

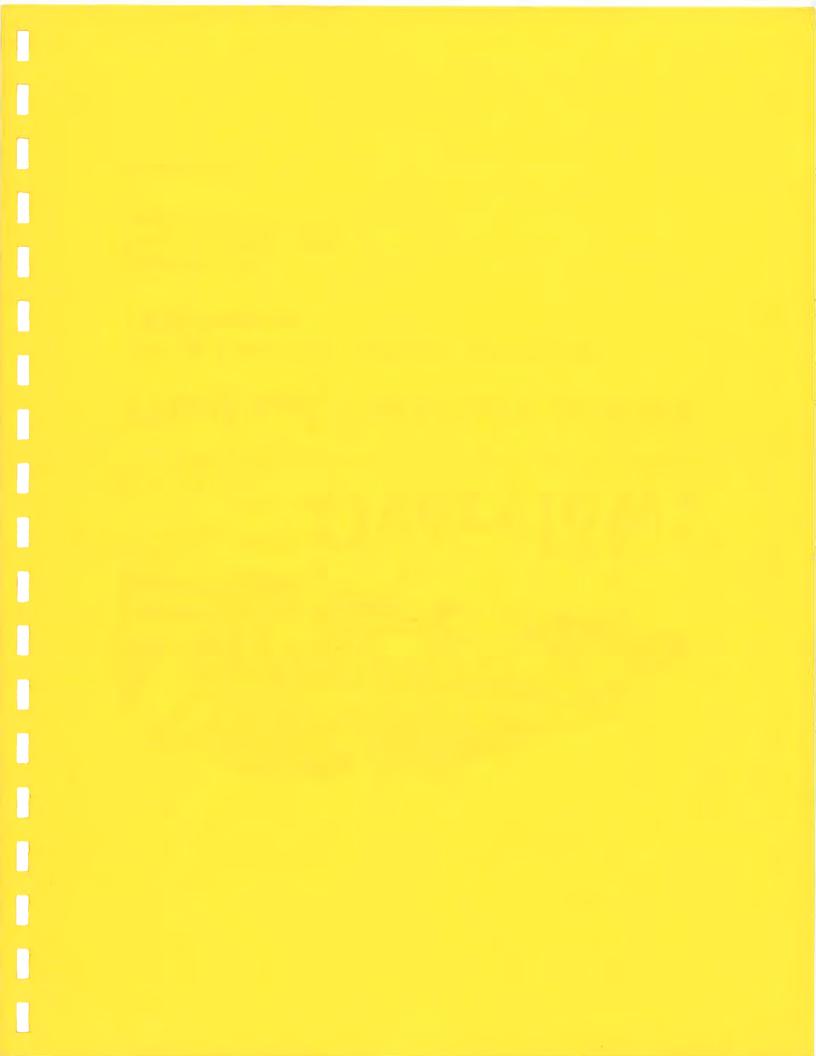
Overview:

Fiscal and Budgetary Actions

North Carolina General Assembly 1986 Session

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

Raleigh, N.C.



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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 1986-87 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.

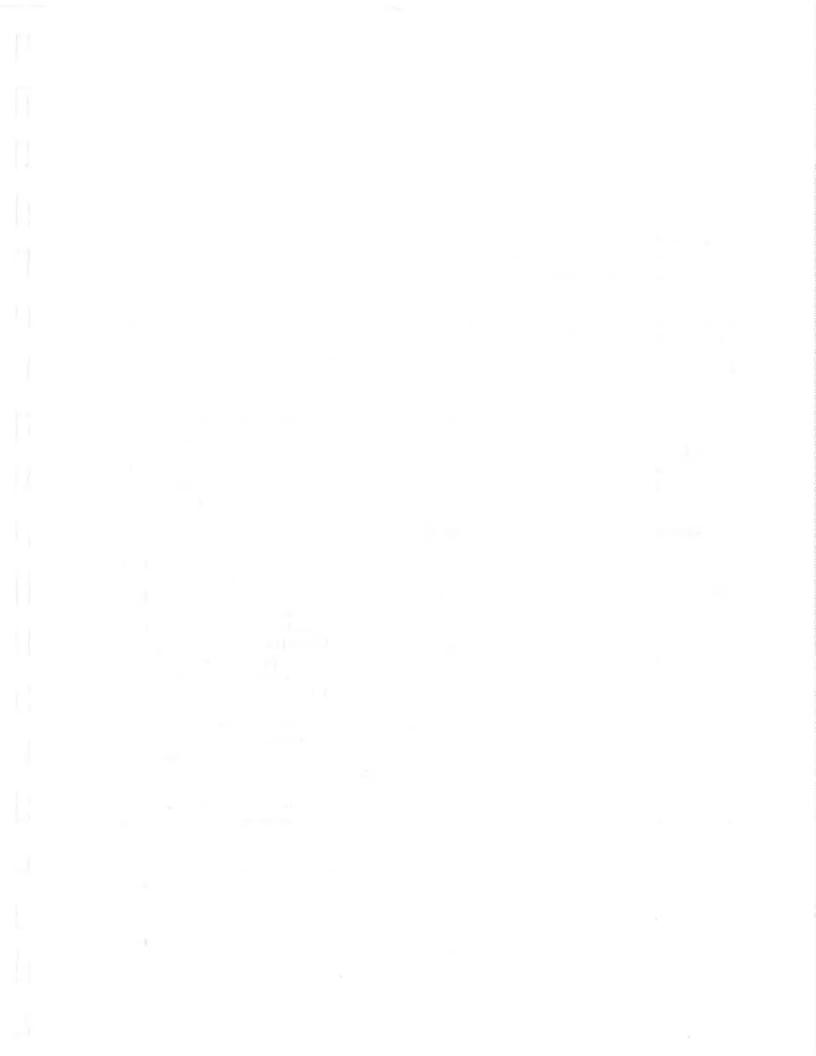
The document is divided into four major sections: "The Economy, Revenues and Fund Conditions"; "The Budget: 1986 Session"; "The Budget: Appropriations, Increases, and Decreases"; "Special Appropriations, Studies, and Revenue Bills".

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 overview of the state's economy, the section presents the conditions of state government's two major funds - General and Highway - for 1986-87, 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: 1986 Session", summarizes the fiscal actions authorized by the General Assembly for the 1986-87 fiscal year. Beginning with a short summary of the total State Budget and a look at how each General Fund 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 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 summarizes "special" appropriations bills passed in addition to the "main appropriations (budget) bill"; revenue bills authorizing various tax changes; and legislative studies authorized to scrutinize some special areas of state government with a view toward increased efficiency or cutting costs.



INTRODUCTION - CONTINUED:

Included in the "Appendix" is historical data on the State's General Fund revenues and expenditures, credit balances, reversions, number of employees, average salaries, and across-the-board salary increases. In addition, we have included this year a short summary of major appropriations by department, of salary and benefit changes and of the 1986 gas tax package.

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

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ECONOMIC OUTLOOK AND IMPACT ON GENERAL FUND REVENUES

The forecast of General Fund tax and non-tax revenues used during the 1986 Session appropriations process was essentially based on a continuation of the overall economic pattern of the last two years: slow growth and low inflation. The prospect of a continuation of this trend is somewhat unique in terms of business cycle history. During the post-war period a recession has followed almost every recovery period. The last scenario that resembles the current pattern took place in the mid-1960's.

The genesis of the experience of the last two years is the unfavorable experience of the late-1970's and early-1980's. The Federal Reserve Board in October, 1979, abandoned its operating strategy of targeting interest rates, in lieu of monitoring overall money supply growth. A period of unprecedented instability ensued. Left free to float, interest rates began a roller-coaster ride that made financing decisions difficult. Inflation rose to the 18% level in early-1980, and the economy plunged into a short-term recession. After a short recovery, the economy dropped back into a severe recession in mid-1981.

The memories of this period had a lasting impression on policy-makers in Washington. The result was that in October, 1982, the Federal Reserve abandoned its new operating procedure. In doing so the FED reverted to a strategy that was more closely aligned to monitoring interest rate movements in light of the current performance of the economy.

The result was a strong, long-lasting recovery, followed by two years of slow but stable growth. To date there are no signs of the usual post-recovery downturn. Inflation has been under 5% for over four years, with no sign of a future build-up. Both short-term and long-run interest rates have fallen to the lowest level since 1977.

The success of the Federal Reserve in stabilizing the economy has been acknowledged by policy-makers, the financial markets, and the general public. The strong backing given to the FED has encouraged it to stick to its guns. A clear sign of this strategy is the step taken by Chairman Volcker on numerous occasions of quickly dispelling rumors that the FED is leaning in one direction. Another signal is the lack of serious criticism by the President or the Congress during the last two years.

With these prospects in mind the Appropriations Committees adopted a revenue forecast based on a continuation of the monetary policy of the last two years. General Fund tax revenue growth for 1985-86 was 8.2% above the amount for 1984-85. For 1986-87 an economic growth rate assumption of 8.5% was used.

In looking to the future there were a number of problem issues identified during discussions on the budget outlook. Some of these items impact directly on the forecast of tax revenues; others affect the budget indirectly.

One continuing concern is the prospects of continued record trade deficits, even in the face of a decline in the dollar and the impact on the manufacturing sector. This area is of special concern to North Carolina due to the state's dependence on the production of goods.

Another issue is the farm economy. The legislative settlement of the tobacco price support program by the Congress early this year substituted a more orderly phase-down of the state's dependence on this sector than an immediate elimination of the program. However, the recent policy changes, as well as the effects of the 1986 drought, do not bode well for this sector.

After a 4.3% cut in federal aid to the state and localities for FY 86 under Gramm-Rudman-Hollings, the prospects are for a 10% cutback in aid this Fall. Whether the reductions will occur under the actual Gramm-Rudman-Hollings bill, or by Congressional action complying with the intent of G-R-H, some adjustments will be necessary. For cities and counties these changes will compound the \$117 million loss of federal revenue-sharing.

The final substantive issue is federal tax reform. Any limitation on the deduction of the major state and local taxes, or the exclusion for interest on state and local bonds, will hamper these units from generating the additional revenue to meet increased funding responsibilities.



General Fund Condition (\$ Millions)

	1985-86 Actual	1986-87 Authorized
BEGINNING CREDIT BALANCE: Restricted Unrestricted BEGINNING BALANCE	\$ 380.1 \$ 380.1	\$ 28.6** 290.5 \$ 319.1
REVENUES: Tax Non-Tax TOTAL REVENUES	\$4,694.5 216.4 \$4,910.9	\$4,974.2* 226.3 \$5,200.5
TOTAL AVAILABILITY	\$5,290.9	\$5,519.6
EXPENDITURES: Current Operations Appropriations Capital Improvements Appropriations TOTAL APPROPRIATIONS LESS: REVERSIONS NET EXPENDITURES	\$4,877.0 253.5 \$5,130.5 158.6 \$4,971.9	\$5,233.4 282.5 \$5,516.0
ENDING CREDIT BALANCE: Restricted Unrestricted ENDING CREDIT BALANCE	\$ 28.6** 290.5 \$ 319.1	\$ - 3.6 \$ 3.6

^{*} Based on projected economic growth rate of 8.5%, adjusted for Tax Reduction Act of 1985.

^{**} Section 44 of Chapter 791 of 1985 Session Laws (SB 489) required the State Treasurer to place \$28.6 million of tax revenue collected during June, 1986 in a special reserve which could not be expended prior to the 1986-87 fiscal year.

General Fund Revenues (In Millions)

<u>Tax</u>	1985-86 Actual	1986-87 Authorized
Personal Income	\$2,206.7	\$2,384.3*
% Change	(+9.1)	(+8.0)
Sales & Use Plus Public Utility Excise** % Change	1,485.5 (+7.5)	1,575.7* (+6.1)
Corporate Income	510.7	519.1*
% Change	(+4.2)	(+6.1)
Insurance	134.8	148.3
% Change	(+16.1)	(+10.0)
Beverage	109.0	112.8
% Change	(+3.7)	(+3.5)
Corporate Franchise	92.5	99.9
% Change	(+10.3)	(+8.0)
Inheritance Soft Drink Privilege License Cigarette Gift Other Total % Change	82.0 25.7 24.6 15.0 4.7 3.3 \$4,694.5 (+8.25)	66.8* 26.7 23.2 10.8* 3.1* 3.5 \$4,974.2* (+6.0)*
Non-Tax		
Investment Income Judicial Department Gas & Oil Inspection Miscellaneous Total	\$151.0 36.2 .9 28.2 \$216.3	\$151.3 40.1 .9 34.0 \$226.3

* Adjusted for effects of Tax Reduction Act of 1985. The growth rates based on the economic outlook are as follows:

Personal income	11.2%
Sales & public utility excise	8.0
Corporate income	2.9
Total General Fund Taxes	8.5

^{**} The two taxes are combined for historical comparison purposes due to 1984 session legislation that re-codified one-half of the 6% gross receipts tax on public utilities as a sales tax.

Summary of State Highway Fund Revenues

Approximately \$684.9 million was generated in Highway Fund state revenues in 1985-86. This was 2.6% more than the 1984-85 revenues and only .4% higher than the 2.2% growth projected for the fiscal year. Gas tax collections grew at 4.1% and motor vehicle license and fee collections at 3.2%. Moderate growth was expected, and basically, that is what happened.

There were a couple of events favorably impacting Highway Fund revenues toward the end of the fiscal year. Consumers started to see a drop in the price they paid at the pump for gasoline in February. In March, prices were the lowest they had been since 1979, and they remained comparatively low throughout the remainder of the fiscal year. Table 1 shows 1986 gasoline prices for March, April, and May. For each of these months, the price in 1986 was the lowest since 1979. With lower gas prices, consumers drove more and bought more gallons of gasoline. As a result, gasoline revenues for the state increased. The average growth in gasoline revenues for the last quarter of fiscal year 1985 was 2.1% (adjusted for gasohol). The average growth in gas revenues for the last quarter of this fiscal year was 6.2% -- over a 4% increase. The trend in the latter part of the fiscal year, then, was lower gas prices and increased travel, and this benefited the Highway Fund.

Moderate growth is expected in 1986-87 for the regular gas tax and fee components of the Highway Fund. These will be supplemented, however, with the tax increases in the "Roads to the Future" package passed by the 1986 General Assembly. These increases consist of (1) an additional 2¢/gallon tax and (2) a 3% sales tax on the wholesale price of gasoline. The increases are expected to generate an additional \$114.4 million in gas tax revenues for 1986-87, bringing total expected revenues up to \$814.5 million.

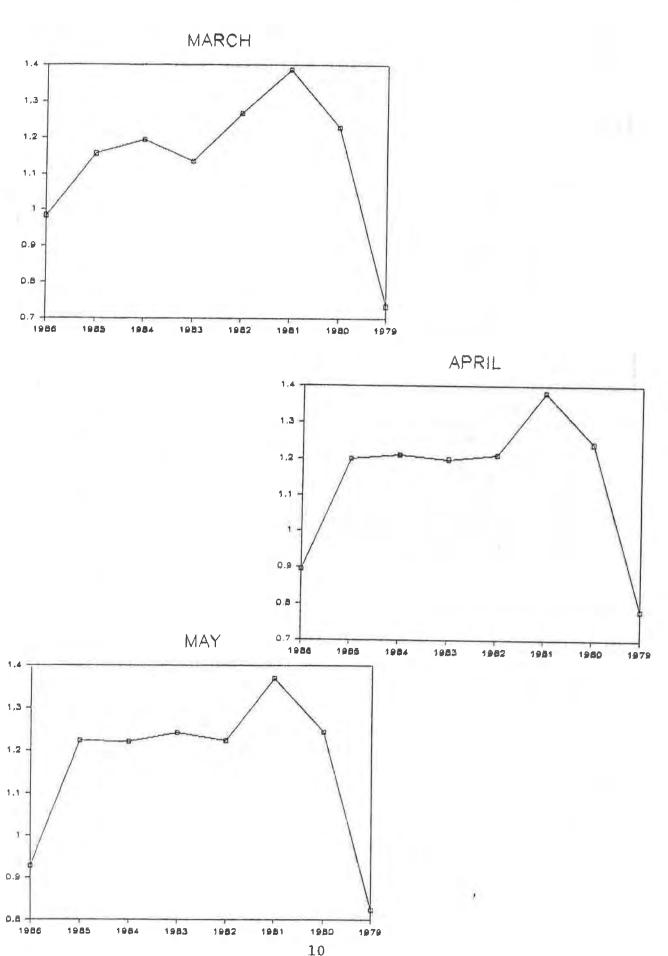
HIGHWAY FUND CONDITION (IN MILLIONS)

	_1	Actual 1985-86	Authorized 1986-87
Beginning Credit Balance Debt Service Current Fund Prior Year Reserves	\$	17.1 24.4 44.5	\$ 15.6 9.3 33.2
Subtotal-Beginning Balance	\$	86.0	\$ 58.1
State Highway Fund Revenue		684.9	814.5
Total Availability	\$	770.9	\$ 872.6
Expenditures Operations Prior Year Reserves Capital Improvements	\$	662.6 44.5 5.6	\$ 829.8 - 9.6
Total Expenditures	\$	712.7	\$ 839.4
Ending Balance Debt Service Current Fund Appropriation Reserves	\$	15.6 9.3 33.2	\$ - - 33.2
Total Ending Balance	\$	58.1	\$ 33.2

State Highway Fund Revenues

	1985-86 <u>Actual</u>	1986-87 Projected
Motor Fuel Tax: Gasoline Tax - 11¢ Gasoline Tax - 1¢ Gasoline Tax - 14¢ Gasoline Tax - 3% Gasoline Inspection - ½¢ Highway Use Tax	\$387.3 37.0 - - 9.2 	\$500.0 49.0 9.4 4.7
Subtotal % Change % Change Adjusted for tax package	\$438.8 4.1	\$564.0 28.5 2.5
Motor Vehicle Licenses and Registration Fees: Motor Vehicle Registration International Registration Plan Title Fees Lien Recording Fees Driver Licenses Revocation/Restoration Safety Equipment Inspection Fees Dealer and Manufacturer Licenses Overweight/Oversize Permits Subtotal % Change	\$135.4 26.9 13.9 .7 28.8 3.0 3.8 .5 .4 \$213.4 3.2	\$138.4 29.9 14.0 .9 29.0 2.2 4.2 .5 .4 \$219.5 2.9
Other State Revenue Penalties Refunds - Highway Division Miscellaneous Subtotal	\$ 5.1 1.0 .1 \$ 6.2	\$ 6.3 .9 3 * 7.5
Investment Income	\$ 26.5	\$ 23.5
Total Highway Fund Revenues % Change % Change Adjusted for tax package	\$684.9 2.6	\$814.5 18.9 2.2

TABLE 1. US CITY AVERAGE GAS PRICES/GALLON



The Budget:

1986 Session

The Budgett

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SUMMARY OF THE BUDGET

TOTAL BUDGET

\$8.941 billion in 1986-87 for both operations and capital improvements.

GENERAL FUND

\$5.516 billion in 1986-87.

HIGHWAY FUND

\$839.4 million in 1986-87.

FEDERAL FUNDS

\$1.887 billion in 1986-87.

DEPARTMENTAL RECEIPTS

\$698.3 million in 1986-87. Made up of tuition fees, patient receipts, and other dedicated receipts.

GENERAL FUND REVENUES

The rate of increase projected for General Fund tax revenues (adjusted for tax law changes), 1986-87 over 1985-86 - 6.0%.

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

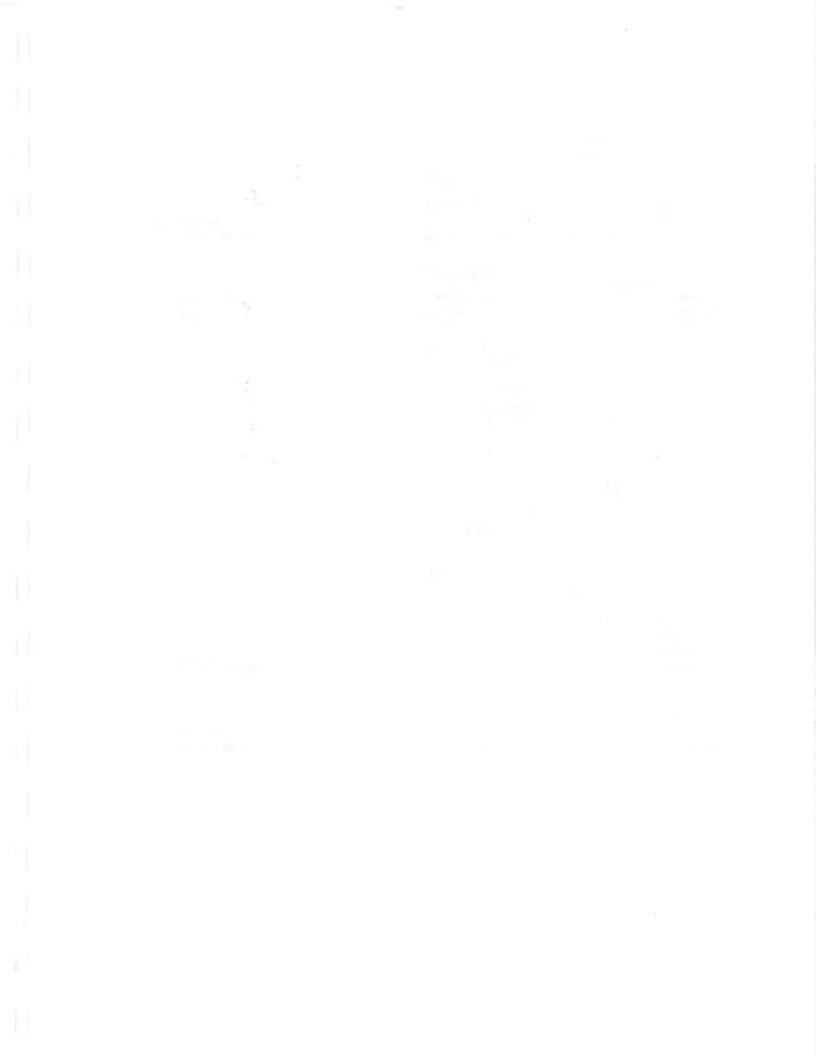
1974-75	6.8%
1975-76	8.3%
1976-77	14.3%*
1977-78	14.7%*
1978-79	13.4%
1979-80	12.9%
1980-81	9.2%*
1981-82	8.2%
1982-83	6.5%
1983-84	12.3%*
1984-85	11.5%*
1985-86	8.3%

* Adjusted for tax law changes

CAPITAL IMPROVEMENTS

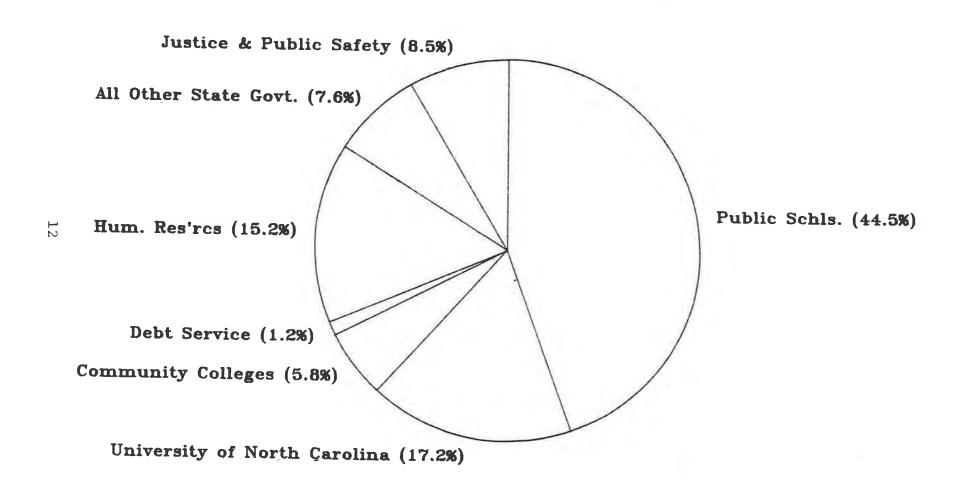
Total recommendations for capital improvements from General Fund appropriations are \$282.5 million in 1986-87.

HIGHWAY FUND REVENUES Total Highway Fund revenues are projected to grow 2.2% during 1986-87 as compared to 1985-86 (adjusted for tax package). Motor fuel tax revenue, alone, is expected to increase 2.5% (adjusted for tax package).



1986 GENERAL FUND BUDGET

FOR CURRENT OPERATIONS



GENERAL FUND

HOUSE BILL 2055 - 1986-87 CURRENT OPERATIONS

(1986 SESSION)

	=======================================		
	SENATE BILL 1	INCREASES	HOUSE BILL 2055
	1986-87	AND	REVISED
DEPARTMENTS	APPROPRIATIONS	DECREASES	APPROPRIATIONS
GENERAL ASSEMBLY	14,009,233	526,000	14,535,233
JUDICIAL DEPARTMENT	129,114,590	701,651	129,816,241
DEPARTMENT OF THE GOVERNOR	7,581,535	1,144,000	8,725,535
GOVERNOR'S OFFICE - RES SPEC APPROP.		,	0
OSB - RESERVE FOR GRANT-IN-AID	0	1,697,213	1,697,213
LIEUTENANT GOVERNOR'S OFFICE	473,834		473,834
DEPARTMENT OF SECRETARY OF STATE	1,603,221	244,945	1,848,166
DEPARTMENT OF STATE AUDITOR	8,683,092	2,687,200	11,370,292
DEPARTMENT OF STATE TREASURER	3,377,304	3,078,000	6,455,304
DEPARTMENT OF PUBLIC EDUCATION	2,009,326,705	23,536,070	2,032,862,775
DEPARTMENT OF JUSTICE	32,179,275	5,451,485	37,630,760
OFFICE OF ADMINISTRATIVE HEARINGS		444,120	444,120
DEPARTMENT OF AGRICULTURE	28,354,974	2,260,246	30,615,220
DEPARTMENT OF LABOR	5,801,547	(185,444)	5,616,103
DEPARTMENT OF INSURANCE	8,083,673	1,174,129	9,257,802
DEPARTMENT OF ADMINISTRATION	38,057,811	1,631,518	39,689,329
TRANSPORTATION			0
01. Public Transportation	1,645,000		1,645,000
02. Aeronautics	3,516,571		3,516,571
03. Aid to Railroads	100,000	1,000,000	1,100,000
TOTAL TRANSPORTATION	5,261,571	1,000,000	6,2 61, 571
DEPT. OF NAT. RES. & COM. DEV.	54,416,711	1,841,448	56,258,159
DEPT. OF HUMAN RESOURCES			0
01. Alcohol Rehab. Ctr. Black Mt.	2,761,168	(41,898)	2,719,270
02. Alcohol Rehab. Ctr. Butner	2,278,163	49,456	2,327,619
03. Alcohol Rehab. Ctr. Greenville	1,947,104	56,076	2,003,180

GENERAL FUND

HOUSE BILL 2055 - 1986-87 CURRENT OPERATIONS

(1986 SESSION)

	SENATE BILL 1	INCREASES	HOUSE BILL 2055
DEDARANTAG	1986-87	AND	REVISED
DEPARTMENTS	APPROPRIATIONS	DECREASES	APPROPRIATIONS
OA N. C. Special Care Copter	2 720 020	(FO2 F46)	2 146 202
04. N. C. Special Care Center	3,729,829	(583,546)	3,146,283
05. Black Mountain Center	136,673	(132,898)	3,775
06. DHR-Adm. & Support Program	23,743,156	(253,185)	23,489,971
07. Schools for the Deaf	13,260,648	(92,526)	13,168,122
08. Governor Morehead School	3,869,916	(22,586)	3,847,330
09. Division of Health Services	73,897,626	(2,574,522)	71,323,104
10. Social Services	71,285,588	6,448,937	77,734,525
11. Medical Assistance	217,744,497	3,126,726	220,871,223
12. Soc Serv -State Aid Non St Agy	3,651,646	478,000	4,129,646
13. Div. of Ser. for the Blind	5,527,511	(136,517)	5,390,994
14. Div. MH/MR Services	105,492,224	8,660,064	114,152,288
15. Dorothea Dix Hospital	29,615,609	(825,153)	28,790,456
<pre>16. Broughton Hospital</pre>	23,099,514	(1,569,619)	21,529,895
17. Cherry Hospital	22,915,032	(190,091)	22,724,941
18. John Umstead Hospital	23,216,708	(393,459)	22,823,249
19. Western Carolina Center	3,479,985	(1,345,462)	2,134,523
20. O'Berry Center	3,273,517	(220,019)	3,053,498
21. Murdoch Center	14,500,675	(285,899)	14,214,776
22. Caswell Center	13,716,594	(1,586,581)	12,130,013
Div. of Facility Services	7,840,742	214,735	8,055,477
24. Div. of Voc. Rehab. Services	21,232,121	(458,946)	20,773,175
25. Div. of Youth Services	33,024,634	664,723	33,689,357
TOTAL DEPT. OF HUMAN RESOURCES	725,240,880	8,985,810	734,226,690
DEPARTMENT OF CORRECTION	217,962,306	1,860,935	219,823,241
DEPARTMENT OF COMMERCE	22,767,538	7,622,056	30,389,594
COMMERCE-MICRO-ELECTRONICS CEN.	12,226,000	515,000	12,741,000

GENERAL FUND

HOUSE BILL 2055 - 1986-87 CURRENT OPERATIONS

(1986 SESSION)

	SENATE BILL 1 1986-87	INCREASES AND	HOUSE BILL 2055
DEPARTMENTS	APPROPRIATIONS	DECREASES	APPROPRIATIONS
DEPARTMENT OF REVENUE	34,163,900	(27,593)	34,136,307
DEPARTMENT OF CULTURAL RESOURCES	26,918,428	2,854,950	29,773,378
DEPT. OF CRIME CTRL & PUB. SAFETY	13,257,398	1,372,270	14,629,668
UNIVERSITY OF NORTH CAROLINA	13,20,,000	2,0.2,2.3	0
Ol. General Administration	11,476,500	(30,378)	11,446,122
02. University Operations-Lump Sum		10,983,964	54,709,665
03. Related Educational Programs	33,187,688	1,215,000	34,402,688
04. UNC of NC at Chapel Hill	188,492,474	(1,238,736)	187,253,738
a. Academic Affairs	96,643,271	(719,289)	95,923,982
b. Division of Health Affairs	68,353,141	(511,736)	67,841,405
c. Area Health Education Ctr.	23,496,062	(7,711)	23,488,351
05. N. C. State Univ. at Raleigh	163,689,656	(536,650)	The state of the s
a. Academic Affairs	118,848,733	(432,650)	118,416,083
b. Agricultural Res. Service	25,192,980	(79,000)	25,113,980
c. Agricultural Ext. Service	19,647,943	(25,000)	19,622,943
06. UNC at Greensboro	36,310,449	(78,518)	36,231,931
07. UNC at Charlotte	31,818,022	(72,044)	31,745,978
08. UNC at Asheville	8,494,327	(22,742)	8,471,585
09. UNC at Wilmington	18,545,591	(41,334)	18,504,257
10. East Carolina Univ.	80,135,969	(167,328)	79,968,641
11. NC Agri. & Tech State Univ.	24,047,590	(68,392)	23,979,198
12. Western Carolina Univ.	22,481,467	(56,108)	22,425,359
13. Appalachian State Univ.	34,350,147	(77,024)	34,273,123
14. Pembroke State Univ.	8,361,945	(21,746)	
15. Winston-Salem State Univ.	10,713,848	(29,216)	
16. Elizabeth City State Univ.	8,084,628	(25,398)	8,059,230

GENERAL FUND

(1986 SESSION)

		=======================================	
DEPARTMENTS	SENATE BILL 1 1986-87 APPROPRIATIONS	INCREASES AND DECREASES	HOUSE BILL 2055 REVISED APPROPRIATIONS
17. Fayetteville State Univ. 18. N. C. Central Univ. 19. N. C. School of the Arts 20. N. C. Science and Math Hi Sch 21. North Carolina Memorial Hosp. Total University of North Carolina DEPARTMENT OF COMMUNITY COLLEGES STATE BOARD OF ELECTIONS CONTINGENCY & EMERGENCY RESERVE FOR SALARY ADJUSTMENTS	10,082,674 20,164,572 5,681,132 5,001,315 24,740,652 789,586,347 248,250,430 285,715 1,125,000 500,000	(29,216) (56,772) (15,770) 190,870 (83,498) 9,738,964 25,644,068	10,053,458 20,107,800 5,665,362 5,192,185 24,657,154 799,325,311 273,894,498 285,715 1,125,000 500,000
RESERVE FOR ELECTRONIC DATA PROCESS. RESERVE FOR STATE AID LOCAL PROGRAMS RESERVE FOR SALARY INCREASES SALARY INCREASES, LOCAL PROGRAMS RESERVE FOR HOSPITAL MEDICAL BENEFITS ADMINISTRATIVE PROCEDURE ACT DEBT SERVICE - INTEREST DEBT SERVICE - REDEMPTION GRAND TOTAL CURRENT OPERATIONS	2,300,000 7,938,046 318,000,000 4,814,406 34,000,000 35,266,250 41,500,000 4,882,427,720	215,560,000 4,948,010 (3,845,000) (10,260,000) (2,000,000) 310,202,051	2,300,000 7,938,046 533,560,000 9,762,416 30,155,000 0 25,006,250 39,500,000 5,192,629,771

GENERAL FUND

	1985 SESSION		1986 SESSION		1986-87	
DEPARTMENTS	SENATE BILL 1	SPECIAL BILLS	INCREASES/ DECREASES	SPECIAL BILLS	TOTAL APPROPRIATIONS	
GENERAL ASSEMBLY JUDICIAL DEPARTMENT DEPARTMENT OF THE GOVERNOR GOVERNOR'S OFFICE - RES SPEC APPROP. OSB - RESERVE FOR GRANT-IN-AID LIEUTENANT GOVERNOR'S OFFICE DEPARTMENT OF SECRETARY OF STATE DEPARTMENT OF STATE AUDITOR DEPARTMENT OF STATE TREASURER DEPARTMENT OF PUBLIC EDUCATION DEPARTMENT OF JUSTICE	0 473,834 1,603,221 8,683,092 3,377,304 2,009,326,705	15,000 4,329,924 810,000 125,000	526,000 701,651 1,144,000 1,697,213 244,945 2,687,200 3,078,000 23,536,070	2,000 419,038 6,167,183 165,079	14,552,233 a 134,565,203 8,725,535 6,977,183 1,697,213 598,834 b 2,013,245 11,370,292 6,455,304 2,037,575,739	
OFFICE OF ADMINISTRATIVE HEARINGS DEPARTMENT OF AGRICULTURE DEPARTMENT OF LABOR DEPARTMENT OF INSURANCE DEPARTMENT OF ADMINISTRATION	32,179,275 28,354,974 5,801,547 8,083,673 38,057,811	873,824 60,000 219,333 1,857,208	5,451,485 444,120 2,260,246 (185,444) 1,174,129 1,631,518	22,000 35,000 33,000	444,120 30,710,220 5,616,103 9,477,135	
TRANSPORTATION 01. Public Transportation 02. Aeronautics 03. Aid to Railroads TOTAL TRANSPORTATION	1,645,000 3,516,571 100,000 5,261,571		1,000,000	23,000	1,645,000 3,516,571 1,100,000 6,261,571	

GENERAL FUND

	1985 SES	SION	1986 SI	ESSION	1986-87
DEPARTMENTS	SENATE BILL 1	SPECIAL BILLS	INCREASES/ DECREASES	SPECIAL BILLS	TOTAL APPROPRIATION:
DEPT. OF NAT. RES. & COM. DEV.	54,416,711	1,032,602	1,841,448		57,290,761
DEPT. OF HUMAN RESOURCES					0
01. Alcohol Rehab. Ctr. Black Mt.	2,761,168		(41,898)		2,719,270
02. Alcohol Rehab. Ctr. Butner	2,278,163		49,456		2,327,619
03. Alcohol Rehab. Ctr. Greenville	1,947,104		56,076		2,003,180
04. N. C. Special Care Center	3,729,829		(583,546)		3,146,283
05. Black Mountain Center	136,673		(132,898)		3,775
06. DHR-Adm. & Support Program	23,743,156		(253,185)		23,489,971
07. Schools for the Deaf	13,260,648		(92,526)		13,168,122
08. Governor Morehead School	3,869,916		(22,586)		3,847,330
09. Division of Health Services	73,897,626		(2,574,522)		71,323,104
Social Services	71,285,588		6,448,937		77,734,525
11. Medical Assistance	217,744,497		3,126,726		220,871,223
12. Soc Serv -State Aid Non St Agy	3,651,646		478,000		4,129,646
13. Div. of Ser. for the Blind	5,527,511		(136,517)		5,390,994
<pre>14. Div. MH/MR Services</pre>	105,492,224		8,660,064		114,152,288
15. Dorothea Dix Hospital	29,615,609		(825,153)		28,790,456
<pre>16. Broughton Hospital</pre>	23,099,514		(1,569,619)		21,529,895
17. Cherry Hospital	22,915,032		(190,091)		22,724,941
18. John Umstead Hospital	23,216,708		(393,459)		22,823,249
19. Western Carolina Center	3,479,985		(1,345,462)		2,134,523

GENERAL FUND

	1985 SE	SSION	1986 S	ESSION	1986-87
DEPARTMENTS	SENATE BILL 1	SPECIAL BILLS	INCREASES/ DECREASES	SPECIAL BILLS	TOTAL APPROPRIATIONS
20. O'Berry Center	3,273,517		(220,019)	=======	3,053,498
21. Murdoch Center	14,500,675		(285,899)		14,214,776
22. Caswell Center	13,716,594		(1,586,581)		12,130,013
23. Div. of Facility Services	7,840,742		214,735		8,055,477
24. Div. of Voc. Rehab. Services	21,232,121		(458,946)		20,773,175
25. Div. of Youth Services	33,024,634		664,723		33,689,357
TOTAL DEPT. OF HUMAN RESOURCES	725,240,880	10,808,780	8,985,810	67,000	745,102,470
DEPARTMENT OF CORRECTION	217,962,306	393,357	1,860,935	·	220,216,598
DEPARTMENT OF COMMERCE	22,767,538	(164,719)	7,622,056		30,224,875
COMMERCE-MICRO-ELECTRONICS CEN.	12,226,000		515,000		12,741,000
DEPARTMENT OF REVENUE	34,163,900		(27,593)		34,136,307
DEPARTMENT OF CULTURAL RESOURCES	26,918,428	3,000,000	2,854,950	189,750	32,963,128
DEPT. OF CRIME CTRL & PUB. SAFETY	13,257,398	64,624	1,372,270		14,694,292
UNIVERSITY OF NORTH CAROLINA					0
O1. General Administration	11,476,500		(30,378)		11,446,122
02. University Operations-Lump Sum	43,725,701		10,983,964		54,709,665
03. Related Educational Programs	33,187,688		1,215,000		34,402,688
04. UNC of NC at Chapel Hill	188,492,474		(1,238,736)		187,253,738
a. Academic Affairs	96,643,271		(719,289)		95,923,982
b. Division of Health Affairs	68,353,141		(511,736)		67,841,405
c. Area Health Education Ctr.	23,496,062		(7,711)		23,488,351

GENERAL FUND

		1985 SES	SION	1986 SE	ESSION	1986-87
<u> </u>	DEPARTMENTS	SENATE BILL 1	SPECIAL BILLS	INCREASES/ DECREASES	SPECIAL BILLS	TOTAL APPROPRIATIONS
()5. N. C. State Univ. at Raleigh a. Academic Affairs	163,689,656 118,848,733		(536,650) (432,650)		163,153,006 118,416,083
	b. Agricultural Res. Servicec. Agricultural Ext. Service	25,192,980 19,647,943		(79,000)		25,113,980
	6. UNC at Greensboro	36,310,449		(25,000) (78,518)		19,622,943 36,231,931
	07. UNC at Charlotte 08. UNC at Asheville	31,818,022 8,494,327		(72,044) (22,742)		31,745,978 8,471,585
	9. UNC at Wilmington 10. East Carolina Univ.	18,545,591 80,135,969		(41,334)		18,504,257
, 1	ll. NC Agri. & Tech State Univ.	24,047,590		(167,328) (68,392)		79,968,641 23,979,198
1	l2. Western Carolina Univ. l3. Appalachian State Univ.	22,481,467 34,350,147		(56,108) (77,024)		22,425,359 34,273,123
	14. Pembroke State Univ. 15. Winston-Salem State Univ.	8,361,945 10,713,848		(21,746)		8,340,199
1	l6. Elizabeth City State Univ.	8,084,628		(29,216) (25,398)		10,684,632 8,059,230
1	17. Fayetteville State Univ. 18. N. C. Central Univ.	10,082,674 20,164,572		(29,216) (56,772)		10,053,458 20,107,800
	19. N. C. School of the Arts 20. N. C. Science and Math Hi Sch	5,681,132		(15,770)		5,665,362
2	21. North Carolina Memorial Hosp. al University of North Carolina	5,001,315 24,740,652 789,586,347	3,016,000	190,870 (83,498) 9,738,964	213,900 0	5,192,185 24,657,154 802,555,211

HOUSE BILL 2055 - 1986-87 CURRENT OPERATIONS

(1985 AND 1986 SESSIONS)

	1985 SES	SSION	1986 SI	ESSION	1986-87
DEPARTMENTS	SENATE BILL 1	SPECIAL BILLS	INCREASES/ DECREASES	SPECIAL BILLS	TOTAL APPROPRIATIONS
DEPARTMENT OF COMMUNITY COLLEGES	248,250,430	1,015,800	25,644,068	83,160	274,993,458
STATE BOARD OF ELECTIONS	285,715				285,715
CONTINGENCY & EMERGENCY	1,125,000				1,125,000
RESERVE FOR SALARY ADJUSTMENTS	500,000				500,000
RESERVE FOR ELECTRONIC DATA PROCESS.	2,300,000				2,300,000
RESERVE FOR STATE AID LOCAL PROGRAMS	7,938,046				7,938,046
RESERVE FOR SALARY INCREASES	318,000,000		215,560,000		533,560,000
SALARY INCREASES, LOCAL PROGRAMS	4,814,406		4,948,010		9,762,416
RESERVE FOR HOSPITAL MEDICAL BENEFITS	34,000,000		(3,845,000)		
ADMINISTRATIVE PROCEDURE ACT		1,346,954	, , ,		1,346,954
DEBT SERVICE - INTEREST	35,266,250		(10,260,000)		25,006,250
DEBT SERVICE - REDEMPTION	41,500,000		(2,000,000)		39,500,000
GRAND TOTAL CURRENT OPERATIONS	4,882,427,720				5,233,423,532

ALL SPECIAL BILLS APPROPRIATIONS WERE INCLUDED IN HOUSE BILL 2055 EXCEPT FOR THE FOLLOWING:

- (a) SB 595 Appropriated \$419,038 for Victim Assistance Program
- (b) HB 266 Appropriated \$165,079 for Uniform Limited Partnership Act
- (c) HB1482 Appropriated \$120,000 for Betsy Jeff-Penn 4-H Camp by Reducing the Hospital Medical Reserve.

1986-87 CAPITAL APPROPRIATIONS

(1986 SESSION)

	DEPARTMENT OR AGENCY	APPROPRIATION 1986-87
	DEPARTMENT OF ADMINISTRATION	
		\$2,825,000
	01. Renovate Art Museum	200,000
	02. Purchase of Credit Union Building - Adm Hearings Office	425,000
	03. Education Building - Planning & Construction	1,450,000
	04. Revenue Building - Planning Funds	750,000
	DEPARTMENT OF HUMAN RESOURCES	8,284,823
	01. Life Safety Code Renovations	6,000,000
	02. Cherry Hospital - Equip/Steam Line to Laundry Building	988,200
	03. Lenox Baker Hospital	326,900
	a. Renovations	76,900
	b. Therapeutic Pool	250,000
	04. Juvenile Evaluation Center	98,000
	a. Construction of Maintenance Building	78,500
V	b. Landscaping for Chapel	19,500
	05. Black Mountain Center	771,723
	a. Renovation and Replacement of Elevators	117,747
	b. Redecoration Three 40-bed Residential Units for MR	56,000
	c. Renovation of Houses/Constr Bldg Cluster Home Project	258,576
	d. Renovation of Building 17 to Comply with Code	204,000
	e. Enclose Exit and Construct Ramp Moore Wing	
		103,500
	f. Repave Streets and Parking Lots	31,900
	06. Jackson Training School Renovations	100,000
	DEPARTMENT OF CORRECTION	14,551,448
	01. Construction 300-bed Medium Custody Facility Buncombe Co	5,664,000

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1986-87 CAPITAL APPROPRIATIONS

(1986 SESSION)

	DEPARTMENT OR AGENCY	APPROPRIATION 1986-87
4	02. Construction Two Dorms Wake Co NC Corr Ctr for Women	2,426,800
	03. Construction of Work Release Facilities	3,656,800
	a. 100-Man Dorm at Guilford 1 Unit	1,213,400
	b. 100-Man Dorm at Carteret County Unit	1,213,400
	c. 100-Man Unit in Buncombe County - Land	100,000
	d. Construction - Buncombe County	1,130,000
	04. Reserve for Work Release Facility Cumberland Co	1,230,000
	05. Reserve for Renovations in 52 Field Units	1,368,348
	06. Cameron Morrison - Renovation and Fencing	75,500
	07. Johnston Co Prison Unit - Constr of Chapel	50,000
	08. Richmond Co Prison Unit - Constr of Chapel	50,000
	09. Harnett Correctional Ctr - Complete Constr of Chapel	30,000
	DEPARTMENT OF CULTURAL RESOURCES	1,192,435
)	01. Construction of David Stick Library in Manteo	750,000
	02. Renovations at Museum of Cape Fear in Fayetteville	392,435
	03. Purchase of Land for Old Fort Branch Museum	50,000
	DEPARTMENT OF AGRICULTURE	6,276,300
	01. Tidewater Research Station - Constr Swine Res Facilities	770,000
	a. Construction swine Research facilities	470,000
	b. Laboratory and Conference Center Planning Funds	300,000
	02. Mountain Res Station - Constr Burley Tabacco Facility	316,300
	03. Piedmont Res Station - Complete Constr Broiler Res Fac	175,000
	Less Receipts	(175,000)
	04. Horse and Livestock Facilities	1,040,000

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1986-87 CAPITAL APPROPRIATIONS

(1986 SESSION)

DEPARTMENT OR AGENCY	APPROPRIATION 1986-87
a. Raliegh - Constr of Office Space and Eating Fac	560,000
b. Asheville - Constr of Horse Stalls and Bathrooms	480,000
05. Western Farmers' Market	275,000
a. Constr of Garage and Maintenance Building	75,000
b. Paving	200,000
06. Reserve for Farmers' Markets	3,875,000
a. Southeastern Farmers' Market	1,850,000
b. Northeastern Farmers' Market	1,850,000
c. Fayetteville Farmers' Market	100,000
d. Union County Farmers' Market	75,000
DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT	900,000
01. Zoo - Parking Lot, Access Road, Ticket Fac Improvements	50,000
02. Marine Fisheries - Complete Constr at Bldg in Morehead	100,000
03. Civil Works Projects	750,000
UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS	51,578,250
01. Appalachian State Univ - Addition Ctr Continuing Educ	1,500,000
02. North Carolina State University	16,100,000
a. School of Textiles	14,300,000
b. Advance Planning - Bldg for Pulp and Paper Program	300,000
c. Renovations at Chinqua-Penn Plantation	1,500,000
03. University of North Carolina at Asheville	3,393,900
a. Western North Carolina Arboretum	2,500,000
b. Athletic Field	558,900
c. Advance Planning - Classroom/Office Bldg	335,000

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1986-87 CAPITAL APPROPRIATIONS

(1986 SESSION)

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	DEPARTMENT OR AGENCY	APPROPRIATION 1986-87
4	04. University of North Carolina at Chapel Hill	13,868,000
	a. Conference Center	13,665,000
	b. Advance Planning-Family Physicians Center	203,000
	05. University of North Carolina at Charlotte	150,000
	a. Office/Classroom Bldg for College of Architecture	150,000
	06. Western Carolina University	162,000
	a. Advance Planning-Renovate Stillwell/McKee/Hoey Aud.	128,000
	b. Advance Planning-Warehouse and Storage Bldg	34,000
	07. Winston-Salem State University	5,077,400
	a. Addition and Renovation to O'Kelly Library	5,077,400
	08. North Carolina Central University - Repairs/Renovations	2,000,000
	09. Elizabeth City State Univ. Science Complex	4,666,300
.)	10. Agriculture Programs - Mt Hort. Crops St/Ext Ctr Fletcher	276,750
л		83,750
	a. Fencing	193,000
	b. Irrigation System	3,515,900
	11. N. C. School of Science/Math	3,515,900
	a. Physical Education/Campus Maint Facilities	868,000
	12. Advanced Planning Funds for Balance of Line 6 Projects	
	DEPARTMENT OF COMMUNITY COLLEGES	22,526,600
	01. Construction and Planning Funds (See List)	22,526,600
	DEPARTMENT OF JUSTICE	1,303,200
	01. Raney Building Renovations	500,000
	02. Justice Academy at Salemburg	703,200
	a. Firing Range	216,200

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1986-87 CAPITAL APPROPRIATIONS

(1986 SESSION)

DEPARTMENT OR AGENCY	APPROPRIATION 1986-87
=======================================	
b. Precision Driving Lot	237,000
c. Advanced Planning Funds	250,000
03. State Bureau of Investigation - Warehouse	Bldg 100,000
OFFICE OF STATE BUDGET AND MANAGEMENT	3,000,000
01. Reserve for Asbestos Removal	2,000,000
02. Reserve for Advance Planning	1,000,000
GRAND TOTAL - GENERAL FUND	\$112,438,056

GENERAL FUND 1986-87 COMMUNITY COLLEGE CAPITAL APPROPRIATIONS

(1986 SESSION)

BEAUFORT CO. COMMUNITY COLLEGE BLADEN TECHNICAL COLLEGE BLUE RIDGE TECHNICAL COLLEGE (243.5 B. R, 517.5 TRANSYLVANIA SAT) BRUNSWICK TECHMICAL COLLEGE CALDWELL COMMUNITY COLLEGE & TECHNICAL INSTITUTE CAPE FEAR TECHNICAL INSTITUTE CARTERET TECHNICAL COLLEGE CATAWBA VALLEY TECHNICAL COLLEGE CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN) CENTRAL PIEDMONT COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE SOURCE GASTON COLLEGE FAYETTEVILLE TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	DEPARTMENT OR AGENCY	APPROPRIATION 1986-87
ASHEVILLE BUNCOMBE TECH COLLEGE (MADISON CO. SATELLITE 800,00 BEAUFORT CO. COMMUNITY COLLEGE 75,00 BEAUFORT CO. COMMUNITY COLLEGE (243.5 B. R, 517.5 TRANSYLVANIA SAT) 761,00 BEAUFORT COMMUNITY COLLEGE 462,50 BEAUFORT COMMUNITY COLLEGE 8 TECHNICAL INSTITUTE 100,00 BEAUFORT TECHNICAL INSTITUTE 100,00 BEAUFORT TECHNICAL COLLEGE 100,00 BEAUFORT TECHNICAL COLLEGE 1000,00 BEAUFORT COMMUNITY COLLEGE 1000,00 BEAUFORD TECHNICAL COMMUNITY COLLEGE 1000,00 BEDG.) 150,00 BEAUFORD TECHNICAL COMMUNITY COLLEGE 1000,00 BEDG.) 150,00 BEAUFORD TECHNICAL COMMUNITY COLLEGE 1000,00 BEDG.) 150,00 BEOTHERMAL COMMUNITY COLLEGE 1000,00 PLAN., 50,000 COSMETOLOOGY BLDG.)		
BEAUFORT CO. COMMUNITY COLLEGE BLADEN TECHNICAL COLLEGE BLUE RIDGE TECHNICAL COLLEGE (243.5 B. R, 517.5 TRANSYLVANIA SAT) BRUNSWICK TECHMICAL COLLEGE CALDWELL COMMUNITY COLLEGE & TECHNICAL INSTITUTE CAPE FEAR TECHNICAL INSTITUTE CARTERET TECHNICAL COLLEGE CATAWBA VALLEY TECHNICAL COLLEGE CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN) CENTRAL PIEDMONT COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE SOURCE GASTON COLLEGE FAYETTEVILLE TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE		
BLADEN TECHNICAL COLLEGE BLUE RIDGE TECHNICAL COLLEGE (243.5 B. R, 517.5 TRANSYLVANIA SAT) BRUNSWICK TECHNICAL COLLEGE (26.50 Address) CALDWELL COMMUNITY COLLEGE & TECHNICAL INSTITUTE (100.00 Address) CAPE FEAR TECHNICAL INSTITUTE (100.00 Address) CARTERET TECHNICAL COLLEGE (100.00 Address) CATAWBA VALLEY TECHNICAL COLLEGE (1,000.00 Address) CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN) (500.00 Address) CENTRAL PIEDMONT COMMUNITY COLLEGE (1,000.00 Address) CRAVEN COMMUNITY COLLEGE (1,000.00 Address) CRAVEN COMMUNITY COLLEGE (1,000.00 Address) EDGECOMBE TECHNICAL COLLEGE (1,000.00 Address) FAYETTEVILLE TECHNICAL INSTITUTE (1,000.00 Address) FORSYTH TECHNICAL COLLEGE (1,000.00 Address) GASTON COLLEGE (1,000.00 Address) GASTON COLLEGE (1,000.00 Address) HALIFAX COMMUNITY COLLEGE (1,000.00 Address) LISOTHERMAL COMMUNITY COLLEGE		800,000
ALUE RIDGE TECHNICAL COLLEGE (243.5 B. R, 517.5 TRANSYLVANIA SAT) BRUNSWICK TECHMICAL COLLEGE CALDWELL COMMUNITY COLLEGE & TECHNICAL INSTITUTE CAPE FEAR TECHNICAL INSTITUTE CARTERET TECHNICAL COLLEGE CATAWBA VALLEY TECHNICAL COLLEGE CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN) CENTRAL PIEDMONT COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COAVIDSON COUNTY COMMUNITY COLLEGE COASTAL TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE COASTAL TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL COLLEGE GASTON COLLEGE GASTON COLLEGE GASTON COLLEGE GASTON COLLEGE HALIFAX COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE		75,000
AGRINSWICK TECHMICAL COLLEGE CALDWELL COMMUNITY COLLEGE & TECHNICAL INSTITUTE CAPE FEAR TECHNICAL INSTITUTE CARTERET TECHNICAL COLLEGE CATAWBA VALLEY TECHNICAL COLLEGE CENTRAL CAROLINA COMM COLL (350,000 HARNETT SAT., 150,000 PLAN) CENTRAL PIEDMONT COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE CAVIDSON COUNTY COMMUNITY COLLEGE CAVIDSON COUNTY COMMUNITY COLLEGE CAYOTTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GUILFORD TECHNICAL COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE		0
CALDWELL COMMUNITY COLLEGE & TECHNICAL INSTITUTE CAPE FEAR TECHNICAL INSTITUTE CARTERET TECHNICAL COLLEGE CATAWBA VALLEY TECHNICAL COLLEGE CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN) CENTRAL PIEDMONT COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COAVIDSON COUNTY COMMUNITY COLLEGE CAVIDSON COUNTY COMMUNITY COLLEGE CAYUTETUILLE TECHNICAL INSTITUTE CASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	BLUE RIDGE TECHNICAL COLLEGE (243.5 B. R, 517.5 TRANSYLVANIA SAT)	
CAPE FEAR TECHNICAL INSTITUTE CARTERET TECHNICAL COLLEGE CATAWBA VALLEY TECHNICAL COLLEGE CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN) CENTRAL PIEDMONT COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE CRAVEN COMMUNITY COLLEGE CRAVEN COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE CRAVEN COMMUNITY COLLEGE CRAVEN COMMUNITY COLLEGE COASTAL TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) 150,000 150,000 150,000 150,000 150,000 150,000 150,000 150,000 150,000 150,000	BRUNSWICK TECHMICAL COLLEGE	462,500
CARTERET TECHNICAL COLLEGE CATAWBA VALLEY TECHNICAL COLLEGE CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN) CENTRAL PIEDMONT COMMUNITY COLLEGE CLEVELAND TECHNICAL COLLEGE CRAVEN COMMUNITY COLLEGE CAVIDSON COUNTY COMMUNITY COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GUILFORD TECHNICAL COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	CALDWELL COMMUNITY COLLEGE & TECHNICAL INSTITUTE	100,000
CATAWBA VALLEY TECHNICAL COLLEGE CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN) CENTRAL PIEDMONT COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COAVIDSON COUNTY COMMUNITY COLLEGE CAYIDSON COUNTY COMMUNITY COLLEGE CAYIDSON COUNTY COMMUNITY COLLEGE CAYITEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	CAPE FEAR TECHNICAL INSTITUTE	100,000
CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN) CENTRAL PIEDMONT COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE COAVIDSON COUNTY COMMUNITY COLLEGE CAYIDSON COUNTY COMMUNITY COLLEGE CAYIDSON COUNTY COMMUNITY COLLEGE CAYITEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE CHALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	CARTERET TECHNICAL COLLEGE	850,000
CENTRAL PIEDMONT COMMUNITY COLLEGE CLEVELAND TECHNICAL COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE CRAVEN COMMUNITY COLLEGE COAVIDSON COUNTY COMMUNITY COLLEGE EDGECOMBE TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	CATAWBA VALLEY TECHNICAL COLLEGE	1,000,000
CENTRAL PIEDMONT COMMUNITY COLLEGE CLEVELAND TECHNICAL COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE CRAVEN COMMUNITY COLLEGE CRAVIDSON COUNTY COMMUNITY COLLEGE EDGECOMBE TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	CENTRAL CAROLINA COMM COLL(350,000 HARNETT SAT., 150,000 PLAN)	500,000
CLEVELAND TECHNICAL COLLEGE COASTAL CAROLINA COMMUNITY COLLEGE CRAVEN COMMUNITY COLLEGE CAVIDSON COUNTY COMMUNITY COLLEGE EDGECOMBE TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	CENTRAL PIEDMONT COMMUNITY COLLEGE	1,000,000
COASTAL CAROLINA COMMUNITY COLLEGE CRAVEN COMMUNITY COLLEGE CAVIDSON COUNTY COMMUNITY COLLEGE EDGECOMBE TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	CLEVELAND TECHNICAL COLLEGE	1,000,000
CRAVEN COMMUNITY COLLEGE DAVIDSON COUNTY COMMUNITY COLLEGE EDGECOMBE TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	COASTAL CAROLINA COMMUNITY COLLEGE	298,000
EDGECOMBE TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	CRAVEN COMMUNITY COLLEGE	0
EDGECOMBE TECHNICAL COLLEGE FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	DAVIDSON COUNTY COMMUNITY COLLEGE	400,000
FAYETTEVILLE TECHNICAL INSTITUTE FORSYTH TECHNICAL COLLEGE GASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	EDGECOMBE TECHNICAL COLLEGE	500,000
FORSYTH TECHNICAL COLLEGE GASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	FAYETTEVILLE TECHNICAL INSTITUTE	1,000,000
GASTON COLLEGE GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	FORSYTH TECHNICAL COLLEGE	1,000,000
GUILFORD TECHNICAL COMMUNITY COLLEGE HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) ISOTHERMAL COMMUNITY COLLEGE	GASTON COLLEGE	955,000
HALIFAX COMMUNITY COLLEGE HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) 150,00 ISOTHERMAL COMMUNITY COLLEGE	GUILFORD TECHNICAL COMMUNITY COLLEGE	500,000
HAYWOOD TECH COLLEGE (100,000 PLAN., 50,000 COSMETOLOOGY BLDG.) 150,00 ISOTHERMAL COMMUNITY COLLEGE	HALIFAX COMMUNITY COLLEGE	0
ISOTHERMAL COMMUNITY COLLEGE		150,000
		100,000
	JOHNSTON TECHNICAL COLLEGE	575,000

1986-87 COMMUNITY COLLEGE CAPITAL APPROPRIATIONS

(1986 SESSION)

DEPARTMENT OR AGENCY	APPROPRIATION 1986-87
LENOIR COMMUNITY COLLEGE	
MARTIN COMMUNITY COLLEGE	10,000
MAYLAND TECHNICAL COLLEGE	750,000
MITCHELL COMMUNITY COLLEGE	300,000
NASH TTECHNICAL COLLEGE	0
PITT COMMUNITY COLLEGE	100,000
RANDOLPH TECHNICAL COLLEGE	250,000
RICHMOND TECHNICAL COLLEGE	500,000
ROANOKE-CHOWAN TECHNICAL COLLEGE	1,450,000
ROCKINGHAM COMMUNITY COLLEGE	300,000
ROWAN TECHNICAL COLLEGE	1,000,000
SAMPSON TECHNICAL COLLEGE	1,000,000
SANDHILLS COMMUNITY COLLEGE	700,000
SOUTHWESTERN TECH COLLEGE	1,000,000
SOUTHWESTERN TECH COLLEGE (MACON CO. SATELLITE) SURRY COMMUNITY COLLEGE	75,100
	50,000
TECHNICAL COLLEGE OF ALAMANCE	1,000,000
TRI-COUNTY COMMUNITY COLLEGE	300,000
VANCE-GRANVILLE COMM COLL (300,000 PLAN.;200,000 G'VILLE SAT.)	500,000
WAKE TECHNICAL COLLEGE	0
WAYNE COMMUNITY COLLEGE	0
WESTERN PIEDMONT COMMUNITY COLLEGE	700,000
WILKES COMMUNITY COLLEGE	100,000
WILSON COUNTY TECHNICAL COLLEGE	260,000
TOTAL	\$22,526,600

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HIGHWAY FUND CAPITAL IMPROVEMENTS SUMMARY (1986 SESSION)

DEPARTMENT OF TRANSPORTATION

	Division of Highways:		1986-87
1.	Charlotte Maintenance and Equipment Yard	\$	500,000
2.	Ocracoke Island Ferry Facility (Supplemental)		300,000
3.	Sound Class Ferry and Shore Facilities		4,000,000
4.	Division Office at Greensboro		1,600,000
5.	Hatteras Inlet Ferry Facility-North Dock		500,000
6.	Division Office Addition at Wilson		300,000
7.	Equipment Maintenance Building at Grantsboro		260,000
8.	Division Equipment Shop - North Wilkesboro (Architect Only)	15.	125,000
	TOTAL CAPITAL IMPROVEMENTS	\$	7,585,000

CAPITAL IMPROVEMENTS SUMMARY

1985 SESSION

GENERAL FUND APPROPRIATIONS

DEPA	ARTMENT	1986-87
ADM	INISTRATION	
1.	Purchase of land - State Parks	\$12,500,000
	Total Administration	\$12,500,000
AGR	ICULTURE	
1.	Raleigh Farmers' Market	\$ 8,500,000
2.	Piedmont Farmers' Market: Truckers' Shed	487,000
3.	Rose Hill Laboratory Addition	771,000
	Total Agriculture	\$ 9,758,000
BOA	RD OF GOVERNORS OF THE VERSITY OF NORTH CAROLINA	
1.	North Carolina State University	
	a. Natural Resources Research Center	\$ 8,170,000
	b. School of Textiles	11,000,000
	c. Swine Research Facility	932,500
2.	University of North Carolina at Asheville	
	a. Library Addition	6,369,000
3.	University of North Carolina at Greensboro	
	a. Art Center	2,805,000
4.	University of North Carolina 'at Wilmington	
	a. School of Business Building and Bear Hall Renovations	6,139,000
	Total Board of Governors of the University of North Carolina	\$35,415,500

CAPI	FAL IMPROVEMENTS - 1985 SESSION (CON'T.)	1986-87
DEPA	RTMENT OF COMMUNITY COLLEGES	
1.	Technical College of Alamance	\$ 300,000
2.	Coastal Carolina Community College	100,000
3.	Pitt Community College	750,000
4.	Wake Technical College	1,000,000
5.	Stanly Technical College	600,000
6.	College of the Albemarle	500,000
7.	Sandhills Community College	400,000
8.	Durham Technical Institute	700,000
9.	Craven Community College	1,300,000
10.	Surry Community College	700,000
11.	Lenoir Community College	400,000
12.	Vance-Granville Community College	400,000
13.	Guilford Technical Community College	500,000
14.	Randolph Technical College	200,000
15.	Southeastern Community College	300,000
16.	James Sprunt Technical College	100,000
17.	Gaston College	500,000
18.	Isothermal Community College	800,000
19.	Edgecombe Technical College	400,000
20.	Roanoke-Chowan Technical College	400,000
21.	Anson Technical College	500,000
22.	Piedmont Technical College	500,000
23.	Nash Technical College	500,000
	Total Department of Community Colleges	\$11,850,000

CAPI	TAL IMPROVEMENTS - 1985 SESSION (CON'T.)	1986-87
EPA	RTMENT OF CORRECTION	
	New construction to eliminate	\$ 723,000
	triple bunking Total Department of Correction	\$ 723,000
	RTMENT OF CRIME CONTROL PUBLIC SAFETY	
•	Construct Aviation Facility and Armory - RDU Airport	\$ 900,134
2.	Replace 60 Person Armory, Taylorsville	111,062
3.	Replace 60 Person Armory, Wadesboro	111,062
4.	Addition to Armory, Hickory	44,591
5.	Advance Planning 60 Person Armory, Marion	8,750
	Total Department of Crime Control and Public Safety	\$ 1,175,599
DEP <i>F</i>	ARTMENT OF HUMAN RESOURCES	
1.	Life Safety Code Renovations	\$ 1,831,400
2.	Renovationa at Dorothea Dix for Offices	1,550,000
	Total Department of Human Resources	\$ 3,381,400
DEPA	ARTMENT OF NATURAL RESOURCES COMMUNITY DEVELOPMENT	
		\$ 250,000
1.	Civil Works Projects	
2.	Forestry Projects - Development	250,000
3.	State Parks Development	250,000
4.	Soil and Watershed Projects	300,000
5.	Beach Access Projects	250,000
	Total Department of Natural Resources and Community Development	\$ 1,300,000

CAPITAL IMPROVEMENTS - 1985 SESSION (CON'T.)	1986-87
OFFICE OF STATE BUDGET AND MANAGEMENT	
1. Reserve for Repairs and Renovations	\$34,000,000
2. Reserve for Clean Water Program	60,000,000
Total Office of State Budget and Management	\$94,000,000
TOTAL GENERAL FUND APPROPRIATION	\$170,103,499

DEPARTMENT OF TRANSPORTATION (HIGHWAY FUND)

DIVISION OF HIGHWAYS

1.	Construct Maintenance Complex, Craggy (Buncombe County)	\$ 2,006,000
	Total Division of Highways	\$ 2,006,000
	TOTAL HIGHWAY FUND APPROPRIATION	\$ 2,006,000

FEDERAL BLOCK GRANT PROGRAM: HOW THE MONEY WILL BE SPENT IN NORTH CAROLINA

The fiscal year 1986-87 appropriation of federal block grant funds was marked by legislative concern over the impact of the Gramm-Rudman law mandating automatic cuts in federal programs, if the federal deficit is not reduced. In fiscal year 1985-86 the State suffered a substantial loss in federal funds because of the Gramm-Rudman reductions.

Because of uncertainty over how Congress will deal with the federal fiscal year 1986-87 budget, and because no final decisions on the federal budget were available prior to the beginning of the State's fiscal year, the General Assembly felt that the most prudent policy would be to budget block grant funds at 1985-86 availability levels after taking into account Gramm-Rudman reductions.

If Congress makes reductions beyond those anticipated by the General Assembly then all programs will be reduced on a pro-rata basis. Were Congress to appropriate funds beyond those anticipated in the Appropriations Act these funds will be held by the General Assembly for appropriation during the 1987 legislative session.

Block grant funds were appropriated in HB 2055 in the following manner:

PREVENTIVE HEALTH BLOCK GRANT

Emergency Medical Services Health Department Hypertension Programs Risk Reduction Programs Fluoridation of Water Supplies Rape Prevention and Rape Crisic Programs TOTAL PREVENTIVE HEALTH BLOCK GRANT	\$ 431,967 933,000 539,587 514,751 159,838 89,369 \$2,668,512
MATERNAL AND CHILD HEALTH SERVICES	
Local Maternal and Child Health	\$8,517,571
<pre>and Family Planning Services High Risk Maternity Clinic Services, Perinatal Education and</pre>	1,289,835
Child Vaccination Services Services to Disabled Children Sudden Infant Death Syndrome Lead-Based Paint Poisoning Perinatal Reimbursement TOTAL MATERNAL AND CHILD HEALTH SERVICES	4,333,975 33,000 72,000 2,100,000 \$16,346,381

SOCIAL SERVICES BLOCK GRANT

County Departments of Social Services Division of Mental Health, Mental Retardation, and Substance Abuse	\$40,151,917 5,770,693
Division of Services for the Blind Division of Health Services Division of Youth Services Division of Facility Services Division of Aging Day Care Services Volunteer Services State Administration and State Level Contracts	2,691,673 1,488,019 1,051,428 224,299 327,424 11,254,367 38,845 2,963,183
Voluntary Sterilization Funds Transfer to Maternal and Child Health Block Grant: to supplement, if needed, the Maternal and Child Health Services Reserve established in Section 104 of this act. Funds unexpended for this purpose may be used to support SSBG services in fiscal year 1986-87.	100,000 409,665
Adult Day Care Services	100,000
Grants-in-aid for Prevention Program TOTAL SOCIAL SERVICES BLOCK GRANT	445,000 \$67,016,513
LOW INCOME ENERGY BLOCK GRANT	707,010,313
Energy Assistance Programs Crisis Intervention Administration Weatherization Program Indian Affairs Transfer to Maternal and	\$22,873,520 6,200,000 3,000,000 3,000,000 42,280 3,800,000
Child Health Block Grant Emergency Medical Services Day Care Funds Transfer to Social Services Block	200,000 629,025 637,000
Grant for Adult Day Care Services TOTAL LOW INCOME ENERGY BLOCK GRANT	\$40,381,825

ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT

	Continuation of Staffing Grants	\$	577,897
	to Area Mental Health Programs		2,003,676
	Funds to Area Mental Health, Mental Retardation, and	•	3,003,0,0
	Substance Abuse Programs to be		
	Distributed on a Per Capita Basis		
	Services to Persons Who Have Aged		1,001,502
	out of the Willie M. Class Crisis Stabilization for the		162,760
	Mentally Ill		40.00
	Group Homes, Early Intervention,		185,145
	and Day Treatment Programs for		
	Emotionally Disturbed Children Programs for the Chronically		1,732,010
	Mentally Ill		_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	Funds to Substance Abuse Programs		2,986,152
	Alcohol Services Funds for		492,800
	Female Substance Abusers		482,048
	Administration	S	9,623,990
	TOTAL ALOCHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT	Ψ.	3,023,330
	MENTAL READIN SERVICED BEGGR CIAMI		
JOB	TRAINING PARTNERSHIP ACT		
	Title II A funds to the 26 service	\$2	9,408,455
	delivery areas to train economi-		
	cally disadvantaged youth and		
	adults Education set aside to State		3,016,252
	education agencies for projects		r .
	to serve eligible participants		r from
	Incentive grants and technical		2,262,189
	assistance funds to service		
	delivery areas		1,131,094
	Funds to the Department of Human Resources for training of		1,101,00
	economically disadvantaged		
	older workers		1 005 150
	Funds to the Department of Natural		1,885,158
	Resources and Community Develop-		
	ment to administer and audit all activities related to the Job		
	Training Partnership Act program		
	Title II B Summer Youth Employment	1	5,387,566
	and Training funds to service		
	delivery areas for economically		
	disadvantaged youth		1,339,237
	Title III Dislocated Workers funds to the employment Security Commission		_,,
	TOTAL JOB TRAINING PARTNERSHIP ACT	\$5	4,429,951

COMMUNITY SERVICES BLOCK GRANT

Community Action Agencies Limited Purpose Agencies Commission on Indian Affairs Department of Natural Resources and Community Development to administer and monitor the activities of the	\$ 7,831,265 435,070 19,710 435,070
Community Services Block Grant TOTAL COMMUNITY SERVICES BLOCK GRANT	\$ 8,721,115
COMMUNITY DEVELOPMENT BLOCK GRANT	
State Administration Urgent Needs/Contingency Development Planning/Housing	\$ 721,020 1,516,499 454,950
Demonstration Economic Development Community Revitalization TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT	6,065,996 22,292,535 \$31,051,000
Education Consolidation and Improvement Act Chapter II	\$11,950,034

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE

A. Across-the-Board-Salary Increases

Effective July 1, 1986, the General Assembly enacted the following additional General and Highway Fund appropriations for 1986-87 to provide across-the-board salary increases over the salaries in effect on June 30, 1986, for most employees paid from state funds:

1986-87

General Fund Highway Fund Total \$207,060,000 11,700,000 \$218,760,000

Specific across-the-board increases are as follows:

- (1) Public School Teachers & Assistant Principals: In an effort to attract more qualified teaching personnel to the Public Schools in light of an apparent looming shortage of such employees, the 1986 Session enacted a 6.5% across-the-board salary increase for Public School assistant principals, classroom teachers, vocational teachers, and instructional support personnel (counselors, librarians, etc.). Such an increase would increase the beginning salary for teachers by over \$1,000 annually; by over \$1,500 per year for a teacher at the top of the State's salary schedule. Assistant principals were given the same increase as was authorized for teachers in recognition of their 10-months' employment and their sometimes teaching duties.
- Other Public School Certified Employees: All certified Public School employees other than teachers and assistant principals were provided a 5.0% across-the-board salary increase. Affected employees include superintendents, assistant and associate superintendents, supervisors, directors, coordinators, administrators, principals and other employees requiring certification as a condition of employment.
- Non-Certified Public School Employees: In recognition of the fact that most non-certified employees in the Public Schools, including teachers aides, finance officers, office support personnel, occupational and physical therapists, nurses, child nutrition supervisors, directors, managers and assistants, transportation directors, supervisors and mechanics, property and cost clerks, maintenance supervisors, and mechanics and custodians, compete in the same general labor market as State employees, the 1986 Session provided for these non-certified Public

School personnel the same \$75 per month across-the-board salary increase as provided for most State employees. School bus drivers were, however, provided a 5.0% across-the-board salary increase instead of the \$75 monthly increase since most of the drivers are paid on an hourly basis rather than on a monthly salaried basis.

- (4) Community College Institutional Employees: All institutional employees of the Community College System were provided a 5.0% across-the-board salary increase by the 1986 Session of the General Assembly for 1986-87. Unlike previous years, the 1986 Session required that all such employees receive a 5.0% across-the-board increase, rather an average of 5.0% to be distributed to individual employees based upon the decisions of the State Board of Community Colleges and individual institutions.
- Oniversity Employees Exempt from the State Personnel Act: The president and vice-presidents of the University Board of Governors, and institutional chancellors, vice-chancellors, senior academic and administrative officers, instructional and research staff, and physicians and dentists, were provided salary increases to be individually determined by the University System. Funds were provided to the Universities by the 1986 Session in an amount equal to a 4.0% across-the-board salary increase plus an additional 1.0% across-the-board increase to be used in lieu of merit and longevity pay.
- Most State Employees: Upon the request of the State Employees' Association, most State employees received a flat \$75 per month across-the-board increase in their salaries, so as to give the largest percentage salary increases to lower paid employees. For example, the \$75 monthly salary increase would be equal to a 9.9% increase for the lowest-paid full-time permanent employee; a 4.8% increase for the average salaried employee; and a 3.5% increase for the average supervisory employee.
- Teaching and Related Educational Employees in State

 Departments: In lieu of the \$75 monthly salary
 increase provided by the 1986 Session for most State
 employees, teachers, counselors, education
 specialists, librarians, educational supervisors,
 directors, and coordinators, media specialists, and
 curriculum personnel received the same 6.5% acrossthe-board salary increase for 1986-87 that the 1986
 Session provided for teachers, assistant principals,
 and instructional support personnel in the Public
 Schools. In addition, the 1986 Session exempted such

employees' salaries from the State Employee Salary Plan in order for the State Personnel Commission to set their salaries in the same manner that is used by the State Board of Education for corresponding Public School employees. Most of the State employees affected by this change are employed by the Departments of Correction and Human Resources.

B. Merit Salary Increases

Effective July 1, 1986, the 1986 Session of the General Assembly provided the following additional appropriations for 1986-87 to be awarded to employees on the basis of merit.

	1986-87
General Fund	\$8,500,000
Highway Fund Total	\$90,000

These additional appropriations for 1986-87 supplement \$6.0 million in available funds from the General Fund and \$5.0 million in available funds from the Highway Fund appropriated in 1985-86 for fiscal year 1986-87 in the way of salary increase reserves.

Most State Employees: For most of the same State employees who were authorized the \$75 monthly across-the-board salary increase, the 1986 Session of the General Assembly authorized a lump sum amount equal to 1.2% of each State department's budgeted salaries as of June 30, 1986, to be awarded by each department to individual employees on the basis of meritorious job performance. All employees who have two continuous years of employment with a state department or institution, a local board of education, or with a community college institution are eligible to receive either a one-quarter step increase (1.2% average increase) on the State's salary schedules or two one-quarter step increases (2.4% average increase). Employer-approved leaves of absence or an involuntary break in service for up to twelve months would not, however, constitute a break in the continuous employment required to qualify for these merit salary increases. For all employees subject to the State Personnel Act, the quarter-step increases will be payable in total or in installments either in August, November, February, and/or May, provided the total amount awarded does not exceed 1.2% of budgeted salaries on an annual basis. In order to insure that all State employees with two

years of service were eligible to receive the authorized merit salary increases, an additional one-half step was allowed by the 1986 Session to be added to the State employee salary schedules.

- (2) State Highway Patrol Troopers: In lieu of the additional 1.2% of budgeted salaries increase for merit pay purposes authorized by the 1986 Session for most State employees, Highway Patrol troopers are eligible to receive an automatic one step increase averaging 4.8% on the State salary schedule for 1986-87 in accordance with legislation enacted by the 1984 Session of the General Assembly.
- Non-Certified Public School Employees: As for most State employees, non-certified Public School employees who were authorized the \$75 monthly across-the-board salary increase for 196-87 were also authorized merit salary increases equal to one or two one-quarter step salary increases on their respective salary schedules out of a lump sum amount equal to 1.2% of their budgeted salaries as of June 30, 1986. Local school systems will determine how these funds are distributed to individual employees using the same eligibility criteria that apply to most employees of the State.

C. Specified Salary Increases

(1) Legislators: Beginning with the 1987 General Assembly, legislators will receive the following annual salaries by action of the 1986 Session of the General Assembly, which reflect the same \$75 per month increase authorized for state employees during the 1986 Session.

Legislator	New Salary
House Speaker	\$ 28,452
Senate Pro Tempore	17,400
House Pro Tempore	14,652
Senate Majority Leader	12,456
House & Senate Minority Leaders	12,456
Other Legislators	10,140

Even with the increases in legislative salaries authorized by the 1986 Session for members in 1987, North Carolina still has the distinction of having among the lowest paid legislators in the nation.

- Governor: The 1986 Session of the General Assembly authorized a 1.8% increase in the annual salary for the Governor from \$98,196 to \$100,000, effective July 1, 1986. The General Assembly authorized the increase in salary so as fully recognize that North Carolina's Governor is the Chief Executive Officer of the State and should be paid accordingly, notwithstanding the fact that North Carolina's Governor will, along with the Governor of New York, be the highest paid in the country.
- (3) <u>Judicial Personnel:</u> The 1986 Session provided a 5.0% salary increase for the following officials of the Judicial Department, effective July 1, 1986. These new annual salaries are:

Officials	New Salary
Chief Justice, Supreme Court	\$ 74,136
Associate Justice, Supreme Court	72,600
Chief Judge, Court of Appeals	70,284
Judge, Court of Appeals	68,748
Judge, Senior Regular Resident Superior Court	63,048
Judge, Superior Court	61,044
Chief Judge, District Court	51,396
Judge, District Court	49,428
District Attorney	56,784
Assistant District Attorney - an average of	36,732
Administrative Officer of the Courts	63,048
Assistant Administrative Officer of the Courts	51,396
Public Defender	56,784
Assistant Public Defender - an average of	36,732

The 1986 Session also, beginning July 1, 1986, allowed service as an assistant district attorney to count for a district attorney's longevity pay service requirements.

Magistrates	New Salary
Less than 1 year's service	\$ 13,404
<pre>1 or more but less than 3 years' service</pre>	14,100
<pre>3 or more but less than 5 years' service</pre>	15,540
5 or more but less than 7 years' service	17,136
7 or more but less than 9 years' service	18,888
9 or more but less than 11 years' service	20,796
11 or more years' service	22,896

The 1986 Session of the General Assembly also allowed new magistrates appointed on and after July 1, 1986, entry level credit on the foregoing salary schedule at the 5 to 7 years service level if they have 10 years' experience within the last 12 years as a local law enforcement officer, a highway patrolman, or as a clerk, assistant clerk, or deputy clerk of superior court.

Superior Court Clerks	New Salary
Less than 49,999 Population	\$ 33,072
50,000 to 99,999 Population	38,040
100,000 to 199,999 Population	43,008
200,000 and above Population	49,068

Assistant & Deputy Superior Court Clerks: Since the State salary schedules for assistant and deputy superior court clerks are tied to the State salary schedules for other State employees, the salaries for these court personnel were increased by \$75 per month

across-the-board subject to the following new minimum and maximum annual salaries for 1986-87:

Assistant Superior Court Clerks	New Salary
Minimum	\$ 16,788
Maximum	28,176
Deputy Superior Court Clerks	
Minimum	\$ 13,153
Maximum	21,600

In addition, assistant and deputy superior court clerks are eligible for a one or two step increase (an average 4.8% or 9.6% increase) on their respective salary schedules for 1986-87 in order for their salaries to correspond with their number of years of service, based upon legislation enacted by the 1984 Session of the General Assembly.

(4) Council of State: The 1986 Session of the General Assembly also provided a 5.0% across-the-board salary increase for members of the Council of State. Effective July 1, 1986, these new annual salaries are:

Council of State	New Salary
Lieutenant Governor	\$ 61,044
Attorney General	61,044
Secretary of State	61,044
State Treasurer	61,044
State Auditor	61,044
Superintendent of Public Instruction	61,044
Agriculture Commissioner	61,044
Insurance Commissioner	61,044
Labor Commissioner	61,044

(5) Governor's Cabinet: The 1986 Session of the General Assembly authorized 5.0% annual salary increase for members of the Governor's Cabinet, effective July 1, 1986, as follows:

Cabinet	New Salary
Administration Secretary	\$ 61,044
Commerce Secretary	61,044
Correction Secretary	61,044
Crime Control Secretary	61,044
Cultural Resources Secretary	61,044
Human Resources Secretary	61,044
Natural Resources Secretary	61,044
Revenue Secretary	61,044
Transportation Secretary	61,044

(6) Certain Executive Officers: Based upon the Separation of Powers Act of 1983, the new annual salaries, effective July 1, 1986, for certain executive officials are as follows, which include the 5.0% across-the-board salary increase authorized by the 1986 Session of the General Assembly.

Officials	New Salary
Chairman, Alcoholic Beverage Control Commission	\$ 58,716
Commissioner of Motor Vehicles	58,716
Commissioner of Banks	58,716
Deputy Banking Commissioner	44,892
Chairman, Employment Security Commission	58,716
President, Department of Community Colleges	77,244
State Personnel Director	61,044
Chairman, Parole Commission	53,592
Members of the Parole Commission	49,428

Officials	New Salary
Chairman, Industrial Commission	\$ 52,704
Members of the Industrial Commission	51,420
Executive Director, Agency for Public Telecommunications	49,428
Director, Seafood Industrial Park Authority	32,700
General Manager, Ports Railway Commission	44,592
Controller, State Board of Education	70,656
Executive Director, Art Museum	60,180
Executive Director, Housing Finance Agency	72,768
Executive Director, Ports Authority	68,256
Executive Director, Wildlife Resources Commission	50,628
Executive Director, Technological Development Authority	38,820

- (7) Salary Adjustment for Public School Teachers with Master's Degrees: At an additional cost to the General Fund of \$1,058,527 for fiscal year 1986-87, the 1986 General Assembly, effective July 1, 1986, provided an additional salary step increase averaging 4.8% for Public School teachers who were awarded higher teaching certificates from July 1, 1985 through June 30, 1986, as a result of earning a master's degree.
- (8) Salary Set for Certified Public School Substitute

 Teachers: At an additional cost to the General Fund
 of \$800,000 for 1986-87, the 1986 Session set the
 daily rate for substitute teachers who are or were
 ever certified as a teacher at \$52 regardless of the
 number of days worked as a substitute. Previously,
 substitutes were paid \$35 per day if they worked for
 5 or fewer consecutive days, or the daily rate (about
 \$52) for a beginning teacher if they worked six or
 more consecutive days.

- Salary Increases for Legislative Principal Clerks,

 Sergeants-at-Arms, and Reading Clerks: Effective July
 1, 1986, the annual salaries of the Principal Clerks
 in the House of Representatives and Senate were
 increased by 5.0% to \$37,440 per year. Likewise, the
 salaries of the Sergeants-at-Arms and Reading Clerks
 in the House of Representatives and Senate were
 increased by 5.0% to \$168 per week.
- D. Salary Increase Funds to Local Governments: At a General Fund cost of an additional \$4,948,010 for fiscal year 1986-87, the 1986 Session of the General Assembly tried to partially offset the impact of across-the-board salary increases 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 the 1985-87 biennium.
- E. Legislative Study of Public School Employee Salaries: A Legislative Commission on Public School Employee Salary Schedules, consisting of 13 members, was established by the 1986 Session of the General Assembly to develop a new, comprehensive salary schedule for all certified and non-certified Public School employees that recognizes experience, education and other factors in compensating employees for professional achievement. The Commission is to make its report to the 1987 General Assembly by March 1, 1987.

A. Currently-Employed Employees

- Additional Contributions to Local Law Officers' Supplemental Retirement Income Accounts: The 1986 Session of the General Assembly provided local government law enforcement officers with the same type of supplemental retirement benefits that the State provides for its law enforcement officers. Beginning July 1, 1987, local governments will be required to pay 2% of each local officer's monthly salary into the State's Supplemental Retirement Income Plan, a moneypurchase type of savings account. Beginning July 1, 1988, local governments will be required to pay 5% of each local officer's monthly salary into the Plan. The State has for several years been supplementing the retirement benefits for its law enforcement officers by additional contributions equal to 5% of each officer's monthly salary. The cost to counties and municipalities for the additional contributions to the Supplemental Retirement Income Plan is expected to be \$3.6 million for 1987-88 and \$9.0 million for 1988-89 based upon current payroll estimates. The General Assembly, however, helped local governments with these additional costs by increasing criminal court cost by \$3.00, effective January 1, 1987, to replace a part of current local costs for their law officers in the Local Government Employees' Retirement System. The cost savings to counties and municipalities for the increased court cost is expected to be \$1.2 million for 1986-87 and \$2.4 million for each year thereafter. In addition to these supplemental employer contributions for local law officers, the 1986 Session also directed that any of the annual \$0.75 criminal court cost receipts financing the Sheriffs' Supplemental Pension Fund that are not needed to pay pensioners and administrative costs as of January 1, 1987, and the beginning of each calendar year thereafter, will be transferred to the Supplemental Retirement Income Plan for a per capita equal share distribution to the individual accounts of all local officers except sheriffs.
- Increased Monthly Pension and Permanent "Open-Door"

 Pension Fund Enrollment for Firemen and Rescue Squad

 Workers: At an additional cost to the General Fund of \$2,600,000 for 1986-87, the 1986 General Assembly enacted, effective July 1, 1986, an increase in the pensions for firemen and rescue squad workers from \$75 to \$100 per month. This increase applied to current pensioners and to those entitled to receive a pension in the future at age 55 with 20 years of service. In addition, the General Assembly enacted, effective October 1, 1986, a permanent and continuing "open-door"

enrollment policy to allow qualified firemen and rescue squad workers membership in the State's Pension Fund and credit for all of their qualified service. For retroactive membership credit, a fireman or rescue squad worker would be required to pay \$5 for each month of credit plus interest to the time that he would have first become eligible. A fireman or rescue squad worker, age 35 and over, would have until April 1, 1987, to receive any retroactive credits; those under age 35 are eligible to receive retroactive service credits at any time.

B. Retired Employees

- Cost-of-Living Adjustment in Retirement Allowances for Retired Teachers, State Employees, Judges, Solicitors, Superior Court Clerks, and Local Government Employees: Effective July 1, 1986, the General Assembly provided a 3.8% increase in the retirement allowances paid to beneficiaries in the State-administered Systems whose retirement began on or before July 1, 1985. In addition, beneficiaries who retired after July 1, 1985, and before June 30, 1986, were authorized an increase in their retirement allowances on July 1, 1986, equal to a prorated amount of the 3.8% increase provided to those who retired on or before July 1, 1985. The pro-rated amount will be determined by the Retirement System's Board of Trustees based upon the number of months that a retirement allowance was paid during 1985-86. The 3.8% increase was granted to retired beneficiaries so as to give them a comparable increase to that provided currently-employed employees in the form of a \$75 monthly salary increase (an average increase of 4.8%). 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. This increase in retirement allowances was funded out of unencumbered actuarial gains in the following Retirement Systems as of December 31, 1984: Teachers' and State Employees' - \$110.4 million; Consolidated Judicial - \$1.1 million; and Local Governmental Employees' - \$20.2 million. An additional one-time General Fund appropriation of \$3,100,000 for 1986-87 was made by the 1986 Session for the Teachers' and State Employees' Retirement System in order to further fund the present value cost of the 3.8% retirement allowance increase for its beneficiaries.
- (2) Cost-of-Living Adjustment in Retirement Allowances for Retired Legislators: At an additional one-time cost to the General Fund for 1986-87 of \$96,000, retired bene-

ficiaries of the Legislative Retirement System were, for the first time, provided the same increases in retirement allowances that retired teachers, state employees, and their beneficiaries have received. Since the Legislative Retirement System was only created in 1983, no cost-of-living adjustments in the allowances paid to beneficiaries have been enacted prior to July 1, 1986. Consequently, on and after July 1, 1986, retired beneficiaries in the Legislative Retirement System as of January 1, 1986, were given the same increases in their retirement allowances (12.0%) that were provided by the General Assembly to retired beneficiaries in the Teachers' and State Employees' Retirement system for 1984 and 1985 after the creation of the Legislative Retirement System in 1983.

Changes to the Sheriffs' Supplemental Pension Fund: At the request of the North Carolina Sheriffs' Association, the 1986 Session of the General Assembly changed the commencement date and the recalculation of benefit dates for retired sheriffs' supplemental pensions from a fiscal year basis to a calendar year basis, effective January 1, 1987, to correspond with the terms of office of sheriffs. For the period July 1, 1986, through December 31, 1986, eligible retired sheriffs will receive a temporary pension amount from 45% of the Fund's assets on June 30, 1986. On January 1, 1987, and on the first of each calendar year thereafter, all eligible retired sheriffs will have their pension benefits calculated on 90% of the Fund's assets as of the preceding December 31st. In addition to this change, the 1986 Session also allowed appointed service, as well as elected service, as a sheriff to count for eligibility to receive a pension and for a determination of the pension amount.

C. Disability Retirement Study

In light of dwindling cash reserves in the State's Disability Salary Continuation Plan, the costs associated with disability retirements, and the overlapping of benefits from several disability programs available to State employees, the 1986 Session of the General Assembly directed the Board of Trustees of the Teachers' and State Employees' Retirement System to begin a study on the possibility of replacing disability retirement benefits and disability salary continuation benefits with a comprehensive disability income plan for teachers and State employees. Such study is to include, but not be limited to, a minimum and maximum level of continued disability income protection, a coordination or integration of disability benefits available from all sources, required waiting periods before the payment of benefits, an appropriate recognition of all types of disabilities, an appropriate level of rehabilitation benefits for returning disabled employees to the work force, the effects of gainful employment upon benefit entitlement, the

accrual of retirement service credits during periods of disability, cost effects upon the State Retirement Systems, and the cost and methods of financing for such a comprehensive disability income plan. The Board of Trustees is to make a progress report on the study to the General Assembly upon the convening of the 1987 Session.

STATE EMPLOYEE HEALTH BENEFIT CHANGES

The 1986 Session of the General Assembly increased benefits in the State Employee Health Benefit Plan for 1986-87 in several areas, costing the Plan some \$6.7 million annually. Cost reduction measures designed to save the Plan some \$1.7 million for 1986-87 were also adopted along with technical and other changes to comply with the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985.

- A. Increases in Plan Benefits:
 Increased benefits for 1986-87 cost the Plan a net amount of \$5 million or one third of its estimated reserves at year's end. No premium increases or other additional funding were required. The benefit changes enacted by the 1986 General Assembly included:
 - (1) Adding liver transplants to standard services and operations reimbursable under the Plan, retroactive to July 1, 1985.
 - (2) Delaying the penalty for failure to secure approval certification or denial of certification for the Preadmission Inpatient Hospital Certification Program from July 1, 1986, to January 1, 1987.
 - (3) Removing the second surgical opinion requirement for orthoscopic knee surgery when the diagnosis and the surgery can be performed in the same procedure and through the same incision, effective July 1, 1986.
 - (4) Allowing newborn children of covered employees to be covered at the time of birth without any waiting period for preexisting conditions.
 - (5) Permitting cardiac rehabilitation services to be performed in any medically supervised facilities certified by the North Carolina Department of Human Resources rather than requiring the services to be performed in a hospital.
 - (6) Replacing the required second opinion for surgery performed by a podiatrist in excess of \$300 with prior approval for all foot surgery on bones and joints in excess of \$1,000 except for emergencies, effective July 1, 1986.
 - (7) Adding coverage for outpatient diabetes self-care programs in medically supervised facilities, up to \$300 per fiscal year, effective July 1, 1986.
 - (8) Extending coverage in hardship cases for up to three months after a change in coverage when a covered

service becomes excluded from coverage under the Plan.

- (9) Reducing the maximum penalty from \$1,000 to \$500 for failure to get a required second surgical opinion or failure to get prior approval of an inpatient hospital admission, effective October 1, 1986.
- (10) Repealing the employees' 26 cents monthly contribution to the Conversion Plan (non-group benefits), effective October 1, 1986.
- B. Cost Reductions to the Plan:
 - (1) Due to the steadily increasing utilization of outpatient prescription drugs (1,300,000 prescription drugs amounting to over \$20 million in claim payments per year over 10% of the Plan's total annual claim payments), a co-payment of \$2.00 per prescription for generic drugs (and brand name drugs without a generic equivalent) and \$3.00 per prescription for brand name drugs was added to the Plan, effective January 1, 1987. The separate prescription drug co-payment is not, however, to be a part of the Plan's normal deductible and co-insurance requirements. A separate drug co-payment is hoped to encourage the use of generic drugs and at the same time bring the Plan in line with benefits paid for prescription drugs in other major health plans.
 - (2) The 1986 General Assembly also included in the Plan's statutes EDS-Federal's procedures requiring prior medical approval before the payment for certain covered services.
 - (3) Technical changes were enacted so that all covered services must be medically necessary for reimbursement under the Plan. The Plan is currently administered on the same basis. Also, custodial care which, in practice, has been excluded from coverage, was excluded from coverage under the Plan's statutes, regardless of where provided.
- C. Other Technical Changes:
 - (1) In order to simplify the Plan's premium rate structure and resolve an inequity between split family coverage (where both spouses work for the State and cover dependent children) and other types of family coverage, the 1986 General Assembly replaced split family coverage with employee only and parent and child coverage, effective January 1, 1987. It is anticipated that the monthly premium for parent and child coverage will decrease approximately \$8 \$9, when coupled with an increase of a similar amount in monthly premiums for those currently with split

- family coverage. Such a change was recommended by the Plan's consulting and actuarial firm.
- (2) The Plan's current statutory provisions relating to the selection of a Claims Processor in 1982 were repealed by the 1986 Session in order for a new claims processing contract to be awarded beginning July 1, 1987.
- (3) A technical change in the Plan was made to clarify that State funded premiums paid to Health Maintenance Organizations (HMOs) cannot exceed the amount paid to the Plan for employee only coverage and cannot exceed the amount of an HMO's premium charge for employee only coverage.
- (4) The 1986 General Assembly also directed the Plan's Executive Administrator and Board of Trustees to secure a more favorable coordination of the Plan's benefits with those provided by Medicare. A more favorable coordination of benefits is hoped to result in Medicare eligible Plan members being able to submit all of their claims to the Plan rather than submitting separate claims to Medicare and to the State's Plan. If approved by federal Medicare officials, the Plan would make payment for all services covered by Medicare and in turn seek reimbursement directly from Medicare.
- (5) The 1986 Session also gave statutory authority to the Plan's current practice of requiring a claim to be filed within 18 months after the date of service.
- (6) Upon recommendation of the State Insurance Commissioner, the 1986 Session changed the Plan's order of benefit determination when its claims are coordinated with those of other group health plans. The Plan's current practice has been for a male parent's dependent to take precedence over a female parent's dependent. The change recommended by the Insurance Commissioner would be for a dependent to be covered first by the parent whose birthday occurs first during the year regardless of sex.
- D. Compliance with the Federal Consolidated Omnibus Budget
 Reconciliation Act of 1985 (COBRA):
 The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) contains federal requirements for the continuation of group health plan coverage after a loss of group eligibility. The Plan's continuation of group coverage policies had to be changed in order to protect an estimated \$60 million in federal funds received annually by the State under the Public Health Service Act (\$20 million in the Department of Human Resources and \$40 million in the

University System). The 1986 General Assembly enacted legislation to bring the Plan into compliance with COBRA, effective October 1, 1986. Changes to the Plan require that group coverage must be provided for at least 18 to 36 months after a member's loss of group eligibility due to the death of a covered employee, termination of a covered employee's employment, divorce or legal separation of a spouse from a covered employee, the covered employee becoming entitled to benefits under Medicare, and a dependent child or student ceasing to be a dependent. Any person who continues group coverage under the Plan must have been enrolled in the Plan prior to October 1, 1986, or must be covered under the Plan at the time of a loss of group eligibility. The specifics of the changes enacted by the 1986 General Assembly concerning a continuation of group benefits are as follows:

- (1) Employee's Termination (Loss of Employment): Coverage may be continued on a fully contributory basis for up to 18 months from the date of termination at group premium rates if covered under the Plan at the time of termination.
- (2) Spouse and Dependent Children of Terminated Employee:
 Same as (1) above, provided the spouse and/or dependent children were covered under the Plan at the date of the employee's termination of employment.
- (3) Employee/Retiree's Legally Separated Spouse: Coverage may be continued on a fully contributory basis for up to 36 months from the date of legal separation at group premium rates if covered under the Plan at time of separation. The extended group coverage would also apply to eligible dependent children covered under the Plan at time of separation.
- (4) Employee/Retiree's Divorced Spouse: Coverage may be continued on a fully contributory basis for up to 36 months after the end of the month of a finalized divorce at group premium rates if covered under the Plan at the time of divorce. Extended group coverage would also apply to eligible dependent children if covered under the Plan at the time of divorce.
- (5) Employee/Retiree's Dependent Children: Coverage may be continued on a fully contributory basis up to 36 months after a loss of dependent status at group premium rates if covered under the Plan at the time of a loss of dependency. Loss of dependency occurs when a dependent child becomes age 19, age 26 if a full-time student, married, or is no longer physically or mentally incapacitated.

- (6) Employee's Choice of Medicare For Primary Coverage:
 Coverage ceases at the end of the month prior to the beginning of Medicare coverage. The change applies only to active employees who continue to work and choose Medicare as primary coverage. Federal law prohibits an employee in such situations from retaining the State Plan for secondary coverage.
- (7) Spouse and Dependent Children of Employee Choosing

 Medicare For Primary Coverage: Coverage may be
 continued on a fully contributory basis for up to 36
 months after an employee's Medicare eligibility
 begins at group premium rates if covered
 under the Plan at the time the employee became
 eligible for Medicare.
- Surviving Spouse of Deceased Employee: For enrolled surviving spouses receiving a survivor's alternate retirement benefit prior to October 1, 1986, coverage may be continued on a non-contributory basis until January 1, 1988. On and after January 1, 1988, coverage for the same surviving spouses may be continued on a fully contributory basis for life at group premium rates. For surviving spouses receiving a survivor's alternative retirement benefit and enrolled on and after October 1, 1986, coverage may be continued on a fully contributory basis for life at group premium rates. For surviving spouses not entitled to receive a survivor's alternate retirement benefit, coverage may be continued on a fully contributory basis for life at group premium rates. all cases, a surviving spouse must have been covered at the time of the employee's death in order for coverage to be continued.
- Surviving Spouse of Deceased Retiree: Same as (8) above for surviving spouses receiving a survivor's alternate retirement benefit. A change in the basis of premium payment (non-contributory to fully contributory) for surviving spouses of deceased retirees was made to resolve an inequity between surviving spouses of deceased active employees and surviving spouses of deceased retirees. In both situations, spousal coverage prior to an employee's or retiree's death is and has been on a fully contributory basis. The change also brings the Plan in line with most other group health plans and provides some additional employer funds to help offset the increased cost to the Plan for compliance with COBRA.
- (10) Surviving Dependent Children of Deceased
 Employee/Retiree: Coverage may be currently
 continued on a fully contributory basis at group
 premium rates up to age 19, age 26 if a full-time

student, date of marriage, or whenever physical/mental incapacity ceases if covered at the time of the employee/retiree's death. Additional group coverage may be continued after a loss of dependency as in the foregoing (5).

OTHER BENEFIT CHANGES FOR STATE AND LOCAL EMPLOYEES

- Separation Allowance Eligibility for State Law Enforcement Α. Officers Changed: The 1984 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, officers who are retired on an unreduced service retirement allowance (age 55 with 5 years' service, or at any age with 30 years' service) are entitled to additional monthly compensation from their former employer equal to 0.85% of their monthly salary at retirement for each year of service, payable for life or until age 62, when Social Security entitlement generally begins. The 1985 Session, in a move to correct certain abuses of the Allowance, required that officers have at least 5 years of continuous service as an officer immediately prior to retirement and that at least 75% of an officer's retirement service be as a law enforcement officer before the Allowance would be payable. The 1986 Session modified these tighter requirements enacted in 1985 by exempting temporary breaks in service for disability retirement and disability salary continuation benefits from the 5 years' continuous service requirements if the officer returns to service within 45 days after a disability ceases and reduced the required service as a law officer from 75% to 50% of total retirement service.
- B. Separation Allowances Provided for Local Government Law Enforcement Officers: Since local government law enforcement officers compete in the same labor market as do state law enforcement officers, the 1986 Session of the General Assembly, effective January 1, 1987, provided the same Separation Allowances for local officers as are provided for state officers. The net cost, if any, of the Separation Allowances for local officers is to be borne by the officers' local employers as an additional payroll expense. Since such local costs would vary considerably for each local government employer, a statewide cost determination is not available.
- C. Benefits for Terminated Employees from Reductions in Force and Institutional Closings: The 1986 Session of the General Assembly made it clear that state employees who lose their jobs as a result of a reduction in the State workforce or the closing of a State institution would be entitled to either severance pay or a discontinued service retirement if reemployment opportunities were not available. Previously, such benefits were allowed to be paid but not required. Severance pay, payable monthly, is based upon an employee's length of service, varying from 2 weeks' salary to 4 months' salary, plus 2.5% of annual salary for each year that the employee is over age 40, but

not to exceed the amount of the service payment. Under a discontinued service retirement, an unreduced allowance is payable to employees age 55 with 25 years' service and a reduced benefit (3% reduction per year under age 55) is payable to employees age 50 with 20 years' service. Both types of termination benefits are to be funded on a one-time basis out of the savings to the State Budget resulting from the reduction in force or the closing of an institution.

- Subsistence Allowances Increased for State Employees and State Boards: Effective January 1, 1987, the 1986 General Assembly increased the subsistence reimbursement rates for State employees, in lieu of reimbursement of actual subsistence expenses, from \$47 to \$52 per day when traveling on official business in-state and from \$59 to \$64 per day when traveling on official business out-of-state. Members of State boards, commissions, committees and councils were also authorized an increase in subsistence reimbursement rates from \$47 to \$52 per day when overnight stays are required.
- Expense and Subsistence Allowances Increased for Legislators: Effective upon the convening of the 1987 Session of the General Assembly, the rates of daily subsistence for legislators will be increased to the maximum per diem rate allowed for federal employees in the Raleigh area (\$79/day). The expense allowances for legislators will also be increased upon the convening of the 1987 General Assembly. The new allowances will be:

Legislators	Monthly Expense
House Speaker Senate Pro Tempore House Pro Tempore Senate Majority Leader House & Senate Minority Leaders Other Legislators	\$ 929 603 337 337 337 252

The increased expense allowances reflect a 9.7% increase in rates over the ones authorized by the 1985 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.

The Budget:

Appropriations, Increases, Decreases

The Budget: Appropriations, Increases, Decreases

DEPARTMENT OF PUBLIC INSTRUCTION

1986-87

SENATE BILL 1 (CHAPTER 479) 1985 SESSION \$2,009,326,705 BASE BUDGET REDUCTIONS: (5,098,942)School Bus Transportation -Reduction due to declining fuel prices (1,945,446)Unemployment Compensation -To reflect actual expenditure level Extended Employment Math/Science Teachers - (92,327) 3. Adjustment in number of teachers Willie M. - To reflect cost of (330,303)4. actual number served (8,000)Savings due to combining the functions 5. of the Annual Testing Commission and the Competency Test Commission into one commission (1,000,000)Reduce energy cost projections for the 6. schools due to declining inflation rates 18,760) Transfer mailroom clerk position (7. and related costs to the Department of Community Colleges since these departments will no longer share central services 164,340) Central Office - Reduction-in-force 8. recommended by the Governor Controller's Office - Reduction-in-83,307) Force recommended by the Governor (\$8,741,425)TOTAL BASE BUDGET REDUCTIONS

1	9	8	6	_	8	7
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EXPANSION BUDGET:

Increase the class size/membership reserve to .5% of the budgeted ADM to relieve class size and enrollment problems during the school year, particularly after the 10th day of school.

\$6,000,000

Reduce the allotment ratio in grade nine to one teacher for every 26 pupils from its present one teacher for every 27.5 pupils. This would result in the ratio for grades K-9 being 1:26 and grades 10-12 being 1:31. 5,500,000

Increase substitute teacher pay to 3. \$52 per day for certified and \$35 per day for non-certified. This rate would apply for all substitute teachers, regardless of number of days employed.

800,000

The State Board of Education and State Superintendent support the program developed by the Public School Forum of North Carolina on teacher recruitment. The key elements of that program and their costs are listed below:

Public School Forum Recruiting Officers Office of Recruitment 375,000 250,000 250,000

Teacher Effectiveness Program - 4,000,000 5. Funds to provide a one-time stipend of \$250 per teacher for those who complete the program

Average Daily Membership/Average 6. Annual Salary Adjustment

9,068,301 (344.5)

7. Career Growth Program - To provide for increase in the number of teachers participating

1,325,711

DEPA	RTMENT OF PUBLIC INSTRUCTION (CON'T.)	1986-87
8.	State funding for Regional Coordinators of Personnel Services due to potential federal fund reductions	\$ 500,000
9.	To provide for Anti-Alcohol and Drug Programs in the local schools	250,000
10.	Funds to select and train outside evaluators of certified school personnel	2,355,511
11.	To establish pilot programs for Preschool Screening/Evaluations	287,000
12.	Funds for training teachers regarding the U.S. Constitution	95,632
13.	Funds to provide increment adjustments to those teachers earning a Masters degree that were not funded in 1985-86	1,058,527
14.	Funds to Johnston County Board of Education to clean up a hazardous waste dump on school property that was formerly owned by the State (50/50 match)	50,000
15.	Funds for three additional health coordinators	111,813
	TOTAL OPERATING EXPANSION	\$32,277,495
	TOTAL OPERATING APPROPRIATIONS \$2	,032,862,775

SPECIAL PROVISIONS

- Sec. 53 Basic Education Program expansion appropriations, 1986-87 over 1984-85.
- Sec. 54 Teacher Effectiveness Program. Initial phase of funding for one-time stipend of \$250 to participants in Performance Appraisal Program pilots who successfully complete the Teacher Effectiveness Training.
- Sec. 55, Substitute Teacher Pay. Increase from \$35 to \$52/day, regardless of the number of days, for for currently or previously certified teachers.
- Sec. 57 Pay for Teachers with Master's Degree. Provide an experience increment for those earning a master's degree between July 1, 1985 and June 30, 1986, if previously not awarded.
- Sec. 58 Teacher Aides' Workweek. Local boards of education continue to determine hours of employment.
- Sec. 59 Legislative Commission on Salary Schedules for School Employees created to study salaries and related matters, including aides' workweek.

 Commission will make a final report by March 1, 1987.
- Sec. 60 Career Teacher Clarification. Repeals statute excluding teachers in institutions and schools of the Departments of Corrections and Human Resources from the tenure act.
- Sec. 61, Outside Evaluator Project. Nine pilot local school units to evaluate certified personnel with external evaluators. Participants receive no additional compensation.
- Sec. 63 Teacher Enhancement Program. New teacher scholarship program established; consolidates with existing program on July 1, 1987. An Office of Teacher Recruitment in the Department of Public Instruction established, entire statute rewritten.
- Sec. 64, School Finance Officers. Allotment schedule for one position in each county to be approved by the State Board of Education based on total average daily membership in the county.
- Sec. 66 School Health Coordinators. Three additional positions funded bringing the total to 35.

- Sec. 67 Vocational Education. Regular allotments increased by the \$7.3 million appropriated for equipment, salary supplements and basic skills programs in grades 7-8.
- Sec. 68 Alcohol and Drug Defense Grants. Local school units may apply for model program grants for up to \$10,000.
- Job Placement Centers/Dropout Prevention. Funds
 appropriated for additional teacher-counsellors to
 address the problem of high risk students and dropout
 prevention. The State department may use \$215,000
 for six positions to administer dropout programs
 according to performance standards to be established.
 In addition, \$45,000 is allocated to each of three
 school systems (Granville, Haywood and Wake Counties)
 to continue dropout programs previously funded by
 Ford Foundation grants.
- Physical Education Program Study will be conducted by the State Board of Education. Report of findings shall be made by February 1, 1987 to the chairmen of Base Base Budget and Appropriations Committees of each chamber and to the Fiscal Research Division.
- Sec. 72 Textbooks for Visually Impaired Study. The State

 Board of Education shall study the most costeffective way to provide textbooks for students who
 are visually impaired. Report shall be made by March
 1, 1987 to the Joint Legislative Commission on
 Governmental Operations and the Fiscal Research
 Division.
- Books for Handicapped Students. A set-aside of \$300,000 shall be used to purchase modified textbooks (braille, large-print and audio cassettes) for handicapped pupils. The State Department of Public Instruction is authorized to recall these textbooks when not in use for redistribution to those who need them. Report on the use of these funds shall be made to the Joint Legislative Commission on Governmental Operations and Fiscal Research Division by March 1, 1987.
- Sec. 74 Statewide Testing Program/Testing Commission. Two testing commissions are consolidated into one.

- Preschool Screening/Evaluations Pilot Programs.

 Department of Public Instruction shall assist 15
 pilot school units in designing a preschool
 screening/evaluation pilot program \$287,000 is
 appropriated for the pilots. The department will
 select pilots and report to the Joint Legislative
 Commission on Governmental Operations and the Fiscal
 Research Division before February 1, 1987.
- Sec. 76

 Delay Change in Law regarding Cost Allocation of Exceptional Children. Effective July 1, 1987, out-of-district placement statute enacted in 1985 will take place. The original change was set for July 1, 1986.
- Sec. 77 Consolidation of Staff Development Appropriations.

 Four separate funding allocations for computer training, training for all staff, training for certified personnel and newly certified personnel are merged into a single allocation. Distribution shall be based 25 percent to all school administrative units and 75 percent on average daily membership.
- Sec. 78

 Allocation of funds on Prior or Projected ADM. This permits apportionment of county appropriations among local school administrative units to be the same ADM as that certified to the unit by the State Board of Education.
- Sec. 79 Central Payroll Funds shall not revert on June 30, 1986.
- Sec. 137 Willie M. Funds Revert. All funds appropriated for Willie M. class children for fiscal years prior to 1986-87 that are not expended or encumbered by June 30, 1986 shall revert to the General Fund.
- Sec. 230 Career Development Pilot Program Modifications.

 Modifies the statute to make various technical changes and (1) allows movement from career status II to III after two years; (2) directs the State Board of Education to report on program developments and specific criteria for eligibility for Career Status III; and (3) permits the department to increase funds required for monitoring the Career Development Program, the Basic Education Program, the Competency Based Testing Program and the Outside Evaluation Program and other initiatives. Report shall be made to the Joint Legislative Commission on Governmental Operations on funds used for these purposes.

Special	Appropriations - Local (HB 2055)	1986-87
\$975	New Bern/Craven County Board of Education for construction of a Craven Athletic Field House	\$50,500
S1037	Southside School Alumni Association for renovation of old Southside High School, Rowland, N.C.	3,350
S1064	Pitt County for Farmville High School	4,000
	band uniforms and for Farmville Recreation Center for recreation uni- forms	2,000
S1099	Sampson Alumni Association for Sampson High School public service programs	5,000
S1100	Johnston Central High School Alumni Association for public service programs	5,000
S1128	Rocky Mount Board of Education for Rocky Mount Senior High School band expenses for participation in the Rose Bow Parade	15,000
S1168	After School funds as follows: (1) Cherokee County Board of Education (2) Clay County Board of Education (3) Graham County Board of Education (4) Haywood County Board of Education (5) Henderson County Board of Education (6) Hendersonville City Board of Education (7) Jackson County Board of Education (8) Macon County Board of Education (9) Polk County Board of Education (10) Swain County Board of Education (11) Transylvania County Board of Education (12) Tryon City Board of Education	3,000 2,000 2,500 13,000 11,500 4,000 4,000 4,000 2,500 5,020 2,000
S1173	Haywood County Board of Education for Rock Hill School safety protection equipment	36,000
S1174	School Enrichment Funds as follows: (1) Cherokee County Board of Education (2) Clay County Board of Education (3) Graham County Board of Education (4) Haywood County Board of Education (5) Henderson County Board of Education (6) Hendersonville City Board of Education (7) Jackson County Board of Education	\$ 3,000 2,000 2,500 13,000 11,500 4,000 4,000

		1986-87
	(8) Macon County Board of Education (9) Polk County Board of Education (10) Swain County Board of Education (11) Transylvania Board of Education (12) Tryon City Board of Education	\$ 4,000 4,000 2,500 5,020 2,000
S1239	Greene Central High Band Boosters Club to buy band uniforms	5,000
S1241	Goldsboro City Board of Education for uniforms, equipment, and camping expenses for the cheerleader squads to be paid out over a three year period at the board's discretion	5,000
S1244	Wayne County Board of Education for band instruments for Wayne County schools	5,000
S1261	Greene Central High School for Athletic Boosters Club improvements to lighting system for baseball field	5,000
н1358	Clinton City Board of Education for air conditioner for Clinton auditorium	10,000
Н1429	Hiwassee Dam High School in Cherokee County for band uniforms	3,600
н1505	Mitchell County Board of Education for after-school child care programs at Gouge Primary School and Deyton Primary School	5,000
н1577	Carteret County Board of Education for physical education and athletic programs in grades 9-12;	11,250
	Onslow County Board of Education for physical education and athletic programs in grades 9-12	25,450
н1612	Mecklenburg County for renovation of the Ada Jenkins School cafeteria to be matched by like amount	8,000
н1683	Madison Colored and Charles Drew Alumni Association for building repairs	5,000
н1706	Union County Board of Education for lighting at the Forest Hills High School Athletic field 67	35,000

67

		1986-87
н1719	Richmond County Board of Education for the Roberdel Children's Center adaptive physical education program	\$ 1,050
н1726	Lee County Board of Education for a film and video library materials	10,000
Н1812	Pender County Board of Education for the Pender County High School athletic field lighting	700
н1815	Johnston Central High School Alumni Association for general support	5,000
н1858	Duplin County Education Foundation as follows: general endownment fund; booster clubs \$1,400 each: (1) East Duplin High School (2) James Kenan High School (3) North Duplin High School (4) Wallace-Rose Hill High School (5) Jones High School	3,500 7,000
н1863	Roanoke Rapids Board of Education for renovation of high school auditorium	10,000
н1936	Greene County Board of Education for uniforms (\$2,000) and baseball lights (\$2,000)	4,000
н1978	Harnett County Board of Education as follows: (1) teaching of cardio-pulmonary resuscitation (CPR) and the Heimlich maneuver to students in grades six and above;	1,000
	(2) programs for the hearing and visually impaired students	6,400
н2002	Cumberland County Board of Education for the Cumberland Sheltered Workshop for on-site street improvements	15,000
н2007	Sampson High School Alumni Association for program support	700

DEPARTMEN	T OF PUBLIC INSTRUCTION (CON'T)	
		1986-87
H2014	Pitt County Board of Education: (1) for recreation programs at Chicod Elementary School;	\$ 1,800
	(2) for high school band uniforms and athletic equipment	6,000

DEPARTMENT OF COMMUNITY COLLEGES

		1986-87
SENA	TE BILL 1 (CHAPTER 479) 1985 SESSION	\$248,250,430
BASE	BUDGET REDUCTIONS:	
1.	ADMINISTRATION	
	Reduction for JTPA administrative funds.	(100,000)
2.	UNEMPLOYMENT INSURANCE Reduction in anticipated needs in	(300,000)
	state aid for unemployment insurance.	455 0001
3 .	REDUCTION IN FORCE	(66,000)
	TOTAL BASE BUDGET REDUCTIONS	\$ (466,000)
EXPA	NSION BUDGET:	
1,	ENROLLMENT ADJUSTMENTS Adjust the currently budgeted 82,900 curriculum FTE and the 45,500 extension FTE to reflect the number of FTE required to fully fund those students actually served in 1985-86. FTE based on agreed upon projections.	\$14,595,284
2.	OTHER COSTS The \$5 million in new funds appropriated in the 1985 session and the more than \$10 million transferred from other lines in the existing budget provide adequate funds for other cost items. This item appears in the budget for 1985-86 and should be continued.	4,324,782
3.	CONTINUE FACULTY SALARY ADJUSTMENT FUNDS Provide continuation of the \$300 per instructional unit appropriated in 1985-86. Institutions need to improve salaries, and continuation of this appropriation provides an opportunity to maintain current levels of achievement. This item appears in the budget for 1985-86 and should be continued.	2,143,076

		1986-87
4.	FACULTY UPGRADING It is recognized that teacher preparation and in-service programs need substantial improvement. This must be accomplished through training and skill development programs using new technological techniques. If our institutions are to adequately meet students' vocational and occupational needs in this rapidly changing occupational environment, they must be prepared to adapt in a technologically oriented environment.	\$1,230,000
5.	VOCATIONAL TEXTILE SCHOOL (a) Operating Funds (b) Supplies, materials, and equipment (\$41,629 to be earmarked in the	13,800
	equipment reserve)	
6.	The Carl Perkins Act changed the basis for allocation of funds to states and designed more specific categories in which monies must be used. The funds provided to the Community College System are restricted to categorical purposes by the Carl Perkins Act. These funds will assure that they are used for only those purposes allowed by the new federal law.	350,000
7.	ROBOTICS PROGRAM	
*	Haywood Tech operating funds for robotics program at high tech center.	282,500
8.	The State Board of Community Colleges needs to have available funds that can be used to meet unanticipated requirements. The Board currently has no funding method to provide for new ideas or innovative programs which the institutions may desire to try, but are unable to do so due to cost, nor does the Board have funds to provide for enrollment growth beyond that provided for in the enrollment account.	1,500,000

COMMUNITY COLLEGES (CON'T)

		1986-87
9.	Compensatory Education is a community college program designed specifically for mentally retarded adults. Funds requested will provide programs and services for mentally retarded adults.	\$ 975,000
10.	EQUIPMENT in order to maintain current state- of-the-art equipment, we need to fund depreciation based on the schedule of this equipment as a current expense.	5,000,000
11.	SCHOLARSHIP FUNDS Scholarship funds to be deposited with State Treasurer and use interest to provide scholarships for needy students.	2,000,000
12.	RELOCATION FUNDS Additional funds for relocation to Caswell Building	200,000
13.	INCREASE TUITION RECEIPTS Tuition increase of \$15 a quarter for in-state students and \$249 a quarter for out-of-state students to bring tuition more in line with neighboring states.	(6,523,134)
14.	TRANSFER OF MAILROOM CLERK: Position and related costs from the Department of Public Instruction since these departments will no longer share central services.	18,760
	TOTAL OPERATING EXPANSION	\$26,110,068
TOTA	AL OPERATING APPROPRIATIONS	\$273,894,498

DEPARTMENT OF COMMUNITY COLLEGES CAPITAL IMPROVEMENTS

	1006 07
Institution	1986-87 850,000
Carteret TC \$	1,000,000
Central Piedmont CC	1,000,000
TC of Alamance	300,000
Mayland TC	298,000
Coastal Carolina CC	0
Wayne CC	250,000
Pitt CC	0
Wake TC	1,000,000
Rowan TC	700,000
Sampson TC	1,000,000
Sandhills CC	100,000
Cape Fear TI	1,450,000
Richmond TC	0
Craven CC	400,000
Davidson County CC	1,000,000
Catawba Valley TC	50,000
Surry CC	100,000
Caldwell CC & TI	10,000
Lenoir CC	500,000*(300,000 plan.;
Vance-Granville CC	500,000 200,000 Granville
Guilford TCC	575,000 Satellite)
Johnston TC	260,000
Wilson County TC	700,000
Western Piedmont CC	500,000
Randolph TC	100,000
Nash TC	761,000*(243.5-Blue Ridge
Blue Ridge TC	1,000,000 517.5-Transylvania
Cleveland TC	955,000 Satellite)
Gaston College	100,000
Wilkes CC	0
Halifax CC	
Forsyth TC	1,000,000
Isothermal CC	1 000 000
Rockingham CC	1,000,000
Edgecombe TC	300,000
Tri-County CC	0
Mitchell CC	300,000
Roanoke-Chowan TC	155,000
Anson TC	462,500
Brunswick TC	750,000
Martin CC	0
Bladen TC	75,000
Beaufort	800,000*(Madison Co. sat.)
A-B Tech	150,000*(100,000 planning
Haywood	
Fayetteville	1,000,000 50,000 cosmetology building)
	75,100*(Macon Co. sat.)
S. W. Tech	500,000*(350,000 Harnett
Central Carolina	Co. satellite
	150,000 planning)
	130,000 Pramma,

DEPARTMENT OF COMMUNITY COLLEGES (CON'T)

SPECIAL PROVISIONS

- Section 80

 Area Coordinator Funds Transferred.

 Merged funds for the hospitality area coordinators into the small business program.
- Tuition and Fees.

 Increased tuition for a full time curriculum in-state student from \$51 a quarter to \$66 a quarter in 1986-87 and to \$75 a quarter in 1987-88. It also increased the tuition rate for a full-time curriculum out-of-state student from \$255 a quarter to \$504 a quarter in 1986-87 and to \$704 a quarter in 1987-88. Fees charged for avocational extension courses were raised from \$19 to \$24 and other extension fees were increased by five dollars over current rates.
- Section 82

 Compensatory Education Funds.

 Funds are appropriated to provide compensatory education to mentally handicapped adults. \$75,000 will be used to develop statewide programs and \$900,000 will be used by local institutions to provide educational services.
- Reserve Fund for State Board of Community

 Colleges.
 \$1,500,000 was appropriated as a reserve
 for distribution by the State Board of Community
 Colleges. It may be used for enrollment growth,
 innovative ideas, feasibility studies and to
 supplement the budget of Pamlico Technical
 College due to its size.
- Section 84 Community College Salary Funds
 \$2,143,076 was appropriated to continue the
 \$300 increase in the faculty salary unit
 allocation to help improve community college
 faculty salaries.
- Section 85

 Community Colleges Formula Update

 This requires the State Board of Community
 Colleges to use the revised formula adopted at
 its April meeting to allocate funds to local
 institutions.
- Section 86

 Vocational Textile School Equipment Funds
 Allocates \$41,629 from the equipment funds
 appropriated to the Department of Community
 Colleges to the Vocational Textile School.

DEPARTMENT OF COMMUNITY COLLEGES (CON'T)

Section 87 Southwestern Technical College Health Center Funds/Purpose Modified

Allows Southwestern Tech to expend funds for capital construction that were originally appropriated for the purchase of equipment.

- Section 88 Community College Trustees Training Course
 Urges the N.C. Association of Community College
 Trustees to expand its training course for new
 trustees and to offer it on a regional basis.
- Section 89 Conversion of Technical Colleges to Community Colleges

Converts James Sprunt Technical College and Durham Technical Institute into community colleges with a limitation of 10% of their membership hours generated from college transfer programs. Also prohibits the State Board of Community Colleges from allocating additional funds during 1986-87 to accomplish this purpose.

- Section 90 Allocation of Community College Capital Funds
 - (a) Allocates funds appropriated for capital construction to the local institutions of the community college system.
 - (b) Specifies that \$517,500 of funds allocated to Blue Ridge Tech shall be used for a satellite in Transylvania County and that contributions made by that county for this project prior to July 1, 1986 satisfy the matching requirement.
 - (c) Specifies that \$800,000 allocated to Asheville-Buncombe Tech is for the Madison county satellite.
 - (d) Specifies that the \$75,100 allocated to Southwestern Tech is for the Macon County satellite and does not have to be matched. It also reduces match requirement for the 1985-86 appropriation to \$1.00 in local funds for every \$2.00 in state funds.
 - (e) Requires \$350,000 of funds allocated to Central Carolina be used for Harnett County satellite.
 - (f) Earmarks funds allocated to Vance-Granville Community College as follows: \$200,000 for satellite in Granville County and \$300,000 for planning at Vance-Granville.

DEPARTMENT OF COMMUNITY COLLEGES (CON'T)

- (g) Exempts funds allocated during 1985 session to Vance-Granville Community College for Warren County satellite from any matching requirements.
- (h) Exempts Anson Technical College, Mayland Tech, and Tri-County Community College from local matching requirement.
- (i) Makes all capital appropriations for the 1985-87 biennium permanent appropriations.

Section 90.1 Community College Capital Loan Authority Allows the State Board of Community Colleges to negotiate loans of capital construction funds between institutions.

Section 227

Community College Funds Transferred

Transfers \$250,000 from state aid priority programs to state aid-small business in
order to create five additional small business
centers.

Section 228

Certain Programs Not Covered By Community

College Tuition Increase

Exempts Job Corp Training programs from the new out-of-state tuition increase until the local institution's current contract has expired.

SPECIAL APPROPRIATIONS (HB 2055)

	1986-87
Blue Ridge Tech College Funds For a Henderson County fire fighter training center.	\$ 4,160
Pitt Community College Funds For its High School Vocational Technical Articulation program. (2 appropriations of \$1,000 each).	\$ 2,000
Sampson Technical College Funds For the purchase of equipment.	\$ 5,000
WTEB Operating Funds For operating expenses of WTEB Public Radio Station at Craven Community College.	\$72,000

BOARD OF GOVERNORS UNIVERSITY OF NORTH CAROLINA

OPERATING BUDGET

	1986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$789,586,347
BASE BUDGET REDUCTIONS:	
 Increase overhead receipts to actual amounts in 1985-86 N.C. State UNC-Chapel Hill 	\$ (159,000) (841,000)
2. Reduction-in-force was recommended by the Governor	(1,660,000)
TOTAL BASE BUDGET REDUCTIONS	\$(2,660,000)
EXPANSION BUDGET:	
Schedule of Priorities	
1. Enrollment Changes	\$ 2,403,810
2. State-wide Program for Support of Public Education	-
3. AHEC State-wide Mental Health Program	-
4. New Degree Programs to Complete Consent Decree Commitments	43,856
5. Change to Comprehensive University: Fayetteville State University and UNC-Wilmington	21,476
6. Faculty Salary Support for the Comprehensive Universities and the School of the Arts.	7,520
7. Academic Computing	
8. Scientific Equipment	
9. University-Wide Library Network	
10. Improvements in Accounting Systems	13,657,836
11. Biotechnology Research	
12. Inter-Institutional 13. Basic Program Support	

BOARD OF GOVERNORS (CON'T)

BOARD OF GOVERNOONS	1986-87
SUBTOTAL OPERATING EXPANSION - SCHEDULE OF PRIORITIES	\$16,134,498
OTHER INCREASES	
14. Agricultural Programs	\$ 800,000
15. Increased Scholarship Funds for American Indians, Medical and Dental Students	115,000
16. N.C. School of Science and Mathematics (Various expansion items)	200,000
17. Aid to Private Colleges - Increase Legislative Tuition Grant from \$950 to \$1,000	1,100,000
18. North Carolina State - Centennial Celebration	100,000
19. UNC-Asheville-Operating budget for Western North Carolina Arboretum	250,000
20. UNC-Asheville-Program Planning funds for the Center for Active Retirement	100,000
21. Western Carolina Tomorrow at Western Carolina University-Blue Ridge Parkway Celebration	25,000
MOMAL OPERATING EXPANSION	\$18,824,498
LESS TUITION RECEIPTS INCREASES TOTAL GENERAL FUND APPROPRIATIONS EXPANSION	\$12,398,964
TOTAL OPERATING APPROPRIATIONS	\$799,325,311

BOARD OF GOVERNORS UNIVERSITY OF NORTH CAROLINA

CAPITAL IMPROVEMENTS

	1986-87
1. Appalachian State University-Addition to Center for Continuing Education	\$ 1,500,000
 North Carolina State University a. School of Textiles b. Advance Planning-Building for Pulp and Paper Program c. Renovations at Chinqua-Penn Plantation 	14,300,000 300,000 1,500,000
3. University of North Carolina at Asheville a. Western North Carolina Arboretum b. Athletic Field c. Advance Planning-Classroom/Office Building	2,500,000 558,900 335,000
4. University of North Carolina at Chapel Hill a. Conference Center b. Advance Planning-Family Physicians Center	13,665,000 203,000
5. University of North Carolina at Charlotte-Advance Planning-Office/Classroom Building for College of Architecture	150,000
6. Western Carolina University a. Advance Planning-Renovate Stillwell and Mckee Buildings and Hoey	128,000
Auditorium b. Advance Planning-Warehouse and Storage Building	34,000
7. Winston-Salem State University - Addition and Renovation to O'Kelly Library	5,077,400
8. North Carolina Central University = Repairs and Renovations	2,000,000
9. Elizabeth City State University = Science Complex	4,666,300

BOARD OF GOVERNORS (CON'T)

		1	986-87
10.	10. Agricultural Programs - Mountain Horticultural Crops Station and Extension Center at Fletcher a. Fencing b. Irrigation System	\$	83,750 193,000
11.	N.C. School of Science and Mathe- matics-Physical Education and Campus Maintenance Facilities	3	3,515,900
12.	Advanced Planning Funds For Balance Of Line 6 Projects	11	868,000
TOTA	AL CAPITAL IMPROVEMENTS	\$53	1,578,250

UNC BOARD OF GOVERNORS (CON'T.)

SPECIAL PROVISIONS

- Sec. 98. Creates Western North Carolina Arboretum with separate Board of Directors.
- Sec. 91. Agricultural Programs Directs use of funds for:

 (a) Plant Pathologist and Plant Geneticist at

 Castle Hayne Research Station;
 - (b) Sweet Potato Pest Control;
 - (c) N.C. Turfgrass Survey;
 - (d) Other priorities requested by Board of Governors.
- Sec. 93. ECU Medical School Allows use of \$1.1 million in 1985-86 reversions to pay Pitt County Memorial Hospital more for indigent care in 1986-87.
- Sec. 95. UNC President's House Allows \$374,000 in non-General Fund support to be used to renovate and repair President's house.
- Sec. 96. East Carolina Capital Improvements Requires \$75,000 in non-State matching funds for the \$300,000 Advance Planning appropriation for Pulp and Paper Program Building on N.C. State campus.
- Sec. 97.1. Mathematics and Science Network Directs the Board of Governors to use \$250,000 in a pilot program to improve the performance of minority and female youth in mathematics and science. The funds may be used for direct instruction and for teacher training.

SPECIAL BILLS

HB 1482 - Provides \$120,000 to repair Betsy Jeff-Penn 4-H Camp dam in Rockingham County.

SPECIAL	APPROPRIATIONS (HB 2055)	1986-87
	East Carolina University (1) Therapeutic recreation for children with cancer and chronic blood	\$ 1,000
2	disorders. (2) Volunteers in Partnership with Parents in Martin County for services to retarded children and their	\$ 1,500
	families. (3) Remedial Education Activity Program (4) Friends of Music Scholarships (5) Medical School Creative Living Center day care for senior adults.	\$ 1,000 \$ 1,000 \$ 2,000

UNC-BOARD OF GOVERNORS (CON'T.)	1986-87
Fayetteville State Continuing Education Program	\$ 3,900
N.C. A&T State Establish 10 Ronald McNair Memorial Scholarships in physics or engineering	\$12,500
UNC-Asheville To expand WCQS-FM Public Radio	\$50,000
UNC-Chapel Hill To Department of Administration for WUNC-FM Public Radio	\$ 4,000
UNC-Charlotte Expenses of radio station WFAE	\$11,000
Western Carolina University Western N.C. Tomorrow to promote travel and tourism in western region	\$10,000
Non-State Johnson C. Smith Unviersity for Afro- American Children's Theater for inner- city youth creative skills development	\$ 5,000

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT

		1986-87
SENATE BII	LL 1 (CHAPTER 479) 1985 SESSION	\$54,416,711
	ET REDUCTIONS:	
	rnor's Reduction-in-Force	(\$528,000)
2. Commu	unity Assistance Division Reduction	
due t reorg This	ce the General Fund budget to savings generated in ganizing the Division. was an Efficiency Study ission recommendation.	(203,932)
prof: opera opera is a	Zoological Park - Establish it centers for food and tram ations to track sales and ating costs regularly. This n Efficiency Study Commission mmendation	(25,000)
	TOTAL BASE BUDGET REDUCTIONS	(\$756,932)
EXPANSION	BUDGET:	
Fund	culture Cost Share Program - s to expand the Agriculture Cost e Program	\$1,000,000
Prog admi	s to provide a Grade 62 Resource ram Technician to assist in nistering the Agriculture Cost e Program.	35,880 (1)
2. Fore plow	stry - Funds to provide a fire operator for Stanly County	34,000
time	stry - Funds to upgrade a part- forest ranger position to a -time position for Currituck	13,500 (1)
supr	al Water Association - Funds to bort technical assistance pro- ed to rural and small water tems	75,000
-1	,	

DEPA AND	RTMENT OF NATURAL RESOURCES COMMUNITY DEVELOPMENT (CON'T.)	1986-87
5.	Councils of Government - Funding	\$ 990,000
5.	to Councils of Government to pro-	
	vide services and assistance to	
	local units of government in	
	economic and community development	
	activities	
ii.	Wildlife Resources Commission - Funds	100,000
6.	to Hyde County to provide management	
	of migratory waterfowl	
	of migracory waterions	
7.	Regional Office Rent Increase - Provide	150,000
	Funds for increased rent expenses at	
	regional offices	
	and the second second	200,000
8.	Artificial Reef Control Funds -	200,000
	Funds to supplement a previous appropriation for constructing	
	artificial reefs using boxcars	
	altilitial feels doing something	
	TOTAL OPERATING EXPANSION	\$2,598,380
		(3)
	TOTAL OPERATING APPROPRIATIONS	\$56,258,159
CAP	ITAL IMPROVEMENTS:	
		\$ 50,000
1.	Zoological Park - Funds to provide	Ş 30 70 00
	parking lot improvements, access road improvements, and remodeling	
	of the ticket facility	
	of the cicket facility	
2.	Marine Fisheries - Funds to	100,000
	supplement a previous appropriation	
	for the Marine Fisheries building in	
	Morehead City	
	The state of the Bundanto	750,000
3.	Civil Works Projects - Funds to provide the State match for federal	, 50 / 50 0
	civil works projects	
	CIVIL WOLKS Projects	
		\$900,000
	TOTAL CAPITAL IMPROVEMENTS	\$900,000

DEPA AND	RTMENT OF NATURAL RESOURCES COMMUNITY DEVELOPMENT (CON'T.)	1986-87
INCF	REASED AVAILABILITY:	
1.	Increased availability due to reversion of Coastal Zone Management Permit Violations Special Fund.	\$ 66,658
2.	Increased availability due to reversion of planning funds appropriated in 1985-86 for Toxic Metal Lab.	400,000
3.	Increased availability due to reversion of funds previously appropriated for the Toxic Metal and Organic Analytical Lab.	4,750,800
	TOTAL INCREASED AVAILABILITY	\$5,217,458

DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT (CON'T.)

Special Provisions:

- Sec. 5

 Block Grant Funds Allocated: Appropriates funds for the Job Training Partnership Act, the Community Services, and the Community Development Block Grants.
- Sec. 6

 Modification of the Community Development Block Grants
 Urged: Urges the Department of Natural Resources and
 Community Development to reexamine rules and regulations governing award of Community Development Block
 Grants economic development funds.
- Sec. 142 Community Service Workers: Directs the Department to maximize use of community service workers for development and repair of State parks and submit a plan for doing so by October 1, 1986 to the Joint Legislative Commission on Governmental Operations.
- Sec. 143 Community Action Agencies/Administrative Costs: Allows use of up to 5% of the State appropriations of \$985,000 to be used for defraying the administrative expense of non Community Service Block Grant programs.
- Sec. 144 James K. Polk State Office Building: Repeals the provision enacted in 1985 requiring the Department to relocate the Mooresville Regional Office to Charlotte.
- Sec. 145 Regional Office Rents: Restricts use of funds appropriated in 1986 for regional office rents only.
- Sec. 146 Coastal Area Management Special Fund Reversion: Reverts \$69,000 in this special fund account.
- Sec. 147 Marine Fisheries Seafood Development Program Transfer:
 Transfers the Seafood Marketing program and five
 positions (\$210,000 budget) to the Department of
 Agriculture.
- Sec. 148

 Rural Water Systems Assistance: Allocates \$75,000 of the funds appropriated to the Department of Natural Resources and Community Development to the NC Rural Water Association, Inc. to provide training and technical assistance to small and rural water systems.
- Agriculture Cost Share Program for Non Point Source
 Pollution: Statutorily establishes the program in the
 Department of Natural Resources and Community Development, allocates \$3 million for this purpose, identifies types of projects to be funded, establishes the
 State cost share rate and maximum payment, and
 establishes a committee of agriculture officials to
 review the program.

- Sec. 151 Council of Governments Funding: Allocates \$990,000 of the funds appropriated to the Department of Natural Resources and Community Development to Councils of Government (\$55,000 to each COG) for assistance to local governments in activities related to economic and community development, preparing grant applications, and other activities deemed appropriate by the local government.
- Sec. 152. Coastal Water Quality Study: Allows the Legislative Research Commission to study and reevaluate the coastal water quality classifications and existing and proposed rules of various regulatory agencies in the Department of Natural Resources and Community Development.
- Sec. 153 Wildlife Resources Commission Use of Sales Tax Funds:
 Removes the restriction on \$1 million of the \$2 million of sales tax funds received by the Commission.
- Sec. 191 Coordination of State Labs and Repeal of Previous
 Appropriations for Toxic Metal and Organic Analytical
 Lab: Reverts funding for the Department of Natural
 Resources and Community Development lab appropriations
 made in 1985.
- Sec. 209 Youthful Offenders Forestry Camp: Allocates \$1 million from a Reserve in the Office of State Budget and Management for the camp and directs the Departments of Natural Resources and Community Development and Corrections to cooperate in the development and administration of the camp.
- Sec. 231 State Park Funds Used for Repair: Reallocates \$7.5 million of the 1986-87 appropriation of \$12.5 million for land purchases to support maintenance of the State Park system and to make some land purchases. The balance of the funds are to be retained in a reserve.

DEPARTMENT OF AGRICULTURE

	1986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$28,354,974
BASE BUDGET REDUCTIONS:	
1. Governor's Reduction-in-Force	(\$163,298)
TOTAL BASE BUDGET REDUCTIONS	(\$163,298)
EXPANSION BUDGET:	
1. Disposal of Hazardous Waste	\$150,000
Funding is required for the disposal of a backlog of pesticides accumulated by the Department's Pesticides Laboratory.	
2. Itchgrass Eradication	62,000
Funds are requested to control a newly introduced weed species in North Carolina called Itchgrass. Early control of Itchgrass, currently confined to a 400 acre site in Robeson County, will hopefully avoid a high cost eradication program in the future.	
3. New Lab Assistant Position - Griffin Laboratory	13,492
The demand for diagnostic services has increased at the Griffin Animal Diagnostic Laboratory. This position will allow the lab to provide faster diagnostic services.	
4. Laboratory Automation Agronomic Laboratory	300,000
Automation will reduce turnaround time for soil testing and plant analysis in the Agronomic Laboratory.	

DEPA	RTMENT OF AGRICULTURE (CON'T.)	1986-87
5.	Postage Rate Increase	\$ 48,000
	Postal rate increases forced suspension of production of the Agricultural Review on May 1, 1986 until the new fiscal year An increase is needed to avoid suspension of production again in FY 1986-87.	
6.	Crop and Livestock Survey	45,000
	This appropriation will allow the Depart- ment to assure that county level data on crops and livestock continues to be collected and disseminated.	
7.	Western Farmers Market	25,000
	Funding for the Western N.C. Development Association.	
8.	Pesticide Safety Training	20,000
	Funding is needed to develop pesticide safety training program for structual pest control operators.	
9.	Reserve for Farm Loans to be appropriated by the General Assembly at a later date.	1,000,000
10.	Museum of Natural History	15,877 (1)
	One additional security guard for Museum of Natural History.	
11.	General Administration	35,000 (1)
	One additional staff economist to assist current staff.	and entitled
12.	Food Distribution	35,000 (1)
÷	One warehouse administrator to supervise Food Distribution warehouses.	may at the
13.	Reserve to handle emergency local projects.	674,175
	TOTAL OPERATING EXPANSION	\$ 2,423,544
	TOTAL OPERATING APPROPRIATIONS	\$30,615,220

DEPARTMENT OF AGRICULTURE (CON'T.)		1986-87
CAPI	TAL IMPROVEMENTS:	
1.	Swine Research Facilities - Tidewater Research Station	\$ 470,000
	This appropriation will build research and Laboratory buildings at the Tidewater Research Station for re-	
	search in swine production.	
2.	Laboratory and Conference Center Tidewater Research Station	300,000
	This appropriation will provide planning funds for this project.	
3.	Burley Tobacco Facility Mountain Research Station	316,300
	This appropriation will provide needed laboratory space to conduct this research on burley tobacco.	
4.	Poultry Expansion, Broiler Breeder Research Program - Piedmont Research Station	
ď	This appropriation will allow the Department of Agriculture to complete expansion of the Broiler Breeder Research Program at the Piedmont Research Station started in 1983. Funds for completion are from	175,000 (Receipts)
	timber sales receipts which requires legislative authorization to be used.	
5.	Horse Complex Improvements - State Fair	560,000
	This appropriation will provide needed office space for the Horse Complex and an eating area for horse show participants and attendees.	
6.	Horse Complex Improvements - Asheville	480,000
	This appropriation will provide 200 additional horse stalls and one set of bathrooms to handle the additional increased number of people participating in horse shows.	

DEP	ARTMENT OF AGRI	CULTURE (CON'T.)	1986-87
		AU-LL- E	\$ 275,000
7.	Western Farme		\$ 275,000
	This appropri and a garage	ation will provide for paving and maintenance building.	
8.	Additional Re	serve for Farmers Markets	3,875,000
	Northeastern Fayetteville	Farmers Market - 1,850,000 Farmers Market - 1,850,000 Farmers Market - 100,000 Farmers Market - 75,000	e ul de con
	TOT	AL CAPITAL IMPROVEMENTS	\$6,276,300
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DEPARTMENT OF AGRICULTURE

SPECIAL PROVISIONS

- Sec. 154 Allows Department of Agriculture to use \$175,000 in timber sales receipts to complete Broiler Breeder Research Program at Piedmont Research Station.
- Sec. 155 Removes the 50% cap on State funding of the Meat and Poultry Inspection Programs.
- Sec. 156 Ammends Section 70 of Chapter 757 of the 1985 Session Laws by deleting "Union County Agricultural Center" and substituting "Union County Farmers' Market." Also allows funding to remain available until June 30, 1987.
- Sec. 158 Establishes the Northeastern North Carolina Farmers
 Market Commission which will site a farmers market in
 Northeastern North Carolina and advise Department of
 Agriculture on the operation of the market. Appropriates \$1,850,000 for construction of the market
 including \$100,000 for the operating expenses of the
 Commission.
- Sec. 159 Establishes the Southeastern North Carolina Farmers market Commission to site a market in Southeastern North Carolina and advise Department of Agriculture on the operation of the market. Appropriates \$1,850,000 for construction of the market, including \$100,000 for the operating expenses of the Commission.

SPECIAL BILLS

SPECIAL APPROPRIATIONS (HB 2055)	1986-87
Tobacco Museum of North Carolina	\$25,000
Grape Grower's Council	\$10,000

N.C. DEPARTMENT OF COMMERCE

	1986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$22,767,538
BASE BUDGET REDUCTIONS:	
1. REDUCTION IN WORK FORCE (RIFs) SUBMITTED BY THE GOVERNOR.	\$ (132,000)
2. TEMPORARY MAINTENANCE STAFF AT WELCOME CENTERS - Eliminate part time help at Welcome Centers due	(16,000)
to use of vendor contracts for maintenance. This is an Efficiency Study Commission recommendation partially agreed to by the Department.	
TOTAL BASE BUDGET REDUCTIONS	\$ (148,000)
EXPANSION BUDGET:	
1. UTILITIES COMMISSION RAIL SAFETY INSPECTION - State Funds to continue support for rail safety inspections.	\$ 42,359
 TOURIST DEVELOPMENT - To continue support provided in 85-86 for advertising and tourism promotion grants. 	1,156,000
3. TECHNOLOGICAL DEVELOPMENT AUTHORITY - Funds to provide additional operating support that was inadver- tently omitted in 85-86 and funds for incubator facility in Haywood County.	143,000
4. HAZARDOUS WASTE TREATMENT COMMISSION - Funds for advance planning and design including land acquisition and additional operating support.	1,303,697
5. NORTH CAROLINA FILM OFFICE - Funds to provide additional operating support and promotional expenses to promote the film industry in North Carolina.	100,000

DEPARTMENT OF COMMERCE (CON'T)

	1986-87
6. BIOTECHNOLOGY CENTER - Funds to continue support of the Biotechnology Center's efforts in research, development, and marketing in North Carolina.	\$ 5,000,000
7. ANSON COUNTY INDUSTRIAL DEVELOPMENT - Funds to support industrial recruitment and development in Anson County.	25,000
TOTAL OPERATING EXPANSION	\$ 7,770,056
TOTAL OPERATING APPROPRIATIONS	\$30,389,594
MICROELECTRONICS CENTER	
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$12,226,000
EXPANSION BUDGET:	
1. MICROELECTRONICS CENTER - Funds to purchase 24 photographic mask sets to accelerate benefits from major new integrated circuits fabrication achievements.	\$ 360,000
 MICROELECTRONICS CENTER - Funds to construct a communications tower at Winston-Salem State University. 	155,000
TOTAL OPERATING EXPANSION	\$ 515,000
TOTAL OPERATING APPROPRIATIONS	\$12,741,000

Special Provisions:

- Sec. 160 Incubator Facilities Program Funds: States that funds appropriated in 1985-86 to the Technological Development Authority shall not revert and shall remain available until July 1987.
- Sec. 161 <u>Technological Development Authority Leases</u>: Removes the State ownership provision retroactive to July 1983.
- Sec. 162 Haywood County Incubator Facility: Allocates \$15,000 from the funds appropriated to the Department of Commerce for the incubator facility in Haywood County.
- Sec. 163 Biotechnology Center Funds: States that funds appropriated to the Center shall not revert.
- Sec. 164 Anson County Industrial Development: Allocates \$25,000 from the funds appropriated to the Department of Commerce to the Anson County Board of Commissioners to support industrial recruitment and development in Anson County.
- Sec. 165 Hazardous Waste Treatment Commission Delays: Extends
 Commission's legislatively mandated deadlines for
 siting a hazardous waste treatment facility.
- Sec. 182 Exxon Petroleum Overcharge Funds: Appropriates \$1.6 million in interest receipts for weatherization and low income energy payments in 1986-87. Leaves the remaining \$48 million+ in a reserve to be appropriated by the 1987 General Assembly.
- Sec. 233 Utilities Commission/State Reimbursement Procedures:
 Authorizes the Commission to be reimbursed from past
 and future refunds received by natural gas distribution
 companies for travel expenses.

DEPARTMENT OF LABOR

		1986-87
SENA	TE BILL 1 (CHAPTER 479) 1985 SESSION	\$5,801,547
BASE	BUDGET REDUCTIONS:	
1.	Governor's Reduction-in-Force	(\$ 88,000)
2.	OSHA Position Reduction	(485,412) (24)
	The 1985 General Assembly Appropriated \$485,412 for FY 1986-87 to provide the Occupational Safety and Health Administration with 50% of the total cost for 24 additional industrial hygenists and safety compliance officers. Federal receipts to match State funding are unavailable which eliminates the need for State funding.	
EVDA	TOTAL BASE BUDGET REDUCTIONS	(\$ 573,412) (24)
1.	Additional Staff for Wage	\$138,000
1.	and Hour Division	(5)
	The Wage and Hour Division enforces the wage levels of employees covered by the Wage and Hour Act. Currently, the Division has a ten month backlog and needs 5 additional field positions to improve response time to the requests and complaints made to the Division.	
2.	Relocating the Department of Labor	50,000
	The Department of Labor will be moving to the newly renovated office space by the end of 1986. These funds are for moving the staff.	
3.	Right-to-Know Staff	199,968 (3)
	This funding provides staff to enforce the Right-to-Know Act ratified in 1985	
	TOTAL OPERATING EXPANSION	\$ 387,968 (8)
	TOTAL OPERATING APPROPRIATION 96	\$5,616,103

DEPARTMENT OF LABOR

SPECIAL PROVISIONS

Sec. 237.1 Directs that \$199,968 appropriated to the department be used to administer the Right-to-Know law.

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DEPARTMENT OF TRANSPORTATION GENERAL FUND

		1986-87
SEN.	ATE BILL 1 (CHAPTER 479) 1985 SESSION	\$5,261,571
EXP	ANSION BUDGET:	
1,	Grant to Atlantic and N.C. Railroad Company	\$1,000,000
	Provide a grant-in-aid to the Atlantic and N.C. Railroad Company to match federal funds for the reconstruction of the Trent River Railway bridge.	
	TOTAL OPERATING EXPANSION	\$1,000,000
	TOTAL OPERATING APPROPRIATIONS	\$6,261,571

DEPARTMENT OF TRANSPORTATION

HIGHWAY FUNDS

		1986-87
SENA	TE BILL 182 (CHAPTER 757) 1985 SESSION	\$686,802,590
BASE	BUDGET REDUCTIONS:	
1.	STATE AID TO PUBLIC TRANSPORTATION	(\$500,000)
	Amtrak service appropriation eliminated.	
2.	DEBT SERVICE	(4,270,000)
	These funds are not required for debt service during 1986/87.	
3.	RESERVE FOR HOSPITAL MEDICAL BENEFITS	(1,072,894)
	Of the \$3.1 million authorized for 1986/87 only \$2,027,106 is actually required.	
4.	HIGHWAY PATROL	(77,000)
	Increase receipts and reduce appropriations due to increased charges to outside agencies for repairs by Highway Patrol garages.	
	TOTAL BASE BUDGET REDUCTIONS	(\$5,919,894)
EXPA	NSION BUDGET:	
1.	ADMINISTRATION	\$257,392
	The level of activity for administrative support for the increased Transportation Program has impacted all sections in the Department of Transportation. This appropriation provides \$245,499 for General Services to adjust utilities, supplies, insurance, and facilities for the Computer Aided Design and Drafting system.	
2.	HIGHWAYS:	290,485
	(a) Administration and Operations	
	These funds provide for Central Administration support and support for the fourteen highway division operations including the cost of training for field activities.	

TRANSPORTATION - HIGHWAY FUND (CON'T)

1986-87

3. STATE CONSTRUCTION

(a) Primary Construction

\$1,000,000

These funds provide for Spot Safety Projects.

(b) Secondary Construction

6,881,250

Provides additional funds for Secondary Road Construction and \$300,00 is earmarked for Spot Safety Projects.

(c) Urban System

21,500,000

Continues to provide \$1 million for each of the 14 Highway Divisions for the Small Urban Construction program. An additional \$6 million is provided for statewide rural and small urban highway improvements.

\$1.5 million is earmarked for Spot Safety Projects.

(d) Special Appropriation for Highways

\$30,000,000

These funds will provide for highway construction, reconstruction and rehabilitation for the State primary, secondary and urban road systems, to correct inequities in the distribution of funds from federal-aid programs, to maintain a uniform pace of construction and pay interest on or principal of bonds of the State issued for road and highway purposes.

4. STATE FUNDS TO MATCH FEDERAL HIGHWAY AID

39,300,000

These funds provide for the State match to anticipated Federal Highway Construction Aid.

5. STATE MAINTENANCE

24,226,531

These funds will provide for an acceptable level of maintenance service for current traffic volumes on the State Primary, Secondary and Urban road systems. \$16.3 million is earmarked for contract resurfacing.

6. STATE AID TO MUNICIPALITIES

\$6,581,250

These additional funds are provided to cities and towns during 1986/87. The increase provided under SB 866 (Chapter 580) would not be available to cities and towns until 1987/88.

7. DIVISION OF MOTOR VEHICLES

4,072,001

These funds will provide for the cost of the increased volume of transactions for contract agents, license plate purchases, terminal replacements and the cost increases in the Driver Licensing and Enforcement sections. Receipts from providing I.D. Cards for persons under sixteen years of age were not sufficient to support the personnel required, therefore, appropriations of \$520,000 are provided to cover the cost of this program. Appropriations are also provided to cover the cost of the personnel formerly supported from the "The Safety Inspection Monitoring Fund".

8. SALARY INCREASE

11,700,000

- 1. State employees whose salaries are not set by statute \$75/month.
- 2. 1.2% of salary to agencies for distribution to employees based upon merit and salary inequities on 100% eligible basis after 2 continuous years of employment, limited to 2 one-quarter step increases for any one employee.

Appropriation for Other State Agencies

9. CRIME CONTROL AND PUBLIC SAFETY

3,134,167

- (a) 50 additional Highway Patrol troopers
- (b) Signal 25 communication equipment
- (c) Annual raises in salary for the Highway Patrol per G.S. 20-187.3.
- (d) Walkie-Talkies for Troop H

TOTAL OPERATING EXPANSION TOTAL OPERATING APPROPRIATIONS

\$148,943,076 \$829,825,772

TRANS	SPORTATION - HIGHWAY FUND (CON'T)	1986-87
CAPI	TAL IMPROVEMENTS	
1.	Charlotte Maintenance and Equipment Yard	500,000
2.	Ocracoke Island Ferry Facility (Supplemental)	300,000
3.	Sound Class Ferry and Shore Facilities	4,000,000
4.	Division Office at Greensboro	1,600,000
5.	Hatteras Inlet Ferry Facility-North Dock	500,000
6.	Division Office Addition at Wilson	300,000
7.	Equipment Maintenance Building at Grantsboro	260,000
8.	Division Equipment Shop - North Wilkesboro (Architect Only)	125,000
	1986 HIGHWAY FUND CAPITAL IMPROVEMENTS	\$7,585,000
	1985 HIGHWAY FUND CAPITAL IMPROVEMENTS	2,006,000
	TOTAL HIGHWAY FUND CAPITAL IMPROVEMENTS	\$9,591,000
	TOTAL HIGHWAY FUND OPERATING	\$829,825,772
ТОТА	L HIGHWAY FUND OPERATING AND CAPITAL IMPROVEMENTS	\$839,416,772

HIGHWAY FUND REVENUE SB 866 (CHAPTER 982)

Sec. 1 ADDITIONAL FUNDING FOR STATE AID TO MUNICIPALITIES
AND SECONDARY ROAD CONSTRUCTION

Increase funding from 1 3/8¢ to 1 3/4¢ per gallon on motor fuel for State Aid to Municipalities and Secondary Road Construction. Beginning with the 1987/88 fiscal year, funds based on 1 3/4¢ per gallon sold during the prior year will be allocated for State Aid to Municipalities and Secondary Road Construction.

Sec. 2 DEPARTMENT OF TRANSPORTATION IS EXEMPT FROM RETAIL SALES AND USE TAXES

Purchases made by the Department of Transportation are exempt from Retail Sales and Use Taxes.

Sec. 3-17 GAS TAX INCREASED

Increases, effective July 15, 1986, gas tax on motor fuel by 2¢ per gallon plus 3% of the average wholesale price of motor fuel.

Sec. 24 TWO YEAR MOTOR VEHICLE REGISTRATION

A person may purchase a license plate for a period of two years, but the Division of Motor Vehicles shall not solicit, encourage, or require the purchase of a license plate for a period of more than one year.

Sec. 25 TRANSFER DRIVER EDUCATION TO GENERAL FUND

Provides that all of the expenses incurred by the State in the Driver Education program shall be paid from the General Fund effective July 1, 1987. Currently those expenses are borne by the Highway Fund.

DEPARTMENT OF TRANSPORTATION HIGHWAY FUND APPROPRIATIONS HB 968 (CHAPTER 1018)

SEC. 1 SPECIAL APPROPRIATIONS FOR HIGHWAYS

Appropriates \$30.0 million as Special Appropriation for Highways, subject to the following limitations: (1) may be used for construction and reconstruction of State road systems, to correct inequities in distribution of federal aid funds, maintain uniform construction pace, to pay interest and principal on State highway bonds and to provide State match on any unanticipated additional federal aid funds.

SEC. 2 BID EXEMPTION LIMIT RAISED

Amends G.S. 136.28.1 to raise from \$30,000 to \$150,000 the size of projects the Department of Transportation may let without competitive bidding.

SEC. 3 PROJECTS IN WHICH DEVELOPERS FURNISH RIGHT-OF-WAYS

Authorizes the Department of Transportation to use up to \$5.0 million to participate in projects: (1) in which owner or developer agrees to furnish right-of-way free and to contract to provide construction; (2) developer pays at least half or more of the construction cost; (3) the project must be on DOT's Transportation Improvement Program or similar thoroughfare plan as a State project; and (4) owner or developer post bond, cash deposit, or similar security to insure performance.

SEC. 4 APPROPRIATIONS ARE FOR MAXIMUM AMOUNTS NECESSARY

Highway fund appropriations are for the maximum amounts necessary to provide the services and accomplish the purposes described in the budget.

SEC. 5 1986-87 CURRENT OPERATIONS APPROPRIATIONS

The amounts totaling \$829,825,772 in this Section are to be used instead of the amounts appropriated in 1985 for the 1986-87 fiscal year.

SEC. 6 1986-87 CAPITAL IMPROVEMENTS APPROPRIATIONS

The amounts totaling \$7,585,000 in this Section are in addition to the amounts appropriated in 1985 for the 1986-87 fiscal year.

SEC. 7 PROCESS SERVERS AND CLERICAL POSITIONS PHASE OUT

Process servers and clerical personnel positions related to Vehicle Financial Responsibility Act are to be eliminated as the positions become vacant rather than being eliminated on 6/30/86.

SEC. 8 - 10 SAFETY INSPECTION MONITORING FUND

G.S. 20-183.7 is rewritten to eliminate the "Safety Inspection Monitoring Fund" as a recipient of the funds collected from vehicle inspection fees, and puts the .15 cents per inspection previously allocated to that fund in the Highway Fund. Personnel paid from the special fund are now paid from the Highway Fund.

SEC. 11 RELOCATION OF WATER AND SEWER LINES

Directs the Department of Transportation to pay the nonbetterment cost for the relocation of water and sewer lines, located within the existing State highway right-of-way, that are necessary to be relocated for a State highway improvement project and that are owned by a municipality with a population of 5500 or less.

SEC. 12 LIMITS ON USE OF NEW HIGHWAY PATROL TROOPERS

Provides that 50 new trooper positions created in the Department of Crime Control and Public Safety are to be used only for patrolling roads, except as necessary for court appearance, training, administrative work occasioned by patrol duties, other "normal special" duties to which troopers are ordinarily assigned.

SEC. 13 MOTOR CARRIER SAFETY REGULATION UNIT STAYS IN THE DIVISION OF MOTOR VEHICLES

Repeals the law requiring that the Motor Carriers Safety Regulation Unit be transferred to the Department of Crime Control and Public Safety from the Division of Motor Vehicles.

SEC. 14 ADDITIONAL FUNDING FOR THE SMALL URBAN CONSTRUCTION PROGRAM

Continues to provide \$1.0 million for each of the 14 Highway Divisions for small urban construction projects. In addition, \$6.0 million is provided to be used for statewide rural or small urban highway improvements.

SEC. 15 ADDITIONAL FUNDING FOR STATE AID TO MUNICIPALITIES AND SECONDARY ROAD CONSTRUCTION

Provides an additional \$6.5 million for State Aid to Municipalities and a like amount for Secondary Road Construction during the 1986/87 fiscal year. Beginning with the 1987/88 fiscal year, funds based on 1 3/4¢ per gallon sold during the prior year will be allocated for State Aid to Municipalities and Secondary Road Construction.

SEC. 16 CERTIFIES ANTICIPATED HIGHWAY FUND REVENUES FOR FOR 1987-89

Certifies anticipated Highway Fund Revenues of \$832.4 million for 1987/88 and \$849.0 million for 1988/89.

JUDICIAL DEPARTMENT

		1986-87
SENATE B	ILL 1 (CHAPTER 479) 1985 SESSION	\$129,114,590
BASE BUDG	GET REDUCTIONS:	
1. Red	uction in-force.	\$ (770,000)
	uctions due to revised lationary rates.	(86,764)
	TOTAL BASE BUDGET REDUCTIONS	\$ (856,764)
EXPANSIO	N BUDGET:	
	uirements to eliminate shortfalls Operating Budgets	
(a)	Additional Jury Fee Demands required to meet the provision of G.S. 7A-312	\$ 150,000
(b)	Increase Department Travel and Subsistence to provide for constitutionally required Superior Court Judges rotation at \$123,000, additional subsistence demands at \$70,000, and statutory and other training demands at \$165,000.	358,000
(c)	Increase Supply and Material Budgets to provide for essential court forms, court supplies and restoring of inventory.	375,000
(đ)	Additional projected requirements for repair, maintenance, and renovation (including North Boulevard office space).	25,000
(e)	New printing press and quick copy center equipment for legal and administrative form generation by AOC Print Shop.	65,000

JUDIO	CIAL I	DEPARTMENT (CON'T)	1986-87
2	Addi	tional Personnel	
	(a)	District Court 1 District Court Judge (Effective 12/1/86 in Wake County)	\$ 44,095
	(b)	Clerks of Superior Court 21 Deputy Clerks	368,515
	(c)	Public Defenders Services 6 Assistant Public Defenders (\$282,240)	Take from Indigent Counsel Fees
		1 Secretary to Public Defender (\$19,725)	1 000
		1 Paralegal (Legal Specialist III) (\$30,505)	
	(d)	7 Secretaries to District Court Judges	128,905
3.	Wake	Dispute Settlement Centers in (\$20,000), New Hanover (\$20,000) Polk (\$3,900).	43,900
		TOTAL OPERATING EXPANSION	\$1,558,415
тота	L OPE	RATING APPROPRIATIONS	\$129,816,241

JUDICIAL DEPARTMENT (CON'T.)

SPECIAL PROVISIONS

- Sec. 221. Public Defender Personnel Authorizes six new assistant public defenders, one secretary, and one paralegal from funds appropriated to Indigent Persons Attorney Fee Fund.
- Sec. 222. <u>Durham County Magistrates</u> Authorizes 12 magistrates for Durham County.
- Sec. 223. Amends magistrates' salary credit.
- Sec. 224. Computation for District Attorney Longevity Amends
 longevity for district attorneys to include service as
 an assistant district attorney.
- Sec. 225. Retired Appellate Judge Service Extends authorization for use of retired appellate judges when needed.

SPECIAL BILLS

SB 595 Provides \$419,038 for FY 1986-87 to fund victim and witness assistant positions and training. These funds are provided from probation and parole supervision fees.

DEPARTMENT OF JUSTICE

		19	86-87
SENA	TE BILL 1 (CHAPTER 479) 1985 SESSION	\$32,	179,275
BASE	BUDGET REDUCTIONS:		
1.	Reduction-in-Force as recommended by the Governor	(\$	\$264,000)
2.	Reductions due to revised Inflationary Rates	<u>(</u>	54,597)
	TOTAL BASE BUDGET REDUCTIONS	2)	\$318,597)
EXPA	NSION BUDGET:		
1.	Early Occupancy of Raney Building	\$	25,000
2.	Maintenance for Office Automation		80,000
3.	Additional Legal Staff and Expert Witness Fees Western Office (2) Environmental Section (1) Human Resources Section (1) Services to State Agencies (1)		305,400
4.	Continued Implementation - Office Automation		250,000
5.	Phone System, Equipment for Raney Building		100,000
6.	Undercover Work State Bureau of Investigation		500,000
7.	23 Additional Drug Agents and 12 Support Personnel	1	,337,482
8.	Automated Fingerprint Equipment	2	,600,000
9.	Funds for Vance and Chatham Counties to provide law enforcement for Jordan Lake and Kerr Lake		50,000

DEPAR	TMENT OF JUSTICE (CON'T.)	1986-87	
NORTH	CAROLINA JUSTICE ACADEMY		
10 .	Safety and Equipment Replacement - Printshop, cafeteria, furniture, fire alarm systems	\$ 292,000	
11.	Operating Needs	150,000	
12	Physical Skills Equipment	55,300	
13.	Telecommunication Training Equipment	24,900	
	TOTAL OPERATING EXPANSION	\$ 5,770,082	
TOTA	L OPERATING APPROPRIATIONS	\$37,630,760	

CAPITAL IMPROVEMENTS:

1.	Renovation, Raney Building	\$500,000
2.	Firing Range Implementation - Justice Academy	216,200
3.	Precision Driving Lot -	237,000
4.	Advanced Planning Funds - Justice Academy	250,000
5.	Warehouse for the State Bureau	100,000
	of Investigation TOTAL CAPITAL IMPROVEMENTS	\$1,303,200

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DEPARTMENT OF JUSTICE (CON'T.)

SPECIAL PROVISIONS

- Sec. 195. Attorney General Staff Positions Provides for two additional staff positions in the Western Office.
- Sec. 196. Attorney General Staff Position for Department of Crime Control and Public Safety Authorizes use of funds by the Department of Crime Control and Public Safety for an Attorney II position in the Department of Justice.
- Sec. 197. Jordan Lake and Kerr Lake Law Enforcement Authorizes use of \$25,000 by Chatham County and \$25,000 by Vance County for law enforcement at public access and camping areas at Jordan and Kerr Lakes.

SPECIAL APPROPRIATIONS (HB 2055)

1986-87

H 1918(3) Provides funds for a position for the North Carolina Sheriff's Education and Training Standards Commission. \$22,000

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

OPERATING BUDGET

		1986-87	
	TE BILL 1 (CHAPTER 479) 1985 SESSION	\$13,257,398 60,432,857	GF HF
BASE	BUDGET REDUCTIONS:		
1.	Reduction in-force as recommended by the Governor.	\$ (110,000)	
2.	Increase in charges to outside agencies for repairs by Highway Patrol garages.	(77,000)	нғ
	TOTAL BASE BUDGET REDUCTIONS	\$ (110,000) \$ (77,000)	GF HF
EXPA	NSION BUDGET:		
1.	50 additional Highway Patrol troopers.	\$2,063,577	HF
2.	Funds to purchase Signal 25 communication equipment.	140,000	HF
3.	Provide funds to install equipment to complete a statewide emergency management radio network (\$294,802) and to provide communications with 13 emergency broadcast FM stations (\$78,000).	372,802	
4.	Expand 5 existing Community Penalties programs and fund four new programs.	271,000	
5.	Annual Raises in Salary for the Highway Patrol. G.S. 20-187.3 provides that uniformed officers of the Highway Patrol receive an incremental increase in pay each year until they achieve the top of their pay scale. Funds are recommended to provide these increments in 1986-87.	890,590	HF
6.	Expand Community Services program and reclassify positions.	838,468	

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (CON'T)	1986-87
7. Funds to provide Walkie-Talkies to Troop H. TOTAL HIGHWAY FUND EXPANSION	\$ 40,000 HF \$ 3,134,167
TOTAL GENERAL FUND EXPANSION	\$ 1,482,270
TOTAL OPERATING APPROPRIATIONS	\$14,629,668 GF
	\$63,490,024 HF

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (CON'T.)

SPECIAL PROVISIONS

нв 2055

- SEC. 219. Community Penalties Program Provides for 90% State funding for four new programs and expansion of five existing programs at 80% State funding.
- Sec. 220. Harnett County Law Enforcement Center Authorizes transfer of unexpended funds, of those appropriated in 1985 to construct district office facilities for the Highway Patrol in Harnett County, to Harnett County to be used to provide rent-free facilities for the district office.

HB 1018

- Sec. 12(a) Highway Patrol Troopers Specifies how the additional 50 troopers are to be utilized and that a report be made to the Joint Legislative Commission on Governmental Operations on troopers in administrative or security positions.
- Sec. 13. Repeals transfer of the motor carrier safety regulation section as provided for in legislation enacted in 1985.

DEPARTMENT OF CORRECTION

OPERATING BUDGET

		1986-87
SENA	TE BILL 1 (CHAPTER 479) 1985 SESSION	\$217,962,306
BASE	BUDGET REDUCTIONS:	
1.	Reduction in force.	\$(2,250,742)
2.	Increase in Inmate Work Release Receipts:	(350,000)
	Inmates who are on work re-	
	lease are required to repay the department for their upkeep.	
	In keeping with inflation over the last 5 years, the	
	department has raised this charge from \$5 per day to \$6	
	per day.	
3.	Reduce two physician positions	
	at McCain Hospital.	(190,964)
4.	Reductions due to revised inflationary rates.	(1,309,559)
		\$(4,101,265)
	TOTAL BASE BUDGET REDUCTIONS	\$(4,101,203)
EXPA	NSION BUDGET:	
1.	Expand intensive supervision for a selected group of felons	\$ 2,735,200
	who do not appear to be a	4
	physical threat to the community. The number of teams would provide	
	supervision to an additional 990 prison-bound offenders.	
		657,000
2.	Payment to Local Jails for Short Term Inmates.	037,000
	Increase reimbursement to the counties from \$11.00 to	
	\$12.50 per day plus medical expenses for inmates	
	sentenced to prison terms be-	
	tween 30 and 180 days serving their terms in local jails.	

10050	7
1986-8	-/-

DEPARTMENT OF CORRECTION (CON'T)

3. Provide a reserve of \$2,500,000 to be used to purchase land for replacement of Craggy Prison and to be allocated for improvements in the correctional system as determined by the 1987 Session of the General Assembly.

\$2,500,000

- Add 15 positions in the Engineering 4 Support Section using positions and funds scheduled to be riffed. (\$301, 258)
- Operating funds to house male inmates in vacant dorm at 5. inmates in vacant dorm at Cameron Morrison effective April 1, 1987.

60,000

6. Funds to N. C. Correctional Center for Women to help sponsor the National Conference on Female Offenders to be held in Raleigh in April, 1987.

10,000

TOTAL NET OPERATING EXPANSION \$5,962,200

TOTAL OPERATING APPROPRIATIONS \$219,823,241

CAPITAL IMPROVEMENTS:

Replace Craggy Prison with a 1. 300-bed medium custody facility consisting of three 100-man South Piedmont Area type dormitories located in Buncombe County.

\$5,664,000

Construct two dormitories in 2,426,800 Wake County at North Carolina Correctional Center for Women.

DEPA	RTMENT OF CORRECTION (CON'T)	1986-87
3.	Construct 100-man dorm at Guilford I unit	\$1,213,400
	Construct 100-man dorm at Carteret Co. Unit	1,213,400
	Construct 100-man unit in	1,130,000
	Cumberland Co. (Place in Reserve)	Construction 100,000 Land
	Construct 100-man unit in Buncombe Co.	1,130,000 Construction 100,000
		Land
4.	Fund renovations, similar to those made in dormitories in South	1,368,348
	Piedmont Area, for the remaining 52 field units.	
5.	Renovate and use the vacant dormitory at Cameron Morrison to house	75,500
	male inmates. Provide fencing to	
	increase security behind Administration Building.	
6.	Funds to construct chapel at Johnston County Prison Unit.	50,000
	Johnston County 1113011 July	
7.	Funds to construct chapel at Richmond County Prison Unit.	50,000
8.	Funds to complete construction of chapel at Harnett Youth Center.	30,000
	TOTAL CAPITAL IMPROVEMENTS	\$14,551,448

SPECIAL PROVISIONS

- Sec. 197. Extends parole/release under Emergency Powers Act from 180 days to 270 days.
- Sec. 198. Provides that if a prisoner is transferred to a unit of the State prison system, the county must pay the Department of Correction the same per diem rate as the State pays to counties for inmates in local confinement facilities.
- Sec. 199. Provides that the State reimburse counties for inmates serving 30 days or more and increases the reimbursement to \$12.50/day.
- Sec. 200. Rewrites the General Statutes pertaining to work release orders and recommendations and disbursement of inmate earnings.
- Sec. 201. Amends laws on some traffic offenses and provides that the offender serves the sentence in the local jail instead of the State prison system.
- Sec. 203. Provides that revenue from prison canteen sales may be deposited in local banks and that profits are deposited monthly with the State Treasurer.
- Sec. 204. Provides for the Joint Legislative Commission on Governmental Operations study privatization of prisons and that no additional privately owned or operated prisons be added until the General Assembly acts on these findings.
- Sec. 206. Provides \$2,500,000 Reserve for Prison Needs be established and that funds from the reserve may be used to 1) purchase land for Craggy Prison; 2) renovate and operate a work release facility in Goldsboro for female inmates; 3) operate a dormitory at Cameron Morrison; and 4) add 60 probation officers, 8 parole officers, and 8 support personnel.
- Sec. 207. Provides that \$134,000 may be used to renovate Building A at Cherry Hospital as a work release center for female inmates and also provides operating funds for the facility. Transfers Building A from the Department of Human Resources to the Department of Correction.

DEPARTMENT OF CORRECTION (CON'T.)

- Sec. 208. Provides that \$48,000 be used to renovate a vacant dormitory at Cameron Morrison and \$60,000 may be used to operate the facility beginning April 1, 1987.
- Sec. 209. Provides that \$973,364 is to be allocated for construction and operation of a forestry camp for youthful offenders. The project is to be a joint effort between the Department of Natural Resources and the Department of Correction.
- Sec. 210. Provides that \$1,213,400 shall be used to construct a 100-man dormitory at Carteret County prison unit and a like amount for a dormitory at the Guilford County I unit to house work and study release inmates.
- Sec. 211. Provides that of funds appropriated, two 100-bed dormitories are to be constructed at the North Carolina Correctional Center for Women.
- Sec. 212. Provides that \$5,664,000 shall be used to construct a 300-bed medium custody facility in Buncombe County to replace Craggy Prison.
- Sec. 213. Provides that \$1,230,000 shall be used to purchase land and construct a 100-bed advancement center for work and study release inmates in Buncombe County.
- Sec. 214. Authorizes use of any excess funds, from capital appropriations made for the South Piedmont area in 1985, for improvements to physical support systems at prison units throughout the State.
- Sec. 215. Provides that \$1,368,348 shall be used to make renovations and improvements in dormitories at fifty-two field units.
- Sec. 216. Places \$1,230,000 in a reserve to be allocated by the 1987 General Assembly for a work release center in Buncombe County.
- Sec. 218. Requires the Department of Correction to make quarterly reports on all capital projects funded by the 1987 General Assembly and on the infirmary at the North Carolina Correctional Center for Women.

GENERAL GOVERNMENT

DEPARTMENT OF ADMINISTRATION

	da Enblyns	986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$38	3,057,811
BASE BUDGET REDUCTIONS:		
1. Governor's Reduction in Force	\$	(198,192)
2. CONSOLIDATE PURCHASING RESPONSIBILIT Eliminate a state purchase administr position in the Purchase and Contrac Division due to reduction of purchas teams from 8 to 7.	ator	(41,808) (-1)
TOTAL BASE BUDGET REDUCTIONS	ar Estimate	(240,000)
TOTAL BIBL BODGET KEDGETTONE	son han 100) ers modge	(210,000,
EXPANSION BUDGET:		
1. GRANTS FOR DOMESTIC VIOLENCE PROGRAM Increase funding for grants to spous abuse/domestic violence programs in		200,000
order to fund them at the FY 85-86 level of 416,000. Section 187 of the bill allocates th following grants from the appropriat and stipulates that these programs m not also receive a State grant in 1986-87 from the Department:	ion	
o Task Force on Family Violence, R.E.A.C.H., Graham, Clay and	LIN Separation	
o REACH of Haywood County, Inc. o Mainstay, Inc., Henderson	29,000	
o R.E.A.C.H. of Jackson County, Inc.	20,000	
 Swain County Safe, Inc. SAFE, Inc., of Transylvania County 	9,000	
o Steps to H.O.P.E. Inc., Polk County	10,000	
	17,000 35,000	

DEPARTMENT OF ADMINISTRATION (CON'T)

		1	986-87
2.	RESERVE FOR SUPERCONDUCTING SUPER COLLIDER: Provide funds for geotechnical work, seismic analysis and computerized mapping needed for the development of a formal proposal to the U.S. Department of Energy for locating a \$6 billion research facility in the Granville/Person county area.	\$	750,000
3.	AGENCY FOR PUBLIC TELECOMMUNICATIONS: Increase state funding of OPEN/Net by adding media technician position (\$24,183), and operating funds of \$50,000 provided \$50,000 in matching funds is raised from non-State funds in accordance with the provisions of Section 186.		74,183
4.	STATE MATCHING FUNDS FOR SEA GRANT: Provide funds to increase state contribution to \$650,000 to receive two to one matching federal dollars available for the Sea Grant Program administered through the Office of Marine Affairs.		150,000
5.	REPAY PARKING FUND (LOAN FOR OIL RE-REFINERY): Retire an outstanding debt in the unpledged parking enterprise fund for previous loan to now defunct Oil Re-refinery Program.		272,335
6.	CHEROKEE ADVISORY COUNCIL: To provide funds for operations of the Council.		10,000
7.	COMMISSION ON INDIAN AFFAIRS: To provide a grant-in-aid to the Lumbee Regional Development Association, Inc. for the purpose of Tribal enrollment and to qualify students for education assistance.		50,000
8.	COMMISSION ON INDIAN AFFAIRS: To fund the activities of "1986 - The Year of the Native American" and to recognize and honor the past and present contributions of the State's Native Americans as part of the Quadricentennial Celebration.		65,000

	1986-87
9. STATE BUILDING SURVEY: Provide funds to State Building Division to conduct an operations and maintenance study of all state buildings (\$250,000) and to develop a software package for a capital facilities maintenance program.	\$ 300,000
TOTAL OPERATING EXPANSION	\$ 1,871,518 (0)
	(0)
TOTAL OPERATING APPROPRIATIONS	\$39,689,329
CAPITAL IMPROVEMENTS:	
1. ART MUSEUM REPAIRS: Funds to repair masonry wall leaks at the Art Museum.	\$ 200,000
2. OFFICE OF ADMINISTRATIVE HEARINGS HOUSING: Funds to purchase Credit Union Building on New Bern Avenue in Raleigh to house the Office of Administrative Hearings.	425,000
3. NEW EDUCATION BUILDING: To provide for the planning and construction of a new Education Building. Up to \$1 million may be used for planning. Refer to Section 193.	1,450,000
4. NEW REVENUE BUILDING: To provide funds for planning a new Revenue Building.	750,000
TOTAL CAPITAL IMPROVEMENTS	\$2,825,000

		198	36-87
SPEC	CIAL BILLS:	Ė	
of A Offi ment Offi	Establish an Office of State Controller as August 1, 1986 by transferring the Controller's acceptant the Office of State Budget and Manage and the Systems Accounting Division from the ice of State Auditor. CIAL APPROPRIATIONS (H.B. 2055, Ch. 1014)		-0-
0	North Carolina Agency for Public Tele- communications to support WUNC Public Radio Station at UNC Chapel Hill.	\$	4,000
0	Marine Resources Center at Fort Fisher for a new aquarium.	\$	7,000
0	Students Against Drunk Driving (SADD)	\$	22,000

DEPARTMENT OF ADMINISTRATION

to maintain program services.

SPECIAL PROVISIONS:

Section 4: CAPITAL IMPROVEMENTS/GENERAL FUND: Provides that the items and amounts appropriated for capital improvement projects for 1986-87 from the General Fund in Section 4 of Chapter 480 of the 1985 Session Laws are reenacted.

Section 188: SALE OR LEASE OF REAL PROPERTY/VALUE: Prohibits the sale, lease or rental of State owned real property at less than fair market value to any private entity that operates, or is established to operate, for profit. Sets out the provisions and conditions under which the sale, lease, or rental of State owned real property at less than fair market value is permitted to a public or nonprofit entity, or an entity that engages in some for-profit activities. Requires that a detailed report of transactions at less than fair market value be provided to the Joint Legislative Committee on Governmental Operations and the Fiscal Research Division.

Section 189: OIL RE-REFINERY LOANS: Authorizes payment of the \$272,335 loan by the Unpledged Parking Enterprise Fund and forgiveness of the \$200,000 loan from the Telephone Service Fund, the \$1.3 million refund to the General Fund and the \$175,000 loan from the Contingency and Emergency Fund.

Section 193: NEW EDUCATION BUILDING: Directs that the \$5,214,500 appropriated in Section 4, Chapter 480, 1985 Session Laws for renovation of the Education Building revert to the General Fund and that the \$2.2 million allocated from the Reserve for Renovations and Repairs for renovating the Education building be used for construction of a new Education Building. Of the \$1,450,000 appropriated in this bill for planning and construction of a new Education Building, no more than \$1 million may be used for planning.

Section 226: ASSIGNMENT OF BUILDING TO OFFICE OF ADMINI-STRATIVE HEARINGS (OAH): Assigns the Capehart - Crocker House to the OAH and provides that the maintenance, security, utilities, etc. shall be provided by the Department of Administration. Also specifies that monies accumulated in OAH's special funds account be used to offset the \$151,125 cost incurred in relocating the Capehart-Crocker House.

OFFICE OF ADMINISTRATIVE HEARINGS

		1	986-87
SENA	TE BILL 1 (CHAPTER 479) 1985 SESSION		-0-
EXPA	ANSION BUDGET:		
Pers	sonnel and Operations:		
1.	To provide additional staff and operating expenses.	\$	229,120
2.	Funds to staff the Rules Review Commission.	_	215,000
	TOTAL OPERATING EXPANSION	\$	444,120
	TOTAL OPERATING APPROPRIATIONS	\$	444,120

SPECIAL PROVISIONS:

Sections 47 and 48: Provides that the number of administrative law judges and employees of the OAH, their classifications and grades shall be established by the General Assembly and sets out the same for thirty-two positions. Also sets out the classifications and grades for four positions authorized to staff the Administrative Rules Review Commission, and other personnel regulations.

Section 183: DISBURSEMENT OF FUNDS FROM THE RESERVE FOR THE IMPLEMENTATION OF THE ADMINISTRATIVE PROCEDURE REVISION: Provides that the Office of State Budget shall disburse funds from the above referenced \$1,345,954 reserve as required for the operation of the OAH and the Administrative Rules Review Commission.

Section 226: ASSIGNMENT OF BUILDING TO OAH: Assigns the Capehart-Crocker House to OAH and provides that the maintenance, security, utilities, etc. shall be provided by the Department of Administration. Also specifies that monies accumulated in OAH's special funds account be used to offset the \$151,125 cost incurred in relocating the Capehart-Crocker House.

DEPARTMENT OF STATE AUDITOR

		_	1986-87
SENAI	E BILL 1 (CHAPTER 479) 1985 SESSION	\$	8,683,092
BASE	BUDGET REDUCTIONS:		
Gover	enor's Reduction in Force	\$	(44,000)
d, Ek	burthan paning se		
EXPAN	ISION BUDGET:		
1.	DATA PROCESSING SERVICE: Alleviate under-funding of data processing services in both the Field Audit Division and Pension Fund Administration.	\$	38,000
2.	DATA PROCESSING EQUIPMENT: Upgrade and expand the computer hardware/ software of the Field Audit Division and Pension Fund Administration.		93,200
3.	FIREMEN'S AND RESCUE SQUADS' PENSION RESERVE: Increase Firemen's and Rescue		2,600,000
	Workers' Monthly Pension Benefits from \$75 to \$100, and provide for permanent "Open-Door" enrollment of Firemen & Rescue Squad Workers in accordance with the provisions set out in Section 49.1 of the bill.		
	TOTAL OPERATING EXPANSION	\$	2,731,200
	TOTAL OF LIGHTING BAFANDION	7	1
	TOTAL OPERATING APPROPRIATIONS	\$:	11,370,292

DEPARTMENT OF CULTURAL RESOURCES

		1986-87
SENA	TE BILL 1 (CHAPTER 479) 1985 SESSION	\$26,918,428
BASE	BUDGET REDUCTIONS:	
Gove	ernor's Reduction in Force	\$ (176,000)
EXPA	NSION BUDGET:	
1.	ARTS COUNCIL: To continue funding for the Arts Council at the 1985-86 level to increase the funding for Grassroots Arts and Local Communities Programs and enable the department to develop local arts programs.	\$ 1,000,000
2.	AMERICAN DANCE FESTIVAL: Funds to match a National Endowment of the Arts grant on a three to one basis.	100,000
3.	NORTH CAROLINA MUSEUM OF ART: Funds to enable the Museum to make works of art accessible to citizens in areas around the State and to develop an Outreach Program.	250,000
4.	STATE HISTORIC SITES: To provide additional funds for operations at Town Creek Indian Mound.	60,000
	SUBTOTAL OPERATING EXPANSION	\$ 1,410,000
5.	GRANTS-IN-AID:	
	° Old Salem in Forsyth County	60,000
	° National Railroad Museum at Hamlet	60,000
	° Duplin County Arts Council	45,000
	° Discovery Place in Charlotte	250,000
	 Roanoke Island Historical Association, Manteo 	50,000

DEPARTMENT OF CULTURAL RESOURCES (CON'T)

	1986-87
To continue funding of grants-in-aid that were budgeted for one year only:	:
° Cabarrus County Courthouse	\$ 50,000
° Cherokee Historical Association	90,950
° Historic Preservation Revolving Fur	nd 150,000
° Charlotte Hawkins Brown Historic Si	ite 250,000
° North Carolina Theatre at Raleigh	50,000
° Operation Raleigh	50,000
° Folkmoot USA	75,000
° Halifax Historical Association	15,000
° Cape Fear Theatre	150,000
° William C. Lee Memorial Museum	100,000
° C.S. Brown Cultural Center	100,000
° Stein Library-Arts Council of Fayetteville	75,000
SUBTOTAL GRANTS-IN-AID	\$ 1,620,950
TOTAL OPERATING EXPANSION	\$ 3,030,950
TOTAL OPERATING APPROPRIATIONS	\$29,773,378
CAPITAL IMPROVEMENTS:	
1. David Stick Library in Manteo	\$ 750,000
2. Fayetteville Branch Museum of History for renovations	392,435
3. Old Fort Branch Museum for purchase of adjacent land	50,000
TOTAL APPROPRIATION-CAPITAL IMPROVEMENTS	\$ 1,192,435

SPECIAL APPROPRIATIONS (HB 2055, Ch. 1014)

		1986-87
0	O Catawba Historical Restoration funds to continue the restoration and site development of the Murray's Mill complex and the Bunker Hill Covered Bridge.	\$ 70,000
0	Elizabeth II Transportation funds to transport the ship from Manteo to Hertford County and return.	\$ 1,750
0	Historic Bethabara Park funds for capital development of facilities for the administrative and educational needs of the museum.	\$ 8,000
0	Franklin County Museum funds to continue the preservation efforts of the Franklin County Museum of History Associates.	\$ 10,000
О	Eastern Music Festival funds.	\$ 17,500
0	Shakespeare Festival funds for festival promotion and operations.	\$ 25,000
0	Rowland Depot funds for the Rowland Historical Society, Inc. to restore the depot.	\$ 7,500
0	Edenton Historical Survey funds to conduct an inventory of architecturally and historically significant structures and sites in Edenton.	\$ 15,000
0	Living History Farm funds to complete the master plan and cost estimate for a proposed living history farm in Surry County.	\$ 15,000
0	Chicamacomico Station funds for the Chicamacomico Historical Association to complete the restoration of the Life-saving Station.	\$ 10,000
0	Latham House funds to assist in the adaptive restoration of the house.	\$ 10,000
	TOTAL-SPECIAL APPROPRIATIONS	\$ 189,750

CULTURAL RESOURCES

SPECIAL PROVISIONS:

Section 169: ARTS COUNCIL FUNDS: Provides that at least \$750,000 of the \$1 million expansion budget shall be used in the Grassroots Arts Program and the Grants to the Local Communities Program and the costs for development of local arts programs may not exceed \$85,000. Priority for any funds allocated to the Regional Arts Resources Program shall be given to organizations that provide services to areas outside of their home counties. The Arts Council is encouraged to fund programs that make the arts available to citizens who have had little opportunity to experience the arts.

Section 170: MUSEUM OF ART OUTREACH PROGRAMS: Mandates that the expansion budget funds appropriated to the Museum of Art be used to develop a program to make available works of art (actual pieces of collections) to arts groups for showing throughout the State and to increase and expand its services outside of the Museum in Raleigh.

Section 171: NO DEPARTMENTAL SUPERVISION OF DIRECT APPROPRIATIONS:

Removes the authority the Department of Cultural Resources, the Historical Commission, and the Director of the Budget had over funds the General Assembly appropriates for grants to historic and archeological properties and nonstate owned, nonprofit history museums.

Section 172: C.S. BROWN CULTURAL CENTER FUNDS:
Authorizes the payment of \$100,000 to Hertford County for the
renvoation of Brown Hall as the Dr. Calvin Scott Brown Cultural
Center.

Section 172.1 ROANOKE ISLAND HISTORICAL ASSOCIATION:
Reallocates \$50,000 to the Roanoke Island Historical
Association for administrative offices and operating expenses.

Section 173: ANDREW JACKSON MEMORIAL FUNDS/DO NOT REVERT: Provides that funds appropriated to the Andrew Jackson Memorial for FY 85-86 shall not revert and shall not require a match with non-state funds.

STATE BOARD OF ELECTIONS

	1986-87	
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$	285,715
EXPANSION BUDGET	_	-0-

GENERAL ASSEMBLY

	1986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$14,009,233
EXPANSION BUDGET:	
1. LEGISLATIVE RETIREMENT SYSTEM: To provide cost-of-living increases for retired members of the System.	\$ 96,000
2. SUBSISTENCE ALLOWANCE: Increase Legislator's subsistence allowance to the rate allowed by the Internal Revenue Service, (\$79 day), effective upon convening of the 1987 General Assembly.	430,000
TOTAL OPERATING EXPANSION	\$ 526,000
TOTAL OPERATING APPROPRIATIONS	\$14,535,233
SPECIAL APPROPRIATIONS (HB 2055, CH. 1014)	
o To provide for a one-day convening of the 1987 General Assembly in the Town of Tarboro to commemorate the 200th anniversary of the 1787 General Assembly Session which met in Tarboro.	\$ 2,000

SPECIAL BILLS:

HB 2141 (CH. 1032) LEGISLATIVE RESEARCH COMMISSION STUDIES: Permits the Legislative Research Commission to study the following topics:

- Uniform System of Voting Machines
- Adolescent Pregnancy and Premature Births
- Low-Level Radioactive Waste Regulation
- Campaign and Election Precedures
- Veterans Cemetary
- Certain Transportation Matters; the percentage wholesale component of the excise tax levied from July 15, 1986 to January 1, 1987 and the computation of the wholesale tax for motor fuels and special fuels in accordance with the provisions of Senate Bill 866
- Used Tire and Waste Oil Disposal

Other provisions contained in the bill include:

- Railroad Negotiating Commission Amendments relative to determining the State's disposition of its interests in the North Carolina Railroad Company and the Atlantic and North Carolina Railroad Company.
- Provides that all final decision letters and other documents relative to "changes affecting voting" from the Attorney General of the United States be submitted to the Office of Administrative Hearings and that they be published in the North Carolina Register.

SPECIAL PROVISIONS:

Section 17: CHOWAN INTERSTATE COMMISSION FUNDS/DO NOT REVERT:
Amends 1985 Session Laws to permit the Chowan Interstate
Commission to expend its appropriated funds until June 30,
1987.

Section 150: HAZARDOUS WASTE REGULATION STUDY: Establishes a ten member legislative committee to conduct a study of whether to consolidate the regulation of environmental pollutants in a single agency and whether to create a State environmental protection agency. The President of the Senate and the Speaker of the House are each authorized to make five appointments to the committee. A report containing the committee's findings and recommendations is to be presented to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

Section 152: COASTAL WATER QUALITY STUDY: Permits the Legislative Research Commission to perform a comprehensive study and reevaluation of coastal water quality classifications and evaluate existing and proposed rules of the Environmental Management Commission, Coastal Resources Commission, the Marine Fisheries Commission, and any other State agency regarding coastal water quality. The Commission may report its findings and any recommended legislation to the 1987 General Assembly.

Section 190: COORDINATION OF STATE LABS: Provides that the the Joint Legislative Commission on Governmental Operations shall appoint a subcommittee to study the need for laboratory space in State government and the best way to meet that need and to report its findings to the Commission before the convening of the 1987 Session. Upon approval of the cochairmen of the JLCGO, the subcommittee may use funds available to the General Assembly to contract with outside consultants to assist in the study.

Section 194: STATE-OWNED PROPERTY STUDY COMMITTEE/MEMBERSHIP INCREASED: Increases the membership of the Committee from eight to fourteen members with the new appointees divided equally between the Lieutenant Governor and the Speaker of the House.

Section 205: EVALUATION OF COMMUNITY PROGRAMS: Provides that the Special Legislative Committee on Prisons shall conduct an evaluation of community alternatives to incarceration and report its findings and recommendations to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

DEPARTMENT OF THE GOVERNOR

	1986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$ 7,581,535
BASE BUDGET REDUCTIONS:	
Governor's Reduction in Force	\$ (22,000)
EXPANSION BUDGET:	
OFFICE OF STATE BUDGET AND MANAGEMENT	
1. RESERVE FOR YOUNG OFFENDERS' FORESTRY PROGRAMS: To provide funds to establish	\$ 1,000,000
a Forestry Program and Forestry Camp for Young Offenders transferred from minimum security facilities.	
2. REGION K COUNCIL OF GOVERNMENTS: Funds to match a federal grant to provide assistance to local units of government in economic and community development activities.	166,000
TOTAL APPROPRIATION EXPANSION	\$ 1,166,000
TOTAL OPERATING APPROPRIATION	\$ 8,725,535
3. RESERVE GRANTS-IN-AID	\$ 1,697,213
CAPITAL IMPROVEMENTS:	
1. RESERVE FOR ASBESTOS REMOVAL: Provide funds for removal of asbestos in state facilities where potential health hazards exist.	\$ 2,000,000
2. RESERVE FOR ADVANCE PLANNING: Create fund to cover expenses of initial design work for selected capital improvement projects. Section 181 of the bill provides that up to \$500,000 may be used for planning costs of the museum of Natural History.	1,000,000
TOTAL CAPITAL IMPROVEMENTS	\$ 3,000,000

RESERVE GRANTS-IN-AID:

			1986-87
0	Cerebral Palsy Foundation Funds	\$	226,000
0	Grants to Child Development Centers		
	in New Bern (\$30,013) and Union County (\$80,000)		110,013
0	Southern Piedmont Adult Children's		150,000
	Center		10 Apr. 7 L
0	Sea Level Rescue Funds		92,200
0	Mission Air		50,000
0	Air Ambulance for Memorial Mission		350,000
	Hospital		330,000
0	Bicentennial Commission continued funding		150,000
0	Stanly County - Senior Citizens		
	Building renovations		40,000
0	P.B. Raiford Regional Airport	- 1 1	41,000
	Erosion Funds		41,000
0	Northwestern Ministry Development Day Care		50,000
0	Craven County Athletic Field House		125,000
0	Hope Mills Police Station Renovations		50,000
	Courthouse renovations in Madison		Le reserve
0	County (\$140,000) and Swain County		100 000
	(\$40,000)		180,000
0	To continue funding of N.C. Holocaust Council		8,000
0	Alexander County Water Corporation		
	funds to purchase land for a reservoir	8.	75,000
	TOTAL RESERVE	\$:	,697,213
		. 110	C-4

SPECIAL PROVISIONS:

Section 16: NATIONAL SPORTS FESTIVAL FUNDS/MATCH: Permits the construction and gift-in-place to the State of a velodrome to be considered toward the two-for-one non-State match required for North Carolina Amateur Sports to receive the \$800,000 State grant appropriated in 1985.

Section 174: GOVERNOR TO SUBMIT PLAN TO DECREASE RELIANCE ON THE HIGHWAY PATROL FOR SECURITY: Requests the Governor to submit to the General Assembly by February 1, 1987, a plan to provide for the security of the Governor, including an estimate of the cost of implementing the plan.

Section 175: PERMIT DEVIATIONS FROM CERTAIN PROVISIONS OF THE EXECUTIVE BUDGET ACT: Extends the authority of the Director of the Budget to make deviations in complying with the budgetary regulations prohibiting the expenditure of over-realized receipts, transfers between items in the budget, and reversion of unencumbered balances to the extent he finds compliance is impossible and deviation is necessary from July 30, 1986 until June 30, 1987. Requires the Director of the Budget to submit a quarterly report on any budget deviations to the Joint Legislative Commission on Governmental Operations.

Section 176: TRANSFER OF CERTAIN FUNDS AUTHORIZED: Permits the Director of the Budget to transfer excess funds appropriated (Block Grant or General Fund) to a specific service or program/fund into another service or program/fund for local services within the budget of the respective State agency to assure maximum utilization of funds in local, district or area social services, health, mental health, mental retardation and substance abuse programs.

Section 177: EXPENDITURES FOR DISAPPROVED PROGRAMS PROHIBITED: Prohibits expenditures for any purpose for which the General Assembly has considered but not enacted an appropriation of funds for the current fiscal period.

Section 178: DISBURSEMENT OF ALLOCATED FUNDS: Directs state agencies to which the General Assembly has allocated funds for 1986-87 to a specific unit of local government or a private nonprofit entity to disburse those funds directly to the specified entity.

Section 179: LIMIT USE OF CONTINGENCY AND EMERGENCY FUNDS: Restricts the use of funds allocated from the C & E fund to the purpose for which they were allocated. Funds which are not spent, encumbered, or reallocated by the Governor and Council of State, by the end of the fiscal biennium for the specific purpose for which they were allocated, shall revert to the fund from which the C & E appropriation was made.

Section 180: UNUSED LOCAL FUNDS REPAID: Requires non-state entities receiving appropriations under acts ratified before January 1, 1985 to repay to the State by July 31, 1987 all money not expended or encumbered by June 30, 1987. Those non-state entities with unexpended appropriated funds from FY 80 through FY 84 whall report the amount of these funds to the State Budget Office by December 31, 1986. A copy of these reports shall be forwarded monthly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

Section 181: RESERVE FOR ADVANCE PLANNING: Provides that the Division of State Construction shall report to the Joint Legislative Commission on Governmental Operations and Fiscal Research on how it intends to spend funds from the Reserve for Advance Planning at least 45 days in advance of an expenditure, and also report the results of any project for which the funds were expended.

Section 182: RESERVE FOR OIL OVERCHARGE FUNDS: Establishes a Special Reserve for Oil Overcharge Funds and directs that these funds may be expended only as authorized by the General Assembly. All funds received in the case of United States v. Exxon, any remaining interest or investment funds earned on the funds, and all funds received by the State during 1986-87 in other oil overcharge cases shall be credited to the Special Reserve.

In fiscal year 1986-87, expenditures authorized by the General Assembly from the interest on funds received in U. S. v. Exxon include appropriations of \$1 million for the Low Income Weatherization Program and \$640,000 for low income energy assistance payments in the Low Income Energy Block Grant Program.

Section 183: DISBURSEMENT OF FUNDS FROM THE RESERVE FOR IMPLEMENTATION OF THE ADMINISTRATIVE PROCEDURE REVISION:

Provides that the Office of State Budget shall disburse funds from the above reserve of \$1,346,954 for the operation of the Office of Administrative Hearings and the Administrative Rules Review Commission.

Section 184: REGION K COUNCIL OF GOVERNMENT FUNDS: Provides that the \$166,000 to Region K Council of Governments is in addition to any allocation received from the Department of Natural Resources and Community Development.

Section 185: HOUSING FINANCE AGENCY INVESTMENT FUNDS: Permits the N. C. Housing Finance Agency to invest in the following: 1) out-of-state banks, 2) fractional interests in U. S. government obligations, 3) obligations collateralized by mortgage pass-through securities, 4) trust certificates guaranteed by the Government National Mortgage Association, and 5) long-term repurchase agreements.

Section 236: REMOVAL OF ARCHITECTURAL BARRIERS TO HANDICAPPED PERSONS: Permits funds appropriated to a Reserve for Repairs and Renovations in 1986-87 to be used for projects to remove architectural barriers to handicapped persons at State-owned facilities.

Section 237: PERMIT CERTAIN TRANSFERS FOR REORGANIZATION AND FEDERAL FUND REDUCTIONS: Permits state agencies until June 30, 1987 to reorganize programs within budget guidelines to alleviate unanticipated cutbacks in federal funds or to carry out special programs mandated by the General Assembly. Any planned reorganizations shall be reported to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

DEPARTMENT OF INSURANCE

	10,50	1986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$	8,083,673
BASE BUDGET REDUCTIONS:		
Governor's Reduction in Force	\$	(66,000)
EXPANSION BUDGET:		
1. STATE FIRE COMMISSION: Continue the 1985-86 funding for implementation of the fire reporting system and the voluntary fire service certification program.	\$	150,000
RATE REGULATION: Additional staff to handle increased policy and rate filings, to conduct actuarial reviews of rates charged in unregulated (file and use) lines, and to respond to increased citizen inquiries.		135,390 (3)
3. INVESTIGATIONS: Additional insurance investigators to increase investigations and prosecution for fraudulent activity by companies, agents, and claimants.		140,319 (4)
4. BUILDING AND CONSTRUCTION STANDARDS: Additional staff to rewrite and reorganize the current State Building Code.		64,420 (2)
RESERVE FOR OPERATIONS: Establish a reserve to enable the Department to perform the additional responsibilities resulting from changes in the insurance laws. (S. B. 873, Ch. 1027)		750,000
TOTAL OPERATING EXPANSION	\$	1,240,129 (9)
TOTAL OPERATING APPROPRIATIONS	\$	9,257,802

SPECIAL PROVISIONS:

Section 167: MEDICAL DATABASE COMMISSION FUNDS/DO NOT REVERT: Provides that \$60,000 of the FY 85-86 appropriation to the Medical Database Commission will not revert.

Section 168: FIRE INSURANCE TAX DISBURSEMENT: Provides that of 5% of money collected through a tax on receipts for fire insurance premiums, 3% is to be paid to the treasurer of the State Firemen's Association and 2% is to be retained by the Department of Insurance to administer the disbursement of funds by the board of trustees of local firemen's relief funds.

OFFICE OF THE LIEUTENANT GOVERNOR

	-	1986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$	473,834
		-0-
EXPANSION BUDGET	_	

DEPARTMENT OF REVENUE

		1	1986-87
SENA	TE BILL 1 (CHAPTER 479) 1985 SESSION	\$34	1,163,900
BASE	BUDGET REDUCTIONS:		
1.	Governor's Reduction in Force	\$	(352,000)
2.	ORGANIZATIONAL CHANGES: Reduce the department's budget with savings from the combination of certain tax administration activities and the elimination of some clerical functions.		(206,127) (-7)
3.	PERSONNEL REDUCTIONS - AD VALOREM TAX DIVISION: Delete funding for Data Entry Operator position which was eliminated by the Depart- ment in accordance with a recommendation of the Governor's Efficiency Study Commission.		(15,046) (-1)
4.	PERSONNEL REDUCTION - LICENSE & EXCISE TAX DIVISION: Delete funding for Assistant Director position that was eliminated by the Department in response to a recommendation of the Governor's Efficiency Study Commission. Position vacated as a result of employee's promotion.		(54,420) (-1)
	TOTAL BASE BUDGET REDUCTIONS	\$	(627,593) (-9)
EXPA	NSION BUDGET:		
1.	PRINTING: Increase printing budget due to added cost and volume of printing tax returns, tax stamps, tax pamphlets and other items.	\$	400,000
2.	POSTAGE: Increase postage budget due to increased number of tax returns and correspondence.		200,000
	TOTAL OPERATING EXPANSION	\$	600,000
	TOTAL OPERATING APPROPRIATIONS	\$34	,136,307

SECRETARY OF STATE

	 1986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$ 1,603,221
BASE BUDGET REDUCTIONS:	
Governor's Reduction in Force	\$ (22,000)
EXPANSION BUDGET:	
1. DATA PROCESSING SERVICE: Increase the data processing budget due to growth in data processing requirements in the Corporations Filing Division and the Uniform Commercial Code Division.	\$ 50,000
2. SECURITIES REGISTRATION: Additional staff to handle the increased volume of securities filings and agent licensures and to step-up investigations of fraudulent activity.	216,945 (8)
TOTAL OPERATING EXPANSION	\$ 266,945 (8)
TOTAL OPERATING APPROPRIATIONS	\$ 1,848,166
SPECIAL BILLS:	
Provides funds for six positions and other operating expenses to establish a central registration of Limited Partnerships. Fees collected for registrations are to be deposited to the credit of the General Fund.	\$ 165,079 (6)

DEPARTMENT OF STATE TREASURER

	1986-87
SENATE BILL 1 (CHAPTER 479) 1985 SESSION	\$3,377,304
BASE BUDGET REDUCTIONS:	
Governor's Reduction in Force	\$ (22,000)
EXPANSION BUDGET:	
1. RETIREES COST-OF-LIVING INCREASE: Funds to increase the Cost-of-Living allowance from 3.7% to 3.8% for Retired Teachers and State Employees. System Gains are available to provide the increase for Judicial Personnel and Local Government Employees.	\$3,100,000
TOTAL OPERATING EXPANSION	\$3,100,000
TOTAL OPERATING APPROPRIATIONS	\$6,455,304

RESERVES

		8	1986-87
SENAI	TE BILL 1 (CHAPTER 479) 1985 SESSION		
0	CONTINGENCY AND EMERGENCY:	\$	1,125,000
0	SALARY ADJUSTMENTS	\$	500,000
0	ELECTRONIC DATA PROCESSING	\$	2,300,000
0	STATE AID-LOCAL PROGRAMS	\$	7,938,046
	EXPANSION BUDGET		0
0	SALARY INCREASES SENATE BILL 1 (CHAPTER 479) 1985 SESSION EXPANSION BUDGET TOTAL OPERATING APPROPRIATION	2	18,000,000 15,560,000 33,560,000
0	STATE AID TO LOCAL PROGRAMS-SALARY INCREASE: SENATE BILL 1 (CHAPTER 479) 1985 SESSION EXPANSION BUDGET TOTAL OPERATING APPROPRIATION	\$	4,814,406 4,948,010 9,762,416
0	HOSPITAL-MEDICAL BENEFITS: SENATE BILL 1 (CHAPTER 479) 1985 SESSION BASE BUDGET REDUCTION REALLOCATION OF FUNDS TOTAL OPERATING APPROPRIATION		34,000,000 (3,100,000) (865,000) 30,035,000
0	DEBT SERVICE: INTEREST: SENATE BILL 1 (CHAPTER 479) 1985 SESSION BASE BUDGET REDUCTION	(35,266,250 10,260,000)
	TOTAL OPERATING APPROPRIATION REDEMPTION: SENATE BILL 1 (CHAPTER 479) 1985 SESSION BASE BUDGET REDUCTION TOTAL OPERATING APPROPRIATION	\$	25,006,250 41,500,000 (2,000,000) 39,500,000

DEPARTMENT OF HUMAN RESOURCES

		1986-87
SE	NATE BILL 1 (CHAPTER 479) 1985 SESSION	\$725,240,880
BA	SE BUDGET REDUCTIONS:	
1.	INCREASED STAFFING FOR THIRD PARTY RECOVERY UNIT: Reduction in funds due to increased	\$ (100,000)
	recovery of third party receipts.	
2.	PERSONNEL MANAGEMENT SERVICES REDUCTION IN STAFF:	(68,921)
	Reduce duplication of activities thereby eliminating positions.	
3.	RENTAL RATE ADJUSTMENT FOR DHR RESIDENTIAL HOUSING: Savings due to increased receipts from implementation of a rental rate adjustment from \$1.62 per square foot to fair market value for residential housing in hospitals and training schools.	(125,120)
4.	PERINATAL FUND: Reduction in the appropriations due to impact of the Medicaid program expansion adopted by the 1984 General Assembly.	(5,000,000)
5.	ADJUST PATIENT RECEIPTS IN STATE INSTITUTIONS: Savings due to adjustments in patient receipts in state psychiatric hospitals and alcohol rehabilitation centers.	(1,667,100)
6.	SAVINGS IN LAUNDRY SERVICES IN MENTAL HEALTH INSTITUTIONS: Savings due to energy conservation projects at John Umstead and Cherry Hospital.	(145,861)
7.	REORGANIZATION OF DIVISION OF SOCIAL SERVICES: Reduction in funds due to savings from reorganization.	(169,762)

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DEPARTMENT OF HUMAN RESOURCES (CON'T)

GOVERNOR'S RECOMMENDED REDUCTION IN 8. Savings due to department-wide reductions in personnel.

\$(5,500,000)

INFLATIONARY COST INCREASES: 9 . Reduce allowable inflation rate increases built into base budget to reflect current estimates.

(1,618,320)

10. COMMUNITY RESIDENTIAL SERVICES: Reduce excess fund appropriated for residential services in Division of Mental Health Mental Retardation Substance Abuse Services.

(95,076)

(264, 964)

DELETE MCCAIN ANNEX RESERVE: 11. Savings due to the closing of special TB unit located at Cherry Hospital due to decline in patient census.

TOTAL BASE BUDGET REDUCTIONS (\$14,755,124)

EXPANSION BUDGET:

1. CHANGE IN AFDC FUNDING RATE: Funds to offset a reduction in the federal funding rate from 69.18% to 68.4%.

AFDC RETROSPECTIVE PAYMENTS: 204,020 Funds to support payments to recently unemployed families whose AFDC benefits were adversely affected by changes in federal law.

DOMICILLIARY CARE PAYMENTS: Funds to support payments for 710 additional eligibles. Caseloads are projected to increase from 12,500 to 13,210 per month in FY 86-87..

1,004,086

COMMUNITY WORK EXPERIENCE PROGRAM: 4. Funds to expand the Community Work Experience Program from 16 counties to 34 counties.

600,000

DEPA	ARTMENT OF HUMAN RESOURCES (CON'T)	1	986-87
5.	SELF-SUFFICIENCY PILOT PROGRAM: Funds for a pilot program to address the counseling and training needs of single parent low income households.	\$	40,000
6.	CHILD CARING INSTITUTIONS: Funds to increase support for the cost of residential care for 847 children who are wards of the state.		400,000
7.	CHANGE IN MEDICAID FEDERAL FUNDING RATE: Funds to offset reductions in the federal funding rate from 69.18% to 68.4%.	3,	141,286
8.	HAZARDOUS WASTE: Funds to increase staff by six (6) positions to inspect and regulate hazardous waste facilities and sites.	:	220,000
9.	SOLID WASTE: Funds to increase staff by 12 positions to monitor landfills and issue permits for new landfills.	:	355,509
10.	RADIATION PROTECTION: Funds to increase staff by 2 positions and replace equipment used to monitor radiation around nuclear power plants.	-	248,460
11.	INVOLUNTARY OUTPATIENT COMMITMENT: Funds to support Involuntary Outpatient Commitment Program which was established by the 1984 Session of the General Assembly (HB 124).	2	274,736
12.	CHRONICALLY MENTALLY ILL: Funds to serve 40,000 adults suffering from long-term mental illness with community based services.	3,7	50,000
13.	DIVISION OF SOCIAL SERVICES - PERSONAL NEEDS ALLOWANCE: Funds to increase the personal allowance for individuals in rest homes under the State/County Special Assistance Program	4	06,050
	from \$20.00 to \$25.00 per month.		

14.	DIVISION OF HEALTH SERVICES - SICKLE CELL FUND: Funds to support the work of Sickle Cell Centers in working with individuals who have the Sickle Cell disease. Funds will be used for physician services, educational and counseling services.	\$ 281,000
15.	DIVISION OF MENTAL HEALTH, MENTAL RE- TARDATION AND SUBSTANCE ABUSE SERVICES: HUD Homes including Blue Ridge Mental Health Center: Funds for the maintenance and expansion of service needs in the area of community based residential, day and support services.	560,000 953,308
16.	DIVISION OF FACILITY SERVICES - CERTIFICATE OF NEED AND HEALTH PLANNING: Funds to support additional staff (2) in Certificate of Need Section.	130,000
17.	INCREASE STANDARD OF NEED FOR MEDICALLY NEEDY AND AFDC PROGRAM BY 5%: Funds to support a 5% increase in the medically needy income scale effective January 1, 1987. Federal law requires the medically needy income scale to be set at 133% of AFDC payment level.	960,065
18.	PRESCRIPTION DRUG PROGRAM: Funds to continue the prescription assistance program for disabled individuals waiting to have their Social Security Disability cases reheard.	400,000
19.	DISABILITY TASK FORCE: Funds to the Social Security Disability Task Force for the work of the task force in monitoring the Social Security Dis- ability Program.	4,000
20.	REPLACEMENT OF FEDERAL STAFFING GRANTS IN TWO AREA MENTAL HEALTH PROGRAMS (TREND AND PIEDMONT): 40% of a grant totaling \$452,087 including Smoky Mtn. Area Mental Health \$55,468 and Lincoln Comm. Health Center (Durham County) \$140,000.	376,302

DEPA	ARTMENT OF HUMAN RESOURCES (CON'T)	1986-87
21.	PRENATAL CLINICS IN COUNTY HEALTH DEPARTMENTS: Funds to establish a one-time reserve in the Division of Health Services. Funds from the reserve may be used to offset federal budget reductions affecting maternal and child health services delivered by local health departments in FY 85-86.	\$1,200,000
22.	INPATIENT SERVICES IN AREA MENTAL HEALTH PROGRAMS: Funds to allow area mental health programs to provide short-term inpatient services to mentally ill persons.	850,000
23.	COMMUNITY BASED ALTERNATIVES PROGRAMS: Funds to continue the community based programs who work with juveniles who have been in trouble with the law or who are in danger of being sent to a training school. Programs exist in 100 counties.	1,000,000
24.	FUNDING FOR HB 405 SCREENING PROGRAMS FOR THE ELDERLY: Funds to continue grants-in-aid to in-home screening programs for the elderly which were established by HB 405.	100,000
25.	WICCACON CENTER: Funds to support the center's activities in the treatment of substance abusers.	96,000
26.	CHILD ABUSE MEDICAL EVALUATION PROGRAM: Funds to support rising contract costs due to increases in the number of children referred for evaluation and treatment.	100,000
27.	AUTISTIC CHILDRENS CAMP: Funds to support operating expenses of the camp.	60,000
28.	FIRST STEP FARM:	87,000

Funds to help with the operating expenses of this alcohol and drug rehabilitation facility serving western North Carolina.

DEPAR	RTMENT OF HUMAN RESOURCES (CON'T)	1986-87
29.	REST HOME RATE INCREASE: Funds to provide a rest home rate increase, beginning October 1, 1986 in order to assist with increased operating cost.	\$1,875,000
30.	FUNDS ADAP SLOTS: Funds to phase in 792 new ADAP slots that are currently on an active waiting list and not being served.	1,140,000
31.	ADAP Transportation: Funds to provide for an ADAP transportation subsidy, in order to help these programs defray part of their transportation cost.	504,240
32.	PREVENTIVE DENTAL HEALTH PROGRAM: Funds to establish seven (7) public health dental hygiene positions to assist unserved counties.	200,300
33.	CYSTIC FIBROSIS FUNDS: Funds to continue providing medical services to adults who suffer from C.F.	50,000
34.	CORPORATE GUARDIANSHIP PROGRAM: Funds to maintain the current responsibility for guardianships already assigned by the court to the Association for Retarded Citizens (DMHMRSAS).	90,500
35.	HOME HEALTH CARE FOR INDIGENTS: Funds to continue support for in- home medical services to indigent persons at FY 85-86 levels.	375,000
36.	EMERGENCY ASSISTANCE: Funds to provide cash assistance to low income persons in emergency situations beginning November 1, 1986.	922,790
37.	STAFFING FOR GROUP HOME FOR AUTISTIC ADULTS: Funds to provide an additional position for high functioning Autistic Adults.	18,000

DEPARTMENT OF HUMAN RESOURCES (CON'T)	1986-87
38. GROUP HOMES FOR EMOTIONALLY DISTURBED: Funds for group homes for	\$ 212,851
emotionally disturbed children. 39. DIVISION OF HEALTH SERVICES: Reduces funds previously allocated for Cancer Registry and redirects their use to the Department of Labor for Right-to-Know Program.	(75,000)
TOTAL OPERATING EXPANSION	\$23,740,934
TOTAL OPERATING APPROPRIATIONS	\$734,226,690

\$8,284,823

CAPITAL IMPROVEMENTS:

safety codes.

CAPI	IAL THE ROVEMENTS.	
1.	LIFE SAFETY CODE ICF-MR RENOVATIONS: Funds to make life safety code improvements and perform Intermediate Care Facility - Mentally Retarded Construction project in DHR. Includes a \$4.0 million life safety code improvement project at Broughton Hospital.	\$ 6,000,000
2.	CHERRY HOSPITAL - GOLDSBORO: Funds to meet the needs not anticipated in 1984 when the new Boiler Plant and Emergency Generator System project was originally funded. These funds will purchase equipment and a new steam line to the laundry building.	988,200
3.	LENOX BAKER HOSPITAL - DURHAM, RENOVATIONS AND THERAPEUTIC POOL: Funds to renovate and add space at Lenox Baker Hospital to house the Durham Developmental Evaluation Center, and build a therapeutic pool.	326,900
4.	JUVENILE EVALUATION CENTER: Funds to build a maintenance building.	78,500
5.	JUVENILE EVALUATION CENTER: Funds to allow the training school to landscape the chapel that was recently built.	19,500
6.	BLACK MOUNTAIN CENTER: Funds for Repairs and Renovations at Black Mountain Center, a satellite of Western Carolina Center which handles the overload of mentally retarded children from that center.	771,723
7.	JACKSON TRAINING SCHOOL: Funds to renovate two (2) dormitories at the school in order to comply with	100,000

TOTAL CAPITAL IMPROVEMENTS

DEPARTMENT OF HUMAN RESOURCES (CON'T.)

SPECIAL PROVISIONS

- Sec. 101 Hazardous Waste Adds additional staff to the Solid and Hazardous Waste Branch of the Division of Health Services, Department of Human Resources. All personnel added will be field inspectors.
- Sec. 102 Solid Waste Adds additional staff to the Solid and Hazardous Waste Branch of the Division of Health Services to assist in the area of landfill permitting and enforcement.
- Sec. 103 Dental Health Program Expansion of the Dental Health Program to the remaining counties in North Carolina.
- Sec. 104 MCH Health Services Reserve Reserve fund to offset federal budget reductions in local county health departments in FY 85-86.
- Sec. 108 Chronically Mentally III Additional \$3.7 million for the chronically mentally ill. Allocates the \$3.7 million and \$1.3 million previously appropriated for FY 86-87 on a per capita basis.
- Sec. 109 ADAP Transportation Provides a transportation subsidy for ADAP clients.
- Sec. 111 Area Mental Health Funds Provides funds to area mental health authorities to replace up to 40% of federal staffing grants.
- Sec. 113 Mental Health Inpatient Funds Provides for additional inpatient services at local mental health centers.
- Sec. 114 HUD Group Homes Provides startup costs for HUD group homes and intermediate care facilities for the mentally retarded.
- Sec. 118 AFDC Increase Increases AFDC and medically needy income scales by 5%.
- Sec. 124 Domiciliary Care Rate Increase Increases rest home rates to \$623 per resident per month.
- Sec. 127 Personal Needs Allowance Increases personal needs allowance for persons in rest homes.

DEPARTMENT OF HUMAN RESOURCES (CON'T.)

- Sec. 128 Community Work Experience Program Establishes standards for the operation of community work experience programs.
- Sec. 129 Child Support Enforcement Continues present system of state and county operation of IVD programs. Counties are no longer allowed to discontinue administration, but are allowed to take over administration from the state.
- Sec. 130 Day Care Rates Establishes day care rate for FY 1986-87 in state purchase of care program.

SPECIAL APP	ROPRIATIONS (HB 2055)	1986-87
T D R S	very County ADAP ransportation Funds - App o the Department of Human ivision of Mental Health, etardation, and Substance ervices for transportation or ADAP clients in Avery	n Resources, Mental e Abuse on services
A) C	estern Carolina Center Fu ppropriates to Western Ca enter for a tram to provi ortation to clients at th	rolina de trans-
A) Hi So Do W	estern Developmental Cent ppropriates to the Depart uman Resources, Division ervices to fund positions evelopmental Evaluation C estern Carolina Universit	ment of of Health at the center at
T	OTAL APPROPRIATIONS	\$67,000

Special Appropriations, Studies and Revenue Bills Studies and Revenue Bills

SPECIAL BILLS SUMMARY

DEPARTMENT		1986-87
ADMINISTRATION H	2055	\$ 33,000
AGRICULTURE H	2055	35,000
COMMUNITY COLLEGES H	2055	83,160
CULTURAL RESOURCES H	2055	189,750
GENERAL ASSEMBLY H	2055	2,000
GOVERNOR'S OFFICE - SPECIAL APPROPRIATIONS H	2055	6,167,183
HUMAN RESOURCES	2055	67,000
JUDICIAL S	595	419,038
JUSTICE H	2055	22,000
SECRETARY OF STATE H	266	165,079
	2055 1482	93,900 120,000
SUBTOTAL		\$7,397,110
LESS: TRANSFER OF FUNDS	FROM H 2055	120,000
TOTAL SPECIAL	BILLS	\$7,277,110

BILL NUM.	SHORT TITLE	1986-87 APPROP.
s 857	=BELLE CHERE FESTIVAL FUNDS	2,500
s 870	=BUNCOMBE EMERGENCY NETWORK FUNDS	5,000
s 871	=MADISON-BUNCOMBE OPPORTUNITY FUNDS	10,000
s 885	ARTS TOGETHER FUNDS	12,000
s 886	REENTRY, INC., FUNDS	15,000
s 890	CATAWBA HISTORICAL RESTORATIONS FUNDS	70,000
s 894	=DRY RIDGE MUSEUM FUNDS	750
s 899	FRANKIE LEMMON SCHOOL FUNDS	5,000
s 921	=WESTERN N.C. TOMORROW FUNDS	10,000
s 929	ONSLOW PEERS FUNDS	16,670
s 932	ONSLOW HOSPICE FUNDS	16,670
s 938	AMERICAN CHILDREN'S HOME FUNDS	25,000
s 955	SNUGGS HOUSE IMPROVEMENT FUNDS	15,250
s 957	=ELIADA HOME FUNDS	15,000
s 958	AVERY COUNTY ADAP TRANSPORATION FUNDS	15,000
s 959	NORTH CENTRAL ELDERLY FUNDS	4,800
s 961	=ASHEVILLE SYMPHONY POPS FUNDS	7,500
s 963	HALIFAX EMS AUTHORITY FUNDS	3,500
s 964	HALIFAX 4-H CAMP FUNDS	7,000
s 965	NC DANCE THEATER FUNDS	30,000
s 966	BLACK ARTISTS' GUILD FUNDS	5,000
s 967	TAMMY LYNN FUNDS	10,000
s 968	=LEE COUNTY SCHOOL LIBRARY FUNDS	10,000
s 969	TEMPLE THEATER FUNDS	15,000
s 970	t. 1. c. HOME FUNDS	5,000

BILL	*************************************	1986-87
NUM.	SHORT TITLE	APPROP.
s 971	BROADWAY DEVELOPMENT PARK FUNDS	2,500
s 972	SANFORD REVITALIZATION FUNDS	2,500
s 973	GENERAL LEE MUSEUM FUNDS	10,000
s 974	ANGIER SENIOR CENTER FUNDS	2,500
s 975	CRAVEN ATHLETIC FIELD HOUSE FUNDS	50,500
s 976	LEMON SPRINGS IMPROVEMENT PARK FUNDS	2,500
s 977	GRANVILLE SENIOR CITIZENS FUNDS	20,000
s 981	=BIG IVY HISTORICAL COMPLEX FUNDS	10,000
s 983	LINCOLN COMMUNITY CENTER FUNDS	16,000
s 984	CLEVELAND HISTORICAL FUNDS	8,000
s 986	PINE LEVEL TRASH DISPOSAL FUNDS	8,000
s 987	IVANHOE COMMUNITY BUILDING FUNDS	15,000
s 989	TOBACCO MUSEUM FUNDS	25,000
s 990	JOHNSTON COUNTY INDUSTRIES FUNDS	70,000
s 996	GASTON SHELTER FUNDS	8,000
s 999	LITTLETON CENTER FUNDS	3,500
s1001	NORTHAMPTON MUSEUM FUNDS	3,500
s1003	GUILFORD COURTHOUSE/DISPUTE SETTLEMENT	13,500
51004	BLACK CHILD AND FAMILY FUNDS	13,500
	BLUE RIDGE WATER ASSOCIATION FUNDS	25,000
	BLUE RIDGE TECH COLLEGE FUNDS	4,160
	CASTON RESCUE FUNDS	2,100
	ELIZABETH II TRANSPORTATION FUNDS	1,750
	AHOSKIE COMMUNITY FUNDS	1,750
	GATES HISTORICAL SOCIETY FUNDS	6,300
21010		

BILL		1986-87 APPROP.
NUM.	SHORT TITLE	
S1011	JONES AGRICULTURAL CENTER FUNDS	50,000
S1012	LENOIR LAW ENFORCEMENT FUNDS	5,000
S1014	CEDAR GROVE DAY CARE FUNDS	6,500
s1015	LINCOLN HEALTH CENTER FUNDS	5,000
s1016	OPERATION BRKTHRU COMM'ITY ACTION FUNDS	5,000
s1017	DURHAM ARTS COUNCIL FUNDS	10,000
s1018	EASTERN MUSIC FESTIVAL FUNDS	3,300
s1019	S. E.GREENSBORO COUNCIL ON CRIME FUNDS	33,000
s1020	N. E. CENTER FOR HUMAN DEVLM'T FUNDS	3,500
S1021	HISTORIC HOPE FUNDS	14,000
S1022	ERWIN COMMUNITY CENTER FUNDS	7,000
s1027	MAXTON DAY CARE COUNCIL FUNDS	3,350
S1028	RED SPRINGS COMMUNITY CENTER FUNDS	8,500
s1029	CAROLINA THEATER FUNDS	5,000
s1030	ST PAULS COMMUNITY FUNDS	7,000
s1031	HOKE COUNTY COURT HOUSE FUNDS	9,000
s1032	PROCTORVILLE TOWN COMMUNITY FUNDS	3,350
s1033	RAEFORD COMMUNITY CENTER FUNDS	6,500
s1034	FAIRMONT INDUSTRIAL PARK FUNDS	3,350
s1035	N. C. TURKEY FESTIVAL FUNDS	7,000
s1036	PARKTON COMMUNITY CENTER FUNDS	8,500
s1037	ROWLAND SOUTHSIDE ALUMNI FUNDS	3,350
s1038	STRIKE AT THE WIND FUNDS	5,000
	WAKE SENIOR CITIZENS CENTER FUNDS	6,000
	FRANKLIN JAIL RENOVATION FUNDS	7,000

BILL NUM.	SHORT TITLE	1986-87 APPROP.
===== S1041	LOUISBURG PUBLIC SAFETY CENTER FUNDS	23,000
s1042	RICHMOND ECONOMIC DEVELOPMENT FUNDS	15,000
s1043	EAST HAMLET CITIZENS FUNDS	5,000
s1044	RICHMOND SENIOR/IMPROVEMENT FUND	20,000
s1045	ROCKINGHAM RECREATION FUNDS	5,000
s1046	MONTGOMERY RAPE CRISIS FUNDS	5,000
s1047	SCOTLAND SUMMER JOBS PROGRAM FUNDS	15,000
s1048	TROY/STANFIELD PARK FUNDS	35,000
S1049	RANKIN MUSEUM FUNDS	10,000
s1050	HAMLET LIBRARY FRIENDS FUNDS	10,000
s1051	ANSON COUNTY PROJECTS FUNDS	10,000
s1052	ELM CITY RESCUE SQUAD FUNDS	15,000
s1053	FALKLAND RESCUE SQUAD FUNDS	4,000
s1054	PITT COMMUNITY COLLEGE FUNDS	1,000
s1055	FARMVILLE SENIOR COUNCIL FUNDS	2,000
s1056	PITT-GREENVILLE TOURISM FUNDS	1,000
s1057	ROCKY MOUNT OIC FUNDS	10,000
s1058	BETHEL LIBRARY FUNDS	3,000
s1059	BETHEL SENIOR CENTER FUNDS	2,000
s1060	EDGECOMBE PUBLIC LIBRARY FUNDS	15,000
s1061	FARMVILLE ARTS COUNCIL FUNDS	1,000
s1063	ROBERSONVILLE HOSPITAL FUNDS	10,000
s1064	FARMVILLE BAND AND REC UNIFORMS FUNDS	6,000
S1065	CRISIS ASSISTANCE FUNDS	7,500
s1066	CHARLOTTE FAMILY OUTREACH CENTER FUNDS	2,500

=====	******************	1986-87
BILL NUM.	SHORT TITLE	APPROP.
s1067	AFRO-AMERICAN CHILDREN'S THEATER FUNDS	5,000
s1068	AFRO-AMERICAN CULTURAL CENTER FUNDS	10,000
s1069	CHARLOTTE EMERGENCY HOUSING PROJ FUNDS	2,500
s1070	CHARLOTTE-MECK. YOUTH COUNCIL FUNDS	2,500
s1071	FAMILY HOUSING SERVICES FUNDS	7,500
s1072	ANITA STROUD FOUNDATION FUNDS	5,000
s1073	SICKLE CELL DISEASE FOR CHARLOTTE FUNDS	12,500
s1074	MECKLENBURG PREGNANCY FUNDS	5,000
s1075	GETHSEMANE ENRICHMENT FUNDS	2,500
s1076	PERSON AGING/ DISPUTE SET. CTRS. FUNDS	30,000
s1077	METROLINA FOOD BANK FUNDS	2,500
s1078	MCCROREY YMCA FUNDS	2,500
s1086	EDEN SENIORS FUNDS	7,500
s1087	MADISON CIVIC CENTER FUNDS	2,500
s1088	PENN HOUSE RENOVATION FUNDS	7,500
s1089	MADISON RECREATION EQUIPMENT FUNDS	2,500
s1091	STONEVILLE REVITALIZATION FUNDS	7,500
S1092	COVE CREEK SENIOR CENTER FUNDS	7,500
s1093	ASHE LIBRARY FUNDS	7,500
s1095	CARLYLE HIGGINS AGRIC CENTER FUNDS	7,500
s1096	DURHAM MEALS ON WHEELS FUNDS	5,000
s1097	JOHN AVERY BOY'S CLUB FUNDS	5,000
	DURHAM HOUSING/YOUTH ENRICHMENT FUNDS	5,000
s1099	SAMPSON ALUMNI FUNDS	5,000
Service and service	JOHNSTON CENTRAL ALUMNI FUNDS	5,000

BILL NUM.	SHORT TITLE	1986-87 APPROP.
S1102	COHARIE INTRA/TRIBAL COUNCIL FUNDS	3,500
s1103	HERRING COMMUNITY BUILDING FUNDS	2,500
s1104	FOUR OAKS COMMUNITY BUILDING FUNDS	6,000
s1105	VANCE EMERGENCY COMMUNICATIONS FUNDS	6,000
s1106	SENIOR CITIZENS' FEDERAL FUNDS	10,000
s1107	KNIGHTDALE PARK FUNDS	3,000
s1108	HISTORIC BETHABARA PARK FUNDS	8,000
s1109	HERTFORD ARTS ACADEMY FUNDS	14,000
s1110	FIRST FOR FREEDOM DRAMA FUNDS	3,500
s1111	OPERA HOUSE FUNDS	15,000
s1113	KATIE B. HINES SENIOR CENTER FUNDS	15,000
s1114	HISTORIC HOPE FUNDS	30,000
s1115	ROPER SAFETY EQUIPMENT FUNDS	35,000
S1116	GATES COUNTY HISTORICAL SOCIETY FUNDS	5,000
s1117	SURRY COUNTY COURTHOUSE FUNDS	7,500
s1118	STONEVILLE WATER CONNECTOR FUNDS	7,500
s1119	JOB STRATEGY CENTER FUNDS	4,000
s1120	NORTHWEST DAY SCHOOL FUNDS	7,000
s1121	URBAN LEAGUE SERVICES FUNDS	4,000
s1122	NATURE SCIENCE CENTER FUNDS	14,000
s1123	SAWTOOTH CENTER FUNDS	4,000
S1124	NEIGHBORHOOD COUNCIL DAY CARE FUNDS	4,000
s1125	ROCKY MOUNT MUSEUM FUNDS	15,000
S1126	ROCKY MOUNT BAND FUNDS	2,500
S1127	ROCKY MOUNT CHILDREN'S CAMP FUNDS	5,000

BILL	***************************************	1986-87
NUM.	SHORT TITLE	APPROP.
S1128	ROCKY MOUNT HIGH BAND FUNDS	15,000
s1129	ROANOKE RAPIDS AUDITORIUM FUNDS	5,000
s1130	CANAL ARTS CENTER FUNDS	5,000
s1131	LAKELAND ARTS CENTER FUNDS	7,500
s1132	YMCA OF WINSTON-SALEM FUNDS	8,000
s1133	BETHLEHEM CENTER FUNDS	4,000
s1134	DELTA ARTS CENTER FUNDS	5,000
s1135	WINSTON-SALEM ARTS FUNDS	30,000
s1136	WINSTON-SALEM SYMPHONY FUNDS	9,000
s1138	PIEDMONT OPERA THEATRE INC., FUNDS	4,000
s1139	EXPERIMENT IN SELF-RELIANCE FUNDS	5,000
S1140	WOMENS RESOURCE CENTER FUNDS	25,000
s1141	WAKE REHABILITATION SERVICES FUNDS	12,000
s1142	CREATIVE EXCHANGE FUNDS	11,000
s1143	ROLESVILLE RECREATION FUNDS	5,000
S1144	FRANKLIN CO. MUSEUM FUNDS	10,000
s1145	CENTER FOR INDEPENDENT LIVING FUNDS	5,000
s1146	DUNN DOWNTOWN REVITALIZATION	5,000
s1147	TRIANGLE 5 WATER REDOURCES TOUSE	60,000
s1148	POWELLSVILLE REC. CIVIC CENTER FUNDS	2,100
s1149	LOOK UP GASTON FUNDS	16,000
s1150		6,000
	LINCOLN CO HISTORICAL ASSOC FUNDS	8,000
	PUMUEDEOED SHELTER FUNDS	8,000
	POST DETENTION ADVOCATES FUNDS	6,700
	POST DETENTION ADVOCATED TOTAL	

=====		1986-87
BILL NUM.	SHORT TITLE	APPROP.
S1157	PERSON CO. HOSPITAL FUNDS	20,000
s1158	LAWSON CREEK RAMP FUNDS	19,500
s1159	TRI-COUNTY ADAP FUNDS	55,000
S1161	PARKWAY PLAYHOUSE FUNDS	15,000
s1163	MEBANE RECREATION FUNDS	50,000
S1164	RICHLANDS TENNIS COURTS FUNDS	19,990
s1165	ONSLOW CO. WOMEN'S CENTER FUNDS	16,670
s1166	CAPE REAR REGIONAL THEATRE FUNDS	140,000
s1168	AFTER-SCHOOL FUNDS	57,520
s1169	LICKLOG PLAYERS FUNDS	8,320
s1173	ROCK HILL SAFETY EQUIPMENT FUNDS	36,000
s1174	SCHOOL ENRICHMENT FUNDS	23,975
s1175	VALLEY TOWN ARTS COUNCIL FUNDS	10,000
s1176	EAST TRADE STREET YWCA FUNDS	2,500
s1177	SCOTLAND LITERACY FUNDS	10,000
s1178	RICHMOND ARTS COUNCIL FUNDS	3,000
s1179	THE JESSE RANKIN HOUSE FUNDS	10,000
s1181	FOURTH OF JULY FESTIVAL FUNDS	5,000
S1182	=WATERMELON/FARMER FESTIVAL FUNDS	2,000
	=STRAWBERRY FESTIVAL FUNDS	2,000
S1184	=TABOR CITY REVITALIZATION FUNDS	7,500
	=GOOD SHEPHERD HOME FUNDS	10,000
s1186	=YAM FESTIVAL FUNDS	2,500
s1187	=COLUMBUS SR CTR/WHITEVILLE RESCUE FUNDS	
S1188	=BOGUE AREA BETTERMENT FUNDS	1,000

HOUSE BIII 2055

BILL		1986-87 APPROP.
NUM.	SHORT TITLE	APPROF.
S1189 =	COLUMBUS HOSPICE FUNDS	2,500
s1190 =	COLUMBUS ROAD SIGN FUNDS	7,500
s1191	TABOR CITY CLUB FIFTEEN FUNDS	2,000
S1192 =	COLUMBUS LIBRARY FUNDS	5,000
s1193	DURHAM ARTS COMPLEX FUNDS	50,000
s1195	CHARLOTTE-METROLINA SICKLE CELL FUNDS	5,000
S1196	SAFE FUNDS	10,000
s1197	DALLAS PROJECT FUNDS	10,000
s1198	GASTON COUNTY MUSEUM FUNDS	25,000
s1199	LOWELL RECREATION FUNDS	5,000
51200	SHIELE MUSEUM FUNDS	25,000
s1201	CLEVELAND ABUSE PREVENTION FUNDS	7,000
s1202	SHELBY BOYS TOWN FUNDS	5,000
S1203	CLEVELAND VOCATIONAL INDUSTRIAL FUNDS	15,000
S1204	KINGS MOUNTAIN BOYS TOWN FUNDS	5,000
s1205	CHILD ABUSE PREVENTION FUNDS	7,000
s1206	CRAMERTON RECREATION FUNDS	7,000
s1207	WESTERN CAROLINA CENTER FUNDS	17,000
s1208	RAINBOW SERVICES FUNDS	1,000
s1209	BEAUFORT/HYDE/MARTIN/AURORA LIB. FUNDS	
s1210	PITT/MARTIN/BEAUFORT REACT/EMERG FUNDS	32,000
S1211	TRI-COUNTI SPOOSE RECOR TOWNS	1,500
s1212	BLACKBEARD DRAMA FUNDS	3,500
	MARTIN COMMUNITY PLAYERS FUNDS	3,500
	PITT FARMERS' MARKET FUNDS	3,000

BILL		1986-87
NUM.	SHORT TITLE	APPROP.
s1215	PITT CHILD DEVELOPMENT CENTER	1,900
s1216	MORATOC PARK FUNDS	1,500
s1217	MARTIN CHAMBER FUNDS	2,500
s1218	PITT FAMILY VIOLENCE FUNDS	3,000
s1219	BEAR GRASS/JAMESVILLE FUNDS	2,000
s1221	OCI DAY PROGRAM FUNDS	2,000
s1222	SHEPPARD LIBRARY FUNDS	3,000
s1223	GREATER WASHINGTON CHAMBER FUNDS	3,000
s1224	VOLUNTEERS IN PARTNERSHIP FUNDS	1,500
s1225	PITT BOYS' CLUB FUNDS	2,000
s1226	CHILD CARE NETWORK FUNDS	5,000
s1227	RANDOLPH HOSPICE FUNDS	5,000
S1228	SILER CITY HISTORY FUNDS	2,000
s1229	ORANGE/PERSON/CHATHAM AREA MH FUNDS	2,000
s1230	COMMUNITY SHELTER PROJECT FUNDS	2,000
s1231	PINETREE ENTERPRISES FUNDS	5,500
s1232	MOORE PERFORMING ARTS CENTER FUNDS	5,000
s1233	ORANGE SHELTERED WORKSHOP FUNDS	2,000
s1234	MOORE LIBRARY FUNDS	5,000
s1235	CARTHAGE MUSEUM/COMMUNITY FUNDS	2,000
51236	SANDHILLS HOSPICE FUNDS	5,000
s1237	MALCOLM BLUE FARM FUNDS	1,000
s1238	CRYSTAL LAKE DAM FUNDS	10,000
s1239	GREENE CENTRAL BAND UNIFORMS FUNDS	5,000
S1240	WAYNE POULTRY FEST./GRAPE GRWRS FUNDS	15,000

HOUSE BILL 2055

BILL NUM.	SHORT TITLE	1986-87 APPROP.
S1241	GOLDSBORO SCHOOL FUNDS	5,000
s1242	WAYNE HISTORICAL ASSOCIATION FUNDS	5,000
s1243	GREENE COMMITTEE OF 100 FUNDS	40,000
S1244	WAYNE SCHOOL FUNDS	5,000
S124 5	CHATHAM AGING FUNDS	2,000
S1246	CHATHAM CHILD DEVELOPMENT CTR. FUNDS	1,000
S1247	JOCCA FUNDS	2,000
S1249	JORDAN LAW ENFORCEMENT FUNDS	15,000
S1250	CHATHAM WHITE PINES FUNDS	10,000
s1251	ORANGE/PERSON/CHATHAM MEN. HLTH FUNDS	10,000
S1252	CHATHAM HISTORIC PUBLICATION FUNDS	2,500
s1253	RANDOLPH LIBRARY FUNDS	5,000
s1254	RANDOLPH ARTS GUILD FUNDS	15,000
s1255	RANDOLPH SPOUSE ABUSE FUNDS	5,000
S1258	ART SCHOOL FUNDS	10,000
S1261	GREENE HIGH SCHOOL ATHLETIC CLUB FUNDS	5,000
S1264	WUNC RADIO FUNDS	4,000
S1265	CHATHAM HOSPICE FUNDS	5,000
S1266	PITTSBORO BICENTENNIAL FUNDS	2,000
s1275	=UNC/WCQS FM FUNDS	41.250
s1278		15,000
S1288	OREGON INLET COMMISSION	20,000

TOTAL APPROPRIATIONS FOR LOCAL NEEDS \$2,895,825

BILL NUM.	SHORT TITLE	1986-87 APPROP.
H1358	SAMPSON/PENDER PROJECT FUNDS	35,000
н1369	WAKE PROJECT FUNDS	54,000
H1425	CLAY COUNTY SEWER FUNDS	10,000
 H1427	WARNE FIRE DEPT. FUNDS	3,600
 н1429	HIWASSEE DAM BAND FUNDS	3,600
н1430	MADISON AMBULANCE FUNDS	37,500
н1432	HAYWOOD HOSPICE FUNDS	10,000
н1434	NEW HOPE VOL. FIRE DEPT. FUNDS	6,500
н1435	HIGH SHOALS YOUTH CENTER FUNDS	6,500
н1436	CHERRYVILLE PARKS FUNDS	6,500
н1437	LINCOLN WILDLIFE ORPHANAGE FUNDS	5,500
н1439	RALEIGH LITTLE THEATRE FUNDS	10,000
н1453	TARBORO SESSION FUNDS	2,000
н1457	CATAWBA CHILDREN'S STUDY FUNDS	4,000
н1463	TOWN CREEK PROJECT FUNDS	23,000
н1473	PENN CIVIC CENTER FUNDS	10,000
H1480	DAVIE FIRE CENTER FUNDS	20,000
H1485	VANCE 911 FUNDS	8,000
н1486	WESTERN DEVELOPMENTAL CENTER FUNDS	35,000
H1491	OPPORTUNITY, INC., FUNDS	24,000
н1497	FOURTH OF JULY FESTIVAL FUNDS	2,500
H1498	GRISSETTOWN-LONGWOOD VFD FUNDS	10,000
	CAPE FEAR TWP. VOL. FIRE FUNDS	4,000
н1502	STATESVILLE FARMERS MARKET FUNDS	12,000
H1504	RHODODENDRON FESTIVAL FUNDS	5,000

BILL NUM.	SHORT TITLE	1986-87 APPROP.
н1505	MITCHELL AFTER-SCHOOL PROGRAM FUNDS	5,000
н1506	AVERY ARTS FUNDS	10,000
н1516	ARCHBELL HOUSE FUNDS	15,000
н1517	LENOIR/KINSTON AIRPORT FUNDS	16,000
H1518	BLANDWOOD MANSION-REPAIR FUNDS	27,500
н1519	EASTERN MUSIC FESTIVAL FUNDS	17,500
H1523	=DRY RIDGE MUSEUM FUNDS	1,000
н1526	CRAVEN COURTHOUSE FUNDS	5,000
н1527	WTEB OPERATING FUNDS	72,000
н1530	MACON NIKWASSI CENTER FUNDS	7,100
H1532	BURKE ALCOHOLISM COUNCIL FUNDS	5,000
н1533	"FROM THIS DAY FORWARD" FUNDS	5,000
H1535	MORGANTON/BURKE SENIOR CENTER FUNDS	10,000
н1537	VALDESE GRIST MILL RESTORATION FUNDS	5,000
н1538	BURKE-MCDOWELL HOUSE RESTORATION FUNDS	10,000
н1541	CHALLENGE HEATING FUNDS	10,000
н1543	ROBERT CLEVELAND LOG HOUSE FUNDS	20,000
н1546	=GREENE ADULT EDUCATION CENTER FUNDS	5,000
н1555	BLACK MTN. CHAMBER OF COMMERCE FUNDS	20,000
н1563	PLEASANT GARDEN COMMUNITY CENTER FUNDS	4,000
	LIGHTHOUSE OUTREACH FUNDS	5,000
н1566	GUILFORD NATIVE AMERICAN FUNDS	2,500
	GREENSBORO PREGNANT TEEN PROGRAM	6,000
	=GREENSBORO YOUTH SERVICES FUNDS	3,400
н1569	=BELLE CHERE FESTIVAL FUNDS	2,500

BILL NUM. SHORT TITLE	1986-87 APPROP.
H1574 FORK MTN. VOL. FIRE & RESCUE FUL	NDS 5,000
H1577 CARTERET, ONSLOW PHYS. ED. FUNDS	36,700
H1589 SALUDA CITY HALL RESTORATION FUR	NDS 15,000
H1595 HAMLET LIBRARY FUNDS	3,500
H1596 RANKIN MUSEUM FUNDS	3,500
H1599 =ELIADA HOME FUNDS	30,000
H1601 GATE CITY JR. TENNIS ACADEMY F	UNDS 5,000
H1603 SHAKESPEARE FESTIVAL FUNDS	25,000
H1607 CRAVEN-CHERRY PT/& OTHER PROJECT	T FUNDS 55,000
H1612 ADA JENKINS SCHOOL RENOVATION F	UNDS 8,000
H1613 MECKLENBURG FIRE DEPT. FUNDS	16,000
H1614 WFAE PUBLIC RADIO FUNDS	11,000
H1619 =MADISON-BUNCOMBE OPPORTUNITY FU	NDS 2,000
H1621 =BUNCOMBE EMERGENCY NETWORK FUND	s 5,000
H1622 ASHEVILLE SYMPHONY POPS FUNDS	7,500
H1623 ASHEVILLE THEATRE FUNDS	25,000
H1627 "SWORD OF PEACE" FUNDS	32,000
H1632 RUTHERFORD COUNTY GRANTS	34,500
H1643 =GREENSBORO HOLOCAUST CENTER FUN	DS 500
H1659 FRANKLIN JAIL RENOVATION FUNDS	20,000
H1662 ROCKINGHAM RECREATION FUNDS	1,750
H1667 LITTLETON COMMUNITY CENTER FUND	s 5,000
H1668 GRANVILLE HOSPITAL FUNDS	16,000
H1672 VARIOUS WAKE PROJECTS FUNDS	26,700
H1673 ROWLAND DEPOT FUNDS	7,500

BILL NUM.	SHORT TITLE	1986-87 APPROP.
н1681	RICHMOND ECONOMIC DEVELOPMENT FUNDS	14,000
H1682	ROCKINGHAM ARTS FUNDS	10,000
н1683	MADISON COLORED/CHARLES DREW ALUMNI FUND	5,000
н1684	MADISON HISTORIC DISTRICT FUNDS	10,000
н1698	HAMLET CONCERNED CITIZENS FUNDS	1,750
н1700	EAST ROCKINGHAM PARK FUNDS	2,100
H1704	WINSTON LAKE YOUTH OUTREACH FUNDS	10,000
H1705	DELTA ARTS CENTER FUNDS	10,000
н1706	FOREST HILLS HIGH SCHOOL	35,000
н1707	VANCE SENIOR CENTER FUNDS	10,000
H1710	INTERACT FUNDS	8,000
н1711	RADIO READING SERVICE FUNDS	5,000
H1712	WAKE COUNCIL ON AGING FUNDS	3,000
H1713	GARNER SENIOR CITIZENS FUNDS	4,000
н1714	CARY SENIOR CITIZENS FUNDS	3,000
н1715	MURFREESBORO RESTORATION FUNDS	2,500
н1717	RICHMOND ARTS COUNCIL FUNDS	1,400
н1719	ROBERDEL CHILDREN'S CENTER FUNDS	3,500
H1721	INDEPENDENT LIVING FUNDS	5,000
H1722	BROADWAY PARK DEVELOPMENT FUNDS	5,000
H1723	TEMPLE THEATRE FUNDS	5,000
H1724	T.L.C. HOME FUNDS	5,000
 н1725	LEMON SPRINGS DEVELOPMENT FUNDS	5,000
 н1726	LEE SCHOOL LIBRARY FUNDS	10,000
H1729	GETHSEMANE ENRICHMENT FUNDS	5,000

BILL NUM.	SHORT TITLE	1986-87 APPROP.
H1732	CLIMAX FIRE DEPARTMENT FUNDS	1,000
	JOHNSTON CULTURAL ARTS PROGRAM FUNDS	15,000
н1736		10,000
н1737	WINSTON-SALEM URBAN LEAGUE FUNDS	7,400
H1740	EAST WAKE OPPORTUNITIES FUNDS	
н1742	ELDERHAUS DAY CARE FUNDS	12,000
н1743	EASTERN REGIONAL JETPORT FUNDS	4,000
н1744	EDENTON HISTORICAL SURVEY FUNDS	15,000
н1748	PERSON HOSPITAL FUNDS	16,000
H1749	ROANOKE RAPIDS LIBRARY FUNDS	6,000
н1750	CASWELL EMERGENCY MEDICAL SERVICE FUNDS	6,000
н1751	CASWELL RECREATION FUNDS	5,000
н1755	NASH-EDGECOMBE HOME FUNDS	10,000
н1756	BEAUFORT HISTORICAL RESTORATION FUNDS	40,000
н1760	CHARLOTTE MECKLENBURG YOUTH FUNDS	30,000
н1765	BLADEN 4-H FUNDS	700
н1766	EAST ARCADIA GYM FUNDS	700
н1767	HARMONY HALL RESTORATION FUNDS	700
H1768	SAMPSON FIRE DEPARTMENT FUNDS	11,200
н1769	IVANHOE COMMUNITY BUILDING FUNDS	700
н1770	AUTRYVILLE OUTDOOR THEATRE FUNDS	700
н1771	SAMPSON COMMUNITY THEATRE FUNDS	700
H1772	PENDER FIRE DEPT FUNDS	4,900
н1773	ATKINSON PARK FUNDS	700
H1774	BURGAW DEPOT FUNDS	700
н1775	HENDERSON WATER PIPING SYSTEM FUNDS	8,000

BILL NUM. SHORT TITLE	1986-87 APPROP.
H1776 =NEW RIVER MENTAL HEALTH FUNDS	8,000
H1777 CALDWELL SHELTER HOME FUNDS	5,000
H1778 CALDWELL HOUSE INC., FUNDS	5,000
H1781 WESLEY HALL FUNDS	35,000
H1784 -WATERMELON/FARMER FESTIVAL FUNDS	1,000
H1785 =YAM FESTIVAL FUNDS	1,500
H1786 =GOOD SHEPHERD HOME FUNDS	7,000
H1787 =TABOR CITY REVITALIZATION FUNDS	5,000
H1788 =COLUMBUS ROAD SIGN FUNDS	5,000
H1789 =STRAWBERRY FESTIVAL FUNDS	1,000
H1791 BLACK FAMILY TASK FORCE FUNDS	5,000
H1792 ALAMANCE FRIENDS OF YOUTH FUNDS	10,000
H1793 FRENCH BROAD WATERFRONT FUNDS	13,000
H1796 WARREN/MARTIN/HALIFAX PROJECT FUNDS	35,000
H1798 COVE CREEK SENIOR CENTER FUNDS	5,000
H1799 DURHAM HOUSING AUTHORITY FUNDS	10,000
H1800 FUEL ASSISTANCE FUNDS	5,000
H1803 PITT RESCUE BUILDING FUNDS	10,000
H1805 TRIANGLE FIREMEN'S FUNDS	35,000
	35,000
	5,000
H1808 =BOGUE AREA BETTERMENT FUNDS	500
H1809 = COLUMBUS SENIOR CENTER FUNDS	4,000
H1810 =COLUMBUS HOSPICE FUNDS	2,000
H1812 PENDER BOOSTER CLUB FUNDS	700

BILL NUM.	SHORT TITLE	1986-87 APPROP.
H1814	PRINCETON VOLUNTEER FIRE DEPT FUNDS	20,000
н1817	PINEY GROVE SCHOOL FUNDS	10,000
н1818	SOUTH WAKE FUNDS	35,000
н1819	MARINE RESOURCES CENTER FUNDS	7,000
н1820	THOMS HOSPITAL FUNDS	12,000
H1821	CATAWBA MENTAL HEALTH FUNDS	20,000
н1823	JOHNSTON COUNCIL ON AGING FUNDS	5,000
H1824	ONSLOW/CARTERET 4-H FUNDS	10,000
н1825	WAGRAM DOWNTOWN REVITALIZATION FUNDS	5,000
H1827	ST. PAULS D'TOWN REVITALIZAT'N FUNDS	5,000
H1828	HOKE YOUTH RECREATION FUNDS	5,000
н1829	SCOTLAND COUNTY ARTS COUNCIL FUNDS	5,000
н1830	MAXTON DOWNTOWN REVITALIZATION FUNDS	7,500
н1833	MECKLENBURG SHELTER/ST MARKS FUNDS	35,000
н1835	CHARLOTTE AREA FUND, INC. FUNDS	5,000
н1836	ASSOCIATION FOR SICKLE CELL DISEASE	10,000
н1838	CHARLOTTE-MECKLENBURG YOUTH COUNCIL	10,000
H1840	MCCROREY BRANCH YMCA FUNDS	5,000
Н1841	KATIE B. HINES SENIOR CENTER FUNDS	10,000
H1842	WILMINGTON SHELTER FUNDS	5,000
H1843	CAPE FEAR REGIONAL THEATRE FUNDS	87,800
н1849	VARIOUS LOCAL PROJECTS FUNDS	35,000
н1850	PEMBROKE DEPOT RESTORATION FUNDS	10,000
н1851	LUMBER BRIDGE REVITALIZATION FUNDS	1,000
н1853	GRAHAM FIRE EQUIPMENT FUNDS	3,600

HOUSE BIII 2055

BILL NUM. SHORT TIT	LE	1986-87 APPROP.
H1854 SCOTLAND RECREATION DEP	I FUNDS	3,500
H1855 BLADEN COUNTY FIRE DEPAR	RTMENTS FUNDS	9,100
H1856 BLADEN IMPROVEMENT ASSO	CIATION FUNDS	700
H1857 JOHNSTON CONSERVATION D	IST FUNDS	10,000
H1858 DUPLIN EDUCATION FOUNDAY	rion funds	10,500
H1861 DUPLIN EXHIBITION CENTER	R FUNDS	14,000
H1863 ROANOKE RAPIDS H. S. REI	NOVATION FUNDS	10,000
H1864 LINCOLN HEALTH CENTER FU	JNDS	10,000
H1865 HAYTI DEVELOPMENT FUNDS		5,000
H1868 THEATRE IN THE PARK FUND)S	5,000
H1870 NORTH CAROLINA THEATRE	runds	15,000
H1871 STUDENTS AGAINST DRUNK	ORIVING FUNDS	22,000
H1874 ANSON/MONTGOMERY FIRE DE	EPT.FUNDS	35,000
H1875 WAYNE HISTORICAL ASSOCIA	ATION FUNDS	25,000
H1876 WAYNE CRISIS INTERVENTION	ON FUNDS	5,000
H1877 WAYNE PROJECTS FUNDS		45,000
H1878 ROBESON YOUTH DEVELOPMEN	IT FUNDS	3,500
H1879 SCOTLAND COUNTY LIBRARY	FUNDS	3,500
H1880 ROBESON EMERGENCY SERVICE		
H1881 OLD ROSENWALD BUILDING R	RENOVATION FUNDS	3,500
H1882 HOKE READING-LITERACY FU	INDS	
H1883 CAROLINA CIVIC CENTER FU	INDS	5,250
H1884 SCOTLAND HISTORICAL ASSO	CIATION FUNDS	
H1885 ROBESON RECREATION FUNDS	S	2,000
H1887 LIVING HISTORY FARM FUND	S	15,000

H1888 UNC/WCQS FUNDS 8,75 H1889 SAND CASTLE CHILDREN'S HOME 6,00 H1891 PENDER RESCUE AND FIRE FUNDS 13,00 H1892 COUNCIL ON STATUS OF WOMEN FUNDS 5,00	0 0 0 0
H1899 SAND CASILE CHIEDREN 5 HORD H1891 PENDER RESCUE AND FIRE FUNDS 13,000 H1892 COUNCIL ON STATUS OF WOMEN FUNDS 5,000	0 0 0 0
H1891 FENDER RESCOT AND TIME TOWN THE H1892 COUNCIL ON STATUS OF WOMEN FUNDS 5,00	0 0 0
H1892 COUNCIL ON BIRTON OF WORLD.	0 0
	0
H1893 WINSTON-SALEM URBAN LEAGUE FUNDS 5,00	
H1897 WINSTON-SALEM/FORSYTH YWCA FUNDS 5,00	n
H1898 EXPERIMENT IN SELF-RELIANCE FUNDS 15,00	
H1899 MINORITY BUSINESS DEVELOPMENT FUNDS 65,00	0
H1901 HOSPICE OF WAKE FUNDS 2,00	0
H1902 WAKE F.I.G.S. FUNDS 5,00	0
H1903 THEATRE IN THE PARK FUNDS 10,00	0
H1906 ASHEVILLE CENTER PRESERVATION FUNDS 20,00	0
H1908 TRI COUNTY WORKSHOP FUNDS 6,00	0
H1909 DALLAS BUILDINGS FUNDS 3,50	0
H1910 AFRO-AMERICAN CULTURE CENTER FUNDS 10,00	0
H1911 WESTSIDE COMMUNITY FUNDS 10,00	0
H1913 HAVEN HOUSE FUNDS 8,00	0
H1914 BLACK CHILD DEVELOPMENT FUNDS 25,00	0
H1915 RONALD MCNAIR SCHOLARSHIPS FUNDS 12,50	0
H1916 NEW HANOVER HIST. REST./HANDICAPPED FUND 36,00	0
H1918 HALIFAX EMS/SR CITZ/SHER ASSOC/VGW MH 105,00	0
H1920 SCARBOROUGH NURSERY FUNDS 2,50	0
H1920 SCARBOROUGH NORDERT TOWNS H1921 JOHN AVERY BOYS CLUB FUNDS 2,50	0
H1922 NORTHEAST CENTER FOR HUMAN DEVELOPMENT 2,50	0
H1923 HARRELLSVILLE CENTER REPAIR FUNDS 4,50	0

BILI NUM.		1986-87 APPROP.
H1924	NORTHAMPTON MUSEUM FUNDS	5,000
н1925	BLUE JAY VOLUNTEER FIRE DEPT FUNDS	5,000
н1926	BLUE JAY RECREATION FUNDS	5,000
н1927	HERTFORD ARTS ACADEMY FUNDS	7,500
н1928	GATES CO HISTORICAL SOCIETY FUNDS	3,000
н1929	ELIZABETHTOWN COMMUNITY BLDG LOT FUNDS	700
н1934	RALEIGH WOMEN'S CENTER FUNDS	4,000
н1935	PITT TOWN FUNDS	19,500
н1936	GREENE SCHOOL FUNDS	4,000
н1937	GREENE FIRE AND RESCUE FUNDS	9,000
н1938	AYDEN MUSEUM FUNDS	5,000
н1939	EAST CAROLINA UNIV. FUNDS	4,000
H1940	PITT HISTORICAL FUNDS	2,500
н1941	EASTERN PINES FIRE & RESCUE FUNDS	15,000
н1942	STRIKE AT THE WIND FUNDS	5,250
H1943	=CHATHAM WHITE PINES FUNDS	8,000
H1944	=JORDAN LAW ENFORCEMENT FUNDS	10,000
н1945	-CHATHAM CHILD DEVELOPMENT CTR FUNDS	3,000
н1946	SILER CITY HISTORY FUNDS	3,000
Н1947	CHATHAM TRANSPORTATION FUNDS	2,000
н1948	ORANGE AGING SERVICES FUNDS	5,500
н1949	PITTSBORO BICENTENNIAL FUNDS	3,000
н1950	ORANGE WOMEN'S CENTER FUNDS	2,500
н1951	COMMUNITY SHELTER PROJECT	3,000
H1952	CHATHAM HOSPICE FUNDS	5,000

BILL NUM.	SHORT TITLE	1986-87 APPROP.
H1953	ORANGE-PERSON-CHATHAM MENTAL HEALTH FUND	15,000
н1957	GREENE RECREATION/TRANSPORATION FUNDS	11,000
Н1958	PITT-GREENVILLE CHAMBER OF COMMERCE	1,000
н1959	PITT FARMERS MARKET FUNDS	5,000
н1960	PITT COMMUNITY COLLEGE FUNDS	1,000
н1961	PITT SENIOR CENTER FUNDS	2,500
н1962	PITT-GREENVILLE ARTS COUNCIL FUNDS	1,000
н1963	FAIRMONT LIBRARY FUNDS	10,000
н1964	GOLDSBORO ART LEAGUE FUNDS	10,000
н1965	WAYNE FIREMAN'S ASSOCIATION FUNDS	10,000
н1966	WAYNE COMMUNITY FUNDS	5,000
н1967	WACCAMAW FIRE DEPT & RESCUE SQUAD FUNDS	1,000
н1969	PILOT MTN RECREATION FUNDS	7,500
н1971	CITY OF DUNN FUNDS	8,000
н1972	HARNETT INDUSTRIAL DEVELOPM'T FUNDS	8,000
н1975	COLUMBUS ARTS COUNCIL FUNDS	3,000
н1976	HARNETT HOSPICE FUNDS	5,000
н1977	T.A.L.O. FUNDS	8,000
н1978	HARNETT COUNTY SCHOOL FUNDS	8,000
н1979	ASHE ARTS COUNCIL FUNDS	30,000
н1981	GALLERY PLAYERS FUNDS	13,000
н1982	BELGRADE COMMUNITY FUNDS	15,000
Н1983	SOUTH BRUNSWICK CHAMBER FUNDS	1,000
н1984	BRUNSWICK COMMUNITY FUNDS	3,500
н1985	GRIFTON RAILROAD DEPOT FUNDS	10,000

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BILL NUM.		1986-87 APPROP.
н1986	SNOW HILL ARTS CENTER FUNDS	1,000
н1987		5,000
н1988	WAKE CHILDREN'S FUNDS	1,000
н1989		5,000
н1990	WVSP PUBLIC RADIO FUNDS	5,000
.H1992	EDUCATIONAL SEARCH FUNDS	5,000
н1993	ELM CITY RESCUE FUNDS	5,000
H1994	WILSON OPPORTUNITIES INDUS CTR FUNDS	5,000
н1995	FAYETTEVILLE GROUPS FUNDS	31,100
н1996	NASH COUNTY FUNDS	29,000
H2000	RICHARD THOMPSON PARK FUNDS	6,500
H2001	PENDERLEA COMMUNITY BLDG FUNDS	700
H2002	CUMBERLAND SHELT'D WORKSHOP FUNDS	15,000
н2003	KIZITO PROJECT FUNDS	5,000
H2004	CABARRRUS FARMERS MKT FUNDS	35,000
н2006	THE RELATIVES FUNDS	15,000
H2007	SAMPSON ALUMNI FUNDS	700
н2008	ALLEGHANY HIGGINS CENTER FUNDS	10,000
H2010	YORK TAVERN/DOBSON COMMUNITY FUNDS	6,500
H2011	PASQUOTANK FIRE FUNDS	
H2012	CLEVELAND KIDNEY ASSOCIATION FUNDS	8,000
H2013	PITT HUMAN SERVICE PROJECTS FUNDS	8.000
H2014	CHICOD SCHOOL/PITT H. S. SCH FUNDS	7,800
H2015	JONES SENIOR CITIZENS FUNDS	7,000
H2016	HAYES TAYLOR YMCA FUNDS	15 000
-		

NUM. SHORT TITLE APPI	6-87 ROP.
H2017 RALEIGH ORATORIO SOCIETY FUNDS	3,000
H2018 ART SCHOOL FUNDS	0,000
H2020 WILSON COMMUNITY FUNDS	5,000
H2023 CLEVELAND COUNTY HOPICE FUNDS	5,000
H2027 FAYETTEVILLE GROUPS FUNDS 33	1,100
H2028 CHICAMACOMICO STATION FUNDS	0,000
H2029 CAMP OAK HILL FUNDS	3,000
H2033 EASTOVER COMM PKS/CUMBERLAND RESCUE FUND 3	0,000
H2034 PAGE-WALKER HOTEL FUNDS 1	5,000
H2036 CRESWELL POLICE FUNDS	0,000
H2037 YADKIN HANDICAPPED AREAS 2	5,000
H2038 HOKE CHILDREN'S CTR/LUMBERTON FIRE DEPT 2	6,000
H2039 J. C. CAMPBELL FOLK SCHOOL FUNDS	7,100
H2042 MITCHELL COMMUNITY BLDG. FUNDS	5,000
H2043 GREENVILLE A.M.E. ZION FUNDS	5,000
H2044 WOMEN'S FORUM FUNDS	1,000
H2045 NATIVE AMERICAN FUNDS	1,900
H2047 CLEVELAND LIBRARY FUNDS	4,000
H2048 POLK HOSPICE FUNDS	5,000
	0,000
H2051 MISSING MILL PARK FUNDS 1	0,000
H2053 WASHINGTON CIVIC CENTER FUNDS 1	5,000
H2054 ROCKINGHAM ECON DEV/STOKES COMM FUNDS 2	8,000
H2057 DUPLIN LAW ENFORCEMENT FUNDS	3,500
H2061 OLD FORT-MARION-MCDOWELL CO REC FUNDS 2	3,000

BILL NUM.	SHORT TITLE	1986-87 APPROP.
H2062	YOUTH OPP'TY HOMES/GLADE ST YMCA FUNDS	17,268
н2063	CHOCOWINITY COMMUNITY BLDG FUNDS	10,000
H2064	WAYNE HISTORICAL ASSOCIATION FUNDS	10,000
н2066	YANCEY COMMITTEE ON AGING FUNDS	15,000
н2067	GREENE RETARDED CITIZENS ASSOCIATION FUN	1,000
н2068	GATEKEEPER HOUSE FUNDS	10,000
H2070	GREENE SENIOR CITIZENS FUNDS	3,000
H2071	PITT TOBACCO FESTIVAL FUNDS	2,000
H2072	PENDER SENIOR CENTER FUNDS	700
H2074	LINCOLN/GASTON FIRE DEPT FUNDS	16,000
н2077	MCDOWELL ARTS & CRAFTS	40,000
H2082	LATHAM HOUSE FUNDS	10,000
H2087	TRANSYLVANIA COMMUNITY CENTER FUNDS	15,000
н2088	FRANKLIN PK POOL/WEST CAR RESCUE MISSION	18,250
H2094	DARE HOSPICE, INC. FUNDS	5,000
	TOTAL APPROPRIATIONS	3,797,168

Studies and Reports Authorized by the 1986 Session of the General Assembly

Subject: ACCESS (publication for disabled persons)
Auth: Chapter 1014 § 138 (HB 2055 - Rep. Watkins)
Report By: Departments of Commerce and Human Resources
Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: annually and quarterly

Subject: Adolescent Pregnancy and Premature Births*

Auth: Chapter 1032 § 1(2) (HB 2141 - F.p. Watkins); HB

2078 (Rep. Jeralds)

Report By: Legislative Research Commission

Report To: General Assembly
Date: 1987 Session

Subject: Alcohol and Drug Defense Program Expenditures
Auth: Chapter 1014 § 68 (HB 2055 - Rep. Watkins)

Report By: Department of Public Education

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: February 1, 1987

Subject: Campaign and Elections Procedures*

Auth: Chapter 1032 § 1(4) (HB 2141 - Rep. Watkins); SB

1002 (Sen. W. Martin)

Report By: Legislative Research Commission

Report To: General Assembly
Date: 1987 Session

Subject: Coastal Water Quality*

Auth: Chapter 1014 § 152 (HB 2055 - Rep. Watkins)

Report By: Legislative Research Commission

Report To: General Assembly Date: 1987 Session

Subject: Community Alternatives to Incarceration
Auth: Chapter 1014 § 205 (HB 2055 - Rep. Watkins)
Report By: Special Legislative Committee on Prisons

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: Not-specified

Subject: Community Service Workers in Parks

Auth: Chapter 1014 § 231(c) (HB 2055 - Rep. Watkins)
Report By: Department of Crime Control and Public Safety
Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: monthly

^{*}Study may or may not be funded by the Legislative Research Commission.

Subject: Community Service Workers in Parks

Auth: Chapter 1014 § 231(d) (HB 2055 - Rep. Watkins)
Report By: Department of Natural Resources and Community

Development

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: monthly

Subject: Community Work Experience Program

Auth: Chapter 1014 § 128(i) (HB 2055 - Rep. Watkins)

Report By: Legislative Services Commission

Report To: General Assembly (?)

Date: Not specified

Subject: Community Work Experience Program

Auth: Chapter 1014 § 128(k) (HB 2055 - Rep. Watkins)

Report By: Department of Human Resources

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: January 1987

Subject: Dental Program in Unserved Counties

Auth: Chapter 1014 § 103 (HB 2055 - Rep. Watkins)

Report By: Department of Human Resources

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: December 1, 1986

Subject: Disability Benefits for Teachers and State

Employees

Auth: Chapter 1014 § 50 (HB 2055 - Rep. Watkins)

Report By: Teachers' and State Employees' Retirement System

Board of Trustees

Report To: General Assembly - various officers

Date: 1987 Session (convening)

Subject: Dropout Program Effectiveness

Auth: Chapter 1014 § 70(2) (HB 2055 - Rep. Watkins)
Report By: Department of Public Education (Liaison Office)
Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: May 1, 1987

Subject: Federal Approval of AFDC Two Parent Eligibility
Auth: Chapter 1014 § 229(b) (HB 2055 - Rep. Watkins)
Report By: Department of Human Resources, Division of Social

Services

Report To: General Assembly - Appropriations Committee on

Human Resources

Date: 1987 Session

Governor's Security Subject:

Chapter 1014 § 174 (HB 2055 - Rep. Watkins) Auth:

Office of the Governor Report By:

General Assembly keport To: February 1, 1987 Date:

Hazardous Waste Field Inspectors Subject:

Chapter 1014 § 101 (HB 2055 - Rep. Watkins) Auth:

Department of Human Resources Report By:

General Assembly - various officers Report To:

February 1, 1987 Date:

Highway Construction Project Developer Agreements Subject:

Chapter 1018 § 3 (HB 968 - Rep. Watkins) Auth:

Department of Transportation Report By:

General Assembly - House and Senate Appropriations Report To:

Chairs

February 15, 1987 Date:

Highway Patrol Assignments Subject:

Chapter 1018 § 12 (HB 968 - Rep. Watkins) Auth: Crime Control and Public Safety, Secretary of Report By: General Assembly, Governmental Operations and Report To:

Fiscal Research Division

November 1, 1986 Date:

JTPA Funds Subject:

Date:

Chapter 1014 § 5(d) (HB 2055 - Rep. Watkins) Auth: Department of Natural Resources and Community Report By:

Development

General Assembly, Governmental Operations and Report To:

Fiscal Research Division after funds distributed

Kerr and Jordan Lake Law Enforcement Funds Subject: Chapter 1014 § 196 (HB 2055 - Rep. Watkins) Auth:

Chatham and Vance Counties keport By:

General Assembly, Governmental Operations and Report To:

Fiscal Research Division

December 1, 1986 Date:

Legislatively-mandated School Programs Subject:

Chapter 1014 § 230(1) (HB 2055 - Rep. Watkins) Auth:

Department of Public Education Report By:

General Assembly, Governmental Operations and Report To:

Fiscal Research Division

Not specified Date:

Low-Level Radioactive Waste Host State and Nuclear Subject:

Power Plants

Chapter 1014 § 132(b) (HB 2055 - Rep. Watkins) Auth:

Department of Human Resources Report By:

General Assembly, Governmental Operations and Report To:

Fiscal Research Division

December 1986 Date:

^{*}Study may or may not be funded by the Legislative Research Commission.

Subject: Low-Level Radioactive Waste Regulation*

Auth: Chapter 1032 § 1(3) (HB 2141 - Rep. Watkins); SB

882 (Sen. Tally)

Report By: Legislative Research Commission

Report To: General Assembly Date: 1987 Session

Subject: Nonpoint Source Pollution Control

Auth: Chapter 1014 § 149(a) (HB 2055 - Rep. Watkins)

Report By: Technical Review Committee

Report To: General Assembly - various officers

Date: Not specified

Subject: Pamlico Technical College Expenditures Chapter 1014 § 83 (HB 2055 - Rep. Watkins) Auth:

Report By: Department of Community Colleges Report To: General Assembly - various officers Date: 1987 Session - 30 days after convening

Subject: Preschool Screening/Evaluation Pilot Programs Auth: Chapter 1014 § 75 (HB 2055 - Rep. Watkins)

Department of Public Education Report By:

keport To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: February 1, 1987

Subject: Prescription Drug Funds for Disabled Persons Auth: Chapter 1014 § 105 (HB 2055 - Rep. Watkins) Report By: Department of Human Resources (Secretary) Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: quarterly

Subject: Prison Expenditures

Auth: Chapter 1014 § 218(b) (HB 2055 - Rep. Watkins) Department of Correction and State Budget and Report By:

Management

General Assembly, Governmental Operations and Report To:

Fiscal Research Division

Date: quarterly

Subject: Prison Floor Plans

Auth: Chapter '014 § 218(a) (HB 2055 - Rep. Watkins)

Report By: Department of Correction

keport To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: Prior to letting contracts

Subject: Prison Unit Improvement Plan

Auth: Chapter 1014 § 214 (HB 2055 - Rep. Watkins)

Report By: Department of Correction

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Prior to plan implementation Date:

^{*}Study may or may not be funded by the Legislative Research Commission. 187

Privatization of Prisons Subject:

Chapter 1014 § 204 (HB 2055 - Rep. Watkins) Auth:

Governmental Operations Report By: General Assembly (?) keport To:

Not specified Date:

Public School Employee Salary Schedules Subject:

Auth:

Chapter 1014 § 58 & 59 (HB 2055-Rep. Watkins); SB 1269-Sen. Ward, et al; HB 1919-Rep. Watkins Legislative Commission on Salary Schedules for

Public School Employees

General Assembly - various officers; State Board Report To:

of Education

March 1, 1987 Date:

Report By:

Reserve for Advance Planning Expenditures Subject: Chapter 1014 § 181 (HB 2055 - Rep. Watkins) Auth:

Division of State Construction Report By:

General Assembly, Governmental Operations and Report To:

Fiscal Research Division

Before and after expenditures made Date:

Respite Care Subject:

Chapter 1014 § 7.1(g)(1) (HB 2055 - Rep. Watkins) Auth: Department of Human Resources, Division of Aging Report By: General Assembly, Governmental Operations and Report To:

Fiscal Research Division

annually by May 1 Date:

Roads Act Provisions* Subject:

Chapter 1032 § 2 (HB 2141 - Rep. Watkins); SB 866 Auth:

(Sen. Redman)

Legislative Research Commission Report By:

General Assembly Report To: 1987 Session Date:

School Physical Education Programs Subject:

Chapter 1014 § 71 (HB 2055 - Rep. Watkins) Auth:

State Board of Education Report By:

General Assembly - various officers Report To:

February 1, 1987 Date:

School Texts for Visually Impaired Subject:

Chapter 1014 § 72 (HB 2055 - Rep. Watkins) Auth:

State Board of Education Report By:

General Assembly, Governmental Operations and Report To:

Fiscal Research Division

March 1, 1987 Date:

Solid Waste Positions and Landfills Subject:

Chapter 1014 § 102(b) (HB 2055 - Rep. Watkins) Auth:

Department of Human Resources Report By:

General Assembly - various officers Report To:

February 1, 1987 Date:

^{*}Study may or may not be funded by the Legislative Research 188 Commission.

Subject: South Central Deinstitutionalization Project Auth: Chapter 1014 § 112 (HB 2055 - Rep. Watkins)

Report By: Department of Human Resources

Report To: General Assembly
Date: 1987 Session

Subject: State Agency Laboratories

Auth: Chapter 1014 § 190 (HB 2055 - Rep. Watkins)

Report By: Governmental Operations Subcommittee

Report To: General Assembly, Governmental Operations

Date: 1987 Session (convening)

Subject: State Agency Reorganizations

Auth: Chapter 1014 § 237 (HB 2055 - Rep. Watkins)

Report By: State Budget and Management and affected agencies
Report To: General Assembly, Governmental Operations and

Fiscal Research Division Prior to reorganizations

Subject: State Cancer Registry Program

Auth: Chapter 1014 § 141 (HB 2055 - Rep. Watkins)

Report By: Department of Human Resources, Division of Medical

Assistance

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: Not specified

Date:

Date:

Subject: State Parks Land Acquisition Plans

Auth: Chapter 1014 § 231(b) (HB 2055 - Rep. Watkins)
Report By: Department of Natural Resources and Community

Development

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: December 15, 1986

Subject: Teacher Effectiveness Training Compensation Auth: Chapter 1014 § 54 (HB 2055 - Rep. Watkins)

Report By: State Board of Education

Report To: General Assembly, Governmental Operations and

Fiscal Research Division 1987 Session (convening)

Subject: Teacher Effectiveness Training Survey
Auth: Chapter 1014 § 54 (HB 2055 - Rep. Watkins)

Report By: State Board of Education

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: 1987 Session (convening)

Subject: Uniform System of Voting Machines*

Auth: Chapter 1032 § 1(1) (HB 2141 - Rep. Watkins); HB

1664 (Rep. Wood)

Report By: Legislative Research Commission

Report To: General Assembly Date: 1987 Session

*Study may or may not be funded by the Legislative Research Commission.

Subject: Use of Community Service Workers in State Parks
Auth: Chapter 1014 § 142 (HB 2055 - Rep. Watkins)

Report By: Department of Natural Resources and Community

Development

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: October 1, 1986 and quarterly

Subject: Used Tire and Waste Oil Disposal*

Auth: Chapter 1032 § 12.2 (HB 2141 - Rep. Watkins),

amendment by Sen. Barnes

Report By: Legislative Research Commission

Report To: General Assembly Date: 1987 Session

Subject: Veterans Cemetery Study*

Auth: Chapter 1032 § 1(5) (HB 2141 - Fep. Watkins); HB

2117 (Rep. Lancaster)

Report By: Legislative Research Commission

Report To: General Assembly Date: 1987 Session

Subject: Visually Impaired Textbook Expenditures
Auth: Chapter 1014 § 73 (HB 2055 - Rep. Watkins)

Report By: Department of Public Education

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: March 1, 1987

Subject: Waste and Pollutant Regulation

Auth: Chapter 1014 § 150 (HB 2055 - Rep. Watkins)

Report By: Specified committee

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: Not specified

Subject: Youthful Offenders Forestry Program Plan
Auth: Chapter 1014 § 209 (HB 2055 - Rep. Watkins)
Report By: Departments of Correction and Natural Resources

and Community Development

Report To: General Assembly, Governmental Operations and

Fiscal Research Division

Date: Prior to plan implementation

S-031C

*Study may or may not be funded by the Legislative Research Commission.

ADDITIONAL SUPPLEMENTAL LOCAL GOVERNMENT SALES AND USE TAX ACT HOUSE BILL 1542 (CHAPTER 906)

History of Local Sales Tax:

The 1971 General Assembly authorized a local-option 1% sales tax to be collected by the state and distributed back to cities and counties on a quarterly basis. The proceeds of the tax are allocated to each county area on a point of origin basis. Within the county, proceeds are allocated between the county and cities based either on population or ad valorem levies (choice of county commissioners). There is no restriction as to the use of the proceeds by cities and counties. All 100 counties have adopted this tax.

The 1983 General Assembly authorized an additional 1/2% local-option sales tax. The tax is collected by the state and distributed to local units on the basis of population. For the first five years counties must use at least 40% of their proceeds for public school capital construction (including retirement of existing school bonds); the earmarking falls to 30% for the second five-year period. Cities must spend the same percentages on water and sewer facilities. The tax has been authorized in 99 counties.

Explanation of Ratified Bill:

Authorizes any county that levies both the 1% and the 1/2% local-option sales taxes to levy an additional 1/2% tax. The tax would be collected by the state and distributed to cities and counties on the basis of population.

The bill restricts the use of the proceeds by each local government unit as follows:

Counties

(1) For the first 11 years that the tax is in effect (first year is counted as full year regardless of when tax levied during year), counties are required to spend a fixed portion of new tax revenue for public school capital outlay (including retirement of public school debt issued within the five years prior to the date the new tax took effect), according to the following schedule:

Years	1-2	60%
Years	3-4	50
Years	5-8	40
Years	9-10	30
Years	11	20

- (2) As in the 1983 local sales tax authorization, a county may petition the Local Government Commission of the Department of State Treasurer for a variance from the earmarking requirement. A variance may be granted if the county can demonstrate that it can meet its public school capital needs without restricting the new revenue.
- (3) The bill requires the Local Government Commission to report to the General Assembly by February 15 of each year on the level of each county's appropriation to public school capital (including retirement of school debt and funds placed in a reserve for retirement of debt). The report shall contain the following information for each county:
 - (a) public school capital outlay for a minimum of at least the most recent five-year period;
 - (b) estimates of public school facility needs;
 - (c) the proportion of the 1983 authorized 1/2% sales tax used for public school outlay (including retirement of public school debt;
 - (d) the proportion of revenue from this bill that is used for public school capital outlay (including retirement of public school debt); and
 - (e) any other factors that would enable the Commission to determine whether a county has complied with legislative intent.
- (4) The bill authorizes a local school board to petition the Local Government Commission for a written opinion that a county has not provided sufficient funding for public school capital, relative to its resources, and that the county has not complied with the intent of the bill.

Municipalities

- (1) For the first five fiscal years in which the new levy is in effect, each city located in a taxing county must spend at least 40% of the additional revenue for water and sewer facilities (including the retirement of water and sewer bonds). For the next five years, the proportion drops to 30%.
- (2) As in the 1983 local sales tax authorization, a city may petition the Local Government Commission for a variance from the earmarking requirement. The Commission may allow a variance if the city can demonstrate that it can meet its water and sewer capital needs without the earmarking of the new revenue. In making its

funding the Commission must issue a written decision that states the portion of the restricted funds that is waived. A city that is denied part or all of this petition may submit a new petition.

(3) A city can spend all of its earmarked proceeds in the year in which the dollars are received, or it may place all or part of the revenue in a designated capital reserve.

Effective Date:

Upon ratification.

Fiscal Effect:

If all 100 counties levied the tax effective September 1, 1986, the annual additional revenue generated would be as follows:

Collection Basis (\$ Million)

Counties	Cities	Total
\$ 99.1		\$137.6
142.6	55.5	198.1
154.0	59.9	213.9
	\$ 99.1	\$ 99.1 142.6 55.5

A more detailed breakdown of future collections under the bill is shown on next pages.

ESTIMATED ADDITIONAL REVENUE FROM SCS FOR HB1542

	COUNTIES	EARMARKING	CITIES	EARMARKING	
	SHARE	FOR	SHARE	FOR	TOTAL
	OF	PUBLIC	OF	WATER	REVENUE
FICSAL	НВ	SCHOOL	HB	AND	UNDER
YEAR	1542	CAPITAL	1542	SEWER	HB1542
86-87	\$99.1	\$59.5	\$38.3	\$15.3	\$136.7
87-88	142.6	85.6	55.5	22.2	198.1
88-89	154.0	77.0	59.9	24.0	213.9
89-90	166.3	83.2	64.7	25.9	231.0
90-91	179.6	71.9	69.9	27.9	249.5
91-92	194.0	77.6	75.4	22.6	269.5
92-93	209.5	83.8	81.5	24.4	291.0
93-94	226.3	90.5	88.0	26.4	314.3
94-95	244.4	73.3	95.0	28.5	339.4
95-96	263.9	79.2	102.6	30.8	366.6
96-97	285.1	57.0	110.9		395.9
TOTAL	\$2,164.9	\$838.5	\$841.6	\$248.1	\$3,005.9

ESTIMATED REVENUES UNDER HB1542 (WITH SENATE AMENDMENT)

		Estimated		Amount		Amount
	Estimated	Local-Option		Earmarked		Earmarked
	Population	Sales Tax Revenue	Counties'	For School	Cities'	For Water
County	July 1, 1985	1987-88	Share	Capital	Share	& Sewer
Alamance	102,475	\$3,258,500	\$2,095,216	\$1,257,129	\$1,163,285	\$465,314
Alexander	26,875	854,571	819,534	491,720	35,037	14,015
Alleghany	10,032	318,998	271,148	162,689	47,850	19,140
Anson	26,551	844,269	648,398	389,039	195,870	78,348
Ashe	23,547	748,748	682,858	409,715	65,890	26,356
Avery	15,084	479,641	406,256	243,754	73,385	29,354
Beaufort	43,168	1,372,656	1,030,865	618,519	341,791	136,717
Bertie	21,590	686,519	547,155	328,293	139,363	55,745
Bladen	30,932	983.576	796,696	478,018	186,879	74,752
Brunswick	44,272	1,407,761	1,220,529	732,317	187,232	74,893
Buncombe	167,299	5.319.774	3,851,516	2,310,910	1,468,258	587,303
Burke	75,539	2,401,989	1,827,914	1,096,748	574,075	, 229,630
Cabarrus	93,133	2,961,443	2,457,998	1,474,799	503,445	201,378
Caldwell	68,556	2,179,944	1,597,899	958,739	582,045	232,818
Camden	5,917	188,149	188,149	112,889	0	. 0
Carteret	48,162	1,531,455	1,015,355	609,213	516,100	206,440
Caswell	22,326	709,922	708,502	425,101	1,420	568
Catawba	112,088	3,564,174	2,534,128	1,520,477	1,030,046	412,019
Chatham	35.285	1,121,992	942,474	565,484	179,519	71,808
Cherokee	20,169	641,334	536,155	321,693	105,179	42,072
Chowan	12,960	412,102	319,791	191,875	92,311	36,924
Clay	7,152	227,419	217,413	130,448	10,006	4,003
Cleveland	84,549	2,688,489	1,962,597	1,177,558	725,892	290,357
Columbus	52,096	1,656,549	1,311,986	787,192	344,562	137,825
Craven	76,955	2,447,015	1,933,142	1,159,885	513,873	205,549
Cumberland	255,453	8,122,894	6,270,875	3,762,525	1,852,020	740,808
Currituck	13,519	429,877	429,877	257,926	0	0
Dare	16,583	527,306	390,207	234,124	137,100	54,840
Davidson	118,179	3,757,856	2,934,885	1,760,931	822,970	329,188
Davie	27,834	885,066	788,593	473,156	96,472	38,589
Duplin	41,483	1,319,076	1,017,008	610,205	302,069	120,827
Durham	160,935	5,117,411	3,034,625	1,820,775	2,082,786	833,115
Edgecombe	58,329	1,854,746	1,177,763	706,658	676,982	270,793
Forsyth	258,323	8,214,155	5,150,275	- 3,090,165	3,063,880	1,225,552
Franklin	32,049	1,019,094	927,376		91,718	36,687
Gaston	170,262	5,413,991	3,638,202	2,182,921	1,775,789	710,316

		Estimated		Amount		Amount
	Estimated	Local-Option		Earnarked		Earmarked
	Population	Sales Tax Revenue	Counties'	For School	Cities'	For Water
County	July 1, 1985	1987-88	Share	Capital	Share	& Sewer
Gates	9,184	\$292,033	\$280,352	\$168,211	\$11,681	\$4,673
Graham	7,105	225,925	188,421	113,053	37,504	15,001
Granville	36,909	1,173,632	906,044	543,627	267,588	107,035
Greene	16,757	532,839	492,876	295,726	39,963	15,985
Guilford	327,959	10,428,440	6,100,638	3,660,383	4,327,803	1,731,121
Halifax	56,222	1,787,747	1,212,093	727,256	575,655	230,262
Harnett	63,221	2,010,301	1,547,932	928,759	462,369	184,948
Haywood	47,469	1,509,419	1,156,215	693,729	353,204	141,282
Henderson	66,304	2,108,335	1,872,201	1,123,321	236,133	94,453
Hertford	23,965	762,039	550,192	330,115	211,847	84,739
Hoke	22,884	727,665	619,971	371,983	107,694	43,078
Hyde	6,013	191,201	191,201	114,721	0	, 0
Iredell	86,783	2,759,526	2,061,366	1,236,819	698,160	279,264
Jackson	27,635	878,738	818,105	490,863	60,633	24,253
Johnston	74,899	2,381,638	2,014,866	1,208,920	366,772	146,709
Jones	9,840	312,892	290,677	174,406	22,215	8,886
Lee	39,705	1,262,540	881,253	528,752	381,287	152,515
Lenoir	61,268	1,948,200	1,426,082	855,649	522,113	208,847
Lincoln	44,798	1,424,487	1,262,095	757,257	162,391	64,957
Macon	23,528	748,143	647,892	388,735	100,251	40,100
Madison	17,107	543,968	450,950	270,570	93,019	37,207
Martin	26,567	844,777	700,321	420,192	144,457	57,783
McDowell	36,813	1,170,580	1,042,987	625,792	127,593	51,037
Mecklenburg	437,898	13,924,281	8,187,477	4,912,486	5,736,804	2,294,721
Mitchell	14,295	454,552	380,006	228,003	74,547	29,819
Montgomery	23,828	757,683	577,354	346,413	180,328	72,131
Moore	54,722	1,740,050	1,278,937	767,362	461,113	184,445
Nash	70,912	2,254,860	1,513,011	907,807	741,849	296,740
New Hanover	112,565	3,579,342	2,480,484	1,488,290	1,098,858	439,543
Northampton	22,253	707,601	547,683	328,610	159,918	63,967
Onslow	121,891	3,875,890	3,174,354	1,904,612	701,536	280,614
Orange	81,777	2,600,345	1,664,221	998,532	936,124	374,450
Pamlico	10.792	343,164	314,681	188,809	28,483	11,393
Pasquotank	28,884		651,183	390,710	267,270	106,908
Pender	24,114	766,777	677,831	406,699	88,946	35,578
Perquimans	9,905	314,959	247,558	148,535	67,401	26,961

		Estimated		Amount		Amount
	Estimated	Local-Option		Earmarked		Earmarked
	Population	Sales Tax Revenue	Counties'	For School	Cities'	For Water
County	July 1, 1985	1987-88	Share	Capital	Share	& Sewer
Person	30,477	\$969,108	\$825,680	\$495,408	\$143,428	\$57,371
Pitt	97,164	3,089,621	1,964,999	1,178,999	1,124,622	449,849
Polk	14,777	469,879	379,192	227,515	90,687	36,275
Randolph	97,258	3,092,610	2,396,773	1,438,064	695,837	278,335
Richmond	45,347	1,441,944	1,033,874	620,324	408,070	163,228
Robeson	107,243	3,410,113	2,543,944	1,526,367	866,169	346,467
Rockingham	86,323	2,744,899	1,954,368	1,172,621	790,531	316,212
Rowan	103,020	3,275,830	2,427,390	1,456,434	848,440	339,376
Rutherford	57,032	1,813,504	1,521,529	912,918	291,974	116,790
Sampson	50,636	1,610,124	1,305,810	783,486	304,313	121,725
Scotland	34,196	1,087,364	961,230	576,738	126,134	50,454
Stanly	49,608	1,577,435	1,108,937	665,362	468,498	. 187,399
Stokes	35,597	1,131,913	1,107,011	664,207	24,902	9,961
Surry	60,447	1,922,094	1,595,338	957,203	326,756	130,702
Swain	10,954	348,315	302,338	181,403	45,978	. 18,391
Transylvania	25,217	801,850	718,458	431,075	83,392	33,357
Tyrrell	4,171	132,629	123,611	74,166	9,019	3,608
Union	78,104	2,483,551	2,091,150	1,254,690	392,401	156,960
Vance	38,245	1,216,115	861,009	516,605	355,105	142,042
Wake	340,202	10,817,743	6,350,015	3,810,009	4,467,728	1,787,091
Warren	16,178	514,428	456,812	274,087	57,616	23,046
Washington	14,556	462,852	327,236	196,342	135,616	54,246
Watauga	34,973	1,112,071	719,510	431,706	392,561	157,024
Wayne	99,282	3,156,969	2,165,681	1,299,408	991,288	396,515
Wilkes	61,045	1,941,109	1,752,821	1,051,693	188,288	75,315
Wilson	65,301	2,076,441	1,503,343	902,006	573,098	229,239
Yadkin	29,756	946,181	803,308	481,985	142,873	57,149
Yancey	15,521	493,537	450,599	270,359	42,938	17,175
Total	6,229,062	\$198,071,713	\$143,844,835	\$86,306,901	\$54,226,878	\$21,690,751

INSURANCE PREMIUMS TAX RE-WRITE HOUSE BILL 2103 (CHAPTER 1031)

History of Tax Rates:

(1) Prior to 1985 the rates for the major insurance lines were as follows:

	DOMESTIC	FOREIGN
Life & Annuities	1.5%	2.5%
Fire & Casualty	1.0	2.5
Workers' Compensation	1.6	4.0

(2) The 1985 General Assembly increased all rates up to the foreign level and established a system of tax credits that put the liability of companies with headquarters or a principal place of business in North Carolina back to the previous domestic rate level.

1986 Legislation:

(1) Effective for the 1986 and 1987 tax years, the bill:

(a) established a uniform premium tax rate of 1.75% (2.50%)

for workers' compensation);

(b) required all companies whose annual tax liability is \$10,000 or more to remit 75% of their estimated liability in three installment payments during tax year (current requirement applies only to companies chartered in states that require North Carolina companies to remit quarterly);

(c) required the tax on annuities to be assessed as premiums

are paid instead of when the proceeds distributed;

(d) allowed a tax credit for up to 50% of retaliatory taxes

paid to other states; and

- (e) authorized the Commissioner of Insurance to allow tax credits for distressed lines of insurance, with the total statewide credits limited to 5% of total premium taxes.
- Beginning with the 1988 tax year, the complete premium tax system is repealed. This action implies an intent for the 1987 General Assembly to review the entire system. The bill contains language that the objective of the General Assembly is for insurance premium tax rate changes to be revenue neutral and that the annualized impact of the bill (at the 1.75% rate) is a reduction of \$16 million in tax revenue.

Fiscal Effect

Would reduce General Fund revenue by \$3.3 million for 1986-87 and \$.9 million for 1987-88. For 1988-89, complete repeal of the insurance premiums tax system reduces tax revenue by \$179.4 million.

OTHER REVENUE BILLS

GENERAL FUND

BILL	SESSION LAWS CHAPTER	EXPLANATION	EFFECTIVE DATE	FISCAL 1986-87	EFFECT 1987-88
нв 2103	1031	Restructures insurance premiums tax system.	(See page	198 for det	ails) 、
нв 883	953	Allows a sales tax exemption for farm products sold in original condition if sold by producer who occasionally acts in capacity of retail vendor.	8/1/86	-500,000	-600,000
SB 488	973	Allows a sales and use tax exemption for materials used in construction, renovation, or repair of livestock or poultry buildings.	8/1/86	-495,000	-625,000
SB 905	854	Increases minimum franchise tax on corporations from \$10 to \$25.	1987 tax year		+455,000
нв 1608	909	Extends additional \$1,100 personal income tax exemption for paraplegics to persons claiming them as dependents.	1986 income year	Negl.	Negl.
нв 1445	1007	Allows merchants who remit sales and use tax on a semi-monthly basis to file on an estimated basis. If any underpayment amounts to more than 10% of the actual amount due, the normal interest rate may be assessed by the Secretary of Revenue.	8/1/86	-62,500 or less	-81,000 or less

BILL	SESSION LAWS CHAPTER	EXPLANATION	EFFECTIVE DATE	FISCAL 1986-87	EFFECT 1987-88
SB 1446	825	Clarifies law that multi- state corporation must add back to its apportioned income (in- stead of income before apportionment) for North Carolina tax purposes the amount of any tax credit for property taxes paid on inventories.	1986 income year	+300,000	+315,000
SB 906	1005	Clarifies law that preferential sales and use tax treatment for mill machinery does not apply to retail food establishments.	Upon Rat.	None	None
HB 2114	947	(1) Clarifies law that state income tax credit for property taxes paid on manufacturing inventory does not apply to inventory not manufactured by taxpayer.	1986 income year	Negl.	Negl. /
	1	(2) Makes numerous other technical changes to inventory tax relief provisions.	1986 tax year	Negl.	Negl.
нв 1467	822	(1) Adjusts the inheritance tax filing thresholds based on 1985 increase in tax credits.	7/1/86	None	None
		(2) Makes other technical changes to inheritance tax law.	7/1/86	None	None
SB 901	985	(1) Clarifies law that per pump privilege license tax on service stations applies	7/1/86	None	None
		to number of nozzles.		4. (

BILL	SESSION LAWS CHAPTER	EXPLANATION	EFFECTIVE DATE	FISCAL 1986-87	EFFECT 1987-88
		(2) Clarifies law that a savings bank is not subject to privilege license tax on savings and loan associations.	Upon Rat.	None	None
SB 903	983	Eliminates requirement that partnership of 10 or less partners file a partnership return if the partners adequately report their income, deductions, and credits on their individual returns.	1986 income year	None	None
SB 904	853	Updates Internal Revenue Code references in state inheritance and income tax law from December 31, 1984 to January 1, 1986 (reduces maximum depreci- ation on automobiles, lengthens real estate depreciation life from 18 years to 19 years, and makes changes in depreciation period for low-income housing).	1986 tax year	Negl.	Negl.
нв 1447	819	Allows a privilege license tax exemption for receipts of nonprofit centers for performing and visual arts that are generated from admission to occasional showings of motion pictures.	7/1/86	Negl.	Negl.
нв 1448	901	Clarifies law that sale of golf cart and battery recharger will be treated as one transaction for sales and use tax purposes.	7/1/86	Negl.	Negl.

BILL	SESSION LAWS CHAPTER	EXPLANATION	EFFECTIVE DATE	FISCAL 1986-87	EFFECT 1987-88
нв 1449	820	Removes requirement that corporate office must sign estimated corporate income tax return.	Upon Rat.	None	None
нв 1451	821	Clarifies law that a gift tax return must be filed if gift exceeds \$10,000 annual exclusion.	7/1/86	None	None
SB 1273	925	Allows a sales and use tax exemption for motor vehicles transferred from an individual to a partnership or corporation upon the formation of the new organization.	9/1/86	Negl.	Negl.
SB 855	863	Extends sales tax refund for area mental health centers to include area substance abuse authorities.	8/1/86	Negl.	Negl.
SB 879	928	Clarifies insurance premiums tax and adjusts fees assessed by Commissioner of Insurance	Varies according to fee	Negl.	Negl.
нв 1451	821	Makes numerous minor technical changes to state tax laws.	1986 calendar year	Negl.	Negl.

HIGHWAY FUND

BILL	SESSION LAWS CHAPTER	EXPLANATION	EFFECTIVE DATE	FISCAL 1986-87	EFFECT 1987-88
SB 866	982	"Road to the Future Act"	(See pages for detai	103, 232, .ls)	233
нв 1580	937	Makes numerous technical changes to fuel tax law.	Upon Rat.	None	None

LOCAL REVENUE

BILL	SESSION LAWS CHAPTER	EXPLANATION	EFFECTIVE DATE	FISCA 1986-87	L EFFECT 1987-88
нв 1542	906	"Additional Supplemental	(See page details)	s 191 to 1	97 for
		Local Sales Tax Act"			
SB 866	982	Excludes household personal property from property tax base.	1/1/87	-	-24,80,0,000
SB 488	973	Allows a sales and use tax exemption for materials used in construction, renovation, or repair of livestock or poultry buildings.	8/1/86	-320,000	-415,000
SB 883	953	Allows a sales tax exemption for farm products sold in original condition by producer who occasionally acts in capacity of retail vendor.	8/1/86	-305,000	-325,000

Appendix

Appendix

TREND DATA

GENERAL FUND REVENUE (MILLIONS)

TAX REVENUE

NON-TAX REVENUE

Fiscal Year	Income Tax	Sales & Use Tax	Other Taxes	Total	Income From Treasurer's Investments	Other Sources	Federal Revenue Sharing	Total	Total Gener Fund Reven
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	T	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
1984-85	2,513.4	1,155.8	667.5	4,336.7	131.0	57 . 9	1.5	190.4	4,527.1
1985-86	2,717.4	1,380.4	596.7	4,694.5	151.0	65.4	-	216.4	4,910.9

TREND DATA GENERAL FUND EXPENDITURES (MILLIONS)

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Fiscal Year	Current Operating Expense	Debt Service Expense	Capital Improvement Appropriations	Total General Fund Expenditures
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
198081	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
1984-85	4,112.0	76.0	212.5	4,400.5
1985-86	4,645.0	73.4	253.5	4,971.9

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

TREND DATA GENERAL FUND CREDIT BALANCE (MILLIONS)

Fiscal Year	General Fund Balance-July 1	General Fund Revenue	General Fund Expenditures	General Fund Balance-June 30
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
1969-79	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
1984-85	253.5	4,527.1	4,400.5	380.1
1985-86	380.1	4,910.9	4,971.9	319.1

TREND DATA

GENERAL FUND REVERSIONS

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Year	Net Reversions (Millions)	% of Operating Expenditures
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
19,77-78	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
1984-85	131.6	3.1
1985-86	152.6	3.2

TREND DATA

PERMANENT STATE POSITIONS

	Year	Public Schools	Other General <u>Fund</u>	Total General Fund	Total Highway Fund	Receipts Supported	Grand Total
	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
1	1980-81	89,886	61,616	151,502	15,258	14,181	180,941
1	1981-82	88,978	61,795	150,773	14,818	14,042	179,633
1	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
1	1984-85	90,123	65,001	155,124	14,627	13,839	183,590
1	1985-86	93,459	65,915	159,374	14,984	13,980	188,338
]	1986-87	94,050	66,854	160,904	15,039	13,940	189,883

^{*}Data not available.

SUMMARY OF PERMANENT POSITIONS (July 1, 1986)

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DEPARTMENT	GENERAL FUND	HIGHWAY FUND	RECEIPTS- SUPPORTED	TOTAL POSITIONS
General Assembly	99	_		99
Judicial Department	3,776.6	-	35.45	3,812.05
Governor's Office	169	_	49	218
Lt. Governor's Office	10	-	-	10
Secretary of State	76	_	-	76
State Auditor	164	_	6	170
State Treasurer	66	_	156.5	222.5
State Board of Education	725.57	-	282.17	1,007.74
Public Schools	94,049.5	-	-	94,049.5
Department of Justice	846.25	_	52.75	899
Department of Agriculture	973.25	69	313.75	1,356
Department of Labor	164.2	-	122.8	287
Department of Insurance	221	-	59	280
Department of Administration	816.8	-	369.48	1,186.28
Natural Resources and Comm. Dev.	1,575	_	1,011.5	2,586.5
Human Resources	15,207.21	12.8	2,546.12	17,766.13
Department of Correction	7,700.4	-	248	7,948.4
Department of Commerce	433	-te	2,242	2,675
Department of Revenue	995	34	15	1,044
Department of Cultural Resources	555.5	date	55.75	611.25
Office of Administrative Hearings	7.00	_	-	7.00
Crime Control and Public Safety	397.05	1,498	169.25	2,064.3
Board of Governors	22,352.05	-	6,167.57	28,519.62
Math and Science High School	107	_	8.25	115.25
Department of Community Colleges	212.5	-	19.5	232
Community Colleges (Institutions)	9,199.7	-	-	9,199.7
State Board of Elections	5.75	_	-	5.75
Department of Transportation	-	13,425.3	10.0	13,435.3
TOTAL	160,904.33	15,039.1	13,939.84	189,883.27

TREND DATA

AVERAGE SALARY OF EMPLOYEES SUBJECT

TO THE PERSONNEL ACT

Year	Average Salary
196667	\$ 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
1985-86	18,742
1986-87	20,066

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.

IREND DATA LEGISLATIVE INCREASES

Year	State Employees	Teachers
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/hour	5%+(employment extended 187 to 200 days = 7% salary increase and 1 step added to schedule)
1974-75	7.5%	7.5%
1975-76	w () w	~ Q ~
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-
1983-84ª	5%	5%
1984-85 ^a	10%	10% + 4.8% salary classification adjustment
1985-86 ^b	5% + 1 step increase (9.6%)	1-step increase (4.8%) - second-year teacher 2-step increase (9.6%) - 3rd year or more teacher
1986-87	\$75 month (average 6%)	6.5%

a Salary increment program frozen

b Conditional upon continuous employment for one year

TREND DATA

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

Year	General Fund	Highway Fund
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 Increa	ase 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
1985-86	32.10	2.50
1986-87	36.45	2.66

⁽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.

1986 Legislative Session

MAJOR CHANGES IN EMPLOYEE SALARIES, RETIREMENT AND HEALTH BENEFITS

Salaries

At an additional cost of more than \$227 million from the General and Hrghway Funds for 1986-87, the General Assembly enacted the following salary increases. Most state employees and non-certified public school personnel (other than bus drivers) received a \$75 across-the-board monthly increase and the opportunity to receive an additional two one-quarter step increases on their respective salary schedules based upon merit. The additional merit salary step increases are to be awarded by each employing agency, limited to 1.2% of each agency's payroll, provided the employees receiving the step increases have at least two continuous years of employment.

Public school teachers and assistant principals and teaching and related educational classes of employees (counselors, librarians, supervisors, directors, etc.) in State departments and institutions received a 6.5% across-the-board salary increase. Teaching classes of employees in State departments and institutions were furthermore exempted from the State salary plan in order for their salaries to be set in the same manner as for comparable public school personnel. The majority of these employees are employed by the Departments of Correction and Human Resources.

Community college institutional employees, certified public school personnel other than teachers and assistant principals, public school bus drivers, and state employees whose salaries are set by statute (i.e., Council of State, Governor's Cabinet, Judges, Superior Court Clerks, etc.) received a 5.0% across-the-board salary increase. The Governor's annual salary was increased from \$98,196 to \$100,000. Legislators received the same \$75 across-the-board monthly salary increase that state employees received.

University employees exempt from the personnel act received a 4.0% across-the-board salary increase plus an additional 1.0% increase in lieu of merit and longevity pay to be distributed in accordance with the policies of the University System.

Retirement

Teachers, state employees, Judges, Superior Court Clerks, District Attorneys, and local government employees who retired on or before July 1, 1985, received a 3.8% increase in their retirement allowances. The same employees who retired between July 1, 1985, and June 30, 1986, received a pro-rata amount of the 3.8% increase in retirement allowances based upon their retirement dates. Legislators who retired on or before January 1, 1986, from the Legislative Retirement System received, for the first time, the same increases in retirement allowances that retired teachers and state employees received in 1984 and 1985 after the creation of the Legislative Retirement System (12.0%). These increases in retirement allowances were

financed by one-time appropriations from the General Fund for 1986-87 in the amount of \$3,196,000, plus \$134 million in unencumbered actuarial gains in the Teachers' and State Employees', Consolidated Judicial, and the Local Governmental Employees' Retirement Systems.

At an additional cost to the General Fund of \$2,600,000 for 1986-87, the General Assembly enacted, effective July 1, 1986, an increase in the pensions for firemen and rescue squad workers from \$75 to \$100 per month. This increase applied to current pensioners and to those entitled to receive a pension in the future at age 55 with 20 years of service. In addition, the General Assembly enacted, effective october 1, 1986, a permanent and continuing "open-door" enrollment policy to allow qualified firemen and rescue squad workers membership in the State's Pension Fund and credit for all of their qualified service. For retroactive membership credit, a fireman or rescue squad worker would be required to pay \$5 for each month of credit plus interest to the time that he would have first become eligible. A fireman or rescue squad worker, age 35 and over, would have until April 1, 1987, to receive any retroactive credits; those under age 35 are eligible to receive retroactive service credits at any time.

The 1986 Session of the General Assembly also provided local government law enforcement officers with the same type of supplemental retirement benefits that the State provides for its law enforcement officers. Beginning July 1, 1987, local governments will be required to pay 2% of each local officer's monthly salary into the State's Supplemental Retirement Income Plan, a money-purchase type of savings account. Beginning July 1, 1988, local governments will be required to pay 5% of each local officer's monthly salary into the Plan. In addition, effective January 1, 1987, retired local officers become eligible for a separation allowance. Under the separation allowance, an officer who is retired on an unreduced service retirement allowance (age 55 with 5 years' service, or at any age with 30 years' service), is entitled to receive from their former employer additional monthly compensation equal to 0.85% of his monthly salary at retirement for each year of service, payable for life or until age 62 when Social Security entitlement begins. The cost to counties and municipalities for the additional contributions to the Supplemental Retirement Income Plan is expected to be \$3.6 million for 1987-88 and \$9.0 million for 1988-89. County and municipal cost, if any, for the separation allowance is not available since it would vary for each local government. The General Assembly, however, helped local governments with these additional costs by increasing criminal court cost by \$3.00 effective January 1, 1987, to replace a part of current local costs for their law officers in the Local Governmental Employees' Retirement System. The cost savings to counties and municipalities for the increased court cost is expected to be \$1.2 million for 1986-87, and \$2.4 million for each year thereafter.

Health Benefits

The General Assembly enacted legislation increasing Plan benefits for 1986-87 in several areas, costing the Plan's net amount of some \$5 million, or one third of its estimated reserves at year's end. Coverage was added for liver transplants, cardiac rehabilitation services provided in all certified facilities, and outpatient diabetes self-care programs. The penalty for failure to get prior approval of inpatient hospital admissions was decreased from \$1,000 to \$500 and delayed from July 1, 1986, until January 1, 1987. Effective October 1, 1986, the penalty for failure to get a reguired second surgical opinion was decreased from \$1,000 to \$500. Legislation was also enacted to remove the second surgical opinion requirement for orthoscopic knee surgery, to allow newborn children to be covered at the time of birth without any waiting periods for preexisting conditions, and to replace second opinion surgery in excess of \$300 performed by a podiatrist with prior approval for all non-emergency foot surgery on bones and joints in excess of \$1,000.

Coverage was also extended in hardship cases when and if a covered service should ever be excluded from coverage under the Plan for up to three months after the effective date of the change in coverage.

The General Assembly also repealed the 26¢ employee monthly contribution for the privilege of converting to non-group benefits, effective October 1, 1986. Conforming legislation was also enacted for compliance with the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 which results in longer continuation coverage under the Plan for 18 to 36 months after a loss of eligibility for group coverage under the Plan.

Effective January 1, 1987, the Plan will require a \$2.00 co-payment per prescription for generic drugs and a \$3.00 co-payment per prescription for brand name drugs. The required co-payment for brand name prescription drugs will, however, be only \$2.00 when generic-equivalent drugs are not available. Also effective January 1, 1987, split family coverage (where both spouses work for the State and cover dependent children) will be replaced with employee only and parent and child coverage. Such a change is expected to result in an increased monthly premium of around \$9.00, when coupled with an expected decrease of a like amount in monthly premiums for parent and child coverage.

PUBLIC SCHOOLS

The 1986 Session of the General Assembly has once more demonstrated its solid commitment to its public schools through major increases in State funds for the 1985-87 biennium.

During the 1985-87 biennium, State schools financial support rose \$419.8 million, or 26 percent overall.

State support for elementary and secondary schools shows an increase of \$23.5 million in 1986-87 over that funded in the last session.

The total appropriation of \$2,032,862,775 for the Department of Public Education excludes funds for salary increases in 1986-87.

The State school budget adds funds for about 11,300 more pupils and will average \$1,864 per pupil for all programs in the state and local education agencies, before salary increases are added.

The most significant expansion increases are for a basic education program -- \$126.4 million over the 1984-85 base year. 1986-87 is the second year of an eight-year program phase-in.

Among the significant expansion appropriations for the basic education program over 1984-85 are:

		1986-87 (Millions)
(1)	additional teachers to reduce class size to 1:26 in grade 9	\$37.2
(2)	additional instructional support for dropout prevention in high schools and middle schools	23.3
(3)	more equipment for math/science, vocational education, and computers	16.4
(4)	remedial summer schools	10.5
(5)	reserve to cover additional pupils	8.0
(6)	prior year funding as an option for school systems with declining enrollments	6.4
(7)	professional development funds	5.35
(8)	finance officer allotment	3.2

Other major program improvements in the public schools include funds:

		1986-87 (Millions)
(1)	to initiate career development pilot programs in 16 local school units	\$17.7
(2)	to replace one-twelfth of the school bus fleet each year	10.8
(3)	to make adjustments for 11,348 additional pupils and average salary projections	9.0
(4)	to increase substitute teacher pay	. 8
(5)	to continue the second year of a management information system in state education agency and local schools	4.8
(6)	to increase the number of scholar- ship loans for prospective teachers	. 8
(7)	to provide a one-time stipend of \$250 per certified staff person who completes a 30-hour Teacher- Effectiveness-Training program	4.0
(8)	to fund outside evaluations in nine local school administrative units as a parallel pilot project external to the career pilots	2.4

In addition, salary increases for State paid school personnel will average about 6.5 percent for teachers and assistant principals, 5 percent for other certified personnel and bus drivers, and an average of over six percent for non-certified support personnel. The costs for these salary improvements will be about \$125 million in 1986-87.

Special Provisions

Important 1986 legislation giving directions to the Department of Public Education are contained in the main appropriations act, HB 2055, Parts VII and VIII.

They include:

- o Basic Education Program expansion appropriations, 1986-87 over 1984-85. (Sec. 53)
- O Teacher Effectiveness Program. Initial phase of funding for one-time stipend of \$250 to participants in Performance Appraisal Program pilots who successfully complete the Teacher Effectiveness Training. (Sec. 54)
- o Teacher Aides' Workweek. Local boards of education continue to determine hours of employment. (Sec. 58)
- O Legislative Commission on Salary Schedules for School Employees created to study salaries and related matters, including aides' workweek. (Sec. 59)
- Outside Evaluator Project. Nine pilot local school units to evaluate certified personnel with external evaluators. Participants receive no additional compensation. (Sec. 61)
- Teacher Enhancement Program. New teacher scholarship program established; consolidate with existing program or July 1, 1987. An Office of Teacher Recruitment in the Department of Public Instruction established. (Sec. 63)
- School Finance Officers. Allotment schedule for one position in each county to be approved by the State Board of Education based on total average daily membership in the county. (Sec. 64)
- o School Health Coordinators. Three additional positions funded bringing the total to 35. (Sec. 66)
- O <u>Vocational Education</u>. Regular allotments increased by the \$7.3 million appropriated for equipment, salary supplements and basic skills programs in grades 7-8. (Sec. 67)
- O Alcohol and Drug Defense Grants. Local school units may apply for model program grants for up to \$10,000. (Sec. 68)
- Job Placement Centers/Dropout Prevention. Funds appropriated for additional teacher-counsellors to address the problem of high risk students and dropout prevention. The State department is allocated \$215,000 for six positions to administer dropout programs according to performance standards to be established. (Sec. 69-70)

State Board of Education studies to be conducted on physical education and textbooks for visually handicapped pupils. Reports to be made to Joint Legislative Commission on Governmental Operations or the 1987 General Assembly. (Sec. 71-73, 75).

HIGHER EDUCATION

- Capital Improvements The 1986 Session added \$51.6 million in capital improvements for the University system, bringing the total University capital appropriation to \$151.6 million for the biennium.
- Operating Expansion/Tuition Another \$16.1 million for the Board of Governors' thirteen expansion priorities was partially funded by a 12.3% increase in out-of-state tuition which will net \$6.4 million in revenue. Another \$1.6 million in operating funds includes \$800,000 more for agricultural programs.
- Aid to Private Colleges The General Assembly continued its record of increasing the Legislative Tuition Grant Program, raising the amount paid to each full-time North Carolina undergraduate in a private North Carolina college from \$950 to \$1,000 per year, at a cost of \$1.1 million. The funding for need-based scholarships remains at \$300 per full-time equivalent North Carolina student.
- western North Carolina Arboretum A new G.S. 116-240 through 116-244 creates a Board of Directors for the Western North Carolina Arboretum under the Board of Governors. Capital funds of \$2.5 million and \$250,000 in operating expenses are appropriated for 1986-87. (Sec. 98-100, HB 2055)
- Mathematics and Science Network The General Assembly directs the Board of Governors to use \$250,000 in a pilot program to improve the performance of minority and female youth in mathematics and science. The funds may be used for direct instruction and for teacher training. (Sec. 97.1, HB 2055)

COMMUNITY COLLEGES

TOTAL OPERATING APPROPRIATION 1986-87: \$273,894,498

This represents a 10.3% increase over the amount budgeted during the last session for the 1986-87 fiscal year and a 4.7% increase over 1985-86.

ENROLLMENT ADJUSTMENTS

The General Assembly appropriated \$14.6 million for increased enrollments in the Community College system. The 1986-87 budget contains money to fund 88,000 curriculum FTE, 9,800 Adult Basic Education FTE and 37,900 other extension. This represents an increase of 6.3% over the total number of full time equivalent students originally funded for the 1986-87 fiscal year. This funding level reflects the actual number of FTE students served during 1985-86.

OTHER COST INCREASES

\$4.3 million was appropriated for supplies, materials and other non-salary cost items. This appropriation continues the increase that was made during the 1985-86 fiscal year.

FACULTY SALARY ADJUSTMENT FUNDS

The faculty salary adjustment funds of \$2.1 million are continued during the second year of the biennium. These funds will allow the \$300 increase per faculty salary unit value to remain in 1986-87.

FACULTY UPGRADING

The General Assembly appropriated \$1.2 million to provide funds for the upgrading of community college faculty skills. It will allow institutions to provide in-service training for faculty or to send faculty to seminars and training courses to keep up with current technology.

STATE BOARD RESERVE

\$1.5 million was appropriated as a reserve to be allocated by the State Board of Community Colleges for innovative ideas, unanticipated enrollment growth, and feasibility studies. It also may be used to supplement Pamlico Technical College, as needed, due to its size.

COMPENSATORY EDUCATION

\$975,000 was appropriated to provide compensatory education to mentally handicapped adults. \$75,000 will be used to develop programs statewide. \$900,000 will be allocated to local institutions to provide specialized programs.

EQUIPMENT

An additional \$5 million was appropriated for the purchase of equipment. This will allow local institutions to purchase up-to-date equipment to keep pace with current technology.

SCHOLARSHIP FUNDS

The General Assembly appropriated \$2,000,000 to a reserve designating the interest to be used for community college scholarships.

TUITION INCREASES

In 1986-87 the rate for an in-state full time student attending a community college will increase from \$51 a quarter to \$66 a quarter. In 1986-87 this rate will increase to \$75 a quarter. The rates in 1986-87 for a full-time out-of-state student will increase from \$255 a quarter to \$504 a quarter. In 1987-88 this rate will increase to \$702 a quarter.

CAPITAL CONSTRUCTION FUNDS

The General Assembly appropriated an additional \$22.5 million for capital construction projects in 1986-87. This is in addition to the \$11.9 million appropriated during the last session for the 1986-87 fiscal year.

DEPARTMENT OF AGRICULTURE

The 1986 General Assembly continued its support of North Carolina Agriculture by appropriating \$2.5 million in additional operating support for programs in the Department of Agriculture and \$6.3 million in additional capital improvements for Fiscal Year 1986-87.

Agricultural Finance Act

The General Assembly created the N.C. Agriculture Finance Authority to alleviate the shortage of capital and credit available at affordable interest rates for investment in agriculture. The Authority will provide capital and credit at reasonable interest rates for people engaged in agriculture. In broad terms the Agricultural Finance Authority has the following powers:

- Purchase and sell agricultural loans made by lending institutions;
- Make loans to lending institutions to be used for agricultural loans;
- Insure agricultural loans made by lending institutions; and
- Issue bonds to finance its programs.

The 1986 General assembly appropriated an initial \$1,000,000 to the N.C. Agricultural Authority so it can begin fulfilling its charge to make affordable credit available to North Carolina farmers.

Farmers Market

The 1985 General Assembly appropriated \$14.8 million for constructing farmers' markets during the 1985-87 biennium, including \$11 million for the new Raleigh Farmers Market. The 1986 General Assembly continued its commitment to building new farmers' markets by appropriating an additional \$4.15 million for new farmers' markets around the state. Two Commissions, the Northeastern and Southeastern North Carolina Farmers Market Commissions, were created by the General Assembly to select a site for each market and \$1.85 million was appropriated to begin building the markets in Northeastern and Southeastern North Carolina. The Department of Agriculture will operate these markets after they are completed.

Research Station Improvements

\$1.3 million was appropriated by the 1986 General Assembly to improve several of the Agricultural Research Stations. Improvements will be made at the Tidewater, Mountain, and Piedmont Research Stations including new swine research facilities, and a burley tobacco research laboratory.

Horse and Livestock Complex Improvements

The 1986 General Assembly appropriated \$1 million to improve the Horse and Livestock Complexes in Asheville and Raleigh. Improvements include 200 additional horse stalls in Asheville and an eating area and office space in Raleigh.

Tax Breaks for Farmers

Materials used to construct single purpose livestock and poultry buildings were exempted from the State and local sales taxes by the 1986 General Assembly.

N.C. Department of Natural Resources and Community Development

Major 1986 Legislative Actions

Agriculture Cost Share Program for Non Point Source Pollution Control

The 1986 General Assembly expanded and statutorily authorized the Agriculture Cost Share program. This program is designed to help farmers pay for and implement best management practices thereby reducing runoff into the State's water bodies. Thirty three counties will be covered until further expansion is made. A Committee of Agriculture officials is established to review the program with certification in writing of the review made to various officers of the General Assembly. The total appropriation made was \$3,035,880 which included a \$1,035,880 expansion from the previous appropriation.

Council of Governments Funding

The 1986 General Assembly appropriated \$990,000 to Councils of Governments to assist local governments in preparing grant applications, economic and community development activities, and other activities as deemed appropriate by the local governments. Each COG is allocated \$55,000.

Marine Fisheries Seafood Development Transfer

The 1986 General Assembly transferred the Seafood Marketing program from the N.C. Division of Marine Fisheries in the N.C. Department of Natural Resources and Community Development to the N.C. Department of Agriculture. This transfer involves five positions and a budget of \$210,132.

Toxic and organic Analytical Lab Appropriation

The 1985 General Assembly appropriated \$400,000 in 85-86 and \$4,750,800 in 86-87 to plan and construct a toxic and organic analytical lab for the N.C. Department of Natural Resources and Community Development. Due to the many lab appropriation requests of various State government agencies, totalling over \$40 million, the 1986 General Assembly reverted the previous appropriations to the Department of Natural Resources and Community Development denied an expansion request of \$3.1 million for the same purpose, and directed the Joint Legislative Commission on Governmental Operations to study the suitability of a consolidated State lab complex.

State Parks Funds Used for Repair

The 1985 General Assembly appropriated \$12.5 million each year of the 85-87 biennium for park land purchases. The 1986 General Assembly withheld expenditure authority for \$5 million of the \$12.5 million 1986-87 appropriation and directed that \$3.7 million of the 86-87 appropriation be used to support community service workers and to purchase needed materials to maintain the park system. Another \$3.8 million was authorized to continue park land purchases as deemed necessary by the Department.

NC Department of Commerce

Hazardous Waste Treatment Commission

The 1986 General Assembly appropriated \$1,303,697 to the Hazardous Waste Treatment Commission for advance planning and design, including land acquisition, of a hazardous waste treatment facility for North Carolina.

Tourist Development

The 1986 General Assembly continued its support of tourist development by appropriating \$1,156,000 to the Department of Commerce for advertising and tourism promotion grants.

Biotechnology Center

The 1986 General Assembly continued its support of the Biotechnology Center by appropriating \$5 million for research, development, and marketing in North Carolina.

DEPARTMENT OF LABOR

Wage and Hour Division

The 1986 General Assembly provided \$138,000 for additional staff to enforce the Wage and Hour Act. Five additional field positions will reduce a ten-month backlog and improve response time for requests and complaints made to the Wage and Hour Division.

Right-to-Know Act Funding

In 1985, the General Assembly enacted the Hazardous Chemicals Right-to-Know Act which became effective on May 25, 1986. This Act was adopted to better inform fire departments, local emergency response officials and citizens of the potential chemical hazards in their communities. Under the Act the Department of Labor enforces the citizens' right to know about hazardous chemicals in their communities. The 1986 General Assembly appropriated \$199,968 to the Department of Labor for enforcement of the Right-to-Know Act.

OSHA Funding Reduction

The 1985 General Assembly appropriated \$485,412 to the Occupational Safety and Health Administration for 50% of the total cost of twenty-four additional Industrial Hygienists and Safety Compliance Officers. Since federal receipts to match the State funding were unavailable, this 1985 appropriation was eliminated from the Department of Labor's budget.

DEPARTMENT OF TRANSPORTATION

1986 Legislative Action

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SPECIAL APPROPRIATIONS FOR HIGHWAYS

Appropriates \$30.0 million as Special Appropriation for Highways, subject to the following limitations: (1) may be used for construction and reconstruction of State road systems, to correct inequities in distribution of federal aid funds, maintain uniform construction pace, to pay interest and principal on State highway bonds and to provide State match on any unanticipated additional federal aid funds.

BID EXEMPTION LIMIT RAISED

Amends G.S. 136.28.1 to raise from \$30,000 to \$150,000 the size of projects the Department of Transportation may let without competitive bidding.

PROJECTS IN WHICH DEVELOPERS FURNISH RIGHTS-OF-WAYS

Authorizes the Department of Transportation to use up to \$5.0 million to participate in projects: (1) in which owner or developer agrees to furnish right-of-way free and to contract to provide construction; (2) developer pays at least half or more of the construction cost; (3) the project must be on DOT's Transportation Improvement Program or similar thoroughfare plan as a State project; and (4) owner or developer post bond, cash deposit, or similar security to insure performance.

SAFETY INSPECTION MONITORING FUND

G.S. 20-183.7 is rewritten to eliminate the "Safety Inspection Monitoring Fund" as a recipient of the funds collected from vehicle inspection fees, and puts the .15 cents per inspection previously allocated to that fund in the Highway Fund. Personnel paid from the special fund are now paid from the Highway Fund.

PROCESS SERVERS AND CLERICAL POSITIONS PHASE OUT

Process servers and clerical personnel positions related to Vehicle Financial Responsibility Act are to be eliminated as the positions become vacant rather than being eliminated on 6/30/86.

RELOCATION OF WATER AND SEWER LINES

Directs the Department of Transportation to pay the nonbetterment cost for the relocation of water and sewer lines, located within the existing State highway right-of-way, that are necessary to be relocated for a State highway improvement project and that are owned by a municipality with a population of 5500 or less.

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LIMITS ON USE OF NEW HIGHWAY PATROL TROOPERS

Provides that 50 new trooper positions created in the Department of Crime Control and Public Safety are to be used only for patrolling roads, except as necessary for court appearance, training, administrative work occasioned by patrol duties, other "normal special" duties to which troopers are ordinarily assigned.

ADDITIONAL FUNDING FOR THE SMALL URBAN CONSTRUCTION PROGRAM

Continues to provide \$1.0 million for each of the 14 Highway Divisions for small urban construction projects. In addition \$6.0 million is provided to be used for statewide rural or small urban highway improvements.

ADDITIONAL FUNDING FOR STATE AID TO MUNICIPALITIES AND SECONDARY ROAD CONSTRUCTION

Provides an additional \$6.5 million for State Aid to Municipalities and a like amount for Secondary Road Construction during the 1986/87 fiscal year. Beginning with the 1987/88 fiscal year, funds based on 1 3/4¢ per gallon sold during the prior year will be allocated for State Aid to Municipalities and Secondary Road Construction.

INCREASED FUNDING FOR SPOT SAFETY PROJECTS

Due to the need for increased channelization, signalization and other safety related construction projects, additional funding of \$1.0 million is provided for Spot Safety projects in the Primary Road System, \$300,000 for the Secondary System and \$1.5 million for the Urban Road System.

INCREASED FUNDING FOR CONTRACT RESURFACING

An additional \$16.3 million is provided for Contract Resurfacing Program. These funds will allow the Department of Transportation to contract to resurface an additional 453 miles of highway during 1986/87.

NEEDS OF THE DIVISION OF MOTOR VEHICLES ADDRESSED

An additional \$4.1 million is appropriated to the Division of Motor Vehicles: (1) to pay the cost of the increased volume of transactions for contract agents, (2) to purchase license plates, (3) to replace terminals, (4) to provide for cost increases in the Driver Licensing and Enforcement sections, (5) to provide appropriation support for the personnel issuing I.D. Cards to persons under sixteen years of age, (6) to provide appropriation support for personnel formerly supported from "The Safety Inspection Monitoring Fund", and (7) to provide \$130,067 needed to match a \$1.4 million Motor Carriers Safety Grant.

1986 GAS TAX PACKAGE

- Increases the gas tax by 2¢. Effective July 15, 1986.
- Raises the Powell Bill distribution from 1 3/8¢ to 1 3/4¢.
 Effective for distribution from the 1986-87 collections.
 (This will give cities about \$13 million more than they would have ordinarily received.)
- Phases in the new staggered registration plan, if DMV chooses to do so and if the individual citizen chooses to do so. An individual may register his car for two years instead of one year. Effective September 1, 1986.
- Transfers the Drivers Education Program to the General Fund. Effective July 1, 1987.
- Exempts DOT from the state and local sales tax. Effective August 1, 1986.
- Imposes a 3% sales tax on the wholesale price of gasoline.
 Effective July 15, 1986.

For July 15 - December 31, this tax will be 1.5¢ per gallon. Thereafter, the rate will be calculated by the Secretary of Revenue.

The Secretary of the Department of Revenue will determine the average price of gasoline and the average price of diesel fuel for a given period. He'll weight these two averages to produce one composite average price for gasoline for North Carolina. This average price will then be multiplied by 3% for a flat per gallon tax rate.

This will be done twice a year, in July and January.

The prices that are going to be used will be those at which the distributor buys it.

 Repeals local government property tax on household personal property. Effective January 1, 1987.

1986 GAS TAX PACKAGE

FISCAL YEAR (\$ MILLIONS)	86-87	87-88	88-89	89-90	90-91	91-92
Raise Powell Bill Distribution from 1 3/8¢ to 1 3/4¢. Effective in 1987-88 for Distribution Eased on 86-87 Collections.						
Total DOT Savings	\$11.6	\$18.8	\$22.0	\$25.7	\$30.7	\$32.2
Exempt DOT from state & local sales tax	6.4	6.8	7.2	7.6	8.0	8.4
2¢ per gallon fuel tax (effect. 7/15/86)	65.4	74.2	75.6	77.0	78.4	80.0
3% sales tax on wholesale price of gasoline (effect. 7/15/86)	49.0	75.6	83.2	84.7	86.2	88.0
Transfer Drivers Education (effect. 7/1/87)	_	27.6	29.1	30.8	32.6	34.8
May Implement 2-Year Staggered Registration but DMV cannot solicit or require registration for more than 1 year (effect. 9/1/86) Assumes 100% participation	39.8	5.5		_	_	_
TOTAL	\$172.2	\$208.5	\$217.1	\$225.8	\$235.9	\$243.4
Repeals Property Tax on Household Personal Property		24.8 (This is	26.8 a revenue 1	28.9 .oss for loc	31.2 cal governme	33.7

DEPARTMENT OF HUMAN RESOURCES

Montal Health

The 1985 Session of the General Assembly produced a number of new initiatives in the field of mental health. These include:

- O Funds for the chronically mentally ill, \$5 million. \$1.2 million FY 85-86 and \$3.8 million FY 86-87.
- O Group homes for mentally ill adults, \$795,000, FY 85-86.
- o Additional inpatient mental health services in area programs, FY 86-87 \$850,000.
- O Continuation of funding for group homes for emotionally disturbed children, FY 86-87 \$600,000.

Mental Retardation and Developmental Disabilities

The 1985 Session of the General Assembly continued to expand community services for the mentally retarded and the developmentally disabled.

- Additional ADAP slots were added in both years of the biennium, and rates were increased. \$1.5 million in FY 85-86 and \$1.1 million for 792 new ADAP slots in FY 86-87.
- o Funds for new HUD group homes, apartment living projects, and intermediate care facilities for the mentally retarded. \$659,200 in FY 85-86 and \$2.1 million for FY 86-87.
- Additional developmental day care center funds. \$946,000 in each year of the biennium.
- O Services for autistic adults, \$400,000 FY 85-86 and \$500,000 FY 86-87.

Substance Abuse Services

In the field of substance abuse the General Assembly concentrated on adding detox services in eastern North Carolina and developing programs for children.

Detox services in eastern North Carolina. \$1.5 million in FY 85-86 and \$2 million in FY 86-87.

- O School based drug prevention programs. \$1.2 million in each year of the biennium.
- O Additional funds for First Step Farm, \$87,000 for FY 86-87.

Children and Youth

The General Assembly appropriated additional funds for initiatives begun in 1985 and appropriated funds for new programs.

- Day Care: The 1985 Session of the General Assembly adopted legislation that made major improvements in regulatory standards for child care and program administration. In addition a total of \$5.7 million in expanded funding for FY 86-87 raised the level of day care funding to \$29.6 million in 1986-87. These funds will be used to purchase services for low income families across the state.
- Adolescent Health Care: The 1985 General Assembly appropriated \$1 million in each year of the biennium for innovative community based programs aimed at reducing the incidence of unintended pregnancy among teenagers. During the 1986 Session, an additional \$445,000 in federal block grant funds was targeted for grants-in-aid to twelve counties for community based teen pregnancy prevention programs.
- Child Support Enforcement: As required by the federal Child Support Enforcement Amendments of 1984, the General Assembly enacted several bills to improve child support collection activities. Under provisions enacted in SB 939, district court judges are required to establish child support awards within 60 days. Finally, Senate Bill 303 allows for garnishment of the non custodial parents wages when the arrearage exceeds an amount equal to 30 days payment. Senate Bill 925 allows the Child Support Enforcement Program to provide services free of charge to families who fall within 200% of the federal poverty level.
- Community Based Alternatives Programs: The 1985 General Assembly appropriated \$1 million in each year of the biennium for community based alternatives programs for troubled youngsters under court supervision. The 1985 General Assembly appropriated an additional \$1 million for the CBA program, raising the 1986 funding by \$2 million.

LOW INCOME FAMILIES

Impoverished single parent families who are eligible for payments under the Aid to Families with Dependent Children will receive a 10% increase in FY 85-86 and a 5% increase in FY 86-87 in subsistance payments beginning January 1, 1987 due to an appropriation of \$960,000 in FY 86-87. In addition, the General Assembly appropriated \$922,970 for implementation of an Emergency Assistance program for low income persons whose income is within 110% of the federal poverty guidelines. Finally, the General Assembly directed the Division of Social Services to explore the feasibility of implementing effective July 1, 1987, an Aid to Families with Dependent Children Program for unemployed, parents who are married.

MATERNAL AND CHILD HEALTH

Maternity clinic services delivered by local health departments in FY 85-86 were subject to funding shortfall due to reductions in 1986 federal block grant funds. To offset these shortfalls, the General Assembly appropriated a \$1.2 million reserve from which health departments may draw to cover expenditures for services delivered in FY 85-86 to low income women and infants.

ELDERLY

The 1985 Session of the General Assembly continued to expand on services that are available to the elderly. These include:

- Funds in the amounts of \$50,000 were appropriated in FY 1985-86 and FY 1986-87 to enable the State to draw down \$1,000,000 in each year for senior citizens centers' construction and renovation needs.
- Additional funds in the amount of \$1,004,086 have been appropriated in FY 1986-87 to cover the increased caseload of eligible rest home residents.
- An additional \$1,875,000 have been appropriated in FY 1986-87 to provide a rate increase for residents of rest homes. The maximum amount that an eligible ambulatory rest home resident may receive under The State/County Special Assistance will increase from \$593 to \$623; non-ambulatory residents will receive the same increase plus an additional 5%. The new rates will be increased beginning on October 1, 1986.

- Funds in the amount of \$406,000 have been appropriated in FY 86-87 to increase the personal needs allowance of rest home residents from \$20.00 per month per resident to \$25.00 per months per resident.
- An additional \$737,000 have been appropriated in FY 86-87 for services to the elderly participating in the Adult Day Care Program.
- Funds in the amount of \$300,000 have been appropriated in FY 86-87 for elderly respite services. These funds will be used to provide relief assistance to caregivers of dependent older adults.

Environment

During the past few legislative sessions the General Assembly has attempted to protect the quality of life in North Carolina by enacting legislation aimed at regulating and controlling our air, water, waste disposal needs, hazardous waste management and low-level and high level radioactive disposal needs. The 1985 Session of the General Assembly enacted stricter guidelines aimed toward these needs. They include:

- Funds in the amount of \$100,000 were appropriated in FY 1985-86 to the Sanitation Branch in the Division of Health Services to fund activities that provide technical assistance, consultation, and plan approval for food and lodging operators, residential and commercial operators and the general public.
- o In FY 86-87 funds have been appropriated in the amount of \$220,000 to increase the staff in the Solid and Hazardous Waste Branch of DHR that is responsible for the inspection and permitting of hazardous waste facilities.
- o Funds totalling \$355,509 have been appropriated in FY 86-87 to increase the staff in the Solid and Hazardous Waste Branch of DHR that is responsible for monitoring and licensing new landfills.
- An additional \$248,460 have been appropriated for FY 86-87 to increase the staff of the Radiation Protection Section in DHR and to replace equipment used to monitor air and radiation levels around nuclear power plants.

JUSTICE AND PUBLIC SAFETY

Expansion Budget to the Departments for 1986-87.

Judicial

The General Assembly provided \$883,000 to increase operating expenses in the areas of jury fees, travel and subsistence, and supplies and materials.

\$541,515 was appropriated for a District Court Judge in Wake County, twenty one (21) Deputy Clerks of Superior Court, and seven (7) secretaries to District Court Judges.

A total cf \$332,470 was appropriated for eight (8) new positions in the Public Defender's Office - six (6) Assistant Public Defenders, one (1) secretary and one (1) Paralegal.

To continue mediation of disagreements out of court the Administrative Office of the Courts will receive \$43,900 to allocate to Dispute Settlement Centers in Wake, New Hanover and Polk counties. Additionally, One Step Further, Inc. in Guilford County was given a total of \$15,000 as designated in local appropriation bills.

Justice

Legal Services under the Attorney General will receive \$305,400 to add five (5) Attorneys and provide Expert Witness Fees. New staff will augment work in the Western Office (2), Environmental Section (1), Human Resources Section (1) and Services to State Agencies (1). Funds were also appropriated to continue implementation of Office Automation - \$250,000; and to complete renovation of the Raney Building by July, 1987 to house the division - \$500,000.

The State Bureau of Investigation (SBI) will receive funds to increase staff and purchase equipment. \$1,337,482 was appropriated to provide 23 additional drug agents and 12 support personnel. Additionally, \$2,600,000 is available to purchase Automated Fingerprint equipment, and \$100,000 will go to the SBI for a warehouse.

A total of \$745,200 was appropriated to the North Carolina Justice Academy to replace equipment and safety items, refurbish the firing range and construct a precision driving lot. The General Assembly also provided \$250,000 in advanced planning funds for a new building.

Crime Control and Public Safety

The Department received funds to increase personnel and salaries, and purchase equipment for the Highway Patrol. Appropriations included \$2,063,577 to add 50 Highway Patrol troopers, \$890,590 to provide annual raises for state troopers, \$140,000 to purchase Signal 25 communication equipment and \$40,000 to provide Walkie-Talkies for Troop H.

In this expansion, funds are available to augment two existing programs. The Community Penalties Program will receive \$271,000 to expand five (5) existing programs and fund four (4) new programs. \$838,468 will go to the Community Services Program for expansion and to reclassify positions.

Additionally, \$372,802 is appropriated for Emergency Management - \$292,802 to complete a statewide emergency radio network and \$78,000 to provide communications with 13 emergency broadcast FM stations.

Correction

There were major items funded in this Department for program and capital expenditures to continue efforts to eliminate overcrowding and improve correctional facilities. The General Assembly appropriated funds in the following areas:

- (1) \$2,735,200 to expand intensive supervision teams;
- (2) \$1,100,000 of the \$2.5 million reserve to add 52 probation officers, 8 parole officers and 8 support personnel to reduce caseloads;
- (3) \$134,000 of the \$2.5 million reserve to renovate Building A at Cherry Hospital for use as a minimum custody facility for females in Goldsboro;
- (4) \$75,000 to renovate and provide fencing for the dormitory at the Cameron Morrison facility to use as a minimum custody facility for 80 male inmates;
- (5) \$301,258 to add 15 positions in the Engineering Support Section (the Department will use positions and funds scheduled to be riffed);
- (6) \$12,943,600 for Capital items replace Craggy Prison (\$5,664,000), construct two dormitories at the N.C. Correctional Center for Women (\$2,426,800), construct 100-man dormitories at Guilford I Unit (\$1,213,400), Carteret County Unit (\$1,213,400), in Buncombe County (\$1,213,400), and in Cumberland County (\$1,213,400 funds placed in reserve);

- (7) \$1,368,348 to make renovations at the remaining 52 field units, similar to those made in dormitories in the South Piedmont Area; and
- (8) \$2,500,000 to be allocated as a reserve to be used to purchase land for Craggy Prison, add probation and parole personnel, make renovations at Cherry Hospital and provide other improvements in the Correctional System as determined by the 1987 Session of the General Assembly.

CENERAL GOVERNMENT

DEPARTMENT OF ADMINISTRATION

DOMESTIC VIOLENCE GRANTS

Provide \$200,000 for grants to domestic violence programs to bring the 1986-87 appropriation up to the \$416,000 level authorized for 1985-86. Section 187 of the bill designates grants totaling \$135,000 for eight programs.

SUPERCONDUCTING SUPER COLLIDER

Appropriates \$750,000 in a reserve for the Board of Science and Technology to perform the technical work needed to develop a formal proposal to be submitted to the U.S. Department of Energy to locate the \$6 billion research facility in the Granville/Person County area.

SEA GRANT MATCHING FUNDS

Provided an additional \$150,000 to increase the total State funds to \$650,000 to receive two to one matching federal dollars available for the Sea Grant Program in 1986-87.

OIL RE-REFINERY LOANS

Provides \$272,335 to repay a loan to the Oil Rerefinery by the Unpledged Parking Enterprise Fund. Section 189 of the bill authorizes forgiveness of the \$200,000 loan from the Telephone Service Fund, the \$1.3 million loan from the General Fund and the \$175,000 loan from the Contingency and Emergency Fund.

COMMISSION ON INDIAN AFFAIRS

Appropriated \$115,000 for 1986-87 of which \$65,000 is to fund the activities of "1986 - The Year of the Native American" and \$50,000 is for the use of the Lumbee Regional Development Association, Inc. for Tribal enrollment and to qualify students for education assistance.

STATE BUILDING SURVEY

Provides \$300,000 for the State Building Division, of which \$250,000 is to be used to conduct an operations and maintenance study of all State buildings, and \$50,000 is for the development of a software package for a capital ficilities maintenance program.

STATE CONTROLLER ESTABLISHED

Enacted legislation (House Bill 2136) to establish the Office of State Controller in the Department of Administration as of August 1, 1986. To initially establish the office, the bill provides for the transfer of the Controller's Office from the Office of State Budget and Management and the Systems Accounting Division from the Office of State Auditor. The transfers include the duties, authority, and responsibilities, personnel, unexpended funds, records, files, machinery, equipment, etc. as set out in the bill.

CAPITAL IMPROVEMENTS

Provided \$3,025,000 in capital improvement funds in 1986-87, including \$200,000 to repair masonry wall leaks at the Art Museum, \$425,000 to purchase the Credit Union Building on New Bern Avenue in Raleigh to house the Office of Administrative Hearings, \$1,450,000 for the planning and construction of a new Education Building and \$750,000 to plan a new Revenue Building.

DEPARTMENT OF STATE AUDITOR

DATA PROCESSING

Provides an additional \$131,200 for 1986-87, of which \$38,000 is for data processing services and \$93,200 is for data processing equipement in the Field Audit Division and the Pension Fund Administration.

FIREMEN'S AND RESCUE SQUADS' PENSION FUNDS

Establishes a reserve of \$2.6 million to increase Firemen's and Rescue Workers' Pension Benefits from \$75 to \$100 per month and provide for permanent "Open Door" enrollment of Firemen and Rescue Squad Workers.

DEPARTMENT OF CULTURAL RESOURCES

ARTS COUNCIL FUNDS

Provide \$1 million to continue funding programs of the Arts Council at the \$3.9 million level funded in 1985-86. Section 169 of the bill provides that at least \$750,000 shall be used in the Grassroots Arts and the Grants to Local Communities Programs and authorizes that up to \$85,000 may be used to develop local arts programs.

AMERICAN DANCE FESTIVAL

Provided \$100,000 for the American Dance Festival in Durham to match a National Endowment of the Arts grant on a three to one basis.

NORTH CAROLINA MUSEUM OF ART

Appropriation of \$250,000 to enable the Museum to make works of art accessible to citizens in areas around the State and to develop an Outreach Program.

TOWN CREEK INDIAN MOUND

Provides \$60,000 for operations at the State Historic Site in Montgomery County.

GRANTS-IN-AID FUNDS

Appropriates \$1,620,950 to provide grants-in-aid for seventeen various cultural and historical entities located throughout the State.

DAVID STICK LIBRARY

Provides \$750,000 in capital improvement funds to construct a library at the Elizabeth II State Historic Site in Manteo to house the David Stick collection.

FAYETTEVILLE BRANCH MUSEUM

Appropriates \$392,435 for renovations of the Fayetteville branch of the Museum of History.

OLD FORT BRANCH MUSEUM

Provides \$50,000 to purchase land adjacent to the western branch of the Museum of History at Old Fort.

SPECIAL PROVISIONS

Section 171 of the bill provides that no departmental supervision or assistance shall be rendered to recipients of direct appropriations for historical projects unless same is requested.

GENERAL ASSEMBLY

LEGISLATIVE RETIREMENT

Appropriated \$96,000 for 1986-87 to provide a cost-of-living increase for retirees of the Legislative Retirement System.

SUBSISTENCE ALLOWANCE

Provides \$430,000 to increase the legislative subsistence allowance to the rate allowed by the Internal Revenue Service (\$79/day), effective upon convening of the 1987 General Assembly.

OFFICE OF THE GOVERNOR

OFFICE OF STATE BUDGET AND MANAGEMENT

YOUNG OFFENDERS' FORESTRY PROGRAM

Provides a reserve of \$1 million to establish a Forestry Program and Forestry Camp for Youthful Offenders. The Departments of Natural Resources and Correction are responsible for developing a joint plan for the construction of the facility and operation of the program. They are required to report to the Joint Legislative Commission on Governmental Operations their progress in designing the facility by October 1, 1986 and on their joint plan for operations before it is implemented.

REGION K COUNCIL OF GOVERNMENTS

Provides \$166,000 for Region K to match a federal grant to assist local units of government in economic and community development activities.

GRANTS-IN-AID RESERVE

Appropriates \$1,697,213 in a reserve for various grants-in-aid set out in the bill.

CAPITAL IMPROVEMENTS

Provides \$3 million for capital improvements which includes \$2 million for removal of asbestos in state facilities and \$1 million for advance planning of selected capital improvement projects. Section 181 of the bill provides that up to \$500,000 of the reserve for advance planning may be used for the planning costs of the Museum of Natural History.

DEPARTMENT OF INSURANCE

STATE FIRE COMMISSION

Continue the \$150,000 funded in 1985-86 for implementation of the fire reporting system and the voluntary fire service certification program.

STAFF AND OPERATING EXPENSES

Authorized \$340,129 in 1986-87 to provide nine additional postions and other operating expenses to handle the increased numbers of policy and rate filings and perform actuarial reviews of rates, to increase investigations for fraudulent activity by companies, agents and claimants, and to rewrite the State Building Code.

The expansion budget approved by the 1985 General Assevbly contained \$2,873,436 for 1986-87 to continue funding the 63 positions and other operating expenses authorized for 1985-86 and to add five additional positions in 1986-87. An additional \$1,170,000 was provided for electronic data processing equipment and development for the department in the 1985-87 biennium.

RESERVE FOR OPERATIONS

Established a \$750,000 reserve to enable the Department to perform the additional responsibilities resulting from changes in the insurance laws.

Senate Bill 873, entitled Insurance Regulation, enacted into law revisions in the rating and classification plans and ratemaking procedures for nonfleet private passenger motor vehicle incurance and in the regulation of commercial property and liability rates and charged the Commissioner of Insurance with the administration and enforcement of the law.

DEPARTMENT OF REVENUE

COMMUNICATIONS FUNDS

Provided an additional \$600,000 in 1986-87 for printing and postage. Including expansion funds authorized by the 1985 General Assembly for 1986-87, the total expansion for postage and telephone amounts to \$375,680 in 1986-87 and \$447,601 for increased costs and volume of printing tax returns, tax pamphlets and laws, tax stamps, etc.

SECRETARY OF STATE

SECURITIES REGISTRATION

To assure that the increased volume of securities registrations and agents licesures are processed on a timely basis and to step up investigations of fraudulent activity in the State, \$216,945 was provided for eight additional positions and other operating expenses.

LIMITED PARTNERSHIPS

Provides \$165,079 to fund six positions and other operating expenses to establish a central registration of Limited Partnerships within the Office of the Secretary of State in accordance with the provisions of House Bill 266. Fees established by the bill are estimated to generate \$267,500 annually for deposit to the credit of the General Fund.

STATE TREASURER

RETIREES COST-OF-LIVING INCREASE

Provides \$3.1 million to increase the Cost-of-Living allowance form 3.7% to 3.8% for Retired Teachers and State Employees. System Gains are available to provide the increase for Judicial Personnel and Local Government Employees.

OFFICE OF ADMINISTRATIVE HEARINGS

STAFF AND OPERATING EXPENSE

Authorized \$444,120 in 1986-87 to provide additional staff and operating expenses for the Office of Administrative Hearings (\$229,120) and for the Administrative Rules Review Commission (\$215,000).

The Capital Improvements budget for 1986-87 contained \$425,000 for purchase of the Credit Union Building for the Office of Administrative Hearings.

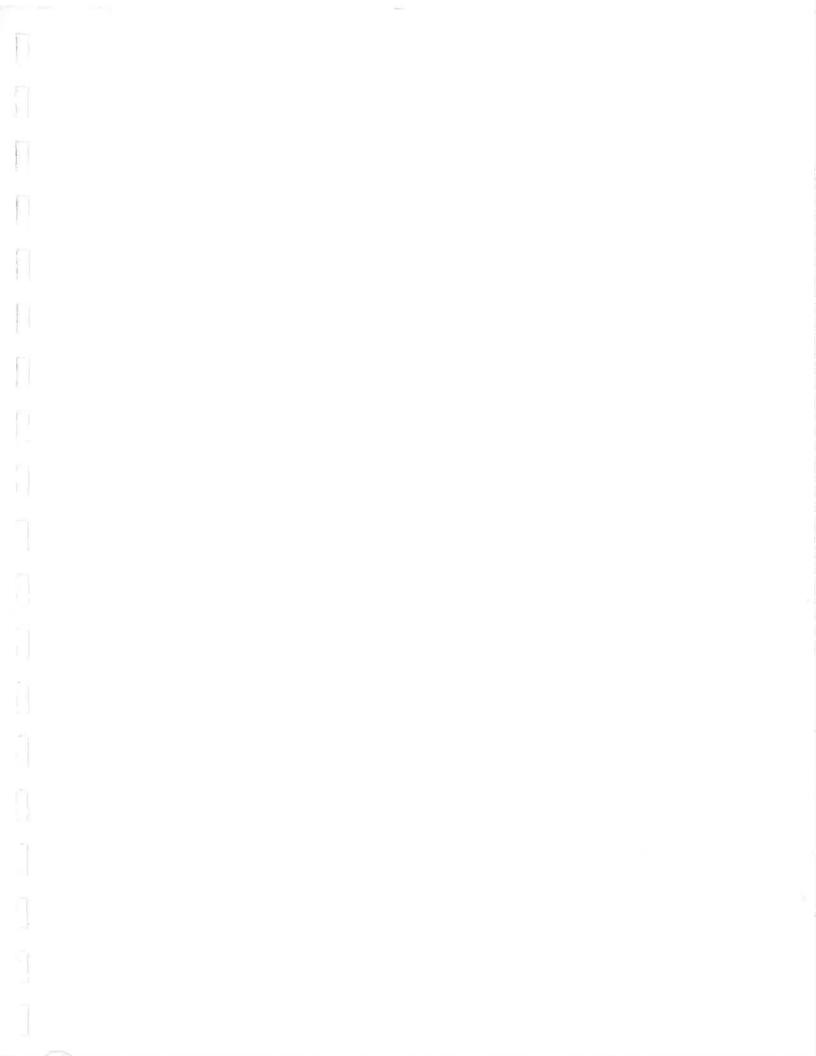
SPECIAL PROVISIONS

Section 47: Sets out the number, grades, and classification of the thirty-two Administrative Law Judges and support personnel authorized for the Office of Administrative Hearings and the four positions authorized to staff the Administrative Rules Review Commission and contains other relative personnel regulations.

Section 182: Provides that the Office of State Budget shall disburse funds from the \$1,346,954 Reserve for the Implementation of the Administrative Procedures Revision as required for the operation of the Office of Administrative Hearings and the Administrative Rules Review Commission.

Section 225: Provides that the Department of Administration shall assign the Capehart-Crocker House in Raleigh to the Office of Administrative Hearings for its occupancy and use, and provide all maintenance and building services. Authorizes monies accumulated in the special funds account of the Agency be disbursed to the General Fund to offset the \$151,125 costs incurred to relocate the Capehart-Crocker House.

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