	1,699	1,799	1,900	2,384	2,600
Appalachian State Univ.	1,830	1,830	1,930	2,030	2,160	2,722	2,968
East Carolina Univ. ⁽¹⁾	1,830	1,830	1,930	2,030	2,160	2,722	2,968
N.C. A&T State Univ.	1,815	1,815	1,915	2,015	2,160	2,722	2,968
N.C. Central Univ.	1,848	1,848	1,948	2,048	2,160	2,722	2,968
UNC-Charlotte	1,842	1,842	1,942	2,042	2,160	2,722	2,968
Western Carolina Univ.	1,848	1,848	1,948	2,048	2,160	2,722	2,968
N.C. State Univ. ⁽²⁾	1,876	1,876	1,976	2,076	2,260	2,842	3,100
UNC-Chapel Hill ⁽³⁾	1,874	1,874	1,974	2,074	2,260	2,842	3,100
UNC-Greensboro	1,882	1,882	1,982	2,082	2,260	2,842	3,100
N.C. School of the Arts ⁽⁴⁾	1,820	1,820	1,920	2,020	2,190	2,752	3,000

(1) Does not include Medical School. (2) Does not include Veterinary School.
(3) Does not include Health Science Schools. (4) Does not include High School.

NORTH CAROLINA PUBLIC SCHOOL TEACHERS: NUMBER,
AVERAGE SALARY, AND RANK

<u>Year</u>	<u>Teachers</u>	<u>Salary</u>	<u>Rank</u>
1966-67	46,596	\$ 5,656	40
1967-68	47,348	6,301	37
1968-69	48,342	6,830	37
1969-70	49,364	7,494	36
1970-71	49,078	7,772	38
1971-72	49,792	8,593	29
1972-73	50,033	9,162	27
1973-74	51,323	10,223	20
1974-75	54,052	11,002	21
1975-76	55,402	11,269	27
1976-77	56,328	11,910	28
1977-78	54,834	12,772	29
1978-79	54,878	13,676	28
1979-80	55,916	14,117	32
1980-81	55,343	15,861	30
1981-82	55,833	16,947	35
1982-83	56,169	17,585	38
1983-84	55,126	18,411	40

Source: Estimate of School Statistics NEA

BUDGET ENROLLMENTS IN PUBLIC SCHOOL
1969-70-1984-85, AND PROJECTED 1986-87

	<u>Public Schools Average Daily Membership</u>	<u>Percentage Increase or Decrease</u>
1969-70	1,171,240	- .53%
1970-71	1,163,811	- .63%
1971-72	1,151,778	-1.03%
1972-73	1,138,429	-1.16%
1973-74	1,153,335	1.31%
1974-75	1,160,363	.61%
1975-76	1,167,014	.57%
1976-77	1,183,191	1.39%
1977-78	1,174,302	- .75%
1978-79	1,155,501	- .98%
1979-80	1,152,643	- .25%
1980-81	1,135,618	-1.47%
1981-82	1,117,685	-1.60%
1982-83	1,099,018	-1.67%
1983-84	1,087,694	-1.03%
1984-85	1,089,303	0.15%
1985-86*	1,084,282	-0.46%
1986-87*	1,078,872	-0.50%

*Projected

