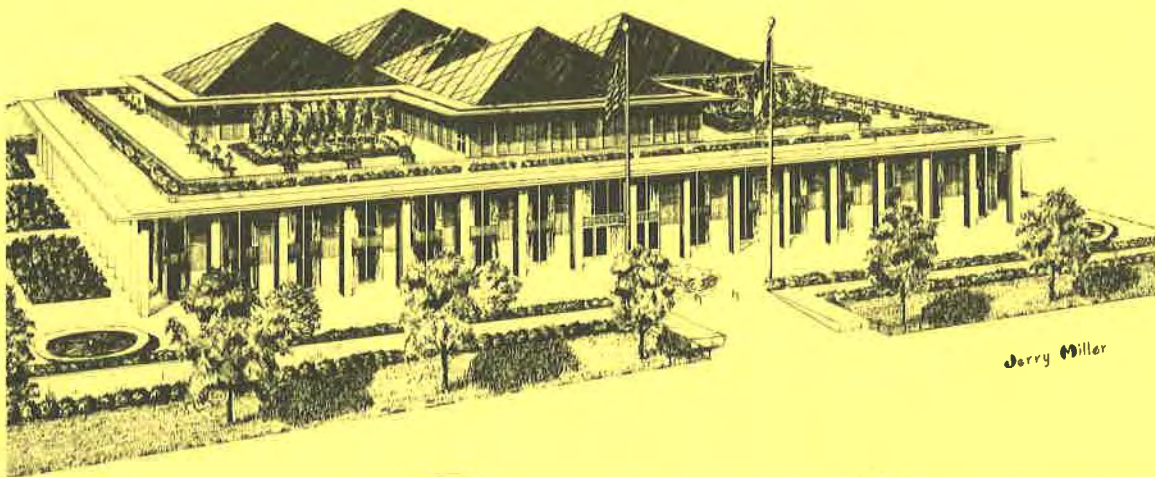


*Edith Lutz*

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# Overview:

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## Fiscal and Budgetary Actions

**North Carolina General Assembly  
1987 Session and 1988 Session**

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

Raleigh, N. C.



## **OVERVIEW:**

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# **Fiscal and Budgetary Actions**

**North Carolina General Assembly  
1987 Session and 1988 Session**

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

**Raleigh, N.C.**



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## Table of Contents

<b>Introduction</b> .....	1
<b>Emergency Prison Facilities Development Funds</b> .....	5
<b>The Economy, Revenues and Fund Conditions</b>	
Economic Outlook and Impact on General Fund Revenues .....	9
General Fund Revenues (1987 Session) .....	13
General Fund Condition (1987 Session) .....	14
General Fund Revenues (1988 Session) .....	15
General Fund Condition (1988 Session) .....	16
Summary of State Highway Fund Revenues (1987 Session) .....	17
Highway Fund Condition (1987 Session) .....	18
Highway Fund Condition (1988 Session) .....	20
Highway Fund Tax and Non-tax Revenue .....	21
<b>The Total Budget</b>	
Summary of the Budget .....	25
Summary of the Budget 1988-89 Revised .....	26
Major Items Funded for the 1987-89 Biennium .....	28
General Fund Appropriations 1987-88 .....	30
General Fund Appropriations 1988-89 .....	32
General Fund Appropriations 1988-89 (1988 Session) .....	34
Federal Block Grant Programs .....	36
Federal Block Grant Program: How the Money will be Spent in North Carolina .....	37
Federal Block Grant Program: How the Money will be Spent in North Carolina (1988) ....	39
Changes in the State's Medicaid Program (1987 and 1988) .....	41
<b>Salaries and Benefits</b>	
Salary Changes for Employees Supported By the State (1987 Session) .....	45
Salary Changes for Employees Supported By the State (1988 Session) .....	50
Retirement and Pension Changes for State and Local Personnel (1987 Session) .....	56
Retirement and Pension Changes for State and Local Personnel (1988 Session) .....	65
State Employee Health Benefit Changes .....	69
Other Benefit Changes for State and Local Personnel (1987 Session) .....	74
Other Benefit Changes for State and Local Personnel (1988 Session) .....	76
<b>Legislative Actions: General Fund Departments' Operating Budget</b>	
Department of Administration .....	81
Office of Administrative Hearings .....	90
Administrative Rules Review Commission .....	92
Department of Agriculture .....	93
Department of Commerce .....	99

**Legislative Actions: General Fund Departments' Operating Budget (Continued)**

Department of Commerce: Biotechnology Center .....	101
Department of Commerce: Microelectronics Center .....	102
Department of Community Colleges .....	107
Department of Correction .....	115
Department of Crime Control and Public Safety .....	121
Highway Patrol - Highway Fund .....	125
Department of Cultural Resources .....	127
Reserve for Debt Service: .....	133
General Assembly .....	134
Office of the Governor .....	138
Office of State Budget - Aid to Non-state Entities: .....	139
Department of Human Resources .....	149
Department of Insurance .....	174
Judicial Department .....	177
Department of Justice .....	183
Department of Labor .....	188
Office of the Lieutenant Governor .....	190
Department of Natural Resources and Community Development .....	192
Department of Public Education .....	201
Department of Revenue .....	211
Department of Secretary of State .....	216
Department of State Auditor .....	219
Department of State Board of Elections .....	222
Department of Transportation - General Fund .....	223
Department of the Treasurer .....	224
University of North Carolina Board of Governors .....	228
Office of State Budget and Management - Statewide Reserves .....	237

**Legislative Actions: Highway Fund Operating Budgets**

Department of Transportation .....	241
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**Capital Improvements**

General Fund Capital Improvements .....	249
General Fund Capital Improvements (1988 Session) .....	258
Highway Fund Capital Improvements .....	265
Highway Fund Capital Improvements (1988 Session) .....	266

**State Aid to Non-State Entities**

Sections 2 and 3 of H 1515, Chapter 830 .....	271
Section 3 of H 2641 and H 781 .....	287



**Local Needs**

Office of State Budget and Management – Section 6 Of H1515 As Amended By H2 ..... 295  
1988–89 H 2643 and S 1840 (Excludes Appropriations to State Departments) ..... 318

**Revenue Bills**

School Facilities Finance Act of 1987 ..... 345  
SB 944 (Liquor Tax Bill)(Chapter 832 of 1987 Session Laws) ..... 348  
Insurance Premiums Tax Re–write Senate Bill 685 (Chapter 814) ..... 350  
Other General Fund Revenue Bills: ..... 351  
Highway Fund Revenue Bills ..... 355  
Local Government Revenue Bills ..... 356  
1988 General Fund Revenue Bills ..... 359

**Appendix**

Summary of General Fund Revenue ..... 365  
Summary Analysis of General Fund Revenues and Expenditures ..... 366  
Summary of General Fund Appropriation Reversions ..... 367  
General Fund Expenditures ..... 368  
General Fund Reversions ..... 369  
General Fund Credit Balance ..... 370  
General Fund Operating Expenditures By Department/Functions of Government ..... 371  
General Fund Appropriations for Capital Improvements (Includes Revenue Sharing Funds) . 372  
Capital Improvements  
    Legislative Bond Issues ..... 373  
    Vote of the People Bond Issues ..... 373  
General Fund Appropriations Expenditures and Reversions Fiscal Year 1987–88 ..... 374  
Analysis of Highway Fund Credit Balance ..... 376  
Highway Fund Total Revenues ..... 377  
Expenditures on Condition of Highway Fund Statement By Source ..... 378  
Average Salary of Employees Subject to the Personnel Act ..... 379  
Legislative Increases ..... 380  
Across–the–board Salary Cost for Each 1% Increase (Millions) ..... 381  
Permanent State Positions ..... 382  
Summary of Permanent Positions By Department July 1, 1988 ..... 383



## 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 1987-89 fiscal biennium. 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.

This document is divided into sections as follows: "Emergency Prison Facilities Development Program and Fund"; "The Economy, Revenues and Fund Conditions"; "The Budget"; "Salaries and Benefits"; "Legislative Actions: General Fund Departments' Operating Budgets"; "Legislative Actions: Highway Fund Operating Budget"; "State Aid to Non-State Entities"; "Local Needs"; and "Revenue Bills".

Section one, "Emergency Prison Facilities Development Program and Fund" briefly identifies the actions implemented for placing the Correction construction program on a "fasttrack".

Section two, "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, this section presents the conditions of state government's two major funds - General and Highway - , together with a description of the amounts and kinds of revenue the state has received (or expects to receive) to sustain these funds.

Section three, "The Budget", summarizes the fiscal actions authorized by the General Assembly for the 1987-89 biennium. Beginning with a short summary of the total State Budget, the section continues with a summary of legislative actions to the Governor's proposed budget. Also, this section includes federal block grant allocations and identifies changes in the state's medicaid program.

Section four, "Salaries and Benefits" identifies salary increases as approved as well as changes in retirement and pension plans, health insurance program, and other benefit programs.

Section five, "Legislative Actions: General Fund Departments' Operating Budgets" identifies each change made to the Governor's proposals for the operations of each department. Also included are Special Provisions which are pertinent to that department.

Section six, "Legislative Actions: Highway Fund Operating Budgets" identifies actions for the Highway Fund in the same manner as addressed in section five.

Section seven, "Authorized Capital Improvements" identifies each project to be funded by the General and Highway Funds. Each item is footnoted for "Special Provisions" if one is applicable.

Section eight, "State Aid to the Non-State Entities" identifies by department each expenditure funded for a non-state agency as identified in Sections 2 and 3 of House Bill 1515 and Sections 3 of House Bill 2641 and House Bill 781.

Section nine, "Local Needs" identifies each recipient of a special appropriation authorized to be disbursed by the Office of State Budget and Management.

Section ten, "Revenue Bills" provides a listing of bills authorizing various tax changes and their fiscal impact.

Included in the "Appendix" is historical data relating to revenues and expenditures of the General Fund and the Highway Fund. Also, included is historical personnel count data.

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



**EMERGENCY PRISON FACILITIES  
DEVELOPMENT FUNDS**



## Emergency Prison Facilities Development Program and Fund

\*\*\*\*\*

### 1987 LEGISLATIVE ACTIONS

\*\*\*\*\*

#### Senate Bill 111

This bill empowered the Office of State Budget and Management, with the assistance of outside professional consultants, to carry out the Emergency Prison Facilities Development Program and to administer the expenditure of funds. A minimum of \$14,243,600 that was appropriated by the 1986 Session to the Department of Correction was transferred to the fund and an additional \$15,125,690 was appropriated for 1986-87 for construction and improvements. Funds are to be used to 1) construct five 100-bed dormitories, a 300-bed replacement for Craggy Prison, a 100-bed advancement center, and thirty-two 50-bed minimum custody housing units; 2) improve physical support systems at field units; 3) make renovations in existing field unit dormitories; and, 4) contract for outside professional assistance (maximum of \$500,000).

The bill also appropriated \$240,101 for parole personnel to handle the increase in emergency paroles mandated by the bill which capped the prison population.





**THE ECONOMY, REVENUES  
AND FUND CONDITIONS**



## ECONOMIC OUTLOOK

\*\*\*\*\*  
**1987 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

The national economy is expected to grow at a modest 2.5 to 3% growth rate in fiscal year 1987-88. Although the third quarter of 1987 (July-September) saw a robust 3.8% rate of growth in U.S. Gross National Product (GNP), growth rates will begin to level off as early as the fourth quarter of 1987 (October-December) due to an expected cutback in consumer spending. The recent decline in the stock market (loss of consumer confidence) and record high levels of consumer debt are the basis for these conclusions. (GNP is made up of four components: consumer spending, business investment, government purchases, and net exports [exports - imports]. Consumer spending has been responsible for two-thirds of GNP growth since the beginning of the current recovery in late 1982.)

The Federal Reserve Board will continue to monitor and "fine-tune" the economy through its control of the money supply. The outlook on inflation and real growth of the new chairman, Alan Greenspan, is similar to his predecessor's, Paul Volcker. The Fed will be facing a difficult challenge because of administrative and Congressional inaction on the budget and trade deficits. Foreign investors account for a substantial portion of new investment in the United States. If U.S. interest rates fall relative to the return on foreign securities, financial resources upon which the U.S. is heavily dependent for continued deficit financing will weaken. In that situation, larger cutbacks in government expenditures than those mandated by Gramm-Rudman would be necessary. The Fed will strive to maintain an interest rate equilibrium whereby consumers and investors adjust gradually to new financial market conditions, thus decreasing the possibility of a recession.

The inflation rate for the fiscal year 1987-88 will likely remain below 5%, a continuation of the experience of the last five years. Early in 1987, monthly inflation rates were signaling a possible acceleration in inflation (January 1987 showed an annualized rate of well over 6%). This trend has reversed itself in the last half of 1987. Energy prices, the main thrust behind sharp rate increases since the 1970's, fell in September. A particular example is gasoline prices, which fell in September after having risen in each of the previous eight months.

\*\*\*\*\*  
**1988 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

During the past twelve months, the economy has generally tracked the 1987 session budget forecast, which was based on the continuation of the moderate-growth, low-inflation pattern experienced during the preceding three years. On the plus side, the export boom substantially reduced the foreign trade deficit, leading to a resurgence in industrial production. Also, investment by business in equipment and fixtures exceeded earlier expectations.

The only area of weakness has been consumer spending, which had been experiencing slow growth prior to the October stock market crash. The major reason for the weakness is high consumer debt levels and uncertainty about the future.

The result is that real (after-inflation) Gross National Product rose 4.5% versus the budget forecast of 3.0%. On the inflation front, favorable energy prices and excess manufacturing capacity kept a lid on consumer prices, leading to a rate of 2.9%, versus the budget forecast of 4.5%. Combining real growth and inflation yields an actual growth in nominal Gross National Product of 7.6%, compared to the forecast of 7.5%.

One major reason for the favorable 1987-88 experience was that stable monetary policy by the Federal Reserve kept interest rates within a relatively narrow range. The rise in rates just prior to the stock market crash was offset by a full percentage point drop in the wake of the crash as the Fed took quick action to

calm investors. This action, coupled with the realization by investors that the crash was simply a one-time adjustment to an unsupportable price level, kept the impact of the crash at a minimum.

Another concern during early-1988 was a build-up of business inventories. The feeling was that the over-supply of goods, coupled with the stock market crash, would lead to cutbacks in manufacturing employment. These fears were eradicated by continued strong improvement in the trade situation and inventory-reduction efforts by businesses.

The assumption underlying the 1988-89 General Fund budget is that the slow-growth, low-inflation pattern of the last few years will continue, with slight modification, until at least early 1989. The Federal Reserve continues to do an admirable job of monitoring the strength of the economy and inflationary pressures. The small pick-up in inflation this year and concern about future price rises has already led the Fed to increase interest rates by more than a percentage point. Future adjustments are likely.

It appears the Administration and the Congress will follow through on their federal budget "fix" of last year. With 1988 being an important election year, neither side is anxious to inject new initiatives into the deficit-reduction plan. Thus, federal budget policy will have a neutral impact on the economy.

In summary, the General Fund budget forecast for 1988-89 is based on an assumption of 2.5% growth in real Gross National Product and 5% inflation, for a total nominal growth of 7.5%. As in the case of last year's experience, the overall rate is much more important than the components. If inflation increases more than expected, monetary policy will become more restrictive and thus real growth will be slower. If inflation stays under control, the Fed will be able to take a looser stance.

## GENERAL FUND REVENUE OUTLOOK

\*\*\*\*\*

### 1987 LEGISLATIVE ACTIONS

\*\*\*\*\*

The economic outlook discussed above would normally lead to a projected growth of 8% in General Fund taxes for both years of the biennium. This rate roughly tracks the experience of the last couple of years, adjusted for legislative tax law changes and federal tax reform.

For the next couple of years the collection experience will be far different from the economic outlook. For one thing, the 1985 and 1987 General Assembly mandated major local tax relief measures (inventory tax, homestead exemption, intangibles tax) that include a state reimbursement to cities and counties. The accounting for the reimbursement takes place through a "net-out" of certain General Fund taxes instead of an appropriation. The effect is that collections of certain taxes will be lower than an amount based on the economy.

Another major factor influencing the collection rate is federal tax reform. The provision in the legislation eliminating the 60% exclusion for long-term capital gains effective January 1, 1987 encouraged many investors to sell their stock, bonds, and real estate earlier than normal. This phenomenon resulted in approximately \$110 million of increased personal income tax collections during the last half of 1986-87.

While the overcollections increased the beginning credit balance for 1987-88 and thus spending availability, there are a couple of points that should be noted. For one thing, much of the capital gains on sales taking place in late 1986 reflect a "borrowing" from future years. At this point, there is no way to determine how much of the realization of gains (through the selling of assets) reflected a real increase (due to the stock and bond markets), and how much was accelerated from future years.

Another tax reform issue is the potential negative impact of higher capital gains tax rates on the realization of gains in the future. Many of the economists studying the issue feel that the higher rates will either discourage investments in shares of stock and bonds, or will encourage investors holding these assets to increase the length of the holding period. (until death in some cases).

A final distortion is caused by the insurance premiums tax restructuring legislation of the 1986 and 1987 sessions. This legislation "blended" the foreign and domestic rates into one rate and created significant windfalls for a couple of years through the acceleration of tax payments.

The numbers that fall out from adjusting the economy-based revenue forecast for the special factors are shown on the General Fund Revenue Table. In its budget deliberations the General Assembly used an estimate that includes a fairly conservative assumption regarding the portion of 1986 capital gains that were borrowed from the future. The assumption is that the majority of the \$110 million of overcollections reflected a borrowing from the 1987-88 revenue stream.

When the accelerated dollars are included in 1986-87 actual collections and then "netted-out" of the 1987-88 baseline estimate, a distorted growth rate of 3.9% results (around 1% growth for personal income tax collections). This same adjustment leads to a distorted 1988-89 growth rate 9.5% (including 17% for the personal income tax).

Experienced revenue-estimators agree that there is little hope that the actual 1987-88 collections will be close to the budgeted amount. The tax reform impact and the increased volatility of the financial markets greatly increase the risks in estimating tax collections for a particular year. The adoption by the General Assembly of a "forecast" based on fairly conservative assumptions leads to the strong likelihood that collections will be better than expected in 1987-88.

The estimated level of non-tax collections is shown below. One point to note is the inclusion of a one-time windfall of \$9.8 million in the 1987-88 collections. This factor leads to a distortion in any year-to-year comparison.

\*\*\*\*\*  
**1988 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

Normally, the major source of uncertainty in the estimate of General Fund tax revenues has to do with the economic outlook. Once the economic forecast is adopted, the major taxes flow directly. The only judgment calls have to do with the corporate income tax (difficult to forecast) and minor pieces of tax legislation.

Since 1985, the situation has been reversed. Successful money management by the Federal Reserve and few surprises have caused economic forecasts to be close to the mark. On the other hand, it has been very difficult to predict the tax revenues that will result from a specific economic outlook. There are a number of reasons for the difficulty.

For one thing, the General Assembly since 1985 has enacted numerous pieces of major tax legislation. These changes affect the various taxes collected under the General Fund and the earmarking for the reimbursement to local government units for mandated local tax changes.

The 1986 and 1987 sessions restructured the insurance premiums tax, creating major short-term windfalls to be followed by a revenue loss.

Finally, there is the matter of federal tax reform. The sell-off of shares of stock, bonds, and real estate for federal tax purposes during late-1986 led to an unanticipated increase of over \$110 million in personal income tax revenues during 1986-87. While the increased revenue was a pleasant surprise, there was a problem for budget makers in determining the portion of the gain that was real (due to the increase in stock and bond prices since 1982) and the portion representing advance payments from future years.

In the absence of reliable data, the 1987-88 General Fund budget was based on an assumption that well over half of the 1986-87 capital gains increase represented a borrowing from future years and that practically all of the borrowing came from 1987-88 revenues. This assumption was very conservative in that the borrowing really came out of collections from a number of future years.

The result is that personal income tax collections from capital gains were over \$35 million higher in 1987-88 than the budget estimate. At the same time, an unanticipated sell-off of an operating company by a major holding company yielded \$39 million of corporate tax revenue.

A third factor leading to 1987-88 overcollections was the use of a January 1, 1987 effective date for the 1987 legislation raising the corporate income tax (created a windfall of \$30 million above the annualized impact). Finally, personal income tax refunds through June 30 were \$27 million behind the amount based on a stable historical trend.

The remaining \$40 million of tax overcollections for the year came from economic growth that exceeded the 1987 session forecast.

Improvements in the investment income area led to non-tax overcollections for 1987-88 of \$18.5 million.

The general outlook for 1988-89 tax collections has not changed dramatically from the estimate made last year. For one thing, the economic basis underlying tax and non-tax collections for 1988-89 tax and non-tax revenues is essentially the same as that used during the 1987 legislative session. Secondly, many of the 1987-88 overcollection items were either one-time in nature or had a 1988-89 offset.

There have been a number of technical adjustments made to original estimate due to better data on the impact of federal tax reform, state reimbursement for local tax changes, and the impact of 1988 tax legislation. The net result of the adjustments is that the 1988-89 tax estimate has been increased by \$8.9 million and the non-tax estimate has been adjusted upward by \$25.0 million.

**GENERAL FUND REVENUES - 1987 Session**  
(\$ Million)

TAX	1986-87 Actual	1987-88 Authorized	1988-89 Authorized
Personal Income	\$2,565.9	\$2,594.8*	\$3,039.5*
Sales & Use Plus Public Utility Excise	1,555.6	1,640.4*	1,738.7*
Corporate Income	563.5	592.5*	567.0*
Insurance	139.2	187.7*	173.4*
Beverage	112.5	123.4*	132.6*
Corporate Franchise	102.5	110.7	119.6
Inheritance	73.6	68.0*	57.5*
Soft Drink	24.8	25.5	26.2
Privilege License	22.0	22.5	23.0
Cigarette	11.6	7.5*	7.3*
Gift	3.9	4.2	4.6
Other	<u>5.5</u>	<u>3.6</u>	<u>3.8</u>
Total	\$5,180.6	\$5,380.8	\$5,893.2
% Change	9.8%*	3.9%*	9.5%*
<b><u>NON-TAX</u></b>			
Investment Income	\$139.3	\$148.3	\$157.0
Judicial Dept.	38.0	40.1	44.8
Gas & Oil Inspection	1.0	1.0	1.0
Miscellaneous	<u>33.2</u>	<u>45.5**</u>	<u>38.6</u>
Total	\$211.5	\$234.9	\$241.4

\* The net collection and annual growth amounts for many tax schedules, as well as the overall collection total, are substantially distorted for a couple of reasons. One problem is the uncertainty surrounding the permanent impact of federal tax reform, especially in regard to the amount of 1986-87 capital gains realizations that will be offset by lower realizations in future years. The other major distortions include the impact of the 1985 tax package, insurance premiums tax legislation, and the School Facilities Finance Act of 1987, and other tax matters.

\*\* Includes \$9.8 million of one-time items.

## GENERAL FUND CONDITION - 1987 Session

The projected fiscal condition of the General Fund based upon revenue growth as outlined above is as follows:

	(\$ Million)		
	1986-87 Actual	1987-88 Authorized	1988-89 Authorized
BEGINNING CREDIT BALANCE:	\$ 319.1	\$ 362.2	--
REVENUES:			
Tax	\$5,180.6	\$5,380.8*	\$5,893.2*
Non-Tax	<u>211.5</u>	<u>234.9**</u>	<u>241.4</u>
TOTAL REVENUES	\$5,392.1	\$5,615.7	\$6,134.6
TOTAL AVAILABILITY	\$5,711.2	\$5,977.9	\$6,134.6
EXPENDITURES:			
Current Operations Appropriations	\$5,233.7	\$5,813.0	\$5,988.0
Capital Improvements Appropriations	<u>297.6</u>	<u>164.9</u>	<u>146.3</u>
TOTAL	\$5,531.3	\$5,977.9	\$6,134.6
LESS: REVERSIONS	<u>182.3</u>	--	--
NET EXPENDITURES	\$5,349.0	\$5,977.9	\$6,134.6
ENDING CREDIT BALANCE	\$362.2	--	

\* Based on a projected economic growth rate of 8.0%. Annual growth rate comparisons are severely distorted by legislative tax law changes and the impact of federal tax reform.

\*\* Includes \$9.8 million of one-time items.



**GENERAL FUND REVENUES - 1988 Session**  
(\$ Million)

<u>Source</u>	<u>1987-88</u> <u>Actual</u>	<u>1988-89</u> <u>Authorized</u>
<b>TAX</b>		
Personal Income	\$2,686.8	\$2,956.7
Sales & Use	1,555.3	1,658.9
Corporate Income	626.0	604.7
Franchise	234.8	251.2
Insurance	186.4	171.4
Beverage	122.5	130.9
Inheritance	60.7	46.2
Privilege License	28.3	28.5
Soft Drink	27.4	28.9
Cigarette	8.5	8.6
Gift	5.0	5.5
Other	9.6	10.5
<b>Total Tax Sources</b>	<b>\$5,551.3</b>	<b>\$5,902.1</b>
<b>% Change</b>	<b>7.2%*</b>	<b>6.3%*</b>
<b>NON-TAX</b>		
Investment Income	\$166.9	\$180.0
Judicial Dept.	42.3	45.0
Gas & Oil Inspection	1.2	1.1
Miscellaneous	42.8**	40.3***
<b>Total Non-Tax Sources</b>	<b>\$253.2</b>	<b>\$266.4</b>

\* The net collection and annual growth amounts for many tax schedules, as well as the overall collection total, are substantially distorted from the impact of numerous legislative changes since 1985 and the impact of federal tax reform on the realization of capital gains for income tax purposes.

\*\* Includes \$9.8 million of one-time items.

\*\*\* Includes \$5.3 million of child-support enforcement receipts.

**GENERAL FUND CONDITION - 1988 Session**  
(\$ Million)

<u>Source</u>	<u>1987-88</u> <u>Actual</u>	<u>1988-89</u> <u>Authorized</u>
<b>Beginning Credit Balance:</b>	<b>\$362.2</b>	<b>\$392.9</b>
<b>Revenues:</b>		
Tax	\$5,551.3	\$5,902.1
Non-Tax	253.2a	266.4b
<b>Total</b>	<b>\$5,804.5</b>	<b>\$6,169.5</b>
<b>Total Availability</b>	<b>\$6,166.7</b>	<b>\$6,561.4</b>
<b>Expenditures:</b>		
Current Operations Appropriations	\$5,805.1d	\$6,302.7e
Capital Improvements Appropriations	173.2c	258.7
<b>Total</b>	<b>\$5,978.3</b>	<b>\$6,561.4</b>
Less: Reversions	204.5	--
<b>Net Expenditures</b>	<b>\$5,773.8</b>	<b>\$6,561.4</b>
<b>Ending Credit Balance</b>	<b>\$ 392.9</b>	<b>\$ --</b>

- a Includes \$9.8 million of one-time items.
- b Includes \$5.3 million of child support enforcement receipts.
- c Increased by transfer from Reserve for Industrial Development to Repairs and Renovations.
- d Decreased by transfer from Reserve for Industrial Development to Repairs and Renovations; increased by \$321,823 in Department of Revenue as authorized by Section 85 of Chapter 830 of the 1987 Session.
- e Increased by \$290,775 to the Department of Revenue as authorized by Section 85 of Chapter 830, 1987 Session (\$200,961) and \$89,814 from Intangible tax collections for Sales Assessment Ratio Studies as authorized in Section 57 of Chapter 1086, 1988 Session.

## Summary of State Highway Fund Revenues

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### 1987 LEGISLATIVE ACTIONS

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Approximately \$800.4 million was generated in Highway Fund state revenues in 1986-87. This was 21.9% more than the 1985-86 revenues, an increase of \$143.6 million. Motor fuels tax collections for this period were \$559.8 million as compared with \$429.5 million, or 30.4%. The high growth rates are due to the tax increases enacted by the "Roads to the Future" legislation passed by the 1986 General Assembly which consisted of (1) an additional 2 cent/gallon tax on motor fuel and (2) a 3% sales tax on the wholesale price of gasoline. Motor vehicle licenses and fee collections were \$232 million as compared to \$219 million during fiscal year 1985-86, an increase of 6%.

Moderate growth is expected for 1987-88 for the regular gas tax and fee components of the Highway Fund. Highway Fund revenues for fiscal year 1987-88 are expected to increase 5% over fiscal year 1986-87.

	(\$ Million)	
	1986-87 Actual	1987-88 Projected
<b>Motor Fuel Tax:</b>		
Gasoline Tax - 14 ¢	\$ -	\$ 527.6*
Gasoline Tax - 13 ¢	414.6	-
Gasoline Tax - 1 ¢	38.2*	-
Gasoline Tax - 11 ¢	50.7	-
Gasoline Tax - 3%	50.8	64.0
Gasoline Inspection - 1/4 ¢	9.5	9.6
Highway Use Tax	5.9	4.8
Subtotal	\$570.3	\$606.0
% Change	30.1	6.0
<b>Motor Vehicle Licenses and Registration fees:</b>		
Motor Vehicle Registration	\$139.8	\$141.5
International Registration		
Plan	28.3	28.5
Title Fees	14.7	15.0
Lien Recording Fees	.7	.9
Driver Licenses	33.1	30.1
Revocation/Restoration	3.7	5.3
Safety Equipment Inspection		
Fees	4.7	4.8
Dealer & Manufacturer Licenses	.5	.5
Overweight/Oversize Permits	.4	.4
Subtotal	\$225.9	\$227.0
% Change	6.0	.5
<b>Other State Revenue</b>		
Penalties	\$ 5.3	\$ 6.5
Refunds - Highway Division	1.2	.9
Miscellaneous	1.0	.3
Subtotal	\$ 7.5	\$ 7.7
<b>Investment Income</b>	\$ 26.2	\$ 23.0
<b>Total Highway Fund Revenues</b>	\$829.6	\$863.7
% Change	21.1	4.1

On July 8, 1986, the State of North Carolina sold \$250,000,000 of Highway Refunding Bonds. There is no debt service reserve requirement (formerly 1¢ per gallon sold) under the refunding issue.

**HIGHWAY FUND CONDITION**  
**(\$ MILLIONS)**

	Actual 1986-87	Authorized 1987-88
<b>Beginning Credit Balance</b>		
Debt Service	\$ 15.6	\$ -
Current Fund	9.4	22.1
Prior Year Reserves	33.2	
Subtotal	\$ 58.2	\$ 22.1
<b>State Highway Fund Revenue</b>		
Total Availability	\$829.8	\$863.7
	\$888.0	\$885.8
<b>Expenditures</b>		
Operations	\$828.8	\$872.1
Prior Year Reserves	33.2	
Capital Improvements	4.7	10.3
Total Expenditures	\$866.7	\$882.4
Total Ending Balance	\$ 22.1	\$ 3.4

\*\*\*\*\*  
**1988 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

Net State Highway Fund collections (motor fuels taxes and licenses and fees) for fiscal year 1987-88 increased 7.25% over fiscal year 1986-87. Motor fuels tax collections were 7.53% higher in 1987-88 compared to 1986-87, an increase of \$42.9 million, and revenues collected by the Division of Motor Vehicles for licenses and fees increased by 6.55% for an increase of \$15.1 million. Total Highway Fund net collections for fiscal year 1987-88 were \$858.4 million, compared to \$800.4 million collected during 1986-87.

Total Highway Fund revenues for fiscal year 1987-88 totaled \$896 million, compared to \$829.8 million in 1986-87, an increase of approximately 8%. The majority of Highway Fund revenue growth during 1987-88 occurred in two areas: licenses and fees administered by the Division of Motor Vehicles, and investments made by the State Treasurer of funds on deposit in the Highway Fund.

An additional source of revenue to the Highway Fund is attributed to the rise in the variable 3% tax on the wholesale price of gasoline and diesel fuel, which is indexed to current fuel prices every six months. Effective January 1, 1988, the wholesale tax was raised from 1.5 cents to 1.8 cents, which netted an unanticipated increase in motor fuels collections of approximately \$4.7 million. As of July 1, 1988, the wholesale tax stands at 1.7 cents per gallon.

**HIGHWAY FUND CONDITION  
(\$ MILLION)**

**1988 SESSION**

	<u>Actual</u> <u>1987-88</u>	<u>Authorized</u> <u>1988-89</u>
<b>Beginning Credit Balance:</b>		
Reserved for Appropriations	\$ 48.9	\$ 50.0
Other Authorized Reserves	15.1	25.1
<b>Sub-Total</b>	<b>\$ 63.9</b>	<b>\$ 75.1</b>
State Highway Revenue	\$896.6	\$900.9
Interfund Transfers	--	(6.0)
<b>Total Availability</b>	<b>\$960.6</b>	<b>\$970.0</b>
<b>Highway Fund Expenditures:</b>		
Appropriations - 1988-89		918.7
Unallotted 1987-88 Appropriations		26.2
Authorized Reserves		25.1
<b>Total Expenditures</b>	<b>\$885.5</b>	<b>\$970.0</b>
<b>Ending Credit Balance</b>	<b>\$ 75.1</b>	<b>\$ 0</b>

**HIGHWAY FUND TAX AND NON-TAX REVENUE  
(\$ MILLION)**

**1988 SESSION**

	<u>Authorized 1988-89</u>
<b>Motor Fuels Tax</b>	
Gasoline Tax	\$606.8
Gasoline Inspection (1/4 ct)	9.8
Highway Use Tax	4.9
<b>Total Motor Fuels Tax</b>	<b>\$621.5</b>
<b>Licenses and Fees</b>	
Motor Vehicle Registration	148.0
International Reg. Plan	30.6
Title Fees	15.5
Lien Recording Fees	1.0
Driver Licenses	37.8
Revocation and Restoration	4.4
Equipment Inspection Fees	4.8
Dealer and Manufacturers Licenses	.6
Overweight/Size Permits	.5
Motor Carrier Safety	.3
<b>Total License and Fees</b>	<b>\$243.5</b>
<b>Other State Revenue</b>	
Penalties	5.6
Refunds	1.0
Miscellaneous	1.3
<b>Total Other State Revenue</b>	<b>\$7.9</b>
<b>Investment Income</b>	<b>28.0</b>
<b>Total Highway Fund Revenue</b>	<b>\$900.9</b>





# **THE TOTAL BUDGET**



## SUMMARY OF THE BUDGET

TOTAL BUDGET	\$9.724 billion in 1987-88 and \$9.898 billion in 1988-89 for both operations and capital improvements.
GENERAL FUND	\$5.978 billion in 1987-88 and \$6.135 billion in 1988-89.
HIGHWAY FUND	\$882.4 million in 1987-88 and \$882.2 million in 1988-89.
FEDERAL FUNDS	\$2.027 billion in 1987-88 and \$2.110 billion in 1988-89.
DEPARTMENTAL RECEIPTS	\$837.1 million in 1987-88 and \$771.4 million in 1988-89. Made up of tuition fees, patent fees, and other dedicated receipts.
GENERAL FUND REVENUES	The rate of increase projected for General Fund tax revenues 1987-88 over 1986-87 actual, is 3.9% (8.5% adjusted for tax law changes).

Comparison of collections, percent of increase over previous year:

	ACTUAL	ECONOMIC BASE*
1974-75	6.8%	6.8%
1975-76	8.3	8.3
1976-77	19.0	14.3
1977-78	10.1	14.7
1978-79	13.4	13.4
1979-80	12.9	12.9
1980-81	7.8	9.2
1981-82	8.1	8.2
1982-83	6.5	6.5
1983-84	16.3	12.4
1984-85	13.7	11.2
1985-86	8.3	7.0
1986-87	10.4	9.0

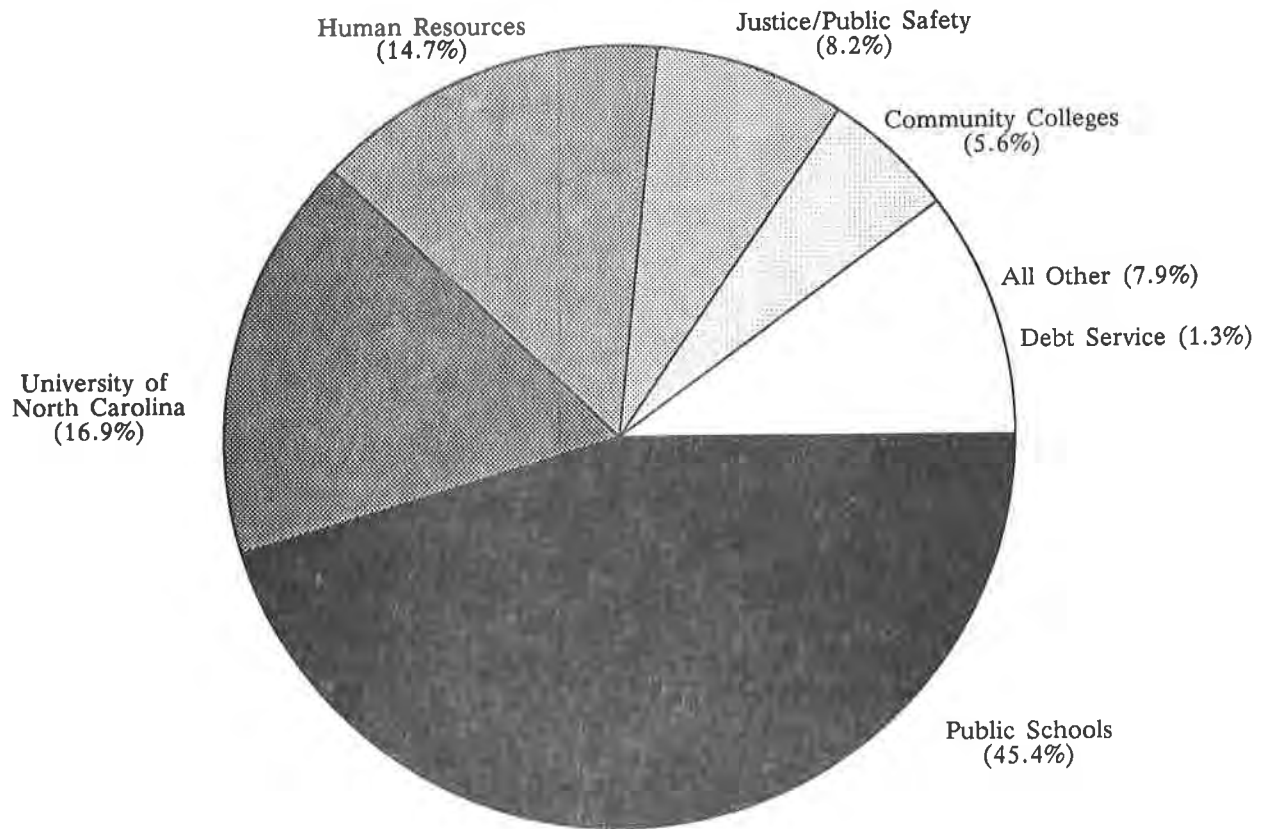
\*Actual collections adjusted for tax law changes

CAPITAL IMPROVEMENTS	Total authorizations from the General Fund are \$164.8 million in 1987-88 and \$146.3 million in 1988-89.
HIGHWAY FUND REVENUES	Total Highway Fund revenues are projected to grow 5% during 1987-88 and 2% during 1988-89.

**SUMMARY OF THE BUDGET  
1988-89 REVISED**

<b>TOTAL BUDGET</b>	<b>\$10.410 billion</b> for both operations and capital improvements.
<b>GENERAL FUND</b>	<b>\$6.561 billion</b> in direct appropriations; <b>\$25 million</b> in legislative bonds.
<b>HIGHWAY FUND</b>	<b>\$918.7 million.</b>
<b>FEDERAL FUNDS</b>	<b>\$2.117 billion.</b>
<b>DEPARTMENTAL RECEIPTS</b>	<b>\$788.2 million.</b> Made up of tuition fees, patient fees, and other dedicated receipts.
<b>GENERAL FUND REVENUES</b>	The rate of increase projected for General Fund tax revenues, 1988-89 over 1987-88 actual, is 6.3% (9.2% adjusted for tax law changes).
<b>CAPITAL IMPROVEMENTS</b>	<b>\$316.9 million (Total)</b>
<b>HIGHWAY FUND REVENUES</b>	Total Highway Fund revenues are projected to grow 0.5% during 1988-89.

**1987-88 GENERAL FUND BUDGET**  
For Current Operations



**MAJOR ITEMS FUNDED FOR THE  
1987-89 BIENNIUM  
(IN MILLIONS)**

	1987 Session		1988 Session
	1987-88	1988-89	1988-89
<b>Governor's Recommendations</b>	\$573.8	\$983.4	\$521.1
<b>Legislative Approvals</b>	<u>730.8</u>	<u>833.8</u>	<u>426.4</u>
<b>Net Difference</b>	+\$157.0	(149.6)	(94.7)
<b>Major Increases:</b>			
Salary Increase, State & Local	204.7	208.1	210.8
Hospital - Medical Rates	47.0	65.1	(8.2)
Salary Adjustments for Nurses	-	-	3.5
<b>Public Schools:</b>			
Basic Education Plan	125.2	260.5	-
Career Development Pilot	12.0	26.1	-
Adult Bus Drivers	-	-	18.8
Reporting System	1.0	2.1	6.9
Teacher Stipends	9.1		
Teachers With Masters Supplement	1.0		
Teaching Fellows	2.0	4.0	
Juniors Program	.2	.4	
Latchkey Program			4.2
Strengthening Teacher Education	1.6	2.7	
<b>University:</b>			
Enrollment Increases	11.3	15.8	9.8
Priorities 4-10	12.0	12.0	-
Legislative Tuition Grant & Contracted Scholarships increase per year)	2.3	4.6	-
Capital Improvements	63.2	52.7	42.1
<b>Community Colleges:</b>			
Capital Improvements	25.8	19.5	10.1
FTE Increases	7.2	7.2	
Reduce Faculty/Student Ratio 1/21.35	3.9	3.9	
Equipment Funds	7.5	-	
New and Expanding Industry	3.0	2.5	
<b>Human Resources:</b>			
Caseload Increases AFDC	2.3	2.3	
Caseload Increases - Medicaid	3.5	5.5	
Catastrophic Health Care	-	-	4.9
Change in Federal Participation Rate			5.1
Increase in Part B Medicare Premiums			4.6
Domiciliary Rate Increases	2.0	2.9	.8
Family Support Act	1.4	2.9	
Aging Program			4.5
Mental Health Pioneer Testing	.7	.7	

	1987 Session		1988 Session
	1987-88	1988-89	1988-89
<b>Correction:</b>			
OSB - Prison Construction			17.4
Staffing Deficiencies	5.9	15.9	5.3
Staffing New Units	.9	1.1	2.6
Increase in Medium Beds			1.2
<b>Cultural Resources:</b>			
Aid to Public Libraries	.5	.5	-
Public Library Construction Grants	1.3	1.3	
Arts Council Program	.5	1.0	
<b>Other:</b>			
Clean Water Revolving Loans & Grants	5.7	15.8	10.0
State Ports Development	19.9	16.0	
Education Building		25.0	7.0
N. C. Zoo Development	6.0		3.5
Industrial Development			
Economically Depressed Counties	5.0		
Rural Economic Development Center	2.0	2.0	
Micro-electronics	6.2	1.9	
Super Computer	12.0	6.0	
Agriculture Drought Emergency			
Reserve			1.0
Crime Victim Assistance Program	1.0	1.0	
Court Personnel	1.6	3.5	
Indigent Persons Attorney Fees			6.1
Alcoholic Law Enforcement Support	3.7	-	4.5

**GENERAL FUND APPROPRIATIONS  
1987-88**

<u>Department</u>	Governor's Continuation Recommendation	Base Budget Changes	Expansion of Ch. 830	Special Bills Ch. 856, Ch. 873 Ch. 876 and Sec. 6	Total Authorization
Administration	\$41,317,056	\$(1,065,800)	\$2,337,500	\$50,000	\$42,638,756
Agriculture	32,602,692	(449,475)	1,432,793	-	33,586,010
Auditor	6,275,838	(144,529)	219,670	-	6,350,979
Board of Elections	1,186,741	(23,794)	14,565	-	1,177,512
Commerce	22,633,310	(484,646)	591,585	-	22,740,249
Community Colleges	287,550,864	3,444,450	19,376,507	-	310,371,821
Correction	256,466,320	(2,305,600)	8,287,194	-	262,447,914
Crime Control and Public Safety	15,502,590	(202,933)	3,158,954	3,686,366	22,144,977
Cultural Resources	18,205,948	(397,328)	768,324	36,788	18,613,732
General Assembly	13,734,942	(272,000)	312,300	1,185,000	14,960,242
Governor's Office	8,591,660	(1,246,461)	-	-	7,345,199
Human Resources	651,650,201	(9,667,925)	9,247,819	8,477	651,238,572
Insurance	10,205,565	(207,661)	1,102,055	-	11,099,959
Judicial	146,749,439	2,150,700	2,531,962	-	151,432,101
Justice	40,077,825	(829,105)	2,728,469	-	41,977,189
Labor	6,377,407	(82,252)	331,173	-	6,626,328
Lieutenant Governor	522,962	(10,459)	200,000	-	712,503
Natural Resources & Community Development	57,460,482	(1,108,011)	3,429,757	-	59,782,228
Office of Administrative Hearings	1,910,922	(39,131)	12,000	-	1,883,791
Public Education	2,352,076,324	(8,791,487)	155,483,987	1,101,523	2,499,870,347
Revenue	38,645,178	(386,452)	1,907,707	-	40,166,433
Secretary of State	2,251,468	(27,042)	409,446	-	2,633,872
Transportation	116,571	-	-	-	116,571
Treasurer	3,617,544	(77,520)	607,660	10,000	4,157,684
University of North Carolina	<u>877,288,960</u>	<u>3,039,966</u>	<u>22,483,027</u>	<u>=</u>	<u>902,811,953</u>
Subtotal-Department	<u>4,893,018,809</u>	<u>(19,184,495)</u>	<u>236,974,454</u>	<u>6,078,154</u>	<u>5,116,886,922</u>
Debt Service	\$75,278,075	\$(1,348,448) \$	-	\$ -	\$73,929,627
Reserves:					
Forestry Camp					
Contingency and Emergency	1,125,000	-	-	-	1,125,000
Salary Adjustment	500,000	-	-	-	500,000
Electronic Data Processing Equipment	500,000	-	-	-	500,000
Salary Increase	-	-	198,600,000	-	198,600,000
Hospital-Medical Insurance	-	-	47,000,000	-	47,000,000
Benefits Part-Time Employees	-	-	875,000	-	875,000
Industrial Development and Purchasing	-	-	8,300,000	-	8,300,000
Telephone Equipment	-	-	500,000	-	500,000
Super Computer	=	=	<u>12,000,000</u>	<u>=</u>	<u>12,000,000</u>
Subtotal-Operations	4,970,421,884	(20,532,943)	504,249,454	6,078,154	5,460,216,459
Capital Improvements - State Department	=	=	<u>157,420,035</u>	<u>550,000</u>	<u>157,970,035</u>
Subtotal - State Operations	4,970,421,884	(20,532,943)	661,669,489	6,628,154	5,618,186,584



**GENERAL FUND APPROPRIATIONS  
1987-88**

<u>Department</u>	<u>Governor's Continuation Recommendation</u>	<u>Base Budget Changes</u>	<u>Expansion</u>	<u>Special Bills Ch. 856, Ch. 873 Ch. 876 and Sec. 6 of Ch. 830</u>	<u>Total Authorization</u>
<i>State Aid to Non-State Entities:</i>					
Administration	\$1,634,520	\$(240,000)	\$790,000	\$10,000	\$2,194,520
Agriculture	90,014	140,000	-	-	230,014
Auditor	4,434,865	-	1,500,000	-	5,934,865
Commerce	20,346,660	(129,800)	15,180,862	2,000	35,399,722
Community Colleges	556,750	(175,100)	-	16,000	397,650
Correction	75,000	-	-	-	75,000
Crime Control and Public Safety	556,000	-	205,800	-	761,800
Cultural Resources	15,415,250	55,000	1,525,000	253,100	17,248,350
Governor's Office - Special Appropriation	-	-	19,914,685	8,298,850	28,213,535
Human Resources	184,579,698	(555,625)	19,802,804	64,500	203,891,377
Insurance	-	200,000	-	-	200,000
Judicial	157,500	-	209,950	15,000	382,450
Justice	-	-	50,000	-	50,000
Natural Resources and Community Development	5,946,805	(193,835)	3,925,992	8,500	9,687,462
Public Education	6,416,797	-	2,245,000	40,000	8,701,797
Transportation	5,145,000	-	-	-	5,145,000
University of North Carolina	<u>31,948,050</u>	<u>(272,100)</u>	<u>2,552,865</u>	<u>35,000</u>	<u>34,263,815</u>
Subtotal-State Aid	<u>277,302,909</u>	<u>(1,171,460)</u>	<u>67,902,958</u>	<u>8,742,950</u>	<u>352,777,357</u>
Capital Improvements - State Aid	=	=	<u>6,950,000</u>	=	<u>6,950,000</u>
Subtotal - All State Aid	277,302,909	(1,171,460)	74,852,958	8,742,950	359,727,357
<b>Grand Total</b>	<b>\$5,247,724,793</b>	<b>\$(21,704,403)</b>	<b>\$736,522,447</b>	<b>\$15,371,104</b>	<b>\$5,977,913,941</b>

**GENERAL FUND APPROPRIATIONS**  
**1988-89**  
**1987 Session**

Department	Governor's Continuation Recommendation	Base Budget Changes	Expansion	Special Bills Ch. 856, Ch. 873 Ch. 876 and Sec. 6 of Ch. 830	Total Authorization
Administration	\$41,655,376	\$(967,969)	\$2,260,181	\$ -	\$42,947,588
Agriculture	32,742,268	(449,603)	1,444,400	-	33,737,065
Auditor	6,287,095	(144,553)	268,364	-	6,410,906
Board of Elections	409,638	(8,242)	17,860	-	419,256
Commerce	22,680,088	(485,115)	525,761	-	22,720,734
Community Colleges	288,151,797	3,453,601	9,636,544	-	301,241,942
Correction	262,792,175	(4,200,882)	17,832,897	-	276,424,190
Crime Control and Public Safety	15,626,788	(91,539)	2,252,184	-	17,787,433
Cultural Resources	18,418,729	(500,836)	601,665	63,421	18,582,979
General Assembly	16,875,453	(340,000)	100,900	143,000	16,779,353
Governor's Office	8,722,071	(1,191,841)	-	-	7,530,230
Human Resources	680,547,994	(6,252,458)	15,442,458	(91,523)	689,646,471
Insurance	10,224,107	(208,036)	1,128,153	-	11,144,224
Judicial	150,448,615	2,154,045	4,875,483	-	157,478,143
Justice	40,018,811	(734,729)	1,903,844	-	41,187,926
Labor	6,375,241	(82,310)	433,866	-	6,726,797
Lieutenant Governor	523,594	(10,472)	-	-	513,122
Natural Resources & Community Development	57,422,200	(1,060,975)	2,201,879	-	58,563,104
Office of Administrative Hearings	1,913,223	(39,178)	-	-	1,874,045
Public Education	2,354,394,043	(8,791,487)	295,496,326	91,523	2,641,190,405
Revenue	38,679,943	(386,799)	3,323,248	-	41,616,392
Secretary of State	2,209,614	(27,081)	659,533	-	2,842,066
Transportation	116,571	-	-	-	116,571
Treasurer	3,625,182	(77,678)	151,777	-	3,699,281
University of North Carolina	885,985,988	2,568,097	22,648,207	-	911,202,292
Subtotal-Department	<u>4,946,846,604</u>	<u>(17,876,040)</u>	<u>383,205,530</u>	<u>206,421</u>	<u>5,312,382,515</u>
Debt Service	\$72,959,370	\$(1,323,000)	\$ -	\$ -	\$71,636,370
Reserves:					
Forestry Camp					
Contingency and Emergency	1,125,000	-	-	-	1,125,000
Salary Adjustment	500,000	-	-	-	500,000
Electronic Data Processing Equipment	500,000	-	-	-	500,000
Salary Increase	-	-	202,000,000	-	202,000,000
Hospital-Medical Insurance	-	-	65,100,000	-	65,100,000
Benefits Part-Time Employees	-	-	905,000	-	905,000
Industrial Development and Purchasing	-	-	-	-	-
Telephone Equipment	-	-	500,000	-	500,000
Super Computer	-	-	6,000,000	-	6,000,000
Subtotal-Operations	\$5,021,930,974	\$(19,199,040)	\$657,710,530	\$206,421	\$5,660,648,885
Capital Improvement - State Department	=	=	<u>129,207,626</u>	=	<u>129,207,626</u>
Subtotal - State Operations	\$5,021,930,974	\$(19,199,040)	\$786,918,156	\$206,421	\$5,789,856,511

**GENERAL FUND APPROPRIATIONS  
1988-89**

<u>Department</u>	<u>Governor's Continuation Recommendation</u>	<u>Base Budget Changes</u>	<u>Expansion</u>	<u>Special Bills Ch. 856, Ch. 873 Ch. 876 and Sec. 6 of Ch. 830</u>	<u>Total Authorization</u>
<i>State Aid to Non-State Entities:</i>					
Administration	\$1,634,520	\$(290,000)	\$715,000	\$ -	\$2,059,520
Agriculture	90,014	140,000	-	-	230,014
Auditor	4,434,865	-	1,500,000	-	5,934,865
Commerce	20,346,660	(129,800)	3,929,896	-	24,146,756
Community Colleges	556,750	(175,100)	-	-	381,650
Correction	75,000	-	-	-	75,000
Crime Control and Public Safety	556,000	-	-	-	556,000
Cultural Resources	15,415,250	55,000	1,775,000	-	17,245,250
Governor's Office - Special Appropriation	-	-	9,105,000	-	9,105,000
Human Resources	186,065,774	(1,270,491)	22,170,666	-	206,965,949
Insurance	-	200,000	-	-	200,000
Judicial	157,500	-	231,860	-	389,360
Justice	-	-	-	-	-
Natural Resources and Community Development	5,946,805	(193,835)	2,290,992	-	8,043,962
Public Education	6,416,797	-	4,445,000	-	10,861,797
Transportation	5,145,000	-	-	-	5,145,000
University of North Carolina	<u>32,012,450</u>	<u>(303,850)</u>	<u>4,629,400</u>	=	<u>36,338,000</u>
Subtotal-State Aid	<u>\$278,853,385</u>	<u>\$(1,968,076)</u>	<u>\$50,792,814</u>	=	<u>\$327,678,123</u>
Capital Improvements - State Aid	=	=	<u>17,050,000</u>	=	<u>17,050,000</u>
Subtotal - All State Aid	278,853,385	(1,968,076)	67,842,814	-	344,728,123
<b>Grand Total</b>	<b>\$5,300,784,359</b>	<b>\$(21,167,116)</b>	<b>\$854,760,970</b>	<b>\$206,421</b>	<b>\$6,134,584,634</b>

## GENERAL FUND APPROPRIATIONS

1988-89

1988 Session

Department	Total Authorization 1987 Session	Base Budget Changes	Expansion	Special Bills*	Total Authorization
Administration	\$42,947,588	-	\$1,702,490	-	\$44,650,078
Administrative Rules Review Commission	-	-	-	234,110	234,110
Agriculture	33,737,065	-	2,171,795	-	35,908,860
Auditor	6,410,906	-	-	-	6,410,906
Board of Elections	419,256	-	-	-	419,256
Commerce	22,720,734	-	82,000	-	22,802,734
Community Colleges	301,241,942	-	1,141,912	410,000	302,793,854
Correction	276,424,190	(500,000)	11,320,724	635,000	287,879,914
Crime Control and Public Safety	17,787,433	-	4,581,815	700	22,369,948
Cultural Resources	18,582,979	-	-	-	18,582,979
General Assembly	16,779,353	-	75,000	300,000	17,154,353
Governor's Office	7,530,230	-	-	-	7,530,230
Human Resources	689,646,471	(6,750,941)	15,009,020	767,055	698,671,605
Insurance	11,144,224	-	-	-	11,144,224
Judicial	157,478,143	-	6,406,911	-	163,885,054
Justice	41,187,926	-	560,249	-	41,748,175
Labor	6,726,797	-	-	-	6,726,797
Lieutenant Governor	513,122	-	40,793	-	553,915
Natural Resources and Community Development	58,563,104	-	1,218,878	100,000	59,881,982
Office of Administrative Hearings	1,874,045	-	-	-	1,874,045
Public Education	2,641,190,405	(10,000,000)	30,540,544	-	2,661,730,949
Revenue	41,616,392	-	2,510,089	-	44,126,481
Secretary of State	2,842,066	-	89,646	-	2,931,712
Transportation	116,571	-	-	-	116,571
Treasurer	3,699,281	-	144,702	-	3,843,983
University of North Carolina	<u>911,202,292</u>	<u>(2,015,253)</u>	<u>9,047,779</u>	<u>210,000</u>	<u>918,444,818</u>
Subtotal - Department	<u>\$5,312,382,515</u>	<u>\$(19,266,194)</u>	<u>\$86,644,347</u>	<u>\$2,656,865</u>	<u>\$5,382,417,533</u>
Debt Service	\$71,636,370	-	-	-	\$71,636,370
Reserve:					
Contingency and Emergency	1,125,000	-	-	-	1,125,000
Salary Adjustment	500,000	-	3,500,000	-	4,000,000
Electronic Data Proc. Equip.	500,000	-	-	-	500,000
Salary Increase	202,000,000	-	204,376,062	-	406,376,062
Hospital - Medical					
Insurance	65,100,000	(8,229,546)	-	-	56,870,454
Benefits Part-Time Employees	905,000	(528,664)	-	-	376,336
Telephone Equipment	500,000	-	-	-	500,000
Super Computer	<u>6,000,000</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>6,000,000</u>
Subtotal-Operations	<u>\$5,660,648,885</u>	<u>\$(28,024,404)</u>	<u>\$294,520,409</u>	<u>\$2,656,865</u>	<u>\$5,929,801,755</u>
Capital Improvements					
State Departments	<u>129,207,626</u>	<u>1,500,000</u>	<u>103,270,514</u>	<u>(2,369,110)</u>	<u>231,609,030</u>
Subtotal- State Operations	<u>\$5,789,856,511</u>	<u>\$(26,524,404)</u>	<u>\$397,790,923</u>	<u>\$287,755</u>	<u>\$6,161,410,785</u>

Department	Total Authorization 1987 Session	Base Budget Changes	Expansion	Special Bills*	Total Authorization
<b>State Aid to Non-State Entities:</b>					
Administration	\$2,059,520	-	\$368,000	\$2,000	\$2,429,520
Agriculture	230,014	-	-	-	230,014
Auditor	5,934,865	-	-	-	5,934,865
Commerce	24,146,756	-	670,000	0	24,816,756
Community Colleges	381,650	-	-	113,500	495,150
Correction	75,000	-	-	-	75,000
Crime Control and Public Safety	556,000	-	215,967	-	771,967
Cultural Resources	17,245,250	-	25,000	161,000	17,431,250
Governor's Office - Special Appropriations	9,105,000	-	5,658,750	11,324,700	26,088,450
Human Resources	206,965,949	-	18,958,410	334,000	226,258,359
Insurance	200,000	-	-	-	200,000
Judicial	389,360	-	68,500	-	457,860
Justice	-	-	50,000	-	50,000
Natural Resources and Community Development	8,043,962	-	1,750,000	92,000	9,885,962
Public Education	10,861,797	-	4,215,000	-	15,076,797
Transportation	5,145,000	-	616,666	-	5,761,666
University of North Carolina	<u>36,338,000</u>	=	<u>299,219</u>	<u>25,500</u>	<u>36,662,719</u>
Subtotal-State Aid	<u>\$327,678,123</u>	=	<u>\$32,895,512</u>	<u>\$12,052,700</u>	<u>\$372,626,335</u>
Capital Improvements - State Aid	<u>17,050,000</u>	=	<u>10,000,000</u>	=	<u>27,050,000</u>
Subtotal - All State Aid	<u>\$344,728,123</u>	=	<u>\$42,895,512</u>	<u>\$12,052,700</u>	<u>\$399,676,335</u>
<b>Total Direct Appropriations</b>	<b>\$6,134,584,634</b>	<b>\$(26,524,404)</b>	<b>\$440,686,435</b>	<b>\$12,340,455</b>	<b>\$6,561,087,120</b>
Legislative Bond Issue Capital Outlay (a)	=	=	<u>25,000,000</u>	=	<u>25,000,000</u>
<b>Grand Total</b>	<b>\$6,134,584,634</b>	<b>\$(26,524,404)</b>	<b>\$465,686,435</b>	<b>\$12,340,455</b>	<b>\$6,586,087,120</b>

\* H 781, Section 12 Chapter 1101  
H 2461, Chapter 1049  
H 2528, Chapter 1107  
H 2524, Chapter 1097  
S 1840, Chapter 1094  
H 2643, Chapter 1085

a Bond Authorization H 2427 for Parking Facilities, Raleigh Area

## FEDERAL BLOCK GRANT PROGRAMS

### *History*

In 1981, the Reagan Administration recommended and Congress adopted the Omnibus Budget Reconciliation Act which created a number of new "block grants" to be distributed to state governments in lieu of numerous traditional "categorical" funds. This approach to state aid reflected the President's philosophy of shifting more fiscal decision-making to the states. In addition, it provided the Administration with a creative way to significantly cut the federal budget.

In previous years Congress had appropriated money to the states for smaller, narrow-purpose programs, such as those for crippled children, migrant health, family planning, and immunization. These funds were accompanied by numerous "strings" and substantial paperwork requirements. The new block grants consolidated appropriations for many of these programs into large, general purpose grants which had fewer "strings" and allowed more flexibility in the use of the funds.

### *Brief Description of the Block Grants*

#### 1. Social Services Block Grant

The Social Services Block Grant is intended to provide federal funds to help people achieve or maintain a greater degree of economic self-support or self-sufficiency, to prevent abuse or exploitation of children and adults who are unable to protect their own interests, and to prevent inappropriate institutional care or to secure appropriate institutional care when other forms of care are not appropriate. The primary providers of these services are the one hundred county departments of social services, and examples of services funded include child and adult day-care and in-home services for the elderly.

#### 2. Alcohol, Drug Abuse and Mental Health Services Block Grant

This block grant provides funds to states to establish and maintain programs to combat alcohol and drug abuse, to care for the mentally ill and to promote mental health. The primary providers of these services are the forty-one area mental health, mental retardation, and substance abuse authorities.

#### 3. Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant

In 1986 Congress passed the Anti-Drug Abuse Act of 1986 (P.L. 99-570) which provided \$516 million in designated formula grants to states for law enforcement, drug education, and treatment and rehabilitation.

This new block grant is a two-year allocation which may be used by states for alcohol abuse and drug abuse treatment and rehabilitation programs and activities.

#### 4. Maternal and Child Health Block Grant

This block grant funds health services for mothers and children to reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children. It also provides for rehabilitative services for blind and disabled individuals under the age of 16 and for treatment and care of crippled children.

#### 5. Preventive Health Services Block Grant

This block grant provides health services to low-income families in order to reduce the risk of preventable illness and early death and to improve the quality of life through better health.

#### 6. Low Income Energy Assistance Block Grant

The purpose of this block grant is to provide funds to assist low-income families with their heating fuel costs, to provide some emergency assistance and home weatherization or energy-related home repairs.

7. Community Services Block Grant

This is a federally funded program that provides a range of services and activities designed to eliminate the causes of poverty among the elderly, poor, and handicapped.

8. Job Training Partnership Act

The Job Training Partnership Act provides federal funds to establish programs to prepare youth and unskilled adults for entry into the labor force and assists individuals who have become unemployed due to plant closings or layoffs.

**FEDERAL BLOCK GRANT PROGRAM:  
HOW THE MONEY WILL BE SPENT IN NORTH CAROLINA  
1987-88**

*DEPARTMENT OF HUMAN RESOURCES:*

1. Division of Mental Health, Mental Retardation, and Substance Abuse Services:	
A. Social Services Block Grant	\$ 5,770,693
B. Alcohol and Drug Abuse and Mental Health Services Block Grant	11,671,473
C. Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant	3,016,748
2. Division of Health Services:	
A. Maternal and Child Health Block Grant	14,045,952
B. Preventive Health Services Block Grant	2,512,420
C. Social Services Block Grant	3,033,019
D. Low Income Energy Block Grant	1,753,554
3. Division of Social Services:	
A. Low Income Energy Block Grant	32,364,474
B. Social Services Block Grant	42,121,297
4. Division of Facility Services:	
A. Preventive Health Services Block Grant	407,324
B. Social Services Block Grant	12,030,186
C. Low Income Energy Block Grant	175,357
5. Division of Youth Services:	
A. Social Services Block Grant	1,051,428
6. Division of Blind Services:	
A. Social Services Block Grant	2,691,673
7. Office of the Secretary:	
A. Social Services Block Grant	372,394
8. State Administration:	
A. Social Services Block Grant	3,213,183
<b>TOTAL DEPARTMENT OF HUMAN RESOURCES</b>	<b>\$136,231,175</b>

**FEDERAL BLOCK GRANT PROGRAM (Continued):****1987-88****DEPARTMENT OF ADMINISTRATION:**

A. Preventive Health Block Grant 159,838

**DEPARTMENT OF COMMERCE:**

A. Low Income Energy Block Grant 2,894,834

**DEPARTMENT OF NATURAL RESOURCES  
AND COMMUNITY DEVELOPMENT:**

1. Community Services Block Grant 8,721,115

2. Community Development Block Grant 37,553,000

3. Job Training Partnership Act Funds 45,111,220

**TOTAL DEPARTMENT OF NATURAL RESOURCES  
AND COMMUNITY DEVELOPMENT**

91,385,335

**DEPARTMENT OF PUBLIC INSTRUCTION:**A. Education Consolidation and Improvement  
Act Chapter II 12,374,979**TOTAL FEDERAL BLOCK GRANTS****\$243,046,161**



**FEDERAL BLOCK GRANT PROGRAM:  
HOW THE MONEY WILL BE SPENT IN NORTH CAROLINA  
1988-89**

*DEPARTMENT OF HUMAN RESOURCES:*

1. Division of Mental Health, Mental Retardation, and Substance Abuse Services:	
A. Social Services Block Grant	\$ 5,770,693
B. Alcohol and Drug Abuse and Mental Health Services Block Grant	11,375,359
C. Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant	3,346,548
D. Mental Health Services for the Homeless Block Grant	290,000
2. Division of Health Services:	
A. Maternal and Child Health Block Grant	16,547,583
B. Preventive Health Services Block Grant	2,560,517
C. Social Services Block Grant	2,933,019
D. Low Income Energy Block Grant	1,011,032
3. Division of Social Services:	
A. Low Income Energy Block Grant	29,131,498
B. Social Services Block Grant	42,813,578
4. Division of Facility Services:	
A. Preventive Health Services Block Grant	365,885
B. Social Services Block Grant	12,742,059
C. Low Income Energy Block Grant	147,478
5. Division of Youth Services:	
A. Social Services Block Grant	1,051,428
6. Division of Blind Services:	
A. Social Services Block Grant	2,691,673
7. Office of the Secretary:	
A. Social Services Block Grant	372,394
8. State Administration:	
A. Social Services Block Grant	3,085,110

**TOTAL DEPARTMENT OF HUMAN RESOURCES:** \$136,235,854

*DEPARTMENT OF ADMINISTRATION:*

A. Preventive Health Block Grant	89,369
B. Low Income Energy Assistance Block Grant	75,000

**TOTAL DEPARTMENT OF ADMINISTRATION** \$164,369

<b>FEDERAL BLOCK GRANT PROGRAM (Continued):</b>	<b>1988-89</b>
<i>DEPARTMENT OF COMMERCE:</i>	
A. Low Income Energy Block Grant	\$2,000,000
<i>DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT:</i>	
A. Community Services Block Grant	8,400,000
B. Community Development Block Grant	36,375,000
C. Job Training Partnership Act Funds	46,531,269
<b>TOTAL DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT</b>	<b>\$91,306,269</b>
<i>DEPARTMENT OF PUBLIC EDUCATION:</i>	
A. Education Consolidation and Improvement Act Chapter II	12,000,346
<b>TOTAL FEDERAL BLOCK GRANTS</b>	<b>\$241,706,838</b>

## CHANGES IN THE STATE'S MEDICAID PROGRAM

\*\*\*\*\*  
**1987 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

Medicaid expenditures for fiscal year 1986-87 totaled \$861.1 million dollars, up 13.6% over fiscal year 1985-86. The General Assembly approved a Medicaid budget totaling \$994.5 million dollars for fiscal year 1987-88 and \$1.095 billion dollars for fiscal year 1988-89.

Acting on the recommendations of the Legislative Commission on Indigent Health Care, the 1987 General Assembly adopted several changes to the Medicaid Program.

- Eligibility for benefits is expanded to include pregnant women and children up to the age of 5 if the family's income is below 100% of the federal poverty level. Benefits for children will be provided in keeping with the schedule established by the federal government.
- Eligibility for benefits is expanded to include two-parent families where the wage earner is recently unemployed (AFDC-UP).
- Eligibility for benefits is expanded to 19-21 year old children of eligible single-parent families.
- Coverage is expanded to include employed single-parent families who are eligible for Aid to Families With Dependent Children with incomes up to approximately 68% of federal poverty level.
- The Medically Needy Income Threshold is raised by 2.5% effective January 1, 1987, thereby reducing the deductible or "spend-down" required by elderly persons who need program coverage.

The General Assembly also improved coverage available to eligibles by including Hospice Care and Case Management Services in the benefit package.

\*\*\*\*\*  
**1988 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

Expenditures for the state's Medicaid Program totaled \$983.5 million dollars in fiscal year 1987-88, an increase of 14.2% over spending in fiscal year 1986-87.

The 1988 Session of the 1987 General Assembly appropriated an additional \$14.5 million dollars in state matching funds for unanticipated and mandatory requirements in the Medicaid Program. These additional appropriations included \$4.9 million dollars in state matching funds for changes to the Medicaid Program mandated by the Medicare Catastrophic Coverage Act of 1988 (PL 100-360). Total budgeted requirements for the Medicaid Program for fiscal year 88-89 are \$1.1 billion dollars.

Under the federal Catastrophic Health Coverage Act of 1988, elderly persons with incomes below 100% of the federal poverty level may become eligible over a five year period to have their Part B Medicare premiums, deductibles and co-payments covered by the state Medicaid Program. Beginning in January 1, 1989, persons with incomes below 80% of federal poverty level may become eligible for "buy-in" benefits. Thereafter, benefits will be phased-in by annual increments of 5% until coverage to 100% of poverty is reached in 1993. In addition to the income tests, individuals must also pass federally mandated assets tests. The Department of Medical Assistance estimates that an additional 60,000 persons will be eligible for the benefits required by PL 100-360 in fiscal year 88-89.



# **SALARIES AND BENEFITS**



**SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE**

\*\*\*\*\*  
**1987 LEGISLATIVE ACTIONS**  
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**A. Across-the-Board Salary Increases**

Effective July 1, 1987, the General Assembly enacted the following additional General and Highway Fund appropriations to provide a 5.0% across-the-board salary increase over the salaries in effect on June 30, 1987, for most employees paid from state funds:

	1987-88	1988-89
General Fund	\$198,600,000	\$202,000,000
Highway Fund	13,400,000	13,400,000
Total	\$212,000,000	\$215,400,000

The foregoing additional General Fund appropriations were net of some \$2.5 million for each year of the 1987-89 biennium for employer Social Security cost savings on tax-sheltered employee premium payments to the State Employee Health Benefit Plan and net of some \$2.6 million for 1987-88 and \$5.3 million in 1988-89 for reduced employer contributions to the State Retirement System, beginning January 1, 1988, for implementation of a new Disability Income Plan for Teachers and State Employees.

The 5.0% across-the-board salary increase was authorized by the 1987 Session for employees of state agencies, for employees of the University System, for institutional employees of the Community College system, and for certified and non-certified employees in the Public Schools. For employees of the University System exempt from the State Personnel Act, the 5.0% salary increase is to be awarded to individuals based upon the rules of the University Board of Governors.

**B. Specified Salary Increases**

- (1) *Legislators:* Beginning with the 1989 General Assembly, legislators will receive the following annual salaries by action of the 1987 Session of the General Assembly, which generally reflect the same 5.0% salary increase authorized for state employees during the 1987 Session.

<i>Legislator</i>	<i>New Salary</i>
House Speaker	\$29,880
Senate President Pro Tempore	18,276
House Speaker Pro Tempore	16,836
Senate Deputy President Pro Tempore	15,384
Senate Majority Leader	13,080
House & Senate Minority Leaders	13,080
Other Legislators	10,644

In addition, the 1987 Session, for the first time, fully recognized the office of Senate Deputy President Pro Tempore by establishing the office's annual salary at \$15,384, effective July 1, 1987. Even with the increases in legislative salaries authorized by the 1987 Session for members in 1989, North Carolina still has the distinction of having among the lowest paid legislators in the nation.

- (2) *Governor:* The 1987 Session of the General Assembly authorized a 5.0% increase in the annual salary for the Governor from \$100,000 to \$105,000, effective July 1, 1987. The General Assembly authorized the increase in salary so as to fully recognize that North Carolina's Governor is the Chief Executive Officer of the State and should be paid accordingly, notwithstanding the fact that North Carolina's Governor will, along with the Governor of New York, be the highest paid in the country.
- (3) *Judicial Personnel:* The 1987 Session provided a 5.0% salary increase for the following officials of the Judicial Department, effective July 1, 1987. The Session made an exception to the 5.0% salary

**Salary Changes-1987 Session (continued)**

increase for District Court Judges and Chief District Court Judges, in light of recent personnel losses in the offices, by providing a 10.0% salary increase, effective July 1, 1987. These new annual salaries are:

<i>Officials</i>	<i>New Salary</i>
Chief Justice, Supreme Court	\$77,844
Associate Justice, Supreme Court	76,236
Chief Judge, Court of Appeals	73,800
Judge, Court of Appeals	72,180
Judge, Senior Regular Resident Superior Court	66,204
Judge, Superior Court	64,092
Chief Judge, District Court	56,532
Judge, District Court	54,372
District Attorney	59,628
Assistant District Attorney - an average of	38,568
Administrative Officer of the Courts	66,204
Assistant Administrative Officer of the Courts	53,964
Public Defender	59,628
Assistant Public Defender - an average of	38,568

The 1987 Session also, beginning July 1, 1987, added an additional step to the longevity pay rates for assistant district attorneys and assistant public defenders. The additional step will provide a 14.4% increase to the base monthly salary upon the completion of 15 years of service as an assistant district attorney or assistant public defender, respectively. Public defenders were also allowed two additional steps to their longevity pay rates by the 1987 Session. The additional steps will provide a 14.4% increase to the base monthly salary upon the completion of 15 years' service as a public defender and a 19.2% increase after 20 years' service as a public defender. Such an increase in public defenders' longevity pay was enacted to parallel the longevity pay rates already established for district attorneys. The General Assembly appropriated an additional \$50,000 from the General Fund for each year of the 1987-89 biennium to fund these changes in Judicial longevity pay.

<i>Magistrates</i>	<i>New Salary</i>
Less than 1 year's service	\$14,076
1 or more but less than 3 years' service	14,808
3 or more but less than 5 years' service	16,320
5 or more but less than 7 years' service	17,988
7 or more but less than 9 years' service	19,836
9 or more but less than 11 years' service	21,840
11 or more years' service	24,036

The 1987 General Assembly also provided, effective July 1, 1987, longevity pay for magistrates for the first time. These longevity pay rates will be the same as for other state employees--a 1.50% of base pay lump sum payment each year on the anniversary date of employment after 10 years of



**Salary Changes—1987 Session (continued)**

service, a 2.25% payment after 15 years of service, a 3.25% payment after 20 years' service, and a 4.50% payment after 25 years' service. The General Assembly appropriated an additional \$150,000 from the General Fund for each year of the 1987–89 biennium to fund magistrates' longevity pay.

<i>Superior Court Clerks</i>	<i>New Salary</i>
Less than 50,000 population	\$34,728
50,000 to 99,999 population	39,948
100,000 to 199,999 population	45,156
200,000 and above population	51,516
<i>Assistant Superior Court Clerks</i>	
Minimum	\$17,628
Maximum	29,580
<i>Deputy Superior Court Clerks</i>	
Minimum	\$13,812
Maximum	22,680

- (4) *Council of State:* The 1987 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, 1987, these new annual salaries are:

<i>Council of State</i>	<i>New Salary</i>
Lieutenant Governor	\$64,092
Attorney General	64,092
Secretary of State	64,092
State Treasurer	64,092
State Auditor	64,092
Superintendent of Public Instruction	64,092
Agriculture Commissioner	64,092
Insurance Commissioner	64,092
Labor Commissioner	64,092

The General Assembly also provided, effective July 1, 1987, longevity pay for the Council of State for the first time. These longevity pay rates will be the same as for other state employees—a 1.50% of base pay lump sum payment each year on the anniversary date of employment after 10 years of service, a 2.25% payment after 15 years of service, a 3.25% payment after 20 years' service, and a 4.50% payment after 25 years' service.

- (5) *Governor's Cabinet:* The 1987 Session of the General Assembly authorized 5.0% annual salary increase for members of the Governor's Cabinet, effective July 1, 1987, as follows:

<i>Cabinet</i>	<i>New Salary</i>
Administration Secretary	\$64,092
Commerce Secretary	64,092
Correction Secretary	64,092

Salary Changes-1987 Session (continued)

Crime Control Secretary	64,092
Cultural Resources Secretary	64,092
Human Resources Secretary	64,092
Natural Resources Secretary	64,092
Revenue Secretary	64,092

The 1987 General Assembly also provided, effective July 1, 1987, longevity pay for the Governor's Cabinet for the first time. These longevity pay rates will be the same as for other state employees--a 1.50% of base pay lump sum payment each year on the anniversary date of employment after 10 years of service, a 2.25% payment after 15 years of service, a 3.25% payment after 20 years' service, and a 4.50% payment after 25 years' service.

- (6) *Certain Executive Officers:* Based upon the Separation of Powers Act of 1983, as amended, the new annual salaries, effective July 1, 1987, for certain executive officials are as follows, which include the 5.0% across-the-board salary increase authorized by the 1987 Session of the General Assembly.

<i>Officials</i>	<i>New Salary</i>
Chairman, Alcoholic Beverage Control Commission	\$61,656
Commissioner of Motor Vehicles	61,656
Commissioner of Banks	61,656
Deputy Banking Commissioner	47,136
Chairman, Employment Security Commission	61,656
State Personnel Director	64,092
Chairman, Parole Commission	56,268
Members of the Parole Commission	51,900
Chairman, Industrial Commission	55,344
Members of the Industrial Commission	53,988
Executive Director, Agency for Public Telecommunications	51,900
Director, Seafood Industrial Park Authority	34,332
General Manager, Ports Railway Commission	46,824
Controller, State Board of Education	74,184
Executive Director, Art Museum	63,192
Executive Director, Housing Finance Agency	76,404
Executive Director, Ports Authority	71,664
Executive Director, Wildlife Resources Commission	53,160

**Salary Changes—1987 Session (continued)**

Executive Director, Technological Development Authority	40,764
Executive Director, Agricultural Finance Authority	60,000
Director, Office of Administrative Hearings	54,372

The 1987 General Assembly also provided, effective July 1, 1987, longevity pay for these executive officials and other executive officials who are exempt from the State Personnel Act and whose salaries are set by the Governor or set by the General Assembly in the Appropriations Act. These longevity pay rates will be the same as for other state employees—a 1.50% of base pay lump sum payment each year on the anniversary date of employment after 10 years of service, a 2.25% payment after 15 years of service, a 3.25% payment after 20 years' service, and a 4.50% payment after 25 years' service.

- (7) *Salary Adjustment for Public School Teachers with Master Degrees:* At an additional cost to the General Fund of \$1,010,000 for fiscal year 1987–88, the 1987 General Assembly, effective July 1, 1987, provided an additional salary step increase averaging 4.8% for Public School teachers who were awarded higher teaching certificates from July 1, 1986 through June 30, 1987, as a result of earning a master's degree.
- (8) *Salary Increases for Certain Public School Substitute Teachers:* From an additional \$900,000 appropriated from the General Fund for each year of the 1987–89 biennium equivalent to a 5.0% across-the-board salary increase for all Public School substitute teachers, the 1987 General Assembly provided that non-certified substitute teachers who take teacher effectiveness training without compensation will receive an increase in their rate of pay from \$35 to \$45 per day. No increases were provided by the 1987 Session in the rates of pay for non-certified substitute teachers who do not take teacher effectiveness training (\$35/day) or to certified substitute teachers (\$52/day).
- (9) *Salary Increases for Legislative Principal Clerks, Sergeants-at-Arms, and Reading Clerks:* Effective July 1, 1987, the annual salaries of the Principal Clerks in the House of Representative and Senate were increased by 5.0% to \$39,312 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 \$177 per week.
- (10) *Motor Vehicles' School Bus and Traffic Safety Educational Employees:* Effective July 1, 1987, the General Assembly enacted an additional appropriation from the Highway Fund in the amount of \$121,540 for 1987–88 and \$121,910 for 1988–89 to provide an additional salary step (pay grade) or an additional average salary increase of 4.8% for Educational Program Specialists and Driver Education Representatives in the Division of Motor Vehicles, Department of Transportation.
- (11) *UNC-Chapel Hill Clerical Employees:* Effective August 7, 1987, the University of North Carolina at Chapel Hill was authorized to grant up to a two-step average 9.6% within grade salary increase to all of its clerical and clerical-related employees out of any funds appropriated to the University. In October of 1986, the Office of State Personnel authorized state agencies and institutions to begin hiring at step 2 on the state salary schedules for clerical and office management employees if the agencies were having difficulties in the recruitment and retention of such employees, especially in the highly competitive labor markets of the State's population centers. At Chapel Hill, Memorial Hospital reportedly granted within grade salary increases to all of its clerical type employees, regardless of whether they were new hires or already on the payroll. The University, on the other hand, did not grant such increases to all of its existing clerical employees, similar to many other state agencies and institutions not having problems with hiring clerical employees, in keeping with the Office of State Personnel's policy which resulted in the General Assembly's actions in this regard. No other state agencies or institutions were, however, granted such an authorization by the 1987 Session. The 1987 Session did, in addition, prevent any further within grade salary increases for all types of employees resulting from increased hiring rates without the availability of funds to pay for the increased rates of pay.

**Salary Changes-1987 Session (continued)**

(12) *Alcohol Law Enforcement Agents:* The 1987 General Assembly authorized \$107,009 for 1987-88 and \$142,885 for 1988-89 in alcohol bailment charge receipts paid by the Department of Commerce's ABC Commission to the Department of Crime Control and Public Safety for operation of the Alcohol Law Enforcement Division to provide an additional salary step (pay grade) or an additional average 4.8% salary increase for the Division's Alcohol Law Enforcement Agents and their supervisors. However, effective October 1, 1987, the Alcohol Law Enforcement Division's support from bailment receipts was ended with the balance of the Division's operating budget replaced with a General Fund appropriation of some \$3.7 million for 1987-88 only.

**D. *Salary Increase Funds to Local Governments:***

At a General Fund cost of an additional \$6,115,660 for each year of the 1987-89 biennium, the 1987 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 scheduled to be renewed during the 1987-89 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 was to make its report to the 1987 General Assembly by March 1, 1987, which was extended by the 1987 Session to March 1, 1988.

**F. *Legislative Study of Executive and Legislative Branch Salaries:***

The 1987 General Assembly established a Legislative Commission to Study the Salary and Compensation of Executive Branch Officers and Members of the General Assembly, consisting of 14 members. The Commission is specifically charged with studying the salary and compensation of the Council of State, the Governor's Cabinet, and the General Assembly and make a report to the 1988 Session of the General Assembly by June 1, 1988.

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**1988 LEGISLATIVE ACTIONS**  
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**A. *Across-the-Board Salary Increases***

Effective July 1, 1988, the General Assembly, upon recommendation of the Governor, enacted the following additional General and Highway Fund appropriations to provide a 4.5% across-the-board salary increase over the salaries in effect on June 30, 1988, for most employees paid from state funds:

	1988-89
General Fund	\$204,376,062
Highway Fund	13,200,000
Total	\$217,576,062

The 4.5% across-the-board salary increase was authorized by the 1988 Session for employees of state agencies, for employees of the University System, for institutional employees of the Community College

**Salary Changes—1988 Session (continued)**

system, and for certified and non-certified employees in the Public Schools. For employees of the University System exempt from the State Personnel Act, the 4.5% salary increase is to be awarded to individuals based upon the rules of the University Board of Governors.

**B. Specified Salary Increases**

- (1) *Legislators:* Beginning with the 1989 General Assembly, legislators will receive the following annual salaries by action of the 1988 Session of the General Assembly, which reflect the same 4.5% salary increase authorized for state employees during the 1988 Session.

<i>Legislator</i>	<i>New Salary</i>
House Speaker	\$31,224
Senate President Pro Tempore	19,104
House Speaker Pro Tempore	17,592
Senate Deputy President Pro Tempore	16,080
Senate Majority Leader	13,688
House & Senate Minority Leaders	13,688
Other Legislators	11,124

Even with the increases in legislative salaries authorized by the 1988 Session for members in 1989, North Carolina still has the distinction of having among the lowest paid legislators in the nation.

- (2) *Governor:* The 1988 Session of the General Assembly authorized a 4.5% increase in the annual salary for the Governor from \$105,000 to \$109,728, effective July 1, 1988. The General Assembly authorized the increase in salary so as to fully recognize that North Carolina's Governor is the Chief Executive Officer of the State and should be paid accordingly, notwithstanding the fact that North Carolina's Governor will, along with the Governor of New York, be the highest paid in the country.
- (3) *Judicial Personnel:* The 1988 Session provided a 4.5% salary increase for the following officials of the Judicial Department, effective July 1, 1988. These new annual salaries are:

Chief Justice, Supreme Court	\$81,348
Associate Justice, Supreme Court	79,668
Chief Judge, Court of Appeals	77,124
Judge, Court of Appeals	75,432
Judge, Senior Regular Resident Superior Court	69,180
Judge, Superior Court	66,972
Chief Judge, District Court	59,076
Judge, District Court	56,820
District Attorney	62,316
Assistant District Attorney - an average of	40,308
Administrative Officer of the Courts	69,180
Assistant Administrative Officer of the Courts	56,388

Salary Changes-1988 Session (continued)

Public Defender	62,316
Assistant Public Defender - an average of	40,308

The 1988 Session also provided for the first time, beginning July 1, 1988, longevity pay for the Administrative Officer of the Courts and the Assistant Administrative Officer of the Courts on the same basis as has been provided for Superior Court and District Court Judges. Specifically, for service as a judge, district attorney, superior court clerk, and/or utilities commissioner, these employees will receive an increase in their base monthly salary rates of 4.8% after 5 years of service, 9.6% after 10 years' service, 14.4% after 15 years of service, and 19.2% after 20 years' service. Superior Court Judges and District Court Judges were, in like manner, afforded longevity pay service credits for service as Administrative and Assistant Administrative Officer of the Courts respectively. The 1988 Session directed the Judicial Department to fund the \$17,500 increased cost for these changes in longevity pay out of the Department's existing appropriation for 1988-89.

<i>Magistrates</i>	<i>New Salary</i>
Less than 1 year's service	\$14,712
1 or more but less than 3 years' service	15,480
3 or more but less than 5 years' service	17,052
5 or more but less than 7 years' service	18,792
7 or more but less than 9 years' service	20,724
9 or more but less than 11 years' service	22,824
11 or more years' service	25,116
<i>Superior Court Clerks</i>	<i>New Salary</i>
Less than 30,000 population	\$36,288
30,000 to 99,999 population	41,748
100,000 to 199,999 population	47,184
200,000 and above population	53,832

In addition to providing a 4.5% across-the-board salary increase for most Superior Court Clerks, the 1988 General Assembly enacted two additional increases for other Clerks effective July 1, 1988. First, the Session decreased from 50,000 to 30,000 the minimum county population for Clerks authorized to receive an annual salary of \$41,748. By reducing this population category, 17 Clerks will receive an additional \$5,460 annual salary increase at an additional General Fund cost of \$145,000 for 1988-89. Secondly, Clerks were allowed to count service as an Assistant Clerk or as Supervisor of Clerks in the Administrative Office of the Courts towards their service requirements for receipt of longevity pay at rates identical to those of Judges. Some 40 Clerks will receive additional longevity payments as a result of these changes at an additional cost to the General Fund of \$190,000 for 1988-89. Both of these additional General Fund costs for Clerks are to be financed from the Judicial Department's existing appropriation for 1988-89.

<i>Assistant Superior Court Clerks</i>	<i>New Salary</i>
Minimum	\$18,420
Maximum	30,912

Salary Changes-1988 Session (continued)

<i>Deputy Superior Court Clerks</i>	<i>New Salary</i>
Minimum	\$14,436
Maximum	23,700

- (4) *Council of State*: The 1988 Session of the General Assembly also provided a 4.5% across-the-board salary increase for members of the Council of State. Effective July 1, 1988, these new annual salaries are:

<i>Council of State</i>	<i>New Salary</i>
Lieutenant Governor	\$66,972
Attorney General	66,972
Secretary of State	66,972
State Treasurer	66,972
State Auditor	66,972
Superintendent of Public Instruction	\$66,972
Agriculture Commissioner	66,972
Insurance Commissioner	66,972
Labor Commissioner	66,972

- (5) *Governor's Cabinet*: The 1988 Session of the General Assembly authorized 4.5% annual salary increase for members of the Governor's Cabinet, effective July 1, 1988, as follows:

<i>Cabinet</i>	<i>New Salary</i>
Administration Secretary	\$66,972
Commerce Secretary	66,972
Correction Secretary	66,972
Crime Control Secretary	66,972
Cultural Resources Secretary	66,972
Human Resources Secretary	66,972
Natural Resources Secretary	66,972
Revenue Secretary	66,972
Transportation Secretary	66,972

- (6) *Certain Executive Officers*: Based upon the Separation of Powers Act of 1983, the new annual salaries, effective July 1, 1988, for certain executive officials are as follows, which, for the most part, include the 4.5% across-the-board salary increase authorized by the 1988 Session of the General Assembly.

<i>Officials</i>	<i>New Salary</i>
Chairman, Alcoholic Beverage Control Commission	\$64,428
Commissioner of Motor Vehicles	64,428
Commissioner of Banks	64,428
Deputy Banking Commissioner	55,392

Salary Changes—1988 Session (continued)

Chairman, Employment Security Commission	64,428
State Personnel Director	66,972
Chairman, Parole Commission	58,800
Members of the Parole Commission	54,240
Chairman, Industrial Commission	57,840
Members of the Industrial Commission	56,412
Executive Director, Agency for Public Telecommunications	54,240
Director, Seafood Industrial Park Authority	35,880
General Manager, Ports Railway Commission	48,936
Controller, State Board of Education	77,520
Executive Director, Art Museum	66,036
Executive Director, Housing Finance Agency	79,848
Executive Director, Ports Authority	74,892
Executive Director, Wildlife Resources Commission	55,548
Executive Director, Technological Development Authority	42,600
Executive Director, Agricultural Finance Authority	62,700
Director, Office of Administrative Hearings	56,820

The 1988 Session of the General Assembly also provided for the first time, effective July 1, 1988, longevity pay for an Executive Branch official at the same rates as provided by the Judicial Department for District Attorneys. The Director of the Office of Administrative Hearings was provided such longevity pay for his total amount of State service at an estimated cost of \$9,100 for 1988-89 to be funded out of the existing budget for the Office of Administrative Hearings.

- (7) *Salary Adjustment for Public School Teachers with Master Degrees:* At an estimated cost to the General Fund of \$1,100,000 for fiscal year 1988-89, the 1988 General Assembly, effective July 1, 1988, provided an additional salary step increase averaging 4.8% for Public School teachers awarded higher teaching certificates from July 1, 1987, as a result of earning a master's degree. Beginning in fiscal year 1989-90, such salary adjustments will be included in the State's continuation budget. However, for 1988-89, the cost to the General Fund will be supported out of existing appropriations to the Department of Public Education.
- (8) *Minimum Office Support Personnel Salaries in the Public Schools:* The 1988 General Assembly established a minimum monthly salary for full-time Public School office support personnel of \$1,084, effective July 1, 1989. The 1988 Session also directed that the average salary paid to such personnel be \$1,167 per month beginning July 1, 1989, and that corresponding new salary



### Salary Changes-1988 Session (continued)

schedules for office support personnel be presented by the State Board of Education to the 1989 General Assembly before March 1, 1989.

- (9) *Salary Increases for Legislative Principal Clerks, Sergeants-at-Arms, and Reading Clerks:* Effective July 1, 1988, the annual salaries of the Principal Clerks in the House of Representatives and Senate were increased by 4.5% to \$41,076 per year. Likewise, the salaries of the Sergeants-at-Arms and Reading Clerks in the House of Representatives and Senate were increased by 4.5% to \$185 per week.
- (10) *Salary and Shift Premium Adjustments for State Agency Nurses:* The 1988 Session of the General Assembly appropriated an additional \$3,500,000 from the General Fund for 1988-89 to adjust the salaries of nurses in state agencies and institutions by an average increase of 10% to make them more competitive with the salaries of other nurses within the State's total labor market. In addition, the salary premiums paid to nurses who work night and weekend shifts were increased from 10% of salary up to \$1.00 per hour to a maximum of 20% of salary for weekday nights and a maximum of 30% of salary for weekend nights. The shift premium for weekend days is to be established by the State Personnel Commission.

#### C. *Salary Increase Funds to Local Governments:*

At a General Fund cost of an additional \$6,182,087 for 1988-89, the 1988 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 scheduled to be renewed during 1988-89.

#### D. *Legislative Study of Merit Pay for State Employees:*

The 1988 Session of the General Assembly established a Legislative Commission to Study a System of Merit Pay for State Employees consisting of 16 members. The Commission is to make a report on its findings and recommendations to the 1989 General Assembly on the first day of the Session.

#### E. *Community College Presidents Salary Study:*

The 1988 General Assembly authorized the Department of Community Colleges to revise the salaries of institutional presidents within existing appropriations for 1988-89 upon the findings and recommendations of a consultant study and a report to the Legislative Joint Commission on Governmental Operations and to the Chairmen of the House and Senate Base and Expansion Appropriation Committees.

RETIREMENT AND PENSION CHANGES FOR STATE AND LOCAL PERSONNEL

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1987 LEGISLATIVE ACTIONS

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A. *Currently-Employed Employees*

- (1) *Part-Time State Agency Employees Provided Retirement Benefits:* Effective September 1, 1987, part-time employees of state agencies, departments, boards, commissions, and institutions, including universities, who are not otherwise eligible for state retirement benefits and who are employed in permanent jobs on a recurring basis with work schedules of 30 or more hours per week for at least 9 months per year were provided retirement benefits under the Teachers' and State Employees' Retirement System. The 1987 General Assembly appropriated an additional \$527,000 from the General Fund for each year of the 1987-89 biennium to fund the required employer contributions to the Retirement System for some 335 part-time state employees estimated to be affected by the legislation.
- (2) *Eligibility for Survivor's Alternate Benefit Expanded for Survivors of Deceased Teachers, State Employees, Legislators, and Local Government Employees:* Effective September 1, 1987, the survivors of deceased members of the Teachers' and State Employees', the Legislative, and the Local Governmental Employees' Retirement Systems who were in service at the time of death were allowed to receive a survivor's reduced 100% joint and survivor benefit in lieu of a return of the deceased member's contributions plus interest, provided the member had completed a minimum amount of service at death regardless of age. In the Teachers' and State Employees', and Local Governmental Employees' Retirement Systems, the deceased member must have completed 20 years of service regardless of age. Prior to the 1987 legislative change, the member was required to be at least age 50 with 20 years' service at death in order for the survivor's alternate benefit to be payable. In addition, the 1987 Session allowed the survivor's alternate benefit to be payable if the death of the teacher, state employee, or local government employee occurred within 180 days after the employee's last day of service with his employer, effective January 1, 1987. In the Legislative Retirement System, the 1987 Session required that the deceased member have at least 12 years of service, or have completed at least 5 years of service and be at least age 60, before the survivor's alternate benefit would be payable. In funding the expanded eligibility for a survivor's alternate benefit, the 1987 Session used some \$7.0 million in available actuarial gains as of December 31, 1985, from the Teachers' and State Employees' Retirement System, some \$2.5 million in available actuarial gains as of December 31, 1985, in the Local Governmental Employees' Retirement System, and appropriated an additional \$1,800 in 1987-88 and \$1,900 for 1988-89 from the General Fund for the Legislative Retirement System.
- (3) *State and Local Government Retirement Credit Ended for Agricultural Extension Service Employees Covered by Social Security:* Effective July 1, 1987, the General Assembly provided that once an agricultural extension service employee who had been previously excluded from Social Security coverage became covered by Social Security, such employee would not earn any further retirement credit under the Teachers' & State Employees', and Local Governmental Employees' Retirement Systems, nor would they lose any such credit accrued from the Systems up to the time that they became covered by Social Security. The change in state and local retirement eligibility was necessitated by a change in federal employee retirement policies. Prior to January 1, 1984, new agricultural extension service employees were allowed to participate in the federal civil service retirement program and the State and Local Government Retirement Systems, since they were excluded from annuity coverage under Social Security. However, agricultural extension employees hired on and after January 1, 1984, became covered by Social Security under the revised Federal Employees' Retirement System. The Agricultural Extension Service at the same time decided that their new employees would no longer be allowed to be members of the State and Local

## Retirement and Pensions Changes—1987 Session (continued)

Government Retirement Systems. Upon a subsequent action by Congress concerning the Federal Employees' Retirement System, agricultural extension service employees hired before January 1, 1984 were given the option of converting their membership to the new Federal Employees' Retirement System if they did so between July and December, 1987. The 1987 legislative change by the General Assembly was enacted to prevent the Extension Service from incurring higher Social Security costs when State and Local Government Retirement costs were already being paid in lieu of the cost for Social Security.

- (4) *Vesting Period Reduced and Final Compensation for Benefits Redefined in the Legislative Retirement System:* At an additional cost to the General Fund of \$24,400 for 1987-88 and \$25,000 for 1988-89, the 1987 General Assembly reduced, effective September 1, 1987, the minimum period of service required in the Legislative Retirement System for receipt of a benefit at ages 60 to 65 from 8 years to 5 years. This change in the vesting period was made in response to the federal Tax Reform Act of 1986, which requires all tax-qualified retirement and pension plans to have either 5-year vesting or 20% vesting for each year of service from 3 to 7 years. Since all other state-administered retirement systems have 5-year vesting, the same was done for the Legislative Retirement System. The tax consequences of a non-qualified retirement plan are that employee contributions are made on an after-tax basis, employees may be taxed on employer contributions, and employees may be taxed on investment earnings on employer and employee contributions in the year in which they are earned. A further change enacted by the 1987 General Assembly for the Legislative Retirement System involved a redefinition of the legislative compensation upon which the System's benefit accrual rate is applied. Such legislative compensation was changed from the 12 consecutive months of actual compensation received by a member producing the largest amount to the 12 consecutive months of authorized compensation during a member's final term for the highest legislative office held as a member of the General Assembly. The change was made to promote turnover in legislative leadership positions so that former legislative officers continuing to serve in the General Assembly are not penalized in the way of retirement benefits for such turnover.
- (5) *Survivors of Deceased Teachers, State Employees, and Local Government Employees Allowed to Complete Employees' Prior Service Purchases:* Effective January 1, 1987, the survivors of deceased members of the Teachers' & State Employees', and Local Governmental Employees' Retirement Systems were allowed to complete and pay for a member's purchase of eligible military, out-of-state, and withdrawn contribution service when the purchase application was made prior to the eligible member's death and when the required purchase payment was made within 60 days after notification of the cost of the purchase. Such a change was made by the 1987 General Assembly to affect a survivor's alternate benefit in lieu of a return of the deceased member's contributions plus interest.
- (6) *Effective Date of Retirement Reduced from 30 Days to 1 Day after Application for Teachers, State Employees, Judicial Officials, Legislators, and Local Government Employees:* Effective June 29, 1987, the 1987 General Assembly reduced the effective date of retirement in the State-administered retirement systems from the first day of the month following 30 days after the filing of a retirement application to the first day of the month following the filing of a retirement application.
- (7) *Purchase of Withdrawn Service after Five Years' Reemployment for Teachers, State Employees, and Local Government Employees:* Effective July 1, 1987, members of the Teachers' & State Employees', and Local Governmental Employees' Retirement Systems were authorized by the 1987 General Assembly to purchase withdrawn service after completing 5 years of service upon a return to service. The lump sum purchase price would equal the full actuarial cost of the additional service credits at the earliest

## Retirement and Pensions Changes—1987 Session (continued)

date a member could retire on an unreduced service benefit plus an administrative fee. This authorization was enacted by the General Assembly to supplement the Systems' existing provisions for the purchase of withdrawn service after 10 years' reemployment with a member paying the cost of the additional service credits when made within the first 3 years after eligibility to make the purchase plus an administrative fee.

- (8) *Benefit Right Notifications for Inactive Teachers, State Employees, and Local Government Employees Maintaining Retirement Accounts:* Effective July 3, 1987, the Teachers' & State Employees', and Local Governmental Employees' Retirement Systems were authorized by the 1987 Session to obtain names, addresses, and social security numbers of inactive former employees, and beneficiaries of former employees from other state agencies in order to notify such persons of their benefit entitlements from accounts still maintained by the Retirement Systems.
- (9) *All Members of the Local Governmental Employees' Retirement System Entitled to Purchase Retirement Credit for Withdrawn Service and to Purchase Retirement Credit for Military and Out-of-State Service When Employed before January 1, 1988:* At an additional estimated cost to some 500 local governments of \$571,000 for 1987-88 and \$600,000 for 1988-89, the 1987 General Assembly, effective July 1, 1987, required that all employers in the Local Governmental Employees' Retirement System provide their employees with the same purchase of prior service credits for military, out-of-state, and withdrawn contributions service that have existed for members of the Teachers' and State Employees' Retirement System. Prior to this change, local government employers participating in the Retirement System had the option of providing such purchases for their employees, of which only about 20% of the number of local employers had chosen to do so. The 1987 Session did, however, limit local employees' purchases of additional retirement credit for military and out-of-state service to those employed before January 1, 1988, as was done for members of the Teachers' and State Employees' Retirement System in 1981.
- (10) *Distribution of Retirement Benefits as Marital Property upon Divorce:* Effective October 1, 1987, the 1987 General Assembly made several clarifying changes in the State's statutes regarding the distribution of pension, retirement, and other deferred compensation benefits as marital property upon a divorce. Major clarifications enacted by the 1987 Session specified that other marital property could be substituted for retirement and pension benefits upon a divorce distribution. In addition, the 1987 Session directed that any unpaid retirement or pension benefits upon a recipient's death be awarded to the recipient's estate rather than reverting to the person against whom the distribution was made. All of the State's retirement, pension, and deferred compensation plans are affected by these changes.
- (11) *Teachers, State Employees, and Local Government Employees Allowed to Purchase Retirement Service Credit for Federal and Federally-Funded Employment:* Effective August 3, 1987, the 1987 General Assembly permitted members of the Teachers' & State Employees', and Local Governmental Employees' Retirement Systems with 10 years of service to purchase additional retirement service credits for 100% federally-funded employment with community action, human relations, manpower development, community development and other such programs allowed by the Systems' Trustees not otherwise creditable for retirement purposes. Members are required to pay the full actuarial cost in lump sum for these additional service credits based upon the earliest date that the members could retire on an unreduced service benefit plus an administrative fee. In addition, members of the Local Governmental Employees' Retirement System were allowed, beginning August 3, 1987, to purchase prior service credits for periods of non-military federal employment as was authorized by the General Assembly for teachers and state employees in July of 1985. Periods of federal

## Retirement and Pensions Changes--1987 Session (continued)

employment were authorized to be purchased at full actuarial cost, payable in a lump sum, based upon the earliest date that a member could retire on an unreduced service benefit plus an administrative fee, provided the periods of federal employment were not creditable in any other retirement plan resulting in the receipt of a benefit or the right to receive a future benefit.

- (12) *Members of the Teachers' and State Employees' Retirement System Allowed to Purchase Retirement Service Credit for Employment as Permanent Hourly Employees with the Department of Transportation:* Effective October 1, 1987, the 1987 Session of the General Assembly permitted members of the Teachers' and State Employees' Retirement System with at least 10 years of retirement service the opportunity to purchase additional retirement service credit for employment with the Division of Highways, Department of Transportation, as a permanent hourly employee. The permanent hourly employee classification was established by the 1987 General Assembly for DOT employees scheduled to work at least one-half of the workdays in each pay period for at least 9 months per year. Retirement benefits were not, however, provided for such permanent hourly employees while classified as such. The purchase price for the additional retirement service credits was established at full actuarial cost, payable in lump sum, based upon the earliest date that the employee could retire on an unreduced service benefit plus an administrative fee, whenever the member completes 10 years of retirement service.
- (13) *Reduced Purchase Price for Teachers and State Employees Buying Retirement Service Credits for Workers' Compensation Leave:* Effective January 1, 1988, members of the Teachers' and State Employees' Retirement System who return to service within 12 months after a workers' compensation leave of absence are allowed by the 1987 General Assembly to purchase retirement service credit for the period of time while on workers' compensation leave by paying the employee's retirement contribution rate on his salary prior to the leave when the purchase is made within 6 months after a return to service. Purchases made after 6 months following a return to service accrue interest at the rate of 1% per month. A member's employer granting the workers' compensation leave, or the member's employer upon a return to service, or both, are required to pay the employer's retirement contribution for employees electing the purchase on the same basis as applies to the member purchase price. From July, 1983, until January, 1988, the returning employee was required to pay both employer and employee retirement contributions on his salary prior to the workers' compensation leave in order to purchase retirement credits for the leave of absence.
- (14) *Additional Retirement Service Credits for Unused Sick Leave at Retirement for Teachers and State Employees:* Effective October 1, 1987, members of the Teachers' and State Employees' Retirement System are allowed additional retirement service credit at retirement for unused sick leave at the rate of one month's credit for each 20 days or portion thereof of accumulated sick leave up to a maximum of 12 days credit for each year of retirement service. Previous to this 1987 legislative change, the maximum accumulated sick leave that could be credited for retirement service at retirement was one month of credit for each two years of retirement service, or 10 days per year. The change was made by the 1987 General Assembly to reflect an increase from 10 to 12 days in the number of sick leave days earned each year by teachers and state employees.
- (15) *Firemen and Rescue Squad Worker Fees for Withdrawing and Restoring Member Contributions to the Firemen's and Rescue Squad Workers' Pension Fund:* Effective August 1, 1987, the 1987 General Assembly required members of the Firemen's and Rescue Squad Workers' Pension Fund who withdraw their individual contributions from the Fund to pay a \$25 fee for the withdrawal and forego any investment earnings by the Fund on the withdrawn contributions. Furthermore, repaid member

## Retirement and Pensions Changes—1987 Session (continued)

contributions that had been previously withdrawn require an additional \$25 fee from the reinstated member plus investment earnings on the member's withdrawn contributions that could have been accumulated by the Fund for the period of time that the member's contributions were withdrawn. Such changes were enacted by the 1987 General Assembly to prevent the Fund from becoming a revolving loan fund for member firemen and rescue squad workers.

- (16) *Increased Appropriation for the Firemen's and Rescue Squad Workers' Pension Fund:* At an additional cost of \$1,500,000 for each year of the 1987-89 biennium from the State's General Fund, the 1987 General Assembly provided for the unanticipated demands upon the Firemen's and Rescue Squad Workers' Pension Fund for the October 1, 1986 "open-door" enrollment of eligible firemen and rescue squad workers who had not previously elected to join the Fund. The 1986 Session of the General Assembly permitted firemen and rescue squad workers, age 35 and over, a period from October 1, 1986, until April 1, 1987, to purchase retroactive pension credits for their qualified service that had not previously been credited to the Fund by paying \$5 for each month of purchased credit plus interest. Firemen and rescue squad workers under age 35 were made eligible to purchase retroactive pension credits at any time. Whenever the 1986 Session enacted the "open-door" enrollment some \$810,000 was to be appropriated each year from the General Fund to support an estimated 2,700 additional members of the Fund. However, the Fund attracted some 7,000 additional members through the "open-door" enrollment, requiring the additional \$1.5 million appropriation from the General Fund for 1987-88 and 1988-89.

### B. Retired Employees

- (1) *Cost-of-Living Adjustment in Retirement Allowances for Retired Teachers, State Employees, Judges, District Attorneys, Superior Court Clerks, and Local Government Employees:* Effective July 1, 1987, the General Assembly provided a 4.0% increase in the retirement allowances paid to beneficiaries in three of the State-administered systems whose retirement began on or before July 1, 1986. In addition, beneficiaries who retired after July 1, 1986, and before June 30, 1987, were authorized an increase in their retirement allowances on July 1, 1987, equal to a prorated amount of the 4.0% increase provided to those who retired on or before July 1, 1986. The pro-rated amount will be determined by the Retirement Systems' Board of Trustees based upon the number of months that a retirement allowance was paid during 1986-87. The 4.0% increase was granted to retired beneficiaries so as to give them a comparable increase to the 5.0% salary increase provided for currently-employed employees. 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, 1985: Teachers' and State Employees' - \$143 million; Consolidated Judicial - \$2 million; and Local Governmental Employees' - \$24 million.
- (2) *Cost-of-Living Adjustment in Retirement Allowances for Retired Legislators:* At an additional one-time cost to the General Fund for 1987-88 of \$126,100, beneficiaries of the Legislative Retirement System retired on or before January 1, 1987, were provided, on and after July 1, 1987, a 12.0% increase in retirement allowances, comparable to the same type of increases granted to retired beneficiaries of the Teachers' and State Employees' Retirement System for 1985, 1986 and 1987 as provided for by law.

## Retirement and Pensions Changes--1987 Session (continued)

- (3) *Revised Retirement Benefits for Reemployed Retired Judicial Officials and Legislators:* Effective September 1, 1987, the 1987 General Assembly provided that retired judges, district attorneys, superior court clerks, and legislators must be reemployed by an employer of the Consolidated Judicial and Legislative Retirement Systems, respectively, for at least three years before a second retirement benefit is recalculated on the basis of the reemployment salary. Whenever the reemployment period is less than three years, the second retirement benefit will be the sum of the retirement benefit before reemployment and the retirement benefit earned while reemployed. Previous policy of the Consolidated Judicial Retirement System allowed a reemployed retired judicial officials' second retirement benefit to be recalculated based upon his reemployment salary without any minimum period of reemployment, which resulted in windfall benefits for minimum reemployment. On the other hand, reemployed retired legislators' second retirement benefit would have been recalculated on the basis of his reemployment earnings, but reduced by the actuarial equivalent of the first retirement benefit actually received, which proved to be quite punitive in many cases. The three-year reemployment provisions enacted by the 1987 Session were based upon the same such policies in the Teachers' and State Employees' Retirement System.
- (4) *Optional Death Benefit for Retired Teachers, State Employees, Judicial Officials, Legislators, and Local Government Employees:* Effective July 1, 1988, retired members of the Teachers' & State Employees', Consolidated Judicial, Legislative, and Local Governmental Employees' Retirement Systems will become eligible for a \$5,000 death benefit payable to a surviving spouse or other legal representative if not survived by a spouse by action of the 1987 Session of the General Assembly. The death benefit will be on a fully contributory basis provided the retired member elects to secure the benefit when first eligible. However, the \$5,000 benefit will not be payable until the retired member has made at least 24 months of contributions for the benefit. If death should occur before the completion of 24 months of contributions, the designated survivor will be paid the sum of the retired member's contributions for the benefit plus interest. The Board of Trustees of the Retirement Systems will determine the amount and basis for the payment of member contributions towards the benefit.
- (5) *Certain Disabled Retirees in the Teachers' & State Employees', and Local Governmental Employees' Retirement Systems Exempted from Disability Examinations and Earnings Restrictions:* Effective January 1, 1988, the 1987 General Assembly removed the requirements that members of the State and Local Retirement Systems retired on disability be medically reexamined on a periodic basis and be limited in occupational earnings to the difference between a disability retirement benefit and the annual salary prior to disability as indexed for inflation, to determine that the disability continued to exist. These requirements were removed only for disabled retirees when they would have otherwise qualified at the earliest date for an unreduced service retirement. In addition, the 1987 Session authorized a disabled retiree whose retirement benefit had been reduced because of a medical reexamination or excess occupational earnings to convert to an early or service retirement benefit when qualified to do so.
- (6) *Register of Deeds' Supplemental Pension Fund Created:* Effective October 1, 1987, filing fees collected by Registers of Deeds for general instruments, marriage licenses and plats will be increased by an average of 35% and selected Uniform Commercial Code filing fees collected by Registers of Deeds will be increased by 60% which will provide counties with an increased amount of local revenues from Register of Deeds' filing fees of some \$2.5 million per year, from an estimated \$9.5 million to \$12.0 million. From the total amount of local revenues collected from such fees, each county, beginning October 1, 1987, is to remit monthly 4.5% of the fees collected, or some \$540,000 per year, to the Department of State Treasurer in providing supplemental pension benefits to Register of Deeds who have already retired from a local

## Retirement and Pensions Changes-1987 Session (continued)

government retirement plan, provided the retired Register of Deeds has at least 12 years of service as Register of Deeds. The benefit will be payable for life. The amount of the benefit will be equal to one share of 90% of the available assets each year for each year's service multiplied by the total number of years of service. The maximum amount of the benefit will be the difference between 65% of the Register of Deeds salary at retirement and the amount of his retirement allowance from a local government retirement plan and a non-contributory benefit from the Supplemental Retirement Income Plan, not to exceed \$1,000 monthly. The first supplemental pension will be paid in July, 1988, from 45% of the first 9 months' collection of filing fees remitted by each county. Beginning January 1, 1989, the pension will be recalculated on the basis of 90% of the filing fees collected as of December 31, 1988, and the end of each calendar year thereafter, or about \$486,000 annually. The remaining 10% on January 1, 1989, or \$54,000 annually, (5% as of July 1, 1988) is to be used by the Department of State Treasurer in administering the Fund.

C. *Disability Retirement and Disability Salary Continuation Benefits Replaced with Disability Income Plan for Teachers and State Employees:* Based upon a direction from the 1986 Session of the General Assembly to study the possibility of replacing disability retirement benefits and disability salary continuation benefits for teachers and state employees with a comprehensive short-term and long-term disability income plan, the Board of Trustees of the Teachers' and State Employees' Retirement System made its recommendations to the 1987 General Assembly to implement such a Disability Income Plan, beginning January 1, 1988, for all new disability applications received on and after such date. Since disability retirement would provide a maximum of 45% of an eligible disabled employee's salary at disability and disability salary continuation would provide 60% of an eligible disabled employee's salary at disability up to \$1,000 per month, the 1987 General Assembly enacted the Trustees' recommendations to provide disability income benefits at 50% of salary up to \$3,000 monthly for the first year and 65% of salary up to \$3,900 per month thereafter. In addition to increased benefits, the recommended disability income plan results in a reduction in employer cost of \$2.9 million in 1987-88 and \$5.8 million in 1988-89 from the State's General and Highway Funds. An outline of the new Disability Income Plan's provisions follow:

1. *60 Calendar Day Waiting Period after Certification of Occupational Disability before Benefits Commence*
2. *Short-Term Benefits*
  - (a) 12 Months' Contributory Retirement Service within the Previous 36 Months Required Prior to Disability Certification
  - (b) Occupational Disability Certified by Employee's Physician and Employer
  - (c) Monthly Benefit Equal to 50% of One-Twelfth of Annual Compensation at Time of Disability Certification up to \$3,000 Payable for Up to 12 Months
  - (d) Benefit Offsets for Workers' Compensation, Accumulated Sick Leave, Accumulated Vacation Leave, Law Officer Disability Salary Continuation; No Offset for Social Security Disability
  - (e) Earnings Allowed up to Amount of Monthly Benefit; Earnings in Excess of Monthly Benefit Reduce Succeeding Month's Benefit Dollar-for-Dollar



**Retirement and Pensions Changes--1987 Session (continued)**

- (f) In-Service Retirement Death Benefit Payable during Monthly Benefit Entitlement; Survivor's Alternate Retirement Benefit Payable to Qualified Beneficiaries
- (g) Retirement Service Credit Accrued during Monthly Benefit Entitlement without Employee or Employer Contributions Other than for Accumulated Sick Leave or Law Officer Disability Salary Continuation; Average Final Compensation at Time of Disability Certification Increased by Percentage Cost-of-Living Salary Increases for State Employees
- (h) Contributory Health Benefit Premiums with Less than 5 Years' Contributory Retirement Service Credit at Time of Disability Certification; non-contributory Premiums with 5 or More Years of Contributory Retirement Service or While in Receipt of Sick Leave and Law Officer Disability Salary Continuation Payments
- (i) Monthly Benefit Paid By Employer for Quarterly Claims to be Filed with Retirement System for Reimbursement of the Last 6 Months' Claims Out of Disability Trust Fund; Trust Fund Reimburses Applicable Social Security and Health Benefit Premium Costs
- (j) 40 Continuous Days of Trial Rehabilitation in which A Member Can Return to Service without Loss of Benefits or Starting a New Waiting Period
- (k) Extension of Short-term Period Beyond 365 Days if Disability is Temporary

3. *Long-Term Benefits*

- (a) 60 Months' Contributory Retirement Service within the Previous 96 Months Required Prior to Disability Certification
- (b) Occupational Disability Certified by Retirement System (Medical Review Board); Annual Reviews for First 5 Years, Once Every 3 Years Thereafter
- (c) Monthly Benefit Equal to 65% of One-Twelfth of Annual Compensation at Time of Disability Certification, with a Maximum of \$3,900, Payable to Earliest Qualification Date for Unreduced Service Retirement; Benefit Terminates upon Receipt of a Retirement Allowance
- (d) Benefit Offsets for Workers' Compensation, Accumulated Sick Leave, Accumulated Vacation Leave, Law Officer Disability Salary Continuation, and Social Security Disability
- (e) Benefit Reduction after 36 Months for Social Security Disability Entitlement
- (f) Earnings Allowed up to Amount of Difference between Annual Compensation at Time of Disability and Monthly Benefit for First 36 Months; Earnings in Excess of Difference Reduce Succeeding Month's Benefit Dollar-for-Dollar; for Every \$3.00 in Earnings in Excess of Monthly Benefit after First 36 Months, Succeeding Month's Benefit Reduced by \$1.00
- (g) Monthly Benefits Adjusted Annually by Percentage Cost-of-Living Salary Increases for State Employees

## Retirement and Pensions Changes—1987 Session (continued)

- (h) In-Service Retirement Death Benefit Payable during Monthly Benefit Entitlement; Survivor's Alternate Retirement Benefit Payable to Qualified Beneficiaries
- (i) Retirement Service Credit Accrued during Monthly Benefit Entitlement without Employee or Employer Contributions Other than for Accumulated Sick Leave or Law Officer Disability Salary Continuation; Average Final Compensation at Time of Disability Certification Increased by Percentage Cost-of-Living Salary Increases for State Employees
- (j) Non-Contributory Health Benefit Premium Entitlement
- (k) Monthly Benefit Paid by Retirement System Out of Disability Trust Fund; Trust Fund Pays Non-Contributory Health Benefit Premiums

### 4. *Transitional Rules*

- (a) Employees In-Service on January 1, 1988 who Become Disabled after Completing 12 but Less than 60 Months' Contributory Retirement Service Entitled to Long-Term Benefits without Accrual of Service Retirement Credit

### D. *Investment of Retirement System Funds:*

- (1) *Divestment with South African Firms Not Complying with Sullivan Principles:* Effective July 1, 1987, the 1987 General Assembly prevented the State-administered retirement and pension funds from making any new investments in stocks, securities, or other obligations of a company or financial institution doing business in the Republic of South Africa that is not a signatory of the Sullivan Principles or that has failed to perform in accordance with the Sullivan Principles. The Sullivan Principles are a code of business practices relating to equal employment opportunities for black, coloured, and Asian workers in South Africa, named for the Reverend Leon H. Sullivan of Philadelphia who first authored the principles in 1977. For investments already made by the retirement and pension funds in firms found to be in non-compliance with the Sullivan Principles as of July 1, 1987, divestment must be made in these firms before July 1, 1990.
- (2) *Expanded Investment Opportunities:* Effective August 7, 1987, the 1987 General Assembly authorized the State-administered retirement and pension funds to expand their investment earnings potential by increasing from 25% to 50% the amount of retirement and pension fund assets that may be invested in common and preferred stocks, including securities convertible into common stocks. The General Assembly also authorized the investment of such assets into the obligations of international concerns, and into asset-backed securities, limited partnerships, and investment contracts of financial institutions.

- E. *State Administration of the Supplemental Retirement Income Plan:* The 1987 General Assembly directed the Department of State Treasurer and the Board of Trustees of the Supplemental Retirement Income Plan (401k) to study the possibility for self-administration of the Plan without the use of third-party administrators and make a report to the 1988 Session of the General Assembly. The Plan's current use of a third-party administrator has resulted in over two-thirds of the Plan's available assets being invested in the third-party administrator's own products. In addition, the third-party administrator's fees for administering the Plan can absorb 45-55% of the investment earnings on an employee's annual contribution to the Plan. For a first year investor, the fees can consume all of the first year's earnings on contributions. The Plan's contract with the current third-party administrator does not expire until April, 1990, but the contract does contain a cancellation clause and provides for renegotiated fee schedules. The Plan currently has some 9,800 participating employees and some \$85-\$90 million in assets.

## RETIREMENT AND PENSION CHANGES-1988 SESSION

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### 1988 LEGISLATIVE ACTIONS

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#### A. *Currently-Employed Employees*

- (1) *Benefit Accrual Rate Increased:* Effective July 1, 1988, the benefit accrual rate, or retirement formula, was increased in the Teachers' and State Employees' and Local Governmental Employees' Retirement Systems from 1.58% to 1.60% of average final compensation per year of creditable service. The net effect of this increase will be to increase the annual retirement allowance of all employees who retire on and after July 1, 1988 by 1.2%. The General Assembly funded the increase out of unencumbered actuarial gains within the Systems as of December 31, 1986, without requiring any additional employer contributions. The increase cost the Teachers' and State Employees' Retirement System some \$134 million and the Local Governmental Employees' Retirement System some \$24 million for active employees in available actuarial gains.
- (2) *Death Benefit for Teachers and State Employees Increased:* The 1988 Session of the General Assembly, effective August 1, 1988, increased the death benefit paid to the beneficiary of a deceased active member of the Teachers' and State Employees' Retirement System from one year's salary up to \$20,000 to one year's salary not less than \$25,000 nor more than \$50,000. The cost of the increased death benefit was financed out of excess existing employer contributions of some \$4 million per year from the State's General and Highway Funds to the Teachers' and State Employees' Death Benefit Trust.
- (3) *Death Benefits Payable after Age 70 for Teachers, State Employees, and Local Government Employees:* In strict compliance with the federal Age Discrimination in Employment Act (ADEA), the 1988 Session, with the advice of the Attorney General's Office, removed the age 70 exclusion for the payment of death benefits on behalf of deceased active members of the Teachers' and State Employees' and Local Governmental Employees' Retirement Systems, effective July 1, 1988. Death benefits will as a result be paid regardless of an employee's age at the time of death.
- (4) *Unreduced Retirement at Age 60 with 25 Years' Service for Local Government Employees:* In order to make the retirement benefits for local government employees more compatible with those of State employees, the 1988 General Assembly, effective July 1, 1988, provide unreduced service retirement at age 60 for employees with 25 years of service in the Local Governmental Employees' Retirement System. The cost of the benefit, some \$9 million, was funded out of unencumbered actuarial gains in the Retirement System as of December 31, 1986, without requiring any additional employer contributions.
- (5) *Unused Sick Leave Allowed to Qualify for Unreduced Service Retirement and Reduced Early Retirement:* Effective July 1, 1988, employees in the Local Governmental Employees' Retirement System may use accumulated sick leave (one month of retirement credit for each 20 days of sick leave not to exceed one month of credit for each two years of membership service) to qualify for retirement with 30 years' service, or at age 60 with 25 years of service, or at age 65 with 5 years of service. In addition, active members of both the Local Governmental Employees' and the Teachers' and State Employees' Retirement Systems were allowed to use accumulated sick leave on the same basis to qualify for reduced early retirement at age 50 with 20 years of service. The General Assembly funded this sick leave qualification for retirement out of unencumbered actuarial gains in the Retirement Systems as of December 31, 1986, without

## Retirement and Pensions Changes-1988 Session (continued)

requiring any additional employer contributions - at a cost of \$4 million from the Teachers' and State Employees' System and \$1 million from the Local Governmental Employees' System.

- (6) *Retirement Service Purchases after 5 Years of Service:* Effective July 8, 1988, the General Assembly reduced from 10 years to 5 years the minimum amount of service required in the Teachers' and State Employees' and the Local Governmental Employees' Retirement Systems for an employee to purchase additional retirement service credits at full actuarial cost. Such State System purchases include service as a part-time employee, a temporary employee, a local government employee, a federal civilian employee, and as a public community service employee completely supported by federal funds. Such Local System purchases were authorized for the first time for part-time, temporary, and probationary service with a local government within North Carolina as well as for existing authorizations to purchase federal civilian service and service as a public community service employee completely supported by federal funds.
- (7) *Retirement Service Purchases for Leave Without Pay for Illness or Injury:* The 1988 General Assembly, effective July 1, 1988, allowed active members of the Teachers' and State Employees' Retirement System the option of purchasing additional retirement service credits for periods of time of at least 60 days while the employee was on leave without pay for illness or injury by paying upon the completion of 5 years' service the full actuarial cost of the additional service credits.
- (8) *Five-Year Vesting for Former Legislators in the Legislative Retirement System:* Effective July 1, 1989, the 1988 General Assembly reduced from 8 to 5 years the required service that members of the General Assembly who served before creation of the Legislative Retirement System in 1983 must have before being entitled to receive a benefit from the System. The 1987 Session did the same for members who served in the General Assembly during and after 1983 in compliance with federal tax law. Some 60 former legislators affected by this change would be required to purchase their years of service in the Retirement System at the same rates as do current members of the Retirement System. The remaining cost of the change would cost the General Assembly \$186,500 on a one-time basis on or before July 1, 1989.
- (9) *Additional Employer Contributions to the University Employee Optional Retirement Program:* The 1988 Session of the General Assembly increased the State's employer contribution rate for University faculty and administrators participating in the Optional Retirement Program's fixed and variable life annuities from 6.0% to 6.1% of an employee's compensation, effective July 1, 1988. Such a change was made at an additional General Fund cost of some \$180,000 for 1988-89 to be financed out of existing appropriations to the University System.
- (10) *Pension Service Purchases for Firemen and Rescue Squad Workers:* Effective July 1, 1988, the General Assembly authorized the Trustees of the State Firemen's and Rescue Squad Workers' Pension Fund to grant qualified prior service credits to member firemen and rescue squad workers who have been denied such pension service through no fault of their own. After the firemen or rescue squad worker pays a purchase price for such service as determined by the Trustees, the estimated additional cost to the General Fund would not be expected to exceed \$70,000 for 1988-89 to be financed out of existing appropriations to the Department of State Auditor for the same purposes.

### B. Retired Employees

- (1) *Cost-of-Living Adjustment in Retirement Allowances for Retired Teachers, State Employees, Judges, District Attorneys, Superior Court Clerks, and Local Government*

## Retirement and Pensions Changes-1988 Session (continued)

*Employees:* Effective July 1, 1988, the General Assembly provided a 3.6% increase in the retirement allowances paid to beneficiaries in four of the State-administered Systems whose retirement began on or before July 1, 1987. In addition, beneficiaries who retired after July 1, 1987, and before June 30, 1988, were authorized an increase in their retirement allowances on July 1, 1988, equal to a prorated amount of the 3.6% increase provided to those who retired on or before July 1, 1987. The pro-rated amount will be determined by the Retirement Systems' Board of Trustees based upon the number of months that a retirement allowance was paid during 1987-88. The 3.6% increase was granted to retired beneficiaries so as to give them a comparable increase to the 4.5% salary increase provided for currently-employed employees. 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, 1986: Teachers' and State Employees' - \$139 million; Consolidated Judicial - \$2 million; and Local Governmental Employees' - \$24 million.

- (2) *Cost-of-Living Adjustment in Retirement Allowances for Retired Legislators:* At an additional one-time cost to the General Assembly for 1988-89 of \$83,000, beneficiaries of the Legislative Retirement System retired on or before January 1, 1988, were provided, on and after July 1, 1988, a 7.8% increase in retirement allowances, comparable to the same type of increases granted to retired beneficiaries of the Teachers' and State Employees' Retirement System for 1986 and 1987 as provided for by law.
- (3) *Additional Increase in Retirement Allowances for Retired Teachers, State Employees, and Local Government Employees Corresponding to an Increase in the Benefit Accrual Rate:* Effective July 1, 1988, retired beneficiaries whose allowances were computed on a benefit accrual rate of 1.58% of average final compensation per year of service will have their retirement allowances increased by 1.2% to reflect an increase in the benefit accrual rate for currently-employed employees to 1.60% which was authorized by the 1988 General Assembly, effective July 1, 1988. This additional retirement allowance increase was funded out of unencumbered actuarial gains available to the Retirement Systems as of December 31, 1986 without requiring any additional employer contributions - at a cost of \$48 million from the Teachers' and State Employees' System and \$9 million from the Local Governmental Employees' System.
- (4) *Refund of Retired State and Local Government Employee Retirement Contributions in Excess of Social Security Contributions:* The 1988 Session of the General Assembly authorized a refund to beneficiaries for retirement contributions made by employees in the Teachers' and State Employees' Retirement System and by employees in the Local Governmental Employees' Retirement System who were not covered by Social Security to the extent that their retirement contributions were in excess of other employees' retirement contributions during the period 1955 through mid-1963 (through mid-1965 for the Local System). During these periods, affected employees not covered by Social Security contributed 2% of their FICA salaries more to the Retirement Systems than did other System employees who were covered by Social Security. However, under the defined benefit structure of the Retirement Systems, the affected employees received no greater benefits for their additional contributions. A refund of these excess member contributions is effective July 1, 1988 through June 30, 1993, out of \$100,000 in unencumbered actuarial gains in each of the Retirement Systems as of December 31, 1986.

**Retirement and Pensions Changes-1988 Session (continued)**

- (5) *Retired Firemen and Rescue Workers Allowed to Perform Volunteer Duties:* Effective October 1, 1988, members of the State Firemen's and Rescue Squad Workers' Pension Fund will be allowed to draw their \$100 monthly pension and remain on an active duty roster to perform volunteer duties as a fireman or rescue squad worker, at a cost to the General Fund of some \$520,000 for 1988-89 to be funded out of existing appropriations to the Department of State Auditor for such purpose. The change was made by the 1988 Session to help smaller rural departments and squads, which have limited amounts of available personnel to perform required duties.

**STATE EMPLOYEE HEALTH BENEFIT CHANGES**

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**1987 LEGISLATIVE ACTIONS**  
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A. *Plan Financing:* The actions of the 1987 Session of the General Assembly resulted in some \$195 million in additional financing for the State Employee Health Benefit Plan for the 1987-89 biennium. Such actions maintained the previous 1986-87 level of benefits in the Basic Plan for another two years. The 1987 Session made such a decision despite recommendations from the Plan to reduce benefits by almost \$55 million during the biennium from increasing the Plan's deductible from \$150 to \$250 per year, from increasing the Plan's enrollee co-payment from 10% with a \$300 annual maximum to 20% with a \$600 annual maximum, from increasing the Plan's enrollee outpatient prescription drug co-payment from \$2 for each generic drug and \$3 for each brand name drug to \$5 for all drugs, and from increasing enrollees' inpatient hospital deductible from \$75 to the first day's semi-private room rate per admission. The Plan's recommendations in this respect would have almost doubled enrollees' maximum out-of-pocket expenses per year under the Plan. On the other hand, the Governor's Recommended Budget for the 1987-89 biennium contained no additional provisions for the Plan, which would have resulted in enrollees' maximum annual out-of-pocket expenses increasing almost 10 times their 1986-87 levels, to about \$5,000 per year. The details of the additional financing provided by the 1987 Session for the Plan for the 1987-89 biennium are:

	(\$ Million)		
<i>Financial Requirements</i>	<i>1987-88</i>	<i>1988-89</i>	<i>Total Biennium</i>
Basic Self-Insured Plan	\$71.5	\$96.8	\$168.3
Prepaid HMO Alternative	11.2	14.9	26.1
<b>Total Requirements</b>	<b>\$82.7</b>	<b>\$111.7</b>	<b>\$194.4</b>
Less: Administrative & Favorable Risk Fees			
Paid by HMOs	<u>7.0</u>	<u>7.0</u>	<u>14.0</u>
<b>Net Requirements from Premium Increases</b>	<b>\$75.7</b>	<b>\$104.7</b>	<b>\$180.4</b>
<i>Sources of Premium Increases</i>			
General Fund	\$47.0	\$65.1	\$112.1
Highway Fund	4.8	6.5	11.3
Other Employer Receipts	<u>6.3</u>	<u>8.7</u>	<u>15.0</u>
<b>Total Employer Funds</b>	<b>\$58.1</b>	<b>\$80.3</b>	<b>\$138.4</b>
Employee Funds for Dependents	<u>\$17.6</u>	<u>\$24.4</u>	<u>\$ 42.0</u>
<b>Total Premium Increases</b>	<b>\$75.7</b>	<b>\$104.7</b>	<b>\$180.4</b>

The amount of premium increases for the Basic Plan set by the General Assembly for individual employees, effective October 1, 1987, to fully fund their premium cost is some 47% more than the 1986-87 premiums or about \$23 per month more for Medicare-eligible employees and \$30 per month more for non-Medicare employees. The amount of premium increases for the Basic Plan set by the Plan's Executive Administrator for dependents of employees is expected to be some 47% for non-Medicare dependents and an average of some 90% for Medicare-eligible dependents, reflecting adverse claim-to-premium loss ratios and federal cost-shifting to employer group plans over the last several years for Medicare-eligible enrollees. For alternative prepaid HMO coverage, premium increases, effective October 1, 1987, for Kaiser Permanente are expected to be some 18% for individual employees who are not Medicare-eligible and some 36% for Medicare-eligible

## Health Benefit Changes—1987 Session (continued)

employees and an average of 40% for dependents of employees. For PruCare of Charlotte, the HMO premium increases, effective October 1, 1987, are expected to be 6% for non-Medicare employees, 8.5% for Medicare-eligible employees, and an average of 15% for dependents of employees. For the Blue Cross and Blue Shield Personal Care Plan HMO, premium increases, effective October 1, 1987, are expected to be 22% for non-Medicare employees, 5% for Medicare-eligible employees, and an average of 10% for dependents of employees. Such increases by Blue Cross and Blue Shield are on top of premium increases, effective July 1, 1987, of 36% for non-Medicare employees, 75% for Medicare-eligible employees, and an average of 50% for dependents of employees, which were necessary, according to Personal Care Plan officials, in order for Blue Cross and Blue Shield to continue offering Plan members an HMO option.

In addition to providing an additional \$123.4 million in General and Highway Fund appropriations to the Plan for the 1987-89 biennium, the 1987 Session of the General Assembly stated its intent that such amounts are maximum amounts, and that any additional financial support required for 1988-89 is to come from benefit reductions, elimination of noncontributory premiums for employees and retirees, or from payments to employees and retirees equal to the maximum premium amounts to purchase their own health benefits. The Plan is to inform all employees and retirees in writing of the General Assembly's intentions in this respect, along with a statement of the amount of employer contributions authorized for the Plan during 1987-89 as a part of the total compensation package for employees and retirees.

### B. *Changes in Plan Administration:*

- (1) *Executive Administrator Appointment:* Since July, 1985, when the Insurance Commissioner was authorized to appoint a full-time Executive Administrator to manage the Plan's affairs, no one has received an appointment, due primarily to the 2-year restriction on the term of appointment upon confirmation by the General Assembly or upon the advice of the Legislative Committee on Employee Hospital and Medical Benefits. Effective July 1, 1987, the Insurance Commissioner is authorized to make the appointment with the salary and term of employment set by the Insurance Commissioner upon the advice of the Legislative Committee's executive committee.
- (2) *Board of Trustees:* Effective July 1, 1987, the Executive Administrator and Board of Trustees of the Plan were required to make their recommendations to the Legislative Committee on Employee Hospital and Medical Benefits concerning changes to the Plan. Previously, the Legislative Committee made its own determination of Plan changes with or without the Trustees' recommendations. Additional changes, effective July 1, 1987, enacted by the 1987 Session concerning the Board of Trustees involved eliminating the \$100 per day compensation paid to Board members who were drawing salaries as active state employees and allowing the Trustees to elect whatever officers they chose among their membership.
- (3) *Advisory Committees Eliminated:* The 1985 General Assembly created two advisory committees for the Plan - one to be comprised of nine members representing Plan members and one to be comprised of nine health care providers. One-third of the membership of each of these advisory committees was to be appointed by the Governor, the Lt. Governor, and the Speaker of the House of Representatives. However, since the committees were never appointed, the 1987 Session of the General Assembly eliminated the committees.

### C. *Changes in Enrollee Eligibility:*

- (1) *Non-Contributory Premiums for Surviving Spouses:* The 1986 Session of the General Assembly provided that the surviving spouses of deceased retired employees and the surviving spouses of deceased employees receiving a survivor's alternate retirement benefit in lieu of a return of the deceased employee's retirement contributions would be eligible to receive state-



## Health Benefit Changes-1987 Session (continued)

- paid non-contributory Plan premiums until January 1, 1988 when the retiree's or employee's death occurred before October 1, 1986. Surviving spouses of retirees or qualified employees whose death occurred on or after October 1, 1986 were allowed to continue group benefits but on a fully contributory premium basis. The 1987 Session eliminated the January 1, 1988 cut-off date for non-contributory premiums for surviving spouses receiving such premiums as of October 1, 1986, and provided that such survivors would continue to receive non-contributory state-paid premium until their death. The additional cost to the State for such a change is expected to be some \$2.2 million for 1987-88 and some \$4.5 million for 1988-89, based upon some 4,800 surviving spouses that were receiving non-contributory premiums as of October 1, 1986.
- (2) *Five Years' State Service Required for Retiree Coverage:* Effective January 1, 1988, the 1987 General Assembly required all new retired state employees to have at least 5 years of service with a state agency, university, community college, or public school unit before being covered by the Plan as a retiree. Previous policy allowed local government employees working for a state agency to transfer their local service to the State Retirement System and be retired as a state employee eligible for coverage as a retiree without any minimum period of state service.
  - (3) *Waiting Period Before Preexisting Conditions Extended for Eligible Survivors of Deceased Employees and Retirees:* Effective July 1, 1987, the 1987 General Assembly authorized continued group coverage without a 12-month waiting period for preexisting health conditions for surviving spouses and dependent children of deceased retirees and employees eligible for continued coverage in their own right if coverage is elected within 90 days after the death of the employee or retiree. Previous coverage required the waiting period for preexisting conditions when coverage was elected after 30 days of the employee or retiree's death.
  - (4) *Disabled Employees Receiving Disability Income Plan Benefits Allowed Coverage under Plan:* Effective January 1, 1988, when disability retirement and disability salary continuation benefits for teachers and state employees are replaced with disability income benefits, disabled employees with at least 5 years of retirement service with a state agency, university, community college, or public school unit will become eligible for non-contributory coverage under the Plan on the same basis as a retired employee. Disabled employees with less than 5 years of state service under the new disability income plan would be entitled to continue their health benefit coverage on a fully-contributory basis as would a former recipient of disability salary continuation plan benefits.
  - (5) *Permanent Hourly Employees of the Department of Transportation:* Effective October 1, 1987, permanent hourly employees of the Division of Highways, Department of Transportation, who are scheduled to work at least one-half of the workdays of a pay period for at least 9 months per year are entitled to coverage under the Plan on a non-contributory basis when they work at least one-half of the workdays in each pay period and on a fully-contributory basis when they work less than one-half of the workdays in a particular pay period.
  - (6) *Part-Time State Agency Employees Working Three-Fourths Time:* Effective September 1, 1987, the 1987 General Assembly provided non-contributory health benefits for part-time employees of state agencies, departments, boards, commissions, and institutions, including universities, who are not otherwise eligible for such benefits and who are employed in permanent jobs on a recurring basis with work schedules of 30 or more hours per week for at least 9 months per year. Previous state policies allowed such employees coverage under the Plan, but on a fully contributory basis. The 1987 Session appropriated an additional \$348,000 for 1987-88 and \$378,000 for 1988-89 from the General Fund to fund the required health benefit premium amounts for some 335 part-time state employees with three-fourths time work schedules.

## Health Benefit Changes—1987 Session (continued)

### D. Basic Plan Benefit Changes:

- (1) *Physicians' Charges:* The 1987 General Assembly, effective January 1, 1988, authorized the Plan to update its reimbursement levels for physician charges every six months when the physician accepts the Plan's reimbursement as payment in full without charging enrollees for the difference between charges and reimbursed levels. Otherwise, physician reimbursement levels were not authorized to be updated more frequently than once a year.
- (2) *Outpatient Surgical Facilities:* The 1987 Session required outpatient surgery to be performed in a bona fide licensed ambulatory surgical facility requiring the administration of anesthesia and a period of post-operative observation before Plan reimbursements are made at 100% of facility and surgeon fees. The Plan was also authorized to negotiate a contracted rate of reimbursement with ambulatory surgical facilities.
- (3) *Second Surgical Opinions:* The 1987 Session allowed any qualified physician approved by the Plan to give required second surgical opinions. Prostate, hemorrhoid, tonsil, adenoid, gall bladder, and thyroid surgery were removed from the Plan's procedures requiring a second opinion due to less than expected cost savings to the Plan.
- (4) *Hospital Charges:* The 1987 General Assembly authorized the Plan to negotiate a contracted rate of reimbursement for in-patient hospital charges, effective July 1, 1987.
- (5) *Skilled Nursing Facilities:* The 1987 Session directed the Plan to limit daily charges reimbursed by the Plan for skilled nursing facilities to semi-private hospital room rates in addition to allowing the Plan to negotiate a contracted rate of payment for skilled nursing facilities. In either case, an attending physician is to certify that continued hospital confinement would otherwise be necessary for the payment of skilled nursing facility benefits in addition to prior approval from the claims processor.
- (6) *Private Duty Nursing:* Prior approval from the claims processor was directed by the 1987 Session for the payment of private duty nursing benefits. In addition, Plan reimbursement for private duty nursing was limited to 90% of skilled nursing facility semi-private rates.
- (7) *Home Health Services:* The 1987 Session required an attending physician to certify that hospital confinement would otherwise be necessary for the payment of home health service benefits that cannot be provided by family members. As with private duty nursing, the Plan's reimbursement for home health services was limited to 90% of skilled nursing facility semi-private rates.
- (8) *Hospice Care:* The 1987 General Assembly expanded the Plan's coverage to licensed hospice organizations for providing medical services to terminally ill patients when directed by an attending physician and approved in advance by the claims processor.
- (9) *Prior Surgical Approvals:* Upon recommendation of the Plan, prior approvals for surgeries related to stomach reduction, reversal of tubal ligations, and reconstruction of fallopian tubes were enacted by the 1987 Session, effective September 1, 1987.
- (10) *Chemical Dependency:* The 1987 General Assembly increased the maximum benefits for the treatment of alcohol and drug abuse from \$100 to \$130 per day, from \$3,000 to \$3,900 for 30 consecutive days, from \$5,000 to \$6,500 per fiscal year, and from \$15,000 to \$20,000 for lifetime benefits. Such increases are expected to cost the Plan an additional \$500,000 per year, although the benefit limits have not been changed since January 1, 1985.
- (11) *Dental Benefits:* The 1987 Session directed the Plan to study the feasibility of adding dental benefits to the Plan and make a report to the 1988 Session of the General Assembly on its findings and recommendations.

## Health Benefit Changes--1987 Session (continued)

- (12) *Outpatient Prescription Drugs:* The 1987 Session directed the Plan to study the feasibility of paying for maintenance prescription drugs on an outpatient basis through a mail order drug program and make a report to the 1988 Session of the General Assembly on its findings and recommendations.
  - (13) *Case Management:* The 1987 General Assembly, for the first time, authorized the coverage of less costly forms of health care not currently provided by the Plan on an individual case-by-case basis, when medically necessary and medically equivalent to services already covered by the Plan.
  - (14) *Preferred Provider Organizations (PPOs):* The 1987 Session further provided for reimbursement of provider charges based upon negotiated rates with preferred providers under contract.
  - (15) *Organ Transplants:* The 1987 Session directed the Plan to conduct a detailed study on continuing the Plan's coverage of organ transplants and make a report to the 1989 Session of the General Assembly on its findings and recommendations. The study was a result of a proposal to add heart transplants to the Plan's existing coverage for corneal, bone marrow, kidney, and liver transplants. However, on and after January 1, 1987, the UNC School of Medicine and Memorial Hospital were authorized by the 1987 Session to use any of their available medical research and treatment funds to cover the cost of heart transplants for members of the Plan.
- E. *Alternative Prepaid HMO Plans:* In addition to the premium increases for the Plan's three alternative prepaid HMO plans described in the foregoing section on Plan Financing, the Executive Administrator was authorized, beginning October 1, 1987, to assess an administrative fee for each contract enrolled by a participating HMO. Such fees for 1987-88 are expected to be \$1.00 per month for each type of coverage selected by employees and retirees. In addition, the Plan was authorized to assess a risk management fee against HMOs whose enrollees have less risk characteristics, such as younger ages, than does the Basic State Plan. In short, such a risk management fee is intended to compensate the Basic Plan for HMOs "skimming" off the better risks, leaving the Basic Plan with the worse risk and consequently higher claim cost per enrollee. Both the administrative fees and risk management fees are expected to generate some \$7 million per year to support the Basic Plan. The only change in the participating HMO plan benefits was an increase in enrollees' prescription drug co-payments from \$2 to \$7 per drug for Kaiser Permanente and from \$3 to \$5 per drug for Blue Cross and Blue Shield's Personal Care Plan. PruCare of Charlotte did not require an increase in the prescription drug co-payment.

## OTHER BENEFIT CHANGES FOR STATE AND LOCAL PERSONNEL

- A. *Additional Benefits for Firemen's Relief Funds:* Effective May 11, 1987, the 1987 General Assembly allowed local firemen's relief funds to provide assistance to a destitute member fireman who has honorably served as a fireman for at least five years, upon the approval of the Secretary of the State Firemen's Association. All of the funds' previous level of benefits related to retired, deceased, and disabled firemen and their dependents. Benefits are paid out of a one-half of one percent premium tax on issued fire and lightning insurance policies collected by the State and sent to local firemen's relief funds after deducting 2% for administrative purposes in the Department of Insurance and 3% for remittance to the State Firemen's Association. The 1987 General Assembly also permitted the State Firemen's Association to pay, out of its share of premium tax collections, for the cost of accidental death and dismemberment insurance for firemen who are not eligible for relief fund benefits because of a fund's failure to meet standards adopted by the State Firemen's Association for the use of such funds (\$10,000 minimum balance). The Insurance Commissioner was also authorized to provide a statewide blanket surety bond for the treasurers of all the State's local relief funds out of the relief funds' share of the fire and lightning insurance premium tax. The blanket bond would have the potential for tremendous cost savings over the costs of separate bonds purchased by individual local relief funds.
- B. *Rescue Squad Workers' Relief Fund Created:* The 1987 Session of the General Assembly, effective October 1, 1987, created a Rescue Squad Workers' Relief Fund, patterned after the State's Firemen's Relief Funds, for the purpose of paying benefits to rescue and emergency medical service workers who become ill or injured in the line of duty, to the dependents of such workers killed in the line of duty, and for awarding post-secondary college or technical school scholarships to the children of active, deceased, or retired rescue and emergency medical service workers. Workers eligible for Relief Fund benefits include those who are eligible for membership in the North Carolina Association of Rescue and Emergency Medical Services who complete at least 36 hours of training and meetings annually. The Relief Fund's Board of Trustees, composed of the Executive Committee of the Association of Rescue and Emergency Medical Services, will be responsible for the payment of benefits from the Fund. The Fund is financially supported by a \$0.05 increase in motor vehicle inspection certificate fees, effective September, 1987, to be collected by the Department of Transportation's Motor Vehicles Division and remitted quarterly to the Department of Insurance. The increased inspection certificate fees are expected to generate some \$265,000 per year for the Fund. The Commissioner of Insurance, who has exclusive control of the Fund's receipts and disbursements, in turn is to disburse 98% of the increased inspection certificate fee receipts to the Fund's Board of Trustees. The Department of Insurance is authorized to retain 2% of the increased fee collections for administrative purposes. The Fund's Board of Trustees is authorized to keep 3% of its receipts from the Department of Insurance for administrative purposes. The remaining 95% of the increased fee receipts are to be used in paying benefits to eligible workers and their dependents. Such benefits are made available to workers on a pay-as-you-go basis, with the total amount of annual benefits payable limited by the amount of funds available to pay such benefits without any accrual of required claim or benefit reductions. The Fund's Board of Trustees is required to maintain the actuarial and financial soundness of the Fund at all times.
- C. *Insurance Department's Fire Services Employees Provided Firemen's Line-of-Duty Death Benefit:* Effective August 13, 1987, the General Assembly permitted full-time employees of the Department of Insurance who fight fires, train fire fighters and rescue squad workers, and who serve on the State's Emergency Response Team to participate in the State's \$25,000 death benefit for law officers, firemen, rescue squad workers, civil air patrol members and state forestry employees killed in the line of duty, as administered by the Department of State Auditor and the Industrial Commission. The addition of 18 new members to the some 40,000 members already covered by the death benefit was not expected to require an additional State appropriation for the death benefit.
- D. *Correction Department's Employees Reimbursed for Personal Property Loss or Damage:* From July 20, 1987 through June 30, 1989, the 1987 General Assembly authorized employees of the Department of Correction to be reimbursed for personal property required by their employment, other than private passenger vehicles, stolen or damaged by inmates while in the performance of the employees' duties. The amount of such reimbursement is to be determined by the Department

**Other Benefit Changes-1987 Session (continued)**

of Correction, up to \$200 per accident and \$500 per year, for each employee, provided the loss or damage to the employee's personal property was not the result of his negligence, and the employee made a good faith effort to recover his loss from other sources.

E. *Teaching and Related Educational Employees in State Agencies:* Effective July 1, 1987, the 1987 Session of the General Assembly clarified previous years' acts concerning teaching and related educational classes of employees in the Departments of Human Resources, Correction, and any other State department, agency, or institution. The Session specifically excluded such employees from the State Personnel Act's provisions involving personnel files and records, recruitment, appointment, promotion, transfers, demotions and suspensions by covering them under the Public Schools' teacher employment contract and tenure act provisions related to the same type of issues. In addition, clarification was made to specify that such employees of State agencies would be paid in accordance with the salary schedules adopted by the State Board of Education for Public School employees.

F. *Travel and Subsistence Allowances for State Employees and State Boards:*

(1) *Charges for Use of State Vehicles:* Effective September 1, 1987, the 1987 General Assembly required the amount charged by the Department of Administration to State agencies for providing transportation be increased from 20¢ per mile for each motor vehicle to 24¢ per mile for pursuit and full-size 4-wheel drive vehicles, to 22¢ per mile for vans and compact 4-wheel drive vehicles while maintaining the 20¢ per mile charge for all other vehicles. In addition, employees charged for the use of state-owned vehicles in commuting from their homes to their official duty stations will be charged for 20 days per month regardless of the number of days a vehicle is used for commuting each month.

(2) *State Employee Subsistence Allowance Changes:* The 1987 General Assembly, effective September 1, 1987, required that State reimbursement for overnight lodging expenses incurred in official duties be paid only for actual expenses from a commercial establishment as properly documented by a receipt for such lodging expenses. Previously, overnight lodging expenses could be reimbursed without a receipt regardless of whether or not an actual expense was incurred, and for overnight stays with a claimant's friends and relatives. In addition, the 1987 Session, effective September 1, 1987, allowed State employees who are members of State boards, commissions, committees, or councils to be reimbursed for lunches eaten while on official State business when the lunch is a preplanned part of the official meeting of the entire board, commission, committee, or council. Previously, such reimbursement was limited to overnight stays, while an employee was in travel status, or when a lunch cost was part of a registration fee for a formal meeting.

(3) *Subsistence Allowance Changes for State Boards:* Effective September 1, 1987, members of State boards, commissions, committees, and councils will be reimbursed for subsistence expenses at the same rates and on the same basis as such expenses are reimbursed for State employees. Previously, such board, etc. members were reimbursed a flat \$15 per day when overnight stays were not required and \$52 per day when overnight lodging was involved.

G. *Expense Allowances Increased for Legislators:* Effective upon the convening of the 1989 Session of the General Assembly, the monthly expense allowances will be increased for legislators. The new allowances will be:

<i>Legislators</i>	<i>Monthly Expense</i>
House Speaker	\$ 975
Senate President Pro Tempore	633
House Speaker Pro Tempore	494
Senate Deputy President Pro Tempore	354

**Other Benefit Changes-1987 Session (continued)**

Senate Majority Leader	354
House & Senate Minority Leaders	354
Other Legislators	265

The increased expense allowances generally reflect a 5.0% increase in rates over the ones authorized for the 1987 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. In addition, the 1987 Session, in formally establishing the office of Senate Deputy President Pro Tempore for the first time, provided a monthly expense allowance for the office of \$354, effective July 1, 1987.

- H. *Annual Leave for Public School Occupational Education Teachers:* Effective July 1, 1987, the 1987 General Assembly allowed occupational education teachers in the Public Schools who are employed for 11 or 12 months to work on designated annual leave days within the regular school calendar, upon prior approval of a principal, and to use such substituted annual leave days during the 11th or 12th months of employment.
- I. *State Employee Paid Holiday for Martin Luther King, Jr.'s Birthday:* Beginning with the 1988 calendar year, the 1987 General Assembly required the State Personnel Commission, upon the approval of the Governor, to adopt Martin Luther King, Jr.'s birthday (third Monday in January of each year) as a paid holiday for State employees, provided the Commission does not provide more than a total of 11 paid holidays per year to employees. The Commission's previous paid holiday policies provided for 10 days per year, or 11 days per year when the days preceding and following Christmas are scheduled workdays. Consequently, the 1987 Session's action, in this regard, resulted in Martin Luther King, Jr.'s birthday replacing one of the State's previously adopted paid holidays, other than Veterans' Day in November of each year, in years when the days preceding and following Christmas are scheduled workdays. In all other years, Martin Luther King, Jr.'s birthday could be observed as an additional paid holiday for State employees. The action of the General Assembly not only affected State employees, but also Public School and Community College institutional employees whose paid holidays are concurrent with those established by the State Personnel Commission for State employees.

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**1988 LEGISLATIVE ACTIONS**

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- A. *County Fire Marshals and Emergency Services Coordinators Provided Line-of-Duty Death Benefits:* Effective July 1, 1988, the General Assembly clarified that county fire marshals and emergency services coordinators, whenever performing official county duties, are covered by the State's \$25,000 death benefit for law officers, firemen, rescue squad workers, civil air patrol members and state forestry employees killed in the line of duty. The State's Attorney General had previously ruled that county fire marshals and emergency services coordinators were covered by the death benefit only when acting as a member of a particular department called to respond to an emergency situation or at the request of such a department. Fire marshals and emergency services coordinators were not consequently covered by the death benefit before July 1, 1988, when acting independently of such a department called to respond.
- B. *Veterans Preference for State Agency Jobs Expanded:* The 1988 Session of the General Assembly, effective October 1, 1988, expanded the number of jobs afforded veterans preference in hiring by state agencies, departments, and institutions from some 3,000 to some 90,000. Previous state law required that veterans, wives of disabled veterans, and widows of veterans be awarded 10 points in written applicant examinations for state agency jobs, which covered only some 3,000 jobs still using written examinations for job applicants. The 1988 Session expanded the number of jobs afforded veterans preference to some 90,000 by eliminating the out-dated 10-point preference, and by

**Other Benefit Changes-1988 Session (continued)**

covering all employees of state agencies other than elected constitutional officers. Specifically, the Session required state departments, agencies, and institutions to give (1) honorably discharged veterans who served on active duty in the Armed Forces during wartime or were disabled from military activities; (2) spouses of disabled veterans; and (3) surviving spouses and dependents of veterans deceased as a result of military service preference in the evaluation of applicants for state jobs. The State Personnel Commission will administer the preference standards for some 70,000 state employee jobs subject to the State Personnel Act, consistent with existing state policy on conditions of employment. The General Assembly, the Judicial Department, Executive Agency Heads, and the University System will each administer the preference standards for their some 20,000 state employee jobs exempted from the provisions of the State Personnel Act, also consistent with existing state policies on conditions of employment. The North Carolina Veterans Affairs Commission, Veterans Advisory Committee, Jobs for Veterans Committee, and Veterans Affairs Division of the Department of Administration will oversee the administration of the preference standards.

- C. *Subsistence Allowances Increased for State Employees and State Boards:* Effective January 1, 1989, the 1988 General Assembly increased the subsistence reimbursement rates for State employees from \$52 to \$55 per day when traveling on official business in-state and from \$64 to \$67 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 when overnight stays are required. In addition, State employees were allowed to be reimbursed for lunches when overnight travel is not involved, beginning September 1, 1988, provided the lunch is an integral part of a meeting of a State board, commission, committee, or council requiring the employee's attendance in an official capacity or an integral part of a conference, congress, assembly, or convocation requiring the employee's attendance in an official capacity other than for normal day-to-day business activities.
  
- D. *Expense and Subsistence Allowances Increased for Legislators:* Effective upon the convening of the 1989 Session of the General Assembly, the rates of daily subsistence for legislators will be increased from \$79 to \$81 per day to correspond with the maximum per diem rate allowed for federal employees in the Raleigh area. The expense allowances for legislators will also be increased by \$200 per month upon the convening of the 1989 General Assembly. The new allowances will be:

<i>Legislators</i>	<i>Monthly Expense</i>
House Speaker	\$1,175
Senate President Pro Tempore	833
House Speaker Pro Tempore	694
Senate Deputy President Pro Tempore	554
Senate Majority leader	554
House & Senate Minority Leaders	554
Other Legislators	465

- E. *Per Diem and Expenses for Certain Judges Increased:* The 1988 Session of the General Assembly, effective January 1, 1989, increased the expense allowance paid to Superior Court Judges in lieu of subsistence and other professional expenses incurred in the performance of official duties from \$6,500 to \$7,000 per year. In addition, retired emergency justices and judges recalled to temporary active service were allowed an increase in their daily rates of pay from \$100 to \$150, effective July 1, 1988.





**LEGISLATIVE ACTIONS:  
GENERAL FUND DEPARTMENTS'  
OPERATING BUDGET**



**DEPARTMENT OF ADMINISTRATION**

Statutory Authority: General Statutes, Chapter 143-B

The Department of Administration is set up to assist in the management of State government. It has become a central source of services that all agencies need, such as the motor fleet management, courier mail, purchasing and contracting for goods and services, and utilities coordination.

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

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$42,951,576	\$43,289,896

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

- |   |            |            |
|---|------------|------------|
| 1. Reduce reserve of \$13,638 and related benefits by one-half. | (\$ 8,083) | (\$ 8,095) |
|---|------------|------------|

*SECRETARY'S OFFICE:*

- |  |                  |                  |
|--|------------------|------------------|
| 2. Eliminate vacant Deputy Secretary position for Management and Human Resources. The department has been reorganized since this position was vacated in December, 1986. | ( 63,293)<br>(1) | ( 63,388)<br>(1) |
| 3. Eliminate vacant Director of Organizational and Management Development position.  | ( 44,304)<br>(1) | ( 44,371)<br>(1) |

*WOMEN IN ECONOMIC DEVELOPMENT:*

- |   |                   |                   |
|---|-------------------|-------------------|
| 4. Discontinue funding of program. Three of the 4 positions are vacant. | ( 181,535)<br>(4) | ( 181,769)<br>(4) |
|---|-------------------|-------------------|

*EXECUTIVE AND ORGANIZATIONAL DEVELOPMENT:*

- |  |           |           |
|--|-----------|-----------|
| 5. Reduce level of funding for executive training. | ( 20,000) | ( 20,000) |
|--|-----------|-----------|

*OFFICE OF POLICY AND PLANNING:*

- |   |                    |                    |
|---|--------------------|--------------------|
| 6. Abolish 11 positions with their related fringe benefits and office expenses. | ( 387,837)<br>(11) | ( 389,088)<br>(11) |
|---|--------------------|--------------------|

*N.C. COURTS COMMISSION:*

- |   |                   |                   |
|---|-------------------|-------------------|
| 7. Reduce vacant Administrative Assistant I position to half-time position. | ( 13,610)<br>(.5) | ( 13,627)<br>(.5) |
|---|-------------------|-------------------|

*JUVENILE LAW STUDY COMMISSION:*

- |  |           |           |
|--|-----------|-----------|
| 8. Reduce funding to 1985-86 spending level. | ( 10,000) | ( 10,000) |
|--|-----------|-----------|

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF ADMINISTRATION (1987 ACTIONS, Continued)</b>		
<i>OFFICE OF STATE PERSONNEL:</i>		
9. Consider funding for coordination of Unemployment Insurance and Workers' Compensation Program in the expansion budget.	(\$ 103,783) (3)	(\$ 103,937) (3)
<i>STATE BUILDING DIVISION:</i>		
10. In the reorganization of the State Building Division the State Construction Director's position was abolished. Eliminate funds for salary and related benefits.	( 71,748) (1)	( 72,069) (1)
<i>BOARD OF STATE CONTRACT APPEALS:</i>		
11. Abolish the Board of State Contract Appeals and discontinue funding for its operations.	( 48,978)	( 48,978)
<i>PHYSICAL PLANT:</i>		
12. Abolish vacant Housekeeping Assistant position.	( 12,629) (1)	( 12,647) (1)
<i>STATE SURPLUS PROPERTY:</i>		
13. Provide partial support of operations from 64101 Equipment Reserve Fund and reduce required appropriation.	( 100,000)	-0-
<i>COMMISSION ON INDIAN AFFAIRS:</i>		
14. Continue operating support for the Cherokee Advisory Council.	10,000	10,000
15. Continue support for the Lumbee Regional Development Association.	50,000	-
<i>SCIENCE AND TECHNOLOGY RESEARCH:</i>		
16. Reduce research grant funds	( 150,000)	( 150,000)
<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$1,155,800)	(\$1,107,969)
<b>TOTAL POSITION REDUCTION</b>	(22.5)	(22.5)
*****		
<b>TRANSFERS</b>		
<i>SCIENCE AND TECHNOLOGY RESEARCH:</i>		
1. Transfer funds for "Pollution Prevention Pays" grants to the Department of Natural Resources and Community Development.	( 150,000)	( 150,000)
<b>REVISED BASE BUDGET</b>	\$41,645,776	\$42,031,927
*****		

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF ADMINISTRATION (1987 ACTIONS, Continued)</b>		
<b>EXPANSION BUDGET</b>		
<i>OFFICE OF STATE PERSONNEL:</i>		
1. Establish Workers' Compensation Program to assist State agencies in the proper filing, handling, and payment of employee claims for job related injuries/illnesses.	\$ 60,337 (2)	\$76,479 (2)
2. Expand the Employee Assistance Program outside the Raleigh area to provide equal access for employees where major concentrations of State employees are located.	176,294 (4)	211,575 (4)
<i>STATE CONSTRUCTION AND STATE PROPERTY:</i>		
3. Further automate operations and provide on-line operation of the systems.	155,000 NR	75,000 NR
<i>PHYSICAL PLANT:</i>		
4. Provide additional manpower and other resources to properly maintain State Government Complex.	136,670 (7)	167,959 (7)
<i>PURCHASE AND CONTRACT:</i>		
5. Fund the increased costs of operating the automated purchasing system.	119,404	146,994
<i>MARINE RESOURCE CENTERS:</i>		
6. Provide additional operating support for the State Aquariums.	100,000	100,000
7. Establish a preventive maintenance and replacement schedule for the critical life support systems of the State Aquariums.	150,000	150,000
<i>YOUTH INVOLVEMENT OFFICE:</i>		
8. Increase salaries of college students who perform summer service - learning internships with State Government from \$3.73 to \$5.00 per hour and increase the number of interns from 100 to 115.	55,374	55,665
<i>DOMESTIC VIOLENCE PROGRAM:</i>		
9. Increase funding for the domestic violence grant program.		
a. \$15,000 per program	435,000 State Aid	435,000 State Aid
b. Grant to Madison County to contract with Help Mate, Inc. for domestic violence programs	15,000 State Aid	15,000 State Aid
c. Grant to REACH of Jackson County to continue providing services for citizens in Macon County	15,000 State Aid	15,000 State Aid
d. Grant to SAFE, a shelter for battered spouses and children (S 1095)	5,000 State Aid	-
e. Grant to Family Violence and Rape Crisis Association of Lee County	5,000 State Aid	-

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF ADMINISTRATION (1987 ACTIONS, Continued)</b>		
<i>SCIENCE AND TECHNOLOGY RESEARCH:</i>		
10. Increase research grant funding for scientific equipment by (\$150,000), and small research grants by (\$100,000). Grants are awarded by the Board of Science and Technology.	\$ 250,000 State Aid	\$ 250,000 State Aid
<i>STATE BUILDING COMMISSION:</i>		
11. Fund annual operating expenses of the newly established Commission.	25,000	25,000
<i>OFFICE OF ADMINISTRATIVE ANALYSIS:</i>		
12. Provide travel expense for statewide study of maintenance contracts as recommended by the Appropriations Base Budget Committee on Education.	5,000 NR	-
<i>CONTROLLER'S - PERSONAL DIVISION:</i>		
13. Provide staff and professional consultant services to assist the Controller in establishing the office and in reviewing the current and future directions of the State Accounting System.	366,636 (4)	510,799 (5)
<i>CONTROLLER'S COMPLIANCE AND DISBURSING DIVISION:</i>		
14. Provide an Administrative Secretary position and additional operating support.	30,475 (1)	34,128 (1)
<i>CONTROLLER'S ACCOUNTING AND REPORTING DIVISION:</i>		
15. Fund additional Systems Accountant positions and increase data processing services, equipment, software, and printing.	367,151 (8)	624,018 (12)
<i>CONTROLLER'S DATA PROCESSING DIVISION:</i>		
16. Provide an Analyst Programmer position and funds for data processing services, equipment and software and employee education.	48,659 (1)	64,564 (1)
<i>RESERVES:</i>		
17. RESERVE-HAZARDOUS WASTE: Funds to begin initial work of surveying geological data and implementation process of a siting procedure for the low level radioactive waste site. (see H35, Special Provisions)	400,000 NR	-
<i>PENSION - WIDOWS OF GOVERNORS:</i>		
18. Increase annual pension from \$6,000 to \$12,000 for widows of three Governors.	16,500	18,000
<i>COMMISSION ON INDIAN AFFAIRS:</i>		
19. Provide support for the development and completion of the North Carolina Indian Cultural Center.	125,000	-
<i>VETERAN AFFAIRS ADMINISTRATION:</i>		
20. Provide grants to be used to support three veterans' cemeteries	75,000 State Aid	-

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF ADMINISTRATION (1987 ACTIONS, Continued)</b>		
21. Provide support to survey and appraise potential sites for veterans cemeteries in North Carolina (H1, Ch. 873, Sec. 30.A1).	\$ 50,000	-
<b>TOTAL OPERATING EXPANSION</b>	\$3,187,500	\$2,975,181
<b>TOTAL POSITIONS</b>	(27)	(32)
<b>TOTAL OPERATING APPROPRIATIONS</b>	\$44,833,276	\$45,007,108

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 2:**

Section 23.1     **SIPS Transfer** - Transfers the computer operations of the State Information Processing Services from the Department of Administration to the Office of State Controller and stipulates that the State Controller's Office shall provide clerical and other services required by the Computer Commission.

**House Bill 1514:**

- Section 41     **Need Based Student Loan Transfer** - Abolish the North Carolina Board for Need-Based Student Loans and transfer the loan program it administers to the State Education Assistance Authority of the University of North Carolina.
- Section 42     **APT Match Requirement** - Continues 1:1 match requirements for \$50,000 in grant funds appropriated to the Agency for Public Telecommunications.
- Section 43     **Mileage Charge** - Allows variable mileage charges for vehicles in the Department of Administration motor fleet.
- Section 44     **Commuting in State Vehicles** - Requires individual driving a state vehicle for commuting purposes to reimburse the state for 20 days per month regardless of how many days the individual uses the vehicle during the month.
- Section 45     **Motor Fleet Procedures** - Ends requirement of sending copy of drivers license to Motor Fleet Management.
- Section 46     **State Building Commission Reallocation** - Reallocates the \$300,000 appropriated to the State Building Division in 1986 to the new State Building Commission. The funds are for an operations and maintenance study of all state buildings and for a software package for a capital facilities maintenance program.
- Section 47     **Land Sale or Reallocation** - Requires all land sales or reallocations valued at \$25,000 or greater to be reported to the Joint Legislative Commission on Governmental Operations before final disposition by the Council of State.
- Section 48     **Women in the Economy Transfer** - Transfers the Assistant Secretary for Women in the Economy from the Department of Administration to the Department of Commerce.
- Section 50     **Polk Youth Center Land Appraisal** - Directs the department to appraise the land on which Polk Youth Center is constructed by February 15, 1988 and to submit this appraisal to the Joint Legislative Commission on Governmental Operations.

**DEPARTMENT OF ADMINISTRATION (1987 ACTIONS, Continued)**

**Section 52** **Small Businesses/State Contracts** – Instructs the department to spend a newly appropriated reserve on the following: 1) Provide pre- and post-bid assistance to small businesses seeking state contracts; 2) publish a directory of small businesses then distribute it to state purchasers; and 3) establish a system to monitor small business activity.

**House Bill 1515:**

**Section 75** **Pollution Prevention Grants Transfer** – Transfers the Pollution Prevention Pays Grants from the Board of Science and Technology in the Department of Administration to the Department of Natural Resources and Community Development.

**Section 76** **Private Tags on State Owned Cars** – Grants the use of private license tags on state owned vehicles for the following agencies: State Highway Patrol; Motor Vehicles – License and Theft Division (97); SBI Agents (277); and Probation/Parole Surveillance Officers (25).

**Section 77** **Domestic Violence Funds** – Awards \$15,000 to each eligible domestic violence center in operation on August 1, 1987, except those in counties with more than one facility. If a county has numerous eligible domestic violence programs, each center would receive a pro rata share of the \$15,000.

**House Bill 35:** **Low Level Waste Management Authority** – Transfers, effective July 1, 1987, funds to the given Authority and directs the use of funds for its own expenses plus those of other state agencies that it is authorized to reimburse under authority of this Act. Chapter 850 of the 1987 Session Laws.

**OFFICE OF STATE CONTROLLER**

**House Bill 1514:**

**Section 59** **Cash Management** – Gives the State Controller the authority to establish a cash management policy for all state agencies.

**Section 62** **State Controller Authority** – Removes the State Auditor's control over approval of accounting system software. This function was moved to the State Controller in 1986.

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**1988 LEGISLATIVE ACTIONS**

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**1988-89  
General  
Fund**

**TOTAL OPERATING APPROPRIATIONS – 1987 SESSION** **\$45,007,108**

**STATE GOVERNMENT SECURITY:**

1. Direct appropriation for six security positions which were funded from the Contingency and Emergency Reserve during 1986-87 and from lapsed salaries during 1987-88.	<b>95,651 (6)</b>
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DEPARTMENT OF ADMINISTRATION (1988 ACTIONS, Continued)

STATE CONSTRUCTION AND STATE PROPERTY:

- |   |                |
|---|----------------|
| 2. Support for eight additional engineers, a secretary, and operating support to expedite and monitor the increased number of State Construction projects and perform follow-up inspections during the guaranty period. | 401,839<br>(9) |
| 3. Additional per diem for the State Building Commission so meetings can be held more often.  | 25,000         |
| 4. Support for a traffic flow study of the State Government Complex.  | 30,000 NR      |
| 5. Support for contractual services for developing a master plan for the Blue Ridge Road complex.   | 100,000 NR     |

LOW -LEVEL RADIOACTIVE WASTE MANAGEMENT AUTHORITY:

- |   |            |
|---|------------|
| 6. Reserve to provide staff, equipment and other operating expenses necessary for the authority to perform its statutory responsibilities. Section 40 transfers \$50,000 to the Governor's Waste Management Board to develop a public education program on low level radioactive waste. | 500,000 NR |
|---|------------|

SCIENCE AND TECHNOLOGY RESEARCH:

- |   |            |
|---|------------|
| 7. Support for contractual services to research and develop the State's proposal for the Superconducting Super Collider facility. | 340,000 NR |
|---|------------|

COMMISSION ON INDIAN AFFAIRS:

- |   |           |
|---|-----------|
| 8. Additional support for continuing the development of the Indian Cultural Center, Robeson County. | 50,000 NR |
|---|-----------|

COUNCIL ON STATUS OF WOMEN:

- |   |                         |
|---|-------------------------|
| 9. Grant to support the operations of local Rape Crisis Centers that previously received federal funding through Justice Assistance Act and the Victims of Crime Act. | 368,000 NR<br>State Aid |
| 10. Grant to Family Violence and Rape Crisis Association of Lee County (Chapter 1094: S 1740)   | 2,000 NR<br>State Aid   |

RESERVE:

- |   |            |
|---|------------|
| 11. Reserve to cover the expenses of the Governor's Inauguration in 1989.   | 50,000 NR  |
| 12. Reserve for transition expenses to be allocated among the Lieutenant Governor's Office and newly elected Council of State members who are not incumbents. Expenses are to be not in excess of \$80,000 for the Governor-elect and not in excess of \$10,000 for the Lieutenant Governor-elect, and \$10,000 for any other member-elect of the Council of State who is not an incumbent. | 110,000 NR |

TOTAL OPERATING EXPANSION	\$2,072,490
TOTAL POSITIONS	(15)
TOTAL OPERATING APPROPRIATIONS	\$47,079,598

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## SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1988

### House Bill 2641:

- Section 32      **Domestic Violence Grants/Lump Sum Payments.** Directs the Department of Administration to make lump sum payments to domestic violence grant recipients.
- Section 33      **SIPS.** Continue the transfer to the State Controller the functions, powers, and duties relating to the administration of the State Information Processing Services (computer system) and providing staff and services to the State Computer Commission until August 1, 1989.
- Section 35      **Computer Study Commission Funds.** Transfers \$50,000 to the State Information Processing Needs and Cost Study Commission from funds appropriated to the Office of the State Controller. Requires the Study Commission to evaluate the State Controller's request for funds to redesign and develop a State accounting system and to evaluate the research previously conducted on this topic.
- Section 36      **Supercomputer Policy Board.** Directs that the \$18 million appropriated in 1987 to the Office of State Budget and Management for a supercomputer be placed in a non-reverting reserve fund. Requires monthly management and status reports on the supercomputer project be provided to the Joint Legislative Commission on Governmental Operations by the State Computer Commission and the designated manager of the project. Provides for the appointment and composition of a 14 member board to govern operations of the supercomputer project.
- Section 38      **Encourage State Purchases From Minority Businesses.** Extends the program to encourage all subdivisions and agencies of the State, all local governments and other entities authorized to make purchase through the State, to make purchases from businesses owned by minorities. The Department is required to report to the House and Senate Base Budget Committee on General Government in April, 1989 on what percentage of contract purchases were from businesses owned by minorities and what percentage of the contract bids for such purchases were from minorities.
- Section 40      **Governor's Waste Management Board Funds.** Transfers \$50,000 from the Low Level Radioactive Waste Management Authority to the Department of Human Resources for the Governor's Waste Management Board to develop a public education program on low level radioactive waste.
- Section 41      **Allocation of Rape Crisis Center Funds/Merger With Domestic Violence Programs.** Distributes funds to rape crisis centers in the same proportion as their loss of federal funds. Since this is a one-time appropriation, those Rape Crisis Centers should where possible merge their operations with Domestic Violence Centers in their area by June 30, 1989 to improve efficiency.
- Section 48      **Transition Expenses.** Rewrites G.S. 147-31.1 on transition expenses and authorizes the Department to provide amounts not in excess of \$80,000 to the Governor-elect and \$10,000 to the Lt. Governor - elect, and \$10,000 to any other member-elect of the Council of State who is not an incumbent in that office.

### Senate Bill 257:

- Section 23      **Museum of History Single Prime.** Authorizes the Department to use the single prime contract system and to prequalify bidders for the Museum of History Project. Pre-requisite for letting of contract under this section is that bidders include minority business subcontractors for not less than 10% of the total bid or verify their inability to secure qualified minority subcontractors in such an amount.

**Section 26**      **Superconducting Super Collider (SSC) Reports.** Requires the Secretary of Administration and the Executive Director of the Board of Science and Technology to report quarterly to the Joint Legislative Commission on Governmental Operations, the Joint Select Committee on Low-Level Radioactive Waste, the Environmental Review Commission, and the Fiscal Research and General Research Divisions of the General Assembly on the State's efforts in pursuit of being selected as the host state for the SSC. Reports are to include amount, purpose and source of funds expended as well as additional funds needed; efforts to minimize the impact of the SSC on churches, cemeteries, and the environment; the number of landowners to be affected, the potential for leasing land required for the project, and extending to landowners the right to repurchase the land obtained for the SSC project when no longer needed for the project.

**Section 30.1**      **Reports on Grants to Non-State Agencies.** Requires any non-State agency receiving an appropriation of \$50,000 or more made directly by the General Assembly in an act ratified during 1988 to make quarterly reports on the amounts expended and details of the use of the expenditures to the Joint Legislative Commission on Governmental Operations with a copy to the State Controller. Such reports shall be made no later than the 10th day of November, February, May, and August to cover previous calendar quarters and continue until all funds are expended or repaid to the State.

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**OFFICE OF ADMINISTRATIVE HEARINGS**

The 1985 General Assembly created this office to provide independent hearing officers to preside at contested cases between state agencies and their clients. The Office's other major duties are 1) the monthly publication of the North Carolina Register containing notices of rule making and copies of amended administrative rules; 2) staff for the Administrative Rules Review Commission which reviews new rule filings as well as evaluates the existing rules in the North Carolina Administrative Code, and 3) staff to investigate and resolve discrimination cases in state employment.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$1,910,922	\$1,913,223

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**1987 LEGISLATIVE ACTIONS**

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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce reserve of \$1,539 and related benefits by one-half.	(\$ 913)	(\$ 914)
2. Reduce various operating expense lines such as travel, rental of real property and equipment.	( 38,218)	( 38,264)
	(\$ 39,131)	(\$ 39,178)
<b>TOTAL BASE BUDGET REDUCTIONS</b>		
<b>REVISED BASE BUDGET</b>	<b>\$1,871,791</b>	<b>\$1,874,045</b>

\*\*\*\*\*

**EXPANSION BUDGET**

*OPERATIONS:*

1. Rental of real property until current facility is made accessible to handicapped employee	12,000 NR	-
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$1,883,791</b>	<b>\$1,874,045</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1515:**

Section 68      **Personnel** - Lists the classification, grade and number of employees for the agency. Also describes personnel rules for the agency.

OFFICE OF ADMINISTRATIVE HEARINGS (Continued)

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**1988 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

1988-89  
General  
Fund

TOTAL OPERATING APPROPRIATIONS - 1987 SESSION \$1,874,045  
NO BUDGET CHANGES

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**Senate Bill 257:**

Section 16(b) **Longevity Pay - Chief Judge** - Grants judicial longevity pay to the Chief Administrative Law Judge. This pay is based on the years of state service and is payable monthly.

**OTHER LEGISLATION:**

**Senate Bill 1676: Establishes Administrative Rules Review Commission** - Makes the Administrative Rules Review Commission (ARRC) an independent agency and extends the Commission's review of existing rules until 1989. The funds previously used for the ARRC are reallocated to the Civil Rights Division. This division's responsibility for Equal Employment Opportunity Commission cases is outlined in the bill. Renames the Director of OAH as the Chief Administrative Law Judge. Other sections of the bill pertain to OSHA regulations and agricultural employees.

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**ADMINISTRATIVE RULES REVIEW COMMISSION**

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**1988 LEGISLATIVE ACTIONS**  
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	<b>1988-89 General Fund</b>
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSSION</b>	<b>\$ -</b>
1. Support for the Commission's staff and operating costs. S 1676, Chapter 1111 establishes this Commission as an independent agency.	234,110 (4)
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$234,110</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**NONE**

**OTHER LEGISLATION:**

**Senate Bill 1676: Established Administrative Rules Review Commission - Amends G.S. 143B-30.1 to designate the Administrative Rules Review Commission an independent agency under Article III, Section II of the Constitution. Continues employment by the Commission of persons employed by the Office of Administrative Hearings on July 9, 1988 who were performing functions for the Administrative Rules Review Commission. Requires the Commission to submit a proposed budget in line-item format for the 1989-91 biennium to the Office of State Budget. Grants the Commission the authority to appoint employees and designates employees as subject to the State Personnel Act.**

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## DEPARTMENT OF AGRICULTURE

Statutory Authority: General Statutes, Chapter 106

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

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

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1987-88 General Fund	1988-89 General Fund
	\$32,692,706	\$32,832,282

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**1987 LEGISLATIVE ACTIONS**  
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### BASE BUDGET REDUCTIONS

#### *SALARY RESERVE:*

1. Reduce reserve of \$116,890 and related benefits by one-half.	(\$ 69,275)	(\$ 69,403)
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#### *MARKETING:*

2. Reduce funding for contractual services, supplies, repairs and advertising.	( 60,000)	( 57,049)
3. Continue support for the Western N. C. Development Association.	40,000	40,000

#### *STATE FARMS:*

4. Reduce funding for agricultural equipment.	( 59,316)	( 74,792)
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#### *AGRONOMIC SERVICES:*

5. Reduce funding for lab supplies and utilities and laboratory equipment.	( 14,000)	( 26,000)
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#### *CROP REPORTING:*

6. Reduce funding for travel, supplies, printing and temporary wages.	( 13,894)	( 13,894)
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#### *FOOD AND DRUG PROTECTION:*

7. Reduce funding for utilities, repairs, lab supplies, travel, temporary wages and data processing. One Position is eliminated.	( 88,135) (1)	( 123,835) (1)
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#### *STRUCTURAL PEST:*

8. Reduce funding for motor vehicle operations, supplies and travel.	( 5,000)	( 5,000)
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	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF AGRICULTURE (1987 ACTIONS, Continued)</b>		
<i>VETERINARY SERVICES:</i>		
9. Reduce funding for travel, repairs and laboratory equipment.	(\$ 43,800)	(\$ 57,800)
<i>MEAT AND POULTRY:</i>		
10. Reduce funding for veterinarian services and travel.	( 15,000)	( 15,000)
<i>WEIGHTS AND MEASURES:</i>		
11. Reduce funding for motor vehicle operations and repairs.	( 10,000)	( 10,000)
<i>PLANT PROTECTION:</i>		
12. Reduce funding for agricultural chemicals, motor vehicle operations, travel and repairs. Eliminate one half-time position.	( 28,105) (.5)	( 28,886) (.5)
<i>RESEARCH STATIONS:</i>		
13. Reduce funding for agricultural equipment, equipment rental and freight.	( 281,825)	( 219,969)
<i>MUSEUM OF NATURAL SCIENCE:</i>		
14. Reduce funding for utilities, exhibit supplies and museum acquisitions.	( 17,425)	( 4,275)
15. Continue support for the N. C. Museum of Life and Science.	100,000	100,000
<i>NORTH CAROLINA MARITIME MUSEUM:</i>		
16. Reduce funding for museum acquisitions and exhibit supplies.	( 10,000)	( 10,000)
<i>DISTRIBUTION OF USDA DONATED COMMODITIES:</i>		
17. Reduce funding for prison labor and motor vehicle operations for the Food Distribution Program.	<u>( 7,500)</u>	<u>( 7,500)</u>
<b>TOTAL BASE BUDGET REDUCTIONS</b>	<b>(\$ 583,275)</b>	<b>(\$ 583,403)</b>
<b>TOTAL POSITION REDUCTION</b>	<b>(1.5)</b>	<b>(1.5)</b>
*****		
<b>TRANSFERS:</b>		
Transfer support for the Seafood Marketing Division from the Department of Natural Resources and Community Development.	\$ 113,000	\$ 113,000
Transfer support for cash payments for farm commodities directly to this Department thereby allowing memo billings for three affected institutions in Department of Human Resources.	160,800	160,800
<b>TOTAL TRANSFERS</b>	<u>\$ 273,800</u>	<u>\$ 273,800</u>
<b>REVISED BASE BUDGET</b>	<b>\$32,383,231</b>	<b>\$32,522,679</b>



	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF AGRICULTURE (1987 ACTIONS, Continued)</b>		
*****		
<b>EXPANSION BUDGET</b>		
<i>MARKETING:</i>		
1. Western N.C. Agriculture Center: Provide additional staff and operating support.	\$ 48,774 24,000 NR (2)	\$ 65,430 (2)
2. Western Farmers' Market: Additional personnel to support new additions to market.	21,098 (2)	28,170 (2)
3. Domestic Agriculture Marketing: Increase the sale of North Carolina agricultural products.	100,000 (2)	100,000 (2)
<i>PESTICIDE CONTROL AND ANALYSIS:</i>		
4. Pesticide Disposal Program: Provide an environmentally safe pesticide disposal program for farmers and homeowners.	142,519 (1)	150,000 (1)
5. Private Pesticide Applicator Recertification: Support from receipts for recertification of private applications as required by EPA.	70,416 Receipts (1)	65,679 Receipts (1)
<i>FOOD, DRUG AND COSMETIC ANALYSIS:</i>		
6. Feed/Fertilizer Testing Funds: New equipment to speed the analysis of feed, fertilizer, and forage crops	94,200 NR	100,500 NR
<i>VETERINARY SERVICES:</i>		
7. Animal Disease Funds: Provide a computer network between the animal diagnostic labs.	50,738 46,000 NR (1)	67,676 34,500 NR (1)
8. Operating Support Diagnostic Labs: Additional support for expanded labs at Rose Hill and Monroe and new lab in Surry County.	184,735 (9)	271,970 (11)
<i>PLANT PROTECTION:</i>		
9. Boll Weevil Funds: Provide staff and operating support to conduct a monitoring program to prevent reintroduction of this pest.	65,998 205,170 NR (1)	75,688 (1)
<i>RESEARCH STATION OPERATIONS:</i>		
10. Tidewater Swine Research: Support research investigating factors limiting pig litter size.	55,824 (1)	53,023 (1)

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF AGRICULTURE (1987 ACTIONS, Continued)</b>		
11. Broiler Breeder Research Program:		
Support research to improve hatchability of broiler eggs.	\$ 149,737 (4)	\$ 172,443 (4)
<i>DISTRIBUTION OF USDA DONATED COMMODITIES:</i>		
12. Emergency Food Funds:		
Pick up 50% State funding of positions used for distribution of food to disadvantaged citizens.	244,000	325,000
<i>WAREHOUSE OPERATIONS:</i>		
13. Cotton Warehouse Act:		
NCDA is reactivating the State Warehouse system with additional funding from the warehouse fund investment income.	46,176 Receipts (1)	48,939 Receipts (1)
<i>FAIR OPERATIONS:</i>		
14. State Fair Operations:		
Establish from receipts eight positions at State Fairgrounds for maintenance.	112,532 Receipts (8)	150,260 Receipts (8)
Total Requirements - Expansion	\$1,661,917	\$1,709,278
Less Receipts - Expansion	<u>229,124</u>	<u>264,878</u>
<b>TOTAL OPERATING EXPANSION</b>	<b>\$1,432,793</b>	<b>\$1,444,400</b>
<b>TOTAL POSITIONS</b>	<b>(33)</b>	<b>(35)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$33,816,024</b>	<b>\$33,967,079</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1987**

**House Bill 1514:**

Section 137      **Operating Funding for N.E. and S.E. Farmers' Markets** - Provides operating funds for the N.E. and S.E. North Carolina Farmers' Markets during 1988-89 from the non-reverting capital accounts for construction of these markets. Operating funds are contingent upon land being purchased for these markets.

Section 138      **N.C. Egg Law Amendments** - Amends G.S. 106-245.37 by appropriating all funds dedicated to the "North Carolina Egg Fund" to the N.C. Egg Association for research, education, publicity, advertising, and other promotional activities for the producers of N.C. eggs. \$5,000 is allocated to the Department of Agriculture for the implementation of the program established by Chapter 815 of the 1987 Session Laws. (See this chapter for more information).

**House Bill 1516:**

Section 131      **Watercraft Center Funding** - Rewrites Section 64 of Chapter 757 of the 1985 Session Laws to allow \$75,000 appropriated to renovate the N.C. Maritime Museum Watercraft Center to be used for construction of a new center.

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>DEPARTMENT OF AGRICULTURE (Continued)</b>	
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$33,967,079</b>
<i>VETERINARY SERVICES:</i>	
1. Reserve for the testing of all swine herds to determine the identity of herds infected with the pseudorabies virus	835,785 NR
<i>RESERVES AND TRANSFERS:</i>	
2. Reserve for "Drought Emergency" to be allocated based upon criteria developed by the Department but to be expended only by authorization of the Council of State	1,000,000 NR
<i>RESEARCH STATIONS:</i>	
3. Support for a sheep demonstration project at the Waynesville Mountain Research Station	106,010 NR
<i>MARKETING:</i>	
4. Funds for the promotion of North Carolina products through the "Goodness Grows in North Carolina" program	100,000 NR
<i>SEED TESTING:</i>	
5. Funds for the replacement of seed germination testing equipment	30,000 NR
<i>AGRICULTURAL FINANCE AUTHORITY:</i>	
6. Grant to support operating cost at the 1987-88 level	<u>100,000 NR</u>
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 2,171,795</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$36,138,874</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 859:**

Section 12      **Nonreversion of Grape Growers Council Funds** - Amends G.S. 105-113.81A by allowing the funds credited to the Grape Growers Council not to revert. The provision sunsets July 1, 1991.

**House Bill 2641:**

Section 153      **Timber Sales Account** - Authorizes the Department of Agriculture to use funds from the Timber Sales Capital Improvement Account to purchase land at the Peanut Belt Research Station.

**DEPARTMENT OF AGRICULTURE (1988 ACTIONS, Continued)**

Section 154      **N. E. Farmers Market Funding** – Allocates funds from the nonreverting capital improvement account for the Northeastern North Carolina Farmers Market:

Pasquotank Farmers Market	\$200,000
Northeastern Marketing Center	389,215
Raleigh Horse and Livestock Facility	125,000
Martin County Farmers Market	<u>100,000</u>
TOTAL	\$814,215

Section 155      **Pseudorabies Funds/Rules** – Allocates \$835,785 to a reserve for pseudorabies testing of all swine herds. Directs the Department of Agriculture to not establish rules which unreasonably restrict the growth of the swine industry.

Section 155.1    **Drought Emergency Reserve** – Allocates \$1,000,000 to a Drought Emergency Reserve. The reserve will be distributed according to criteria determined by the Department of Agriculture. Recommendations are to be submitted to the Council of State prior to distribution.

**Senate Bill 257:**

Section 34      **N.E. Farmers Market Funds** – Allocates additional funds from the nonreverting capital improvement account for the Northeastern North Carolina Farmers Market:

Rocky Mount Business Development Authority – Agricultural Complex	\$700,000
Franklin County – Senior Citizens	75,000
Halifax County Mental Health Center	<u>75,000</u>
TOTAL	\$850,000

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**DEPARTMENT OF COMMERCE**

Statutory Authority: General Statutes, Chapter 143B-429

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

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$24,263,970	\$24,310,748

\*\*\*\*\*  
**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce salary reserve of \$41,388 and related benefits by one-half.	(\$ 24,529)	(\$ 24,574)
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*TRAVEL AND TOURISM DEVELOPMENT:*

2. Reduce travel and tourism advertising funds by \$100,000 each year - \$3.2 million would still be available for advertising.	( 100,000)	( 100,000)
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*SMALL BUSINESS DEVELOPMENT:*

3. Reduce funding since services being provided are duplicated in other small business related programs in the Departments of Commerce, Community Colleges, and Board of Governors.	( 100,000)	( 100,000)
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*DEPARTMENT-WIDE:*

4. Eliminate five vacant positions and fringe benefits.	( 147,436) (5)	( 147,704) (5)
5. Delete funds realigned from the Community of Excellence Program to other programs.	( 112,681)	( 112,837)

<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 484,646)	(\$ 485,115)
<b>TOTAL POSITION REDUCTION</b>	(5)	(5)
<b>REVISED BASE BUDGET</b>	<b>\$23,779,324</b>	<b>\$23,825,633</b>

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**EXPANSION BUDGET**

*HAZARDOUS WASTE PROGRAM:*

1. Hazardous Waste Treatment Commission - Additional operating funds to site, develop, and identify an operator for a waste facility	\$ 213,100	\$ 138,100
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*ECONOMIC DEVELOPMENT BOARD:*

2. Women in Economic Development - Restore Assistant Secretary position and move it from the Department of Administration back to this department.	58,591 (1)	58,858 (1)
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	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF COMMERCE (1987 ACTIONS, Continued)</b>		
<i>BUSINESS/INDUSTRY DEVELOPMENT:</i>		
3. Rural Economic Development - Funds to support the administrative costs of the Center and for its pilot projects and research	\$ 2,000,000 State Aid	\$ 2,000,000 State Aid
4. Edgecombe County - Industrial Development	750,000 NR State Aid	-
5. Harnett County - Industrial development	100,000 NR State Aid	-
6. Southwestern N.C. Planning and Economic Development Commission - State funds to help match federal funds to create a revolving loan program for creating jobs	75,000 NR State Aid	-
7. Industrial Development Funds - Funds provided to assist the local governments of the most economically depressed counties in this State as determined by median per capita income	5,000,000 State Aid	-
8. Mid-East and Albemarle Commissions - State funds to help match federal funds to create a revolving loan program for creating jobs	150,000 NR State Aid	-
<i>INTERNATIONAL DEVELOPMENT:</i>		
9. Funds to expand export development program and to establish an Overseas Trade Office	319,894 (4)	328,803 (4)
<i>TRAVEL AND TOURISM DEVELOPMENT:</i>		
10. Provide grant to Keep North Carolina Beautiful, Inc. to assist in its efforts to improve the visual environment of the State and to develop educational programs	25,000 State Aid	-
11. Provide grant to the Carolina Dogwood Festival, Inc. for its promotional expenses. Grant is to be matched on the basis of \$4.00 in private funds for each State dollar (H 1515, S 1285)	2,000 State Aid	-
<i>TECHNOLOGICAL DEVELOPMENT AUTHORITY:</i>		
12. (a) Ahoskie Incubator - additional funds to help further renovate the Ahoskie Incubator	150,000 NR State Aid	-
(b) Reappropriation of 1986-87 reversion for the Technological Development Authority Incubator Grants	703,262 NR State Aid	-
<i>EMPLOYMENT SECURITY COMMISSION:</i>		
13. Use of Special Employment Security Administration funds to replace federal cuts and avoid closing of employment offices	2,690,000 Receipts	2,690,000 Receipts
Total Requirements - Expansion	\$12,236,847	\$5,215,761
Less Receipts - Expansion	2,690,000	2,690,000
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 9,546,847</b>	<b>\$2,525,761</b>
<b>TOTAL POSITIONS</b>	<b>(5)</b>	<b>(5)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$33,326,171</b>	<b>\$26,351,394</b>

**DEPARTMENT OF COMMERCE: BIOTECHNOLOGY CENTER**

To provide for improvements and expansions in research in biotechnology. A Biotechnology Council has been created and four constituent institutions are participants in that Council.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$6,490,000	\$6,490,000

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

1. Reduce State Aid to the Biotechnology Center by 2%.	<u>(\$ 129,800)</u>	<u>(\$ 129,800)</u>
<b>REVISED BASE BUDGET</b>	<b>\$6,360,200</b>	<b>\$6,360,200</b>

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**DEPARTMENT OF COMMERCE: MICROELECTRONICS CENTER**

The Microelectronic Center's purpose is to manage an advanced research and technology development program in modern electronics that enhances the educational research capabilities of participating institutions in modern electronics related disciplines and direct research and technology investigations for development of design, fabrication and test technologies for commercial manufacture of next generation submicron integrated circuits. The Center complements the state's initiative to attract new and support existing modern electronics and related industry to enhance North Carolina's high technological economic development.

**CONTINUATION BUDGET  
AS RECOMMENDED BY  
THE GOVERNOR**

1987-88 General Fund	1988-89 General Fund
\$12,226,000	\$12,226,000

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**1987 LEGISLATIVE ACTIONS**  
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**EXPANSION BUDGET**

1. Provide additional support for additional fellowships and the purchase of new equipment	\$795,000 1,451,000 State Aid	\$795,000 396,000 State Aid
2. Provide a non-reverting grant for the extension and operation of a communication system to East Carolina University	3,981,600 State Aid	738,896 State Aid
TOTAL OPERATING EXPANSION	\$6,227,600	\$1,929,896
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$18,453,600</b>	<b>\$14,155,896</b>

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## SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1987

### House Bill 1514:

- Section 48      **Women in Economy Program Transfer** – Transfers one position and the Women in Economy program to Department of Commerce from the Department of Administration. Requires a report to the Joint Legislative Commission on Governmental Operations on the use of this position.
- Section 140     **Use of Funds for Out-of-State Advertising** – Rewrites G.S. 20-81.3(c)(1) to clarify that personalized license plate funds allocated to the Department of Commerce will be used for out-of-state print or media advertising.
- Section 141     **TDA Funding** – Specifies that funds appropriated to the Technological Development Authority shall be used for operating expenses.
- Section 142     **Biotechnology Center-Reserve/Non-reverting** – States that funds for the Biotechnology Center shall remain available to the Center and not revert to the General Fund.
- Section 143     **Incubator Facility Lease Extension** – Rewrites G.S. 143B-471.4(e) to allow small businesses to remain at an incubator facility up to three years.
- Section 144     **Boat Tourism** – Directs the Department of Commerce to develop materials for attracting boating traffic along the Intercoastal Water Way. Requires a quarterly report to the House and Senate Appropriations Chairmen.
- Section 145     **ESC Administration Fund** – Appropriates from the Special Employment Security Administration Fund to the Employment Security Commission \$2,690,000 each year in the 1987-89 biennium for administrative costs. The ESC is required to report monthly to the Joint Legislative Commission on Governmental Operations on the use of these funds.
- Section 146     **ABC Warehouse Operation Contract** – Directs the N.C. Alcohol Beverage Control Commission to cancel its warehouse management contract by January 1, 1990 and to seek bids for future services.

### House Bill 1515:

- Section 106     **Tourism Promotion Grants** – Establishes limitations and criteria for tourism promotion grants.
- Section 107     **TDA Funding** – Reallocates funding for the Technological Development Authority's Innovation Research Fund and the Incubator Facilities Program.
- Section 108     **TDA Research Grants** – Rewrites G.S. 143B-471.5(d) to increase the Innovation Research Grants limit to \$100,000.
- Section 110     **Rural Economic Development Center** – Provides \$2,000,000 grant-in-aid each year of the 1987-89 biennium to the Rural Economic Development Center. Limits administrative costs to \$500,000.
- Section 111     **Industrial Development Fund** – Establishes a \$5,000,000 fund in the Department of Commerce to assist local governments in the most economically depressed counties of North Carolina.
- Section 112     **Petroleum Overcharge Funds Allocation** – Appropriates funds placed in the Special Reserve for Oil Overcharge Funds by Section 182 of Chapter 1014 of the 1985 Session Laws (1986 Regular Session). Funds are appropriated as follows:

DEPARTMENT OF COMMERCE (1987 ACTIONS, Continued)

<i>A. Exxon Settlement</i>	<i>1987-88</i>	<i>1988-89</i>
1. Schools and Hospitals	\$2,500,000	\$2,500,000
2. Weatherization	3,200,000	3,200,000
3. State Energy Conservation Plan/ Energy Extension Service	4,000,000	4,475,000
4. Low Income Energy Assistance	<u>3,000,000</u>	<u>3,000,000</u>
TOTAL	\$12,700,000	\$13,175,000

Of the funds allocated for the State Energy Conservation Plan and Energy Extension Service, the Department of Public Instruction is allocated \$300,000 for 1987-88 and \$775,000 for 1988-89 for the development of a Transportation Management System. The Department of Transportation is allocated \$1,500,000 each year of the biennium for signalization. The remaining Exxon Settlement Funds will be held in the reserve to be appropriated by the 1989 General Assembly.

*B. Amoco II Settlement and Other Cases:*

The Department of Commerce is directed to develop plans for using Amoco II funds and funds from other settlements held in escrow for the State of North Carolina. These plans will be submitted to the Joint Legislative Commission on Governmental Operations by November 15, 1987.

Up to \$100,000 for 1987-88 may be used by the Division of Energy to administer petroleum overcharge funds. The remaining funds are placed in reserve in the Office of State Budget and Management for 1988-89 to be used for administration expenses of the Division of Energy on an as needed basis only.

*D. Stripper Well Settlements:*

Stripper Well Settlement funds received by the state are appropriated in Chapter 841 of the 1987 Session Laws for the North Carolina Housing Trust Fund. (See this legislation for more information).

*E. Other Requirements:*

The Department of Commerce is required to make annual reports to the General Assembly on the use of all petroleum overcharge funds.

Any additional petroleum overcharge funds received by N.C. during the 1987-89 biennium, including additional Stripper Well Settlements, are appropriated to the Special Reserve for Oil Overcharge Funds.

DEPARTMENT OF COMMERCE (Continued)

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$26,351,394</b>
<i>BUSINESS/INDUSTRY DEVELOPMENT:</i>	
1. Rural Economic Development Center - Micro-enterprise Fund. Funds to provide grants of up to \$10,000 for small businesses.	500,000 NR State Aid
<i>INTERNATIONAL DEVELOPMENT:</i>	
2. Support for rental expenses for the Japan Office (\$60,000) and for data processing expenses for the European Office (\$22,000).	82,000 NR
<i>TRAVEL AND TOURISM DEVELOPMENT:</i>	
3. Grant to the N.C. Travel Council, Inc. convention to be held in Charlotte.	80,000 NR State Aid
<i>RESERVES AND TRANSFERS:</i>	
4. N.C. Rural Water Association - Grant for operations.	90,000 NR <u>State Aid</u>
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 752,000</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$27,103,394</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 2641:**

- Section 156     **International Development Funds** - Specifies that appropriation of \$60,000 be used for the North Carolina Japan Office for leasing office space and that \$22,000 be used by the Dusseldorf Office for data processing equipment.
- Section 156.1     **Microenterprise Funds** - Specifies that appropriation of \$500,000 for use by the Rural Economic Development Center be used to establish this fund to help small businesses get started. Mandates reports on the use of these funds to the 1989 General Assembly by February 1, 1989 and June 30, 1989.
- Section 156.3     **Employment Security Commission Funds** - Appropriates \$1.1 million to ESC from the Special Employment Security Administration Fund and \$1.643 million from the Worker Training Trust Fund to maintain services at the 1986-87 level. Reports on the use of these funds are required by Section 145, Chapter 738 of the 1987 Session Laws. Also see Section 36 of SB 257, Chapter 1100 of the 1987 Session Laws (1988).

**House Bill 2524:**

- Section 1     **North Carolina Institute of Minority Economic Development** - After subsequent amendments in SB 257, appropriates \$1.750 million to the Rural Economic Develop

**DEPARTMENT OF COMMERCE (1988 ACTIONS, Continued)**

ment Center for the purpose of making grants to establish pilot projects for minority economic development through institutions owned or controlled by minorities. Also sets allocation formula. Part of \$1.750 million appropriation will be used as matching funds for expanding the resource pool to support minority economic development throughout North Carolina.

Section 2      Appropriates an additional \$250,000 to the Institute of Minority Economic Development for operating expenses.

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## DEPARTMENT OF COMMUNITY COLLEGES

Statutory Authority: General Statutes, Chapter 115D

The Department of Community Colleges provides state-level administration over a system of 58 institutions under the direction of the State Board of Community Colleges. The board is a 20-member body: 2 are ex officio, 8 are appointed by the General Assembly, and 10 are appointed by the Governor. Serving at the pleasure of the board is a President who has the responsibility to administer all policies, regulations and standards adopted by the board to operate the department and the institutions.

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

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

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1987-88 General Fund	1988-89 General Fund
	\$288,107,614	\$288,708,547

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### 1987 LEGISLATIVE ACTIONS

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#### BASE BUDGET REDUCTIONS

##### *SALARY RESERVE:*

- |   |            |            |
|---|------------|------------|
| 1. Reduce salary reserve of \$5,491 and related benefits by one-half. | (\$ 3,255) | (\$ 3,261) |
|---|------------|------------|

##### *STATE-AID INSTITUTIONS:*

- |  |              |              |
|--|--------------|--------------|
| 2. Increase receipts due to the tuition increase adopted by the General Assembly last session.                                   | ( 3,534,437) | ( 3,534,437) |
| 3. Reduce funds under "Special Allotments" program due to an over estimate of FTE.   | ( 90,000)    | ( 90,000)    |
| 4. Eliminate the "Rural Renaissance" program, which is not targeted to rural areas. It produces and sells instructional modules. | ( 213,840)   | ( 213,840)   |
| 5. Reduce the "Priority Program" aid which provides a subsidy to certain curriculum programs.                                    | ( 942,897)   | ( 943,134)   |
| 6. Reduce 206 slots from the Hospital-based nursing program due to the closing of one of the hospital nursing programs.          | ( 175,100)   | ( 175,100)   |
| 7. Continue support for FTE increases originally approved for 1986-87 as a non-recurring item.                                   | 7,165,220    | 7,175,108    |
| 8. Continue faculty up-grading and retraining through return to industry projects.   | 1,230,000    | 1,230,000    |

##### *STATE LEVEL:*

- |   |            |            |
|---|------------|------------|
| 9. Reduce Department level administrative expenses by 2%. | ( 155,402) | ( 155,878) |
|---|------------|------------|

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF COMMUNITY COLLEGES (1987 ACTIONS, Continued)</b>		
<i>VOCATIONAL TEXTILE SCHOOL:</i>		
10. Reduce operating support.	(\$ 10,939)	(\$ 10,957)
<b>TOTAL BASE BUDGET REDUCTIONS</b>	<b>(\$ 3,269,350)</b>	<b>(\$ 3,278,501)</b>
<b>TOTAL POSITION REDUCTION</b>	-	-
<b>REVISED BASE BUDGET</b>	<b>\$291,376,946</b>	<b>\$291,987,048</b>

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**EXPANSION BUDGET**

*STATE-LEVEL:*

1. Provide support for additional auditors, accountant and literacy assessment staff and support to better address concerns of the General Assembly and State Auditor.	\$ 276,219 (5)	\$ 325,000 (5)
2. Provide funds for the administration of proprietary schools program.	20,000	20,000

*STATE AID INSTITUTIONS:*

3. Reduce Faculty/Student Ratio from 1/22 to 1/21.35 to help attract and retain quality faculty.	3,882,978	3,882,978
4. Provide inflationary increases in "other cost" items such as maintenance contracts, teaching materials, supplies, etc. Adds \$20,000 to the base allocation for each institution.	1,160,000	1,160,000
5. Allow half of the receipts from extension courses to remain with the institutions to help offset costs. (Avocational, practical skills, and academic extension)	918,531	918,531
6. Create 6 new small business centers each year.	300,000	600,000
7. Provides instructional funds for robotics program at Haywood Tech.	216,700	216,700
8. Transfers funds from Department of Correction to Department of Community Colleges to pay for lost tuition receipts for Adult Probation and Parole personnel who would be exempt from tuition.	13,335	13,335
9. Equipment Funds - Reserve to be allocated with \$2,500,000 earmarked for Central Piedmont Community College to be used for optical disk manufacturing training equipment only.	7,500,000	-
10. Provide support to purchase and upgrade satellite and telecommunications equipment.	350,000 NR	-
11. Equipment for Catawba Valley Furniture Program	213,744 NR	-
12. Provide support for New and Expanding Industry	2,950,000 NR	2,500,000 NR

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF COMMUNITY COLLEGES (1987 ACTIONS, Continued)</b>		
<i>RESERVES AND TRANSFERS:</i>		
13. Provide a reserve that may be used for feasibility studies, innovative ideas, emergency shortages, and allocation to Pamlico Technical College due to its size. (Sec. 214, H 1514, Ch. 738).	\$ 1,500,000 NR	\$ -
14. Provide support for the Community College system's celebration of its 25th anniversary.	75,000 NR	-
15. Provide support as local discretionary funds for the following:		
a. Edgecombe Technical College for operation and maintenance of the Rocky Mount campus (H 1515, H 1664)	5,000 NR	-
b. Pitt Community College for Vocational Education Programs (H 1515, H 1682)	1,000 NR	-
c. Western Piedmont College for capital improvements to the Morganton/Burke Senior Center (H 1515, H 1326)	5,000 NR	-
d. Sandhills Community College for the Sir Walter Raleigh Historical Garden, to celebrate America's 400th Anniversary (H 1515, S 1080)	5,000 NR	-
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 19,392,507</b>	<b>\$ 9,636,544</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$310,769,471</b>	<b>301,623,592</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1987**

**House Bill 1514:**

- Section 210     **Formula For Distribution of Funds** – Restricts funds appropriated to Community Colleges for salaries and non-salary items to be spent only for those respective purposes. Allows the State Board to approve emergency transfers only after reporting them to the Joint Legislative Commission on Governmental Operations and Appropriations Committees.
- Section 211     **Full-Time Equivalent Teaching Positions/Community Colleges** – Sets the faculty-student FTE ratio for allocating teaching units at 1:21.35 for curriculum programs and 1:22 for extension courses.
- Section 212     **Operating Appropriations Not Used For Recreation Extension** – Requires all recreation extension courses to be self-supporting.
- Section 213     **Books and Equipment Appropriations/Revert After One Year** – Provides an extra year to spend or encumber appropriations for books and equipment.
- Section 214     **Reserve Fund for State Board of Community Colleges** – Provides that \$1.5 million to the State Board of Community Colleges be used as a reserve for innovative projects or emergencies.
- Section 215     **Community Colleges Formula Update** – Authorizes the State Board to implement its budget allocation formula changes as proposed in April of 1987. Also expresses intent of the General Assembly to ensure that proper educational opportunities remain available to senior citizens without charge.

**DEPARTMENT OF COMMUNITY COLLEGES (1987 ACTIONS, Continued)**

- Section 216      **Community College Trustees Training Course** - Urges the Trustee Association to continue training courses for community college trustees. Also requests a report on how many trustees participated in the training.
- Section 217      **Literacy Education** - Restricts the use of literacy funds to only those programs specifically designed to reduce adult illiteracy. Also requires each institution to develop a literacy education plan.
- Section 218      **Class Reporting Date for Extension FTE** - Requires extension students to attend at least half of the classes prior to the mid-point of the course in order to be included in the budget FTE count.
- Section 219      **GED Fees** - Authorizes an increase of \$2.50 in the GED test fee to cover the cost of scoring the new reading component of the test.
- Section 220      **Limitation of Formula Transfers** - Expresses the intent of the General Assembly that budget transfers be minimized. Also limits transfers from instructional funds to administrative and support funds to no more than 5% on a statewide basis.
- Section 221      **Class Size Standards** - Directs the State Board to adopt standards setting minimum class sizes and limiting excess repetition of classes. Also the Board was asked to determine the proper educational role of the Community College system in rest and nursing homes.
- Section 222      **Equipment Funds** - Earmarks \$2.5 million of the equipment appropriation for Central Piedmont Community College to use in its optical disk manufacturing training program.
- Section 223      **Employee Association Fees Payroll Deductible** - Allows Community College employees to have membership dues to employees association withheld from their paychecks.
- House Bill 1516:**
- Section 18      **Western Regional Health Center** - Earmarks \$945,000 for capital and equipment at Southwestern Tech for its Regional Allied Health and Geriatric Training Center.
- Section 19      **Allocation of Community College Capital Funds** - Earmarks the capital appropriations of \$25.9 million in 1987-88 and \$19.5 million in 1988-89 to the institutions of the Community College system.
- Section 20      **Allocation of Community College Capital Funds (2)** - Provides that Community College Capital funds appropriated for the 1987-89 biennium are permanent and shall not revert to the General Fund.
- Section 20.1      **Matching Requirements/Asheville-Buncombe Tech** - Exempts Asheville-Buncombe Tech from the matching requirement for the Madison County satellite capital project.
- Section 20.2      **Matching Requirements/Anson Tech** - Exempts Anson Tech from any matching requirement for its capital project.
- Section 21      **Mayland Technical College Funds** - Requires Mitchell, Avery, and Yancey counties each to provide at least \$100,000 in capital matching funds over the 1987-89 biennium.



**DEPARTMENT OF COMMUNITY COLLEGES (1987 ACTIONS, Continued)**

- Section 22      **Matching Requirements/Piedmont Tech** – Exempts funds allocated to Piedmont Tech for repayment of a loan to Rockingham Community College and funds allocated in 1985 for capital projects from the matching requirement.
- Section 22.1    **Matching Requirements/Isothermal CC** – Exempts funds allocated to Isothermal Community College in 1985 and 1987 for the Polk county satellite from the matching requirement.
- Section 23      **Community College Capital Loan Authority** – Allows the State Board of Community Colleges to negotiate capital loans among institutions.
- Section 35      **Capital Funds/Not Revert** – Directs that capital money appropriated in 1984 not revert to the General Fund.

**House Bill 1515:**

- Section 92      **Assistance to Hospital Nursing/Fund Distribution** – Authorizes \$850 per student for financial assistance to hospital-based nursing programs.

**House Bill 2:**

- Section 4      **Anson TC Water and Sewer Line Funds** –Reallocates capital funds to construct a sewer line from Anson Technical College budget to Anson County Board of County Commissioners.
- Section 5      **Isothermal CC Matching Requirement/Correction** – Changes the reference to a “1985” capital appropriation to a “1983” session appropriation. (Technical correction).
- Section 6      **Harnett Satellite/No Match** – Exempts capital funds for the Harnett Satellite at Central Carolina Technical College from any matching requirements.
- Section 12.1    **Appropriations Reports** – Exempts capital appropriation to Sampson Tech from any matching requirements.

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**1988 LEGISLATIVE ACTIONS**  
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	<b>1988-89 General Fund</b>
<b>TOTAL OPERATING APPROPRIATIONS – 1987 SESSION</b>	<b>\$301,623,592</b>
<b>STATE AID INSTITUTIONS:</b>	
1. Support for the WNCW Public Radio program at Isothermal Community College.	79,912 NR
2. Continuation support for the Hearing Impaired Program at Wilson Tech.	62,000 NR
3. Focused Industrial Training Program – Allocated \$500,000 from the Worker Training Trust Funds for expansion of the FIT program. Also allows up to \$500,000 to be used from New and Expanding Industry Program for additional expansion of the FIT program if funds are available.	500,000 Receipts

1988-89  
General  
Fund

DEPARTMENT OF COMMUNITY COLLEGES (1988 ACTIONS, Continued)

RESERVES AND TRANSFERS:

4. Reserve to establish the Emergency Financial Assistance Fund for nursing students.	410,000 NR
5. Start-up funds for programs, studies, small business programs and other new concepts.	1,000,000 NR
6. Provide support as local discretionary funds for the following:	
a. Western Piedmont Community College for purchase of a bus for the Morganton/Burke Senior Center (H 2643, H 2320)	4,000 NR
b. Durham Technical Community College - for continuation of programs encouraging the active participation of retirees as volunteers (RSVP) in Durham County (H 2543, H 2510, and SB 1840, S 1707 and S 1835)	16,000 NR
c. Surry Community College for information referral for the aging (H 2643, 2522)	2,000 NR
d. Wayne Community College to establish a teachers awards program (S 1840, 1770)	10,000 NR
e. Pitt Community College for program development (S 1840, S 1855)	1,000 NR
f. Sandhills Community College for the Sir Walter Historical Garden and increased programming and services related to landscaping (S 1840, S 1861)	5,000 NR
g. Montgomery Community College for capital improvements. No match is required (S 1840, S 1832)	50,000 NR
h. Richmond Community College for Asbestos removal. No match is required (S 1840, S 1832)	25,000 NR
i. Pitt Community College for vocational education study (H 2643, H 2508)	500 NR
<b>TOTAL OPERATING EXPANSION</b>	<b>\$1,665,412</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$303,289,004</b>

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SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988

House Bill 2641:

- Section 59      **Community College Funds Transfers** - Repeals Sections 210 and 220 of House Bill 1514. Allows the State Board to establish policies and procedures for the transferring of funds within each local college's budget. Expresses the General Assembly's intent that all colleges achieve the goal of paying an average salary to curriculum instructors equal to or greater than the value established in the formula for curriculum instructors. Requires quarterly reports of all transfers.
- Section 60      **Presidential Salary Study** - Provides that the State Board may revise the salary schedule of Community College Presidents after it has received the recommendations of the consultant study and reported to the Joint Legislative Commission on Governmental Operations.
- Section 61      **Allocation of Funds** - Repeals Sections 211 and 215 of House Bill 1514. Authorizes the State Board to implement its budget allocation formula changes as proposed in

**DEPARTMENT OF COMMUNITY COLLEGES (1988 ACTIONS, Continued)**

March of 1988. Also, expresses intent of the General Assembly to ensure that proper educational opportunities remain available to senior citizens without charge. Allows the State Board to adopt temporary rules for college formula allocations for six months without prior notice or hearings or upon any abbreviated notice or hearing the State Board finds practicable. The temporary rules shall be effective for a maximum of 180 days. Permanent rules are to be adopted.

- Section 62      **Community College Trustees Training Courses** – Rewrites Section 216 of House Bill 1514. Urges the Trustee Association to continue training courses for community College trustees. Also, requests a report to the 1989 General Assembly on how many trustees participated in the training.
- Section 63      **Literacy Education** – Rewrites Section 217 of House Bill 1514. Restricts the use of literacy funds to only those programs specifically designed to reduce adult illiteracy. Requires each institution to develop a literacy education plan. Also, requires a progress report by June 1, 1989 to the General Assembly.
- Section 64      **Class Reporting Date for Extension FTE** – Repeals Section 218 of House Bill 1514. Requires literacy education and occupational extension students to attend at least half of the classes prior to the mid-point of the course in order to be included in the budget FTE count. Allows these enrollments to be counted on a contact hour basis.
- Section 65      **Union County Satellite/Land Match** – Funds for the Union County satellite are to be allocated to Union County. Land provided by Union County on a long-term lease basis is to satisfy the matching requirement.
- Section 66      **Cape Fear Funds/Land Match** – Allows land provided by Pender County to satisfy the matching requirements for the 1985-86 and the 1987-88 appropriations for the Pender County satellite.
- Section 67      **Central Carolina Community Resource Center** – Reallocates Central Carolina's funds to Lee County for construction of a community resource center. County is required to provide an additional \$2.0 million for construction.
- Section 68      **Haywood Community College** – Exempts Haywood Community College from any matching requirement for its capital project.
- Section 70      **Hoke County Satellite** – Allocates funds to Sandhills Community College – Hoke County satellite to Hoke County.
- Section 72      **Macon County Satellite** – Restricts use of funds for the Macon County satellite for Southwestern Community College to a regional fire training center.
- Section 73      **Watauga County Satellite** – Allocates to Watauga County the funds appropriated for the Watauga County satellite for Caldwell Community College.
- Section 74      **Allocation of Community College Funds** – Earmarks the capital appropriations of \$25.9 million in 1987-88 and \$29.3 million in 1988-89 to the institutions of the Community College System.
- Senate Bill 257:**
- Section 29(a)    **Reallocation of Funds** – Reallocates \$175,000 from the SBI Facility as follows: Sampson Community College renovations – \$100,000 and Blue Ridge Community College – Plan and develop a Vocational Skills Trade Center, \$75,000.
- Section 36      **Focused Industrial Training Program** – Appropriates \$500,000 as a one-time appropriation from the Worker Training Trust Fund for expansion of the Focused Industrial

**DEPARTMENT OF COMMUNITY COLLEGES (1988 ACTIONS, Continued)**

Training Program. Allows the Department to use up to \$500,000 of its New Industry appropriations for this program also.

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## DEPARTMENT OF CORRECTION

Statutory Authority: General Statutes, Chapter 143B-260

The head of the department is the Secretary who is appointed by the Governor and who sits on the Governor's Cabinet. The department's responsibilities are to punish criminal offenders by incarceration or by imposing probation or parole and to provide humane treatment by classifying offenders within appropriate levels of security and by providing opportunities for self-improvement.

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1987-88 General Fund	1988-89 General Fund
	\$256,541,320	\$262,867,175

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### 1987 LEGISLATIVE ACTIONS

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#### BASE BUDGET REDUCTIONS

##### SALARY RESERVE:

1. Delete one-half of salary reserve of \$107,184 and related benefits.	(\$ 63,522)	(\$ 63,619)
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##### DEPARTMENTAL MANAGEMENT:

2. Delete position of Deputy Secretary for Policy and Planning.	( 72,794) (1)	( 72,904) (1)
3. Reduce appropriation for motor vehicle replacement.		
Total Requirements	( 236,798)	( 251,648)
Decrease Receipts	( 31,000)	( 16,000)
General Fund Reduction	( 205,798)	( 235,648)
4. Delete support position (Administrative Assistant I) to Deputy Secretary for Policy and Planning.	( 30,579) (1)	( 30,624) (1)
5. Delete position of Chief of Correctional Programs Development.	( 45,314) (1)	( 45,382) (1)
6. Delete position of Special Assistant for Accreditation.	( 39,099) (1)	( 39,157) (1)

##### PRISON HEALTH SERVICES:

7. Reduce budget for Medical Fees, Contractual Services, Medical Supplies, and Other Services.	( 250,000)	( 250,000)
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##### RESERVES:

8. Delete Reserve for Probation/Parole Caseload.	( 764,879) (28)	( 1,422,785) (54)
9. Delete Reserve for Population Increase.	( 348,803)	( 1,055,332)
10. Reduce Reserve for new units:		
Cherry Hospital	( 414,591) (17)	( 415,112) (17)
Youth Forestry Camp	( 254,931) (15)	( 314,787) (15)
Dormitory at Cameron Morrison	( 33,660)	( - )

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF CORRECTION (1987 ACTIONS, Continued)</b>		
<i>PRISONS:</i>		
11. Reduce items based on per diem cost due to recalculated projected population from 17,670 to 17,460 inmates.	(\$ 208,997)	(\$ 215,939)
<i>PROBATION/PAROLE FIELD SERVICES:</i>		
12. Reduce support for equipment replacement.	( 150,000)	( 150,000)
13. Continue support for positions established in SB 111. Positions are in effect until June 30, 1988.	682,046 (24)	-
<i>CUSTODY AND SECURITY:</i>		
14. Reduce funds for staffing of dormitory at Cameron Morrison due to revised completion/occupancy dates.	( 215,086) (13)	( - )
<i>PRISON EDUCATION SERVICES:</i>		
15. Continue salary increase approved during 1986-87 for teachers.	110,407	110,407
<i>RECEIPTS:</i>		
16. Reduce requirements and receipts by discontinuance of Prison Enterprises transfer to the operating budget.		
Requirements	( 940,000)	( 940,000)
Receipts	( 940,000)	( 940,000)
Appropriation	<u>-</u>	<u>-</u>
<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 2,305,600)	(\$4,200,882)
<b>TOTAL POSITION REDUCTION</b>	(53)	(90)
<b>REVISED BASE BUDGET</b>	\$254,235,720	\$258,666,293

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**EXPANSION BUDGET**

*DEPARTMENT MANAGEMENT - PRISON MANAGEMENT AND CUSTODY AND SECURITY:*

1. Provide support to implement transportation system for inmates from jails to State-operated prison facilities.	\$572,333 (13)	\$ 411,233 (13)
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*CUSTODY AND SECURITY:*

2. Provide additional funds to pay counties for housing inmates.	201,000	201,000
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*PRISON CORRECTIVE PROGRAMS:*

3. Provide support for additional Chaplain positions and related support	124,722 (6)	160,031 (6)
4. Provide support for a contract with Transition Assistance for Long Time Offenders, Inc., as a pilot program to help long-term offenders leaving prison to adjust to re-entry into society.	80,500 NR	-

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF CORRECTION (1987 ACTIONS, Continued)</b>		
<i>PAROLE PRE- AND POST-RELEASE SERVICES:</i>		
5. Increase Funding for Travel and Equipment for Pre-Release and Aftercare Centers	\$ 58,528	\$ 58,528
<i>PAROLE/PROBATION:</i>		
6. Transfer support for training probation/parole staff to the Department of Community Colleges	(13,335)	(13,335)
<i>RESERVES:</i>		
7. Provide funds in a reserve for staff and other support for units under construction that were funded in 1986.	919,221 (154)	1,093,429 (160)
8. Provide funds in a reserve for staffing and other needs to correct prison deficiencies.	5,874,225 (386)	15,922,011 (973.5)
<i>RECEIPTS:</i>		
9. Replace funds previously transferred from Prison Enterprises. In addition, \$470,000 will be transferred from Prison Enterprises to Correction's operating budget during 1987-88.		
Total	940,000	-
Receipts	470,000	-
Appropriation	470,000 NR	-
<b>TOTAL OPERATING EXPANSION</b>	<b>\$8,287,194</b>	<b>\$17,832,897</b>
<b>TOTAL POSITIONS</b>	<b>(559)</b>	<b>(1,152.5)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$262,522,914</b>	<b>\$276,499,190</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

- Section 110      **Reserve for Prison Personnel** - Provides that funds appropriated for new positions at units now under construction and for new positions needed to meet appropriate staffing levels throughout the correction system shall be used for those purposes and for funding the Substance Abuse Program.
- Section 111      **Substance Abuse Program** - Establishes an inpatient Substance Abuse Treatment Program for medium custody inmates.
- Section 112      **Inmate Transportation** - Provides that \$572,333 for 1987-88 and \$411,233 for 1988-89 be used to fund a transportation system for inmates being transferred from jails to State-operated facilities.
- Section 113      **Creation of New Positions** - Prohibits the use of salary reserve funds by the Department of Correction to establish new positions.
- Section 114      **Uses of Prison Enterprises Funds** - Allows \$470,000 in the Prison Enterprises Fund to be used in 1987-88 for expansion of the printing and duplicating plant and for laundry improvements.

**DEPARTMENT OF CORRECTION (1987 ACTIONS, Continued)**

- Section 115      **Private Confinement Facilities** – Prohibits the addition of privately owned or operated confinement facilities to the State prison system, with the exception of existing contracts with ECO, Inc. and Gethsemane-Rainbow Partnership, Inc.
- Section 116      **Negotiated Rates for Medical Services** – Directs the department to negotiate rates as close to medicaid rates as possible for all medical services rendered by non-State employee medical providers and to issue reports on these negotiated rates.
- Section 117      **Reimbursement for Local Confinement Costs** – Provides that the Joint Legislative Commission on Governmental Operations may study the feasibility of reimbursing local confinement facilities for female inmates.
- Section 156      **Report on Forestry Camp** – Provides that the Department of Natural Resources and Community Development and the Department of Correction shall design a joint plan for construction and operation of a Youthful Offenders Forestry Camp.
- House Bill 1515:**
- Section 13      **Substance Abuse Program** – Makes changes in the organization of the Substance Abuse Treatment Program as established in HB 1514, Section 111.
- Section 14      **T.A.L.O. Pilot Program** – Provides that \$80,500 be used by the department to contract with T.A.L.O., Inc. for a pilot program to assist long-time offenders being released from prison and provides that a report be issued.
- House Bill 2:**
- Section 7      **Substance Abuse Program** – Provides that Section 13 of HB 1515 is repealed.

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS – 1987 SESSION</b>	<b>\$276,499,190</b>
1. Support for staff and other operating needs, including health services reorganization, for units under suit.	
a) Custody and Security	3,133,945
b) Health Services Reorganization	(367) 1,667,490
c) Equipment	(64) 499,500 NR
2. Support for positions to implement staffing standards for the Franklin (4), Sampson (3), Johnston (5), Nash (6), Currituck (6), and Wilkes (1) units.	453,365 (25)
3. Support to increase, on the interim basis, the number of medium custody beds available by converting the Halifax unit from minimum to medium custody; by reorganizing the admissions process for certain inmates; and providing additional beds in new medium custody dorms	1,188,141 (54)



	1988-89 General Fund
<b>DEPARTMENT OF CORRECTION (1988 ACTIONS, Continued)</b>	
4. Continuation support for positions established under legislation enacted by the 1987 General Assembly but which were funded for 1987-88 only	
a) Five Intensive Teams	351,533 (10)
b) Seven Probation/Parole Officers and Seven Pre-Parole Investigators	405,642 (14)
5. Support for staff and operating expenses for new units scheduled to be completed prior to June 30, 1989.	
a) Craggy Correctional Center	1,107,023 NR (46)
b) Buncombe Correctional Center	1,000,316 NR (36)
c) Bridge Forestry Program	293,769 (34)
d) N.C. Correctional Center for Women Infirmery equipment	220,000 NR
6. Reduction of excess in salary reserve estimated to be accumulated by June 30, 1988.	(500,000)
7. Support for the 1988-89 estimated service charges from the State Information Processing Service Center.	1,000,000
8. Reserves for new probation/parole officer positions and support staff. Positions to be effective February 1, 1989.	382,000 NR (29)
9. Expand of electronic surveillance house arrest project in Forsyth County and implement a similar program in Wake County.	253,000 NR
<b>TOTAL OPERATING EXPANSION</b>	<b>\$11,455,724</b>
<b>TOTAL POSITIONS</b>	<b>(679)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$287,954,914</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 859:**

Section 11      **Harnett Prison Chapel Funds** - Authorizes that the \$50,000 appropriated by the 1984 General Assembly for construction of a chapel at Harnett Correctional Center does not revert.

Section 11.1    **Johnston County Prison Chapel** - Authorizes that the \$50,000 appropriated by the 1985 General Assembly for a chapel at Johnston County Prison Unit does not revert.

**House Bill 2641:**

Section 120     **Gate Money Increase** - Increases amount of cash awarded to an inmate upon discharge or parole after being incarcerated for two years or longer to \$45.00.

Section 121     **Use of Prison Personnel Funds** - Provides that funds appropriated for new positions shall be used in accordance with those approved in the expansion budget. Provides

**DEPARTMENT OF CORRECTION (1988 ACTIONS, Continued)**

that funds for positions for Craggy Correctional Center and Buncombe Correctional Center shall not be expended until 90 days before the facilities are completed.

- Section 122      **Electronic Perimeter Security System** – Authorizes use of electronic perimeter security system at Johnston Prison Unit instead of McCain Prison.
- Section 123      **Construction of New Facilities** – Specifies locations for construction of new dormitories and support facilities for the Department of Correction. Authorizes Office of State Budget to contract for professional assistance in administering the funds and exempts these projects from certain statutes and rules. Provides that monthly and quarterly reports be submitted on construction progress.
- Section 124      **Caledonia Wastewater Treatment Facility** – Provides for construction of an appropriate wastewater treatment facility at Caledonia Prison and that reports be made on construction progress.
- Section 125      **Johnston Prison Chapel** – Allows for a donation to be made for construction of the chapel at Johnston Prison Unit.
- Section 126      **Sampson Prison Chapel** – Allows for a donation to be made for construction of the chapel at Sampson Prison Unit.
- Section 126.1    **Substance Abuse Program Administration** – Establishes Correctional Administrator I and Secretary IV positions to work under the Assistant Secretary for Substance Abuse.

**Senate Bill 257:**

- Section 17.1    **Harnett Prison Chapel Donation** – Allows for a donation to be made for construction of a chapel at Harnett Correctional Center.
- Section 17.4    **Female Inmates in Local Confinement Facilities** – Authorizes the Department of Correction to reimburse local confinement facilities for female inmates on the same basis as for male inmates and to report these costs in 1989.
- Section 29 (a)(6) **Reallocation of Funds** – Allocates funds for 16 probation officers, 7 parole officers, 3 unit supervisors, and 3 stenographers. Also allocates funds to expand the electronic surveillance house arrest program in Forsyth County and to implement the program in Wake County.

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**DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

Statutory Authority: General Statutes, Chapter 143B-475

The head of the Department is the Secretary who is appointed by the Governor and who sits on the Governor's Cabinet. The responsibility of the department is to implement a statewide crime control program, to assist local law enforcement, and to prepare for and respond to natural and man-made disasters. The Highway Patrol which enforces the State's traffic laws is also part of this Department.

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1987-88 General Fund	1988-89 General Fund
	\$16,058,590	\$16,182,788

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce reserve and related benefits by one-half.	(\$ 34,374)	(\$ 34,426)
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*CIVIL AIR PATROL:*

2. Reduce funds for Repairs and Maintenance.	( 2,000)	-
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*BUTNER PUBLIC SAFETY:*

3. Reduce funds for Shift Premium Pay and related benefits.	( 37,059)	( 37,113)
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*EMERGENCY MANAGEMENT:*

4. Reduce funds for travel, communications, printing, repairs, and rental of real property.	( 70,000)	-
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*VICTIM AND JUSTICE SERVICES:*

5. Reduce funds for office materials and supplies, communication, insurance and office furniture/equipment.	( 40,000)	( 20,000)
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*GOVERNOR'S CRIME COMMISSION:*

6. Delete Consultant Funds.	( 6,500)	-
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7. Reduce funds for travel and data processing services.	( 13,000)	-
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<b>TOTAL BASE BUDGET REDUCTIONS</b>	<b>(\$ 202,933)</b>	<b>(\$ 91,539)</b>
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<b>TOTAL POSITION REDUCTION</b>	<b>-</b>	<b>-</b>
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<b>REVISED BASE BUDGET</b>	<b>\$15,855,657</b>	<b>\$16,091,249</b>
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**EXPANSION BUDGET**

*ADMINISTRATION:*

1. Provide support for office automation and data processing resources.	\$ 650,105 NR	\$ -
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*NATIONAL GUARD:*

2. Provide required funding for the National Guard Pension Fund.	57,000	57,000
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**DEPARTMENT OF CRIME CONTROL  
AND PUBLIC SAFETY (1987 ACTIONS, Continued)**

**1987-88  
General  
Fund**                      **1988-89  
General  
Fund**

*ALCOHOL LAW ENFORCEMENT:*

3. Provide a one grade pay increase for Alcohol Law Enforcement agents.		
Requirements	\$107,009	\$142,885
Receipts	<u>107,009</u>	<u>142,885</u>
Appropriation	-	-
4. Additional office rental funds for Alcohol Law Enforcement agents.		
Requirements	41,935	41,935
Receipts	<u>41,935</u>	<u>41,935</u>
Appropriation	-	-
5. Provide general fund support for division's operations (H2, Sec. 20, Chapter 876). With the enactment of HB 944, all fees are to be deposited to the General Fund effective 10/1/87.		
Requirement	-	-
Receipts	(3,686,366)	-
Appropriation	<u>3,686,366</u>	<u>-</u>

*EMERGENCY MANAGEMENT:*

6. Staff and Operating Expenses to respond to Title III of the Superfund Amendments and Reauthorization Act of 1986.	614,082 (9)	382,417 (9)
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*CRIME PREVENTION:*

7. Funds to support statewide Community Watch Programs.	25,000	-
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*GOVERNOR'S CRIME COMMISSION:*

8. Provide matching funds for Federal Drug Abuse Program:		
State Programs	666,667	666,667
Administration	<u>146,100</u>	<u>146,100</u>
Subtotal	812,767	812,767

*VICTIM AND JUSTICE SERVICES:*

9. Provide support for the implementation of the provisions of the Crime Victims Compensation Act.	1,000,000	1,000,000
10. Expand the Community Penalties program to districts in Durham County, Orange and Chatham Counties, Gaston County and one in Eastern Division and to provide additional support for existing programs.	205,800 State Aid	-

**TOTAL OPERATING EXPANSION**

**TOTAL POSITIONS**

**TOTAL OPERATING APPROPRIATIONS**

\$7,051,120	\$2,252,184
(9)	(9)
<u>\$22,906,777</u>	<u>\$18,343,433</u>

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**DEPARTMENT OF CRIME CONTROL  
AND PUBLIC SAFETY (1987 ACTIONS, Continued)**

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

- Section 118**      **Transfer Of Rape Victims Assistance Program Funds To Implement Crime Victims Compensation Act** - Directs that the funds appropriated for the Assistance Program for Victims of Rape and Sex Offenses, \$100,000 be transferred to the Crime Victims Compensation Fund to implement the provisions of the Crime Victims Compensation Act. Also, directs that \$48,422 be retained in the Assistance Program for Victims of Rape and Sex Offenses Fund to pay those claims that are eligible for compensation under the Program for Victims of Rape and Sex Offenses and are not eligible for compensation under the Crime Victims Compensation Act.
- Section 119**      **Report On Community Service Workers** - Directs the Department of Crime Control and Public Safety to report quarterly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the number of community service workers who were available during each month of the prior three month period to perform repairs and maintenance of the parks and when and where they were available.
- Section 120**      **Legislative Review Of Drug Law Enforcement and Other Grants** - Provides that State applications for grants under the State and Local Law Enforcement Assistance Act of 1986, Part M of the Omnibus Crime Control and Safe Streets Act of 1968, as enacted by Subtitle K of P.L. 99-570, the Anti-Drug Abuse Act of 1986, are subject to review by the Joint Legislative Commission on Governmental Operations if at the time of review the General Assembly is not in session. Designates this Commission as the review agent, if the General Assembly is not in session, for all state applications for grants requiring review unless a State statute provides a different forum for review. Repeals Article 13A of Chapter 120 of the General Statutes.

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**1988 LEGISLATIVE ACTIONS**  
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	<b>1988-89 General Fund</b>
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$18,343,433</b>
<i>DEPARTMENT WIDE:</i>	
1. Support for computer training of staff.	71,000 NR
<i>ALCOHOL LAW ENFORCEMENT:</i>	
2. Continuation support from appropriations for division's support due to enactment of HB 944, effective 10/1/87.	
	Receipts <u>4,468,315</u>
	Appropriation      4,468,315
<i>NATIONAL GUARD:</i>	
3. Grant for operating expenses and equipment for the North Carolina Militia (S 1840, S 1843).	<u>700 NR</u>

**DEPARTMENT OF CRIME CONTROL  
AND PUBLIC SAFETY (1988 ACTIONS, Continued)**

**1988-89  
General  
Fund**

**VICTIM AND JUSTICE SERVICES:**

4. Continuation support for Community Penalties  
program funded in 1987-88. 42,500  
215,967  
State Aid

**TOTAL OPERATING EXPANSION \$ 4,798,482**

**TOTAL OPERATING APPROPRIATIONS \$23,141,915**

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 2641:**

Section 115 **Use of Seized and Forfeited Property Transferred to State Law Enforcement Agencies By the Federal Government** - Specifies that the General Assembly shall review and approve the use of federal funds from the Drug Enforcement Agency to the Department of Justice for the SBI and the Department of Crime Control and Public safety for the Highway Patrol as a result of assistance in enforcement of drug trafficking laws.

Section 118 **Property and Equipment Sales** - Allows the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division to study the procedure and practices used by the Department of Crime Control and Public Safety in reporting, accounting for, and using receipts from the sale of property or equipment.

**DEPARTMENT OF CRIME CONTROL  
AND PUBLIC SAFETY (1987 ACTIONS, Continued)**

**HIGHWAY PATROL - HIGHWAY FUND**

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 Highway Fund</b>	<b>1988-89 Highway Fund</b>
	\$71,404,286	\$74,088,314
 <b>BASE BUDGET REDUCTIONS</b>		
<i>SALARY RESERVE:</i>		
1. Reduce reserve of \$78,456 and related benefits by one-half.	(\$ 46,497)	(\$ 46,568)
<i>DIVISION-WIDE:</i>		
2. Increase receipts from sale of surplus vehicles.	( 1,472,500)	( 1,462,500)
3. Increase receipts from Parts and Labor.	( 50,000)	-0-
<b>TOTAL BASE BUDGET REDUCTIONS- HIGHWAY FUND</b>	(\$ 1,568,997)	(\$ 1,509,068)
<b>TOTAL POSITION REDUCTION</b>	(-)	(-)
<b>REVISED BASE BUDGET</b>	\$69,835,289	\$72,579,246

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**EXPANSION BUDGET**

<i>DIVISION-WIDE:</i>		
1. Increase personnel and related support.	\$869,680 (20)	\$1,534,400 (40)
2. Provide support to equip all patrol vehicles with walkie-talkies.	1,158,000 NR	-
<b>TOTAL OPERATING EXPANSION</b>	\$2,027,680	\$1,534,400
<b>TOTAL POSITIONS</b>	(20)	(40)
<b>TOTAL OPERATING APPROPRIATIONS</b>	\$71,862,969	\$74,113,646

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**SPECIAL PROVISION INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

Section 121      **Additional Highway Patrol Troopers** - Specifies that the new troopers for the Highway Patrol may not be assigned to any duty other than full-time enforcement of the traffic laws by patrolling the roads except when absence therefrom is required for court appearances, training mandated by statutes or compliance with the rules of the North Carolina Criminal Justice Education and Training Standards Commission, or administrative work directly arising out of road patrol or court appearance. Also, no additional administrative positions may be created that decrease the number of members of the Highway Patrol assigned to road patrol as essentially full-time duty.

**DEPARTMENT OF CRIME CONTROL  
AND PUBLIC SAFETY (1987 ACTIONS, Continued)**

Section 122      **Assignment of Highway Patrol Cars - Rewrites G. S. 20-190.3 to extend the assign-  
ment of new highway patrol cars to line sergeants and first sergeants.**

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**1988 LEGISLATIVE ACTIONS**

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<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$74,113,646</b>
<i>DIVISION - WIDE:</i>	
1. Provide six drug detection dogs to assist in the deterrence of drug trafficking on interstate highways.	85,236 NR
2. Support to complete installation of Bar Lights on patrol cars.	<u>420,000</u> NR
<b>TOTAL OPERATING EXPANSION</b>	<b>\$505,236</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$74,618,882</b>



**DEPARTMENT OF CULTURAL RESOURCES**

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

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

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1987-88 General Fund	1988-89 General Fund
	\$33,621,198	\$33,833,979

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce reserve of \$37,599 and related benefits by one-half.	(\$ 22,284)	(\$ 22,318)
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*AMERICA'S 400TH ANNIVERSARY:*

2. Reduce funding for this program that is scheduled to end operations in December, 1987.	( 10,000)	-
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*HISTORIC SITES:*

3. Eliminate one replacement truck.	( 9,000)	-
4. Reduce reserve for Charlotte Hawkins Brown site due to delay in opening. Site will open January 1, 1988.	( 83,722)	-
5. Eliminate Town Creek Reserve because current year funding is sufficient to finish the project.	( 60,000)	( 60,000)
6. Reduce reserve for David Stick Library due to delay in opening. Scheduled to open January 1, 1988.	( 61,425)	-

*MUSEUM OF HISTORY SERVICES:*

7. Move additional reserve or the new Museum of History to the expansion budget.	-	( 267,621) (8)
8. Move additional funds for the Cape Fear Museum to the expansion budget.	( 65,897) (2)	( 65,897) (2)

*DIVISION OF THE ARTS COUNCIL:*

9. Reduce operating funds in the change budget by the amount which they exceed the level authorized from the \$1 million additional appropriation for grants in 1986.	( 85,000)	( 85,000)
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	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF CULTURAL RESOURCES (1987 ACTIONS, Continued)</b>		

*ARTS COUNCIL:*

10. Realign the \$3,226,390 annual appropriation to the Arts Council for the awarding of grants as follows:		
Arts Development and Production	(\$1,460,390)	(\$1,460,390)
Arts Access and Delivery	( 1,766,000)	( 1,766,000)
Theatre	350,000	350,000
Dance, Folk, Literature Music, Visual	438,305	438,305
Touring/Community Development	516,085	516,085
Statewide Arts Resources	672,000	672,000
Grassroots Arts	1,250,000	1,250,000
11. Provide additional support for the American Dance Festival.	55,000	55,000

<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 342,328)	(\$ 445,836)
<b>TOTAL POSITION REDUCTION</b>	(2)	(10)
<b>REVISED BASE BUDGET</b>	\$33,278,870	\$33,388,143

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**EXPANSION BUDGET**

*HISTORIC ADMINISTRATION AND SUPPORT:*

1. Provide support for increased programming and services at Stagville Center (H1515, H1691).	50,000	-
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*UNCONDITIONAL GRANTS-IN-AID:*

2. Provide support for the planning for a Museum of N.C. Traditional Pottery.	25,000	-
3. Additional support for planning the Museum of N.C. Traditional Pottery (H1515, H1534).	5,000	-
4. Grant-in-aid to Historic Rosedale in Charlotte.	150,000 NR State Aid	-
5. Grant-in-aid to the Garden Clubs of North Carolina, Inc. for the Elizabethan Gardens	25,000 State Aid	25,000 State Aid
6. Grant-in-aid to be used for the stabilization and restoration of the Bellamy Mansion and Thalian Hall in Wilmington (\$25,000 each).	50,000 State Aid	-
7. Grant-in-aid for use by St. Joseph's Historic Foundation, Inc. for preservation of historic site.	75,000 State Aid	-
8. Grant-in-aid to City of Statesville for rehabilitation of the Statesville City Hall (H1515, H621).	30,000 State Aid	-
9. Grant-in-aid for adaptive restoration of the Latham House (H1515, H1555).	10,000 State Aid	-
10. Grant-in-aid for the stablization, restoration, and rehabilitation of the Old Martin County Courthouse (H1515, S967).	2,100 State Aid	-

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF CULTURAL RESOURCES (1987 ACTIONS, Continued)</b>		
11. Grant-in-aid for the renovation of existing facilities of the Belhaven Museum in Beaufort County (H1515, S1169).	\$ 7,000 State Aid	\$ -
12. Grant-in-aid to be used by the Iredell Historic Properties Commission for the restoration of the Ebenezer Academy (H1515, S1284).	13,000 State Aid	-
13. Provide support to continue the excavation work begun in 1985 and conduct further survey and testing in McDowell County.	50,000 NR	-
14. Provide support for continuing the excavation work at a site in Hyde County believed to be the Algonkian Indian Village Pomeiocc.	55,000 NR	-
15. Provide support for the Historic Bethabara Park Gardens Restoration Project to be used for the archaeological investigation and subsequent exhibition of the historically significant Bethabara Community Garden site (H1515, H1767).	6,000 State Aid	-
16. Provide support for continued restoration and site development of the Murray's Mill Complex and the Bunker Hill Covered Bridge in Catawba County (H1515, S361)	25,000 State Aid	-
17. Provide support for conducting an architectural survey of Aberdeen, prepare nominations of Aberdeen's eligible properties and districts to the National Register of Historic Places, and to contribute towards the cost of an inventory publication (H1515, S907).	5,000 NR	-
<i>CONDITIONAL GRANTS-IN-AID:</i>		
18. Funds to the Historic Preservation Foundation to expand the statewide revolving fund for historic preservation. Dollar for dollar match required.	50,000 State Aid	100,000 State Aid
19. Grant-in-aid for the renovation of the Iredell County Courthouse, Equal amount of local funds must be expended (H1515, S1374)	25,000 State Aid	-
<i>SCHOLARLY PUBLICATIONS DIVISION:</i>		
20. Provide sufficient funds to keep popular titles of historical publications in print and to publish new titles.	51,100	46,500
<i>ARCHIVAL &amp; RECORDS MANAGEMENT:</i>		
21. Land Records Budget Transferred from Secretary of State's Budget to Cultural Resources and additional funds appropriated for microfilming.	26,472 (2)	35,349 (2)
<i>STATE HISTORIC SITES:</i>		
22. Elizabeth II State historic site Landscaping Funds.	30,000 NR	-

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF CULTURAL RESOURCES (1987 ACTIONS, Continued)</b>		
23. Reappropriate 1986-87 reversion for the Town Creek Indian Mound project.	\$ 56,300 NR	\$ -
24. Reappropriate 1986-87 reversion for the Charlotte Hawkins Brown Memorial.	51,387 NR	-
25. Provide reserve for the initial development of the Hauser Farm as "Horne Creek Living Historical Farm State Historic Site".	70,000	-
<i>TRYON PALACE:</i>		
26. Provide personnel for maintenance and repair of the Complex.	40,059 (2)	50,000 (2)
<i>MUSEUM OF HISTORY SERVICES DIVISION:</i>		
27. Fund new personnel for the design and construction of exhibits for the new Museum of History.	-	140,000 (4)
28. Increase operating support for the new Museum of The Cape Fear.	56,696 (2)	65,952 (2)
<i>EASTERN AND WESTERN OFFICES - ARCHIVES AND HISTORY:</i>		
29. Add personnel for the eastern and western historic regional offices.	53,506 (2)	66,041 (2)
<i>MUSEUM OF ART:</i>		
30. Additional staff, (4 Security, 1 Conservator) to provide adequate level of protection and conservation due to increased number of visitors, opening of the African, Oceanic, and New World Gallery on January 29, 1987, and to open the Museum one hour earlier to accommodate school groups.	88,781 (5)	91,716 (5)
31. Additional support to fully fund new security positions (H2, Sec. 23)(see H1514, Sec. 54).	36,788	63,421
<i>DIVISION OF THE N.C. ARTS COUNCIL:</i>		
32. Increase aid for the Arts programs.	500,000 State Aid	1,000,000 State Aid
<i>NORTH CAROLINA SYMPHONY:</i>		
33. Increase North Carolina Symphony visits to rural counties.	150,000 State Aid	150,000 State Aid
<i>GRANT-IN-AID TO ARTS:</i>		
34. Provide support for the North Carolina Shakespeare Festival to tour metropolitan and rural communities to present Shakespearean productions.	100,000 State Aid	-
<i>INFORMATION SERVICES - LIBRARY:</i>		
35. Establish and maintain a depository system for the distribution of State publications to designated libraries throughout the state.	73,423 (2) 15,000 NR	80,107 (2)

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF CULTURAL RESOURCES (1987 ACTIONS, Continued)</b>		
<i>SERVICES TO THE BLIND, HANDICAPPED &amp; INSTITUTIONS:</i>		
36. Increase postage for the State Library services to the Blind and Physically Handicapped.	\$ 25,600	\$ 26,000
<i>SERVICES TO PUBLIC LIBRARIES:</i>		
37. Increase Aid to Public Library Funds.	500,000 State Aid	500,000 State Aid
<i>VETERANS' MEMORIAL COMMISSION:</i>		
38. Chapter 779 creates a Commission which is charged to cause the erection on the Capital Grounds of a monument to the veterans of World War I, World War II, and the Korean War. Commission expenses of \$10,000 are authorized from Reserve established by Section 3 of Chapter 971, 1983 Session Laws.	-	-
<b>TOTAL OPERATING EXPANSION</b>	\$2,583,212	\$2,440,086
<b>TOTAL POSITIONS</b>	(15)	(19)
<b>TOTAL OPERATING APPROPRIATIONS</b>	\$35,862,082	\$35,828,229

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

Section 53      **State Historic Site Schedule** - Requires Historic Sites to report cost per visitor data each January and to operate a schedule that does not require the overtime of its employees.

Section 54      **Art Museum Security** - Allows additional security positions to be supported by appropriations of \$67,969 in 1987-88 and \$68,071 in 1988-89 for two Arts Development positions (Curator and Clerk II), provided private funds of equal amounts are raised to support the Arts Development positions. (This would fully fund seven security positions.)

**House Bill 1515:**

Section 81      **Historic Preservation Revolving Fund** - Mandates the appropriated funds be matched on a dollar-for-dollar basis. Requires the Historic Preservation Foundation, Inc. to report by May 1, 1988 on the status of the statewide revolving fund for the years 1977 through 1987.

Section 82      **N.C. Symphony Budget** - Requires the Symphony to operate within a balanced budget as a condition of accepting State grant-in-aid funds.

Section 83      **Symphony Funds** - Directs the Symphony to use expansion budget funds to tour in the 33 most rural and poorest counties of the state and in those counties not regularly visited by the Symphony. A report on the use of these funds is due on May 1, 1988 and May 1, 1989.

DEPARTMENT OF CULTURAL RESOURCES (Continued)

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$35,828,229</b>
<i>UNCONDITIONAL GRANTS:</i>	
1. Living History Farm - Grant for the initial development of the Hauser Farm "Horne Creek Living Farm". (Chapter 1086, Section 3, and Chapter 1100, Section 29.)	50,000 NR State Aid
2. Grant-in-aid for stabilization, restoration, and rehabilitation of the Old Martin County Courthouse (Chapter 1094, S 1725).	2,000 NR State Aid
3. Grant for planning for a Museum of N.C. Traditional Pottery (Chapter 1085, H 2562, and Chapter 1094, S 1861).	11,500 NR State Aid
4. Grant-in-aid to Historic Richmond Hill Law School Commission to assist in further restoration of Richmond Hill - primarily the reconstruction of an outside kitchen (Chapter 1085, H 2221).	20,000 NR State Aid
5. Grant for capital improvements and operating expenses of the Stagville Preservation Center. (Chapter 1085, H 2657; and Chapter 1094, S 1835).	27,500 NR State Aid
<i>GRANTS-IN AID TO ARTS:</i>	
6. North Carolina Shakespeare Festival -Grant for touring metropolitan and rural communities throughout the State to present major Shakespearean production, to tour high schools throughout the State, and to support operating expenses. (Chapter 1100, Section 29, (7) (a)).	75,000 NR State Aid
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 186,000</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$36,014,229</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1988**

**House Bill 2641:**

- Section 44      **"First for Freedom"**. Amends statute to rename the Halifax County Historical Association as the Eastern Stage, Inc. This company produces the "First for Freedom" outdoor drama.
- Section 46      **Polk Youth Center Land**. Requires legislative approval before the North Carolina Museum of Art is allowed to use the land beside its facility and behind the Polk Youth Center. (This section was amended by SB 257 (Chapter 1100), Section 22).
- Section 47      **Thomas Wolfe Funds**. Enables the Department of Cultural Resources to use available funds to redesign the Thomas Wolfe Memorial. \$650,000 has been appropriated for the FY 87-89 biennium for construction of a new visitor center.

**DEPARTMENT OF CULTURAL RESOURCES (1988 ACTIONS, Continued)**

Section 47.1      **Andrew Jackson Memorial.** Directs the Department of Cultural Resources to use \$60,000 of available funds for operating staff and facilities maintenance of the Andrew Jackson Memorial in Union County.

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**RESERVE FOR DEBT SERVICE:**

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
Principal	\$44,090,000	\$44,210,000
Interest	<u>31,188,075</u>	<u>28,749,370</u>
	<b>\$75,278,075</b>	<b>\$72,959,370</b>
 <i>INTEREST REDUCTION:</i>		
Reduce requirements due to issuance of bonds later than originally anticipated	(\$1,348,448)	(\$1,323,000)
 <b>REVISED BASE BUDGET:</b>		
Principal	\$44,090,000	\$44,210,000
Interest	<u>29,839,627</u>	<u>27,426,370</u>
<b>TOTAL</b>	<b>\$73,929,627</b>	<b>\$71,636,370</b>

**GENERAL ASSEMBLY**

Statutory Authority: General Statutes, Chapter 120

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

**CONTINUATION BUDGET  
AS RECOMMENDED BY  
THE GOVERNOR**

<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
\$13,734,942	\$16,875,453

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**1987 LEGISLATIVE ACTIONS**

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**BASE BUDGET REDUCTIONS**

*SESSION LENGTH:*

1. Reduce the number of weeks (12) budgeted for the 1988 short session by 8 days and the number of weeks (24) budgeted for the 1989 long session by 10 days.	(\$ 272,000)	(\$ 340,000)
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**REVISED BASE BUDGET**

	\$13,462,942	\$16,535,453
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**EXPANSION BUDGET**

*ADMINISTRATION:*

1. Same increase in retirement allowances for legislators retired on and before January 1, 1987, as for retired teachers and state employees.	\$126,100 NR	\$ -
2. Five-year vesting and redefined final pay for retirement in Legislative Retirement System.	26,200	26,900

*SENATE/HOUSE:*

3. Increase the number of Legislative Interns from 10 to 12 and budget 7 to House and 5 to Senate. Increase salary from \$150 to \$200 per week for 22 weeks. Sec. 55; Ch. 738, 1987 S.L. authorizes \$8,800 of funds appropriated for 2 additional Legislative Interns for the Senate.	-	24,000
4. Travel and Subsistence reimbursement for additional appointment of members to Committees of the National Conference of State Legislatures and Southern Legislative Conference.	50,000	50,000

*RESERVES AND TRANSFERS:*

5. State Information Processing Needs and Cost Study Commission: Funds for an outside consultant to consider the manner in which the Department of Revenue should automate and process application systems and store data for processing, and to what degree there should be an automated interface between the Department of Revenue and the State Information Processing Services. (See #8, Sec. 14.9 also).	75,000 NR	-
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		1987-88 General Fund	1988-89 General Fund
<b>GENERAL ASSEMBLY (1987 ACTIONS, Continued)</b>			
6.	N.C. Student Legislature Funds	\$ 10,000 NR	\$ -
7.	Indigent Care Commission: Funds to continue the work of this Commission begun in 1986-87.	25,000 NR	-
8.	Provide support for Study Commissions and Committees as listed in House Bill 1:		
	Sec. 3.5 Regional Teachers of the Year Commission	10,000	10,000
	Sec. 4.7 State Vaccine Study Commission	15,000	-
	Sec. 5.8 Property Tax Study Committee - expenses up to \$75,000 authorized to be deducted from the cost of administering the Intangibles Tax as support	-	-
	Sec. 6.5 State Property Study Committee	20,000	-
	Sec. 7.6 State Parks Study Commission	20,000	-
	Sec. 8.11 Social Services Study Commission	100,000	-
	Sec. 9.10 Workplace Drug Testing Study Commission	20,000	-
	Sec. 10.7 Adolescent Pregnancy Study Commission	30,000	-
	Sec. 11.6 Executive and Legislative Salary Study Commission	50,000	-
	Sec. 12.1 North Carolina Worker Trust Fund Study Commission	-	-
	Sec. 13.2 Commission on Aging	50,000	50,000
	Sec. 13A.7. Commission to revise the Business Corporation Act	15,000	-
	Sec. 14.9 State Information Processing Needs and Cost Study Commission	75,000	-
	Sec. 15.2 Kindergarten Study by the Joint Legislative Commission on Governmental Operations	150,000	-
	Sec. 17.7 Commission to Study Weights Limitation Near Public-Use Airports	20,000	-
	Sec. 18.2 Secondary Schools Study by the Joint Legislative Commission on Governmental Operations	150,000	-
	Sec. 19.2 School Dropout Study by the Joint Legislative Commission on Governmental Operations	150,000	-
	Sec. 19A.7. Judicial Selection Study Commission	25,000	-
	Sec. 20.7. Movie Industry Study Commission	50,000	-
	Sec. 21.3 Mental Health Study Commission-Expenses to be supported by funds within the Department of Human Resources	-	-
	Sec. 22.6 Legislative Commission on the Randleman Lake Project	15,000	8,000
	Sec. 23.9 Early Educational Program Study Commission	25,000	-
	Sec. 24.9 Property Tax Appraisal Study Commission	25,000	-

	1987-88 General Fund	1988-89 General Fund
<b>GENERAL ASSEMBLY (1987 ACTIONS, Continued)</b>		
Sec. 25.2 Commission on Children and Youth	\$ 50,000	\$ -
Sec. 26.9 Adoptions and Surrogate Parenthood Study Commission	25,000	-
Sec. 27.7 Seafood Study Commission	15,000	-
Sec. 28.10 Youth Suicide Study Commission	25,000	-
Sec. 29.6 Highway Study Commission	25,000	25,000
Sec. 30.4 Commission on Fairness in Taxation	30,000	50,000
<b>TOTAL OPERATING EXPANSION</b>	<b>\$1,497,300</b>	<b>\$243,900</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$14,960,242</b>	<b>\$16,779,353</b>

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$16,779,353</b>
1. Legislative Services Commission funds to support various independent studies. (Chapter 1100, Section 29 (8) a., S 257).	275,000 NR
2. Support for an independent evaluation of the North Carolina Study Commission on the Aging's recommendations in improving services to the elderly and handicapped as addressed in S 1559, Chapter 1095.	50,000 NR
3. Provide support for a Legislative Study Commission on Nursing. Commission is charged to study issues related to education, retention, recruitment, and salaries; and to monitor implementation of a nurse aide registry. (Chapter 1049, H 2461).	50,000 NR
<b>TOTAL OPERATING EXPANSION</b>	<b>\$375,000</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$17,154,353</b>

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 2641:**

- Section 27 **Merit Pay/Study** - Creates a 16 member Study Commission on a System of Merit Pay for State Employees. Appointments are to be made by August 1, 1988. Findings and recommendations are to be made to the 1989 General Assembly.
- Section 35 **Computer Study Commission Funds** - Transfers \$50,000 to the State Information Processing Needs and Cost Study Commission from funds appropriated to the Office of

**GENERAL ASSEMBLY (1988 ACTIONS, Continued)**

the State Controller. Requires the Study Commission to evaluate the State Controller's request for funds to redesign and develop a State accounting system and to evaluate the research previously conducted on this topic.

**Senate Bill 257:**

**Section 9.1**      **Legislative Services Commission Approval** – Adds two new sections to Article 7 of G.S. 120 to provide that prior approval is required of the Legislative Services Commission by a commission or committee whose funds are appropriated or transferred to the General Assembly to contract or hire consultants or employees and to apply for, receive or accept grants and contributions from any source.

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

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

The Governor's Office consists of four major areas: the Governor's Office Administration, which includes staff to assist in handling legal matters (such as executive clemency, executive orders, and extradition), to serve as top-level advisors, and to assist administratively by handling the high volume of public telephone calls and mail; the Office of Citizen Affairs to increase citizen involvement in government through volunteerism and to provide a focal point for citizen contact with the Governor and state government; the Office of State Budget to assist the Governor in preparing and executing the state budget and to administer the Housing Finance Agency; and the Executive Residences which provide staff and facilities for the residences of the first family.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$8,591,660	\$8,722,071

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**1987 LEGISLATIVE ACTIONS**

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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce reserve of \$66,064 and related benefits by one-half.	(\$ 39,153)	(\$ 39,226)
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*ADMINISTRATION:*

2. Abolish two vacant positions that had been transferred from Policy and Planning in the Department of Administration.	( 69,137) (2)	( 69,239) (2)
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*SALARY RESERVE - STATE BUDGET:*

3. Reduce reserve of \$720 and related benefits by one-half.	( 426)	( 427)
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*STATE BUDGET AND MANAGEMENT:*

4. Reduce contracted personal services and conduct citizen survey every other year instead of annually.	( 55,000)	-
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*CONSTITUTIONAL BICENTENNIAL COMMISSION:*

5. Reduce operating funds.	( <u>15,000</u> )	( <u>15,000</u> )
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**TOTAL BASE BUDGET REDUCTIONS**  
**TOTAL POSITION REDUCTION**

(\$ 178,716) (2)	(\$ 123,892) (2)
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	1987-88 General Fund	1988-89 General Fund
<b>OFFICE OF THE GOVERNOR (1987 ACTIONS, Continued)</b>		
<b>TRANSFERS:</b>		
<i>STUDENT LOAN PROGRAM:</i>		
1. Transfer Medical and Math Student Loan Program to the State Educational Assistance Authority.	(\$1,067,745)* <u>(5)</u>	(\$1,067,949)* <u>(5)</u>

**REVISED BASE BUDGET**

\$7,345,199      \$7,530,230

\* The N. C. Board for Need Based Student Loans (G.S. 143-47.21) would be abolished and all grant making authority transferred to the S.E.A.A. (G.S. 116-203).

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

- Section 105      **Council of Governments Funding** - Authorizes allocations of up to \$55,000 annually to each regional council of government from the \$990,000 appropriated each fiscal year in accordance with the criteria and for purposes set out in the section.
  
- Section 147      **Reorganization by Agencies** - Requires department heads to report all reorganizations, within 30 days of the action, to the legislative leadership, Appropriation Committees, and the Fiscal Research Division when the General Assembly is in session. This report is made to the Joint Legislative Committee on Governmental Operations when the General Assembly is not in session.
  
- Section 148      **Special Consultant on Legislation** - Requires the Governor's Special Consultant on Legislation to be paid from the Governor's budget instead of the Department of Administration budget.

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	1987-88 General Fund	1988-89 General Fund
<b>OFFICE OF STATE BUDGET - Aid to Non-State Entities:</b>		
<b>EXPANSION BUDGET</b>		

- 1. **Holocaust Council** Funds for educational programs, publications, official memorial services and other operating expenses.      \$ 75,000 NR State Aid      \$ -
  
- 2. **Aid to Council of Governments** - assistance to local units of government in economic and community development activities.      990,000 State Aid      990,000 State Aid
  
- 3. **Institute of Medicine** - Grant to continue its studies and analyses of statewide health problems as begun in 1983.      200,000 NR State Aid      -
  
- 4. **Bertie County Board of Education** - support for a summer enrichment program.      107,000 State Aid      -
  
- 5. **County of Caswell** - support for the completion and capital improvements to the Caswell Civic Center.      465,000 State Aid      -

	1987-88 General Fund	1988-89 General Fund
<b>OFFICE OF THE GOVERNOR (1987 ACTIONS, Continued)</b>		
6. <b>City of Greenville</b> - grant for the construction of an amphitheater.	\$ 25,000 State Aid	\$ -
7. <b>Person-Caswell Lake Authority</b> - grant for capital improvements to the public sewer facilities of Hyco Lake Public Park.	75,000 State Aid	75,000 State Aid
8. <b>Town of Robbinsville</b> - grant-in-aid to construct a multi-purpose municipal building. Dollar-for-dollar match required.	125,000 State Aid	-
9. <b>Medical Foundation of North Carolina, Inc.</b> - support for the Center for Alcohol Studies Endowment at the University of North Carolina at Chapel Hill.	500,000 State Aid	-
10. <b>Coastal Women's Shelter Board, Inc.</b> - grant for the purchase of a home to house the shelter program for battered women.	50,000 State Aid	-
11. <b>Asheville Community Theatre, Inc.</b> - grant-in-aid for capital improvements.	50,000 State Aid	-
12. <b>Southern Appalachian Historical Association</b> - grant-in-aid for capital improvements and production of outdoor drama "The Horn in the West".	125,000 State Aid	-
13. <b>State Theater of North Carolina in Flat Rock</b> - grant-in-aid for renovation to the dormitory and dining hall facilities.	25,000 State Aid	-
14. <b>Swain County</b> - grant-in-aid for the Swain County Museum's operation and capital needs.	50,000 State Aid	-
15. <b>Gates County Historical Society</b> - grant to continue the restoration and improvement of the Old Gates County Courthouse and Annex.	50,000 State Aid	-
16. <b>Anson County</b> - grant-in-aid for the planning of a civic and arts center.	50,000 State Aid	-
17. <b>The Arts Council of Fayetteville/Cumberland County</b> - grant-in-aid for completing renovations to the Frances Brook Stein Building as a cultural arts facility.	75,000 State Aid	-
18. <b>Cape Fear Regional Theatre at Fayetteville, Inc.</b> - grant for capital expenses	250,000 State Aid	-
19. <b>Schiele Museum of Natural History and Planetarium, Inc.</b> - grant-in-aid for operations and capital needs.	70,000 State Aid	-
20. <b>Mint Museum at Charlotte</b> - grant-in-aid to underwrite cost of tickets for school children visiting the Ramses Exhibition.	200,000 State Aid	-
21. <b>United Arts Council of Greensboro, Inc.</b> - grant-in-aid for restoration and improvements to the Carolina Theatre and to develop a major cultural complex for 24 art agencies in Greensboro area. Match is required on a two-to-one basis by nonstate dollars.	1,500,000 State Aid	-

	1987-88 General Fund	1988-89 General Fund
<b>OFFICE OF THE GOVERNOR (1987 ACTIONS, Continued)</b>		
22. <b>Eastern Music Festival of Greensboro</b> – grant-in-aid of \$10,000 for equipment and \$40,000 for other capital needs. \$40,000 match is required of Guilford College.	\$ 50,000 State Aid	\$ -
23. <b>Old Salem, Inc.</b> , – grant-in-aid for continuation of programs.	60,000 State Aid	-
24. <b>Onslow County Commissioners</b> – grant-in-aid to assist in relocating Onslow County Museum from Richlands to Jacksonville where new facilities will be built.	100,000 State Aid	-
25. <b>North Carolina Council of Women's Organizations</b> – grant-in-aid to provide training in use of computers to members.	25,000 State Aid	-
26. <b>North Carolina Dance Theatre</b> – grant-in-aid for operations and development of programs.	40,000 State Aid	-
27. <b>Central Children's Home of North Carolina, Inc.</b> –grant-in-aid for the stabilization and rehabilitation of the Cheatham Building and other historical landmarks.	89,900 State Aid	-
28. <b>Washington County</b> – grant-in-aid to be used in preserving the history of county by micro-filming The Roanoke Beacon, the local newspaper.	50,000 State Aid	-
29. <b>The Pack Place Education, Arts and Science Center</b> – grant-in-aid to be matched on a two-to-one basis for construction in Asheville.	3,000,000 State Aid	-
30. <b>Brevard Music Center, Inc.</b> – grant-in-aid for construction of a new student dining facility to be called Carolina Pavilion.	150,000 State Aid	-
31. <b>Discovery Place in Charlotte</b> – grant-in-aid for operating needs.	250,000 State Aid	-
32. <b>William C. Lee Memorial Commission, Inc.</b> – grant-in-aid for capital and operating expenses of museum.	100,000 State Aid	-
33. <b>City of Charlotte</b> – grant-in-aid to be used in the construction of a State/Regional Performing Arts Center on a two to one match with \$500,000 to be provided to Spirit Square Center for the Arts for 1987-88 only without a matching requirement.	5,000,000 State Aid	5,000,000 State Aid
34. <b>Diversified Opportunities, Inc. of Wilson</b> – grant-in-aid for operating expenses.	75,000 State Aid	-
35. <b>Hospice of Union County, Inc.</b> – grant-in-aid for local program.	15,000 State Aid	-
36. <b>Hospice of Montgomery County, Inc.</b> – grant-in-aid for local program.	5,000 State Aid	-
37. <b>Mission Air Ministries, Inc.</b> – grant-in-aid for continuing air transportation in medical emergencies.	100,000 State Aid	-

	1987-88 General Fund	1988-89 General Fund
<b>OFFICE OF THE GOVERNOR (1987 ACTIONS, Continued)</b>		
38. <b>Sampson County</b> – grant-in-aid for construction of a multi-purpose building to serve the Duplin-Sampson Area Mental Health, Mental Retardation and Substance Abuse services. Sampson County will provide land as its match.	\$ 200,000 State Aid	\$ -
39. <b>Florence Crittenton Services, Inc.</b> – grant-in-aid for capital needs of new facility	500,000 State Aid	500,000 State Aid
40. <b>Franklin County Board of Commissioners</b> – grant-in-aid for installing an elevator in the Franklin County Courthouse.	65,000 State Aid	-
41. <b>Region R. Council of Government</b> – grant to provide matching funds for community and economic development. One for one match required.	550,000 State Aid	-
42. <b>Town of Oriental</b> – grant-in-aid for planning the economic development of the town.	25,000 State Aid	-
43. <b>Pamlico County Board of Education</b> – grant-in-aid to be used in purchase of an air conditioner for the high school auditorium.	62,500 State Aid	-
44. <b>Burke County Public Library</b> – grant-in-aid to be allocated to Valdese Public Library for construction of an addition and the purchase of additional books.	80,000 State Aid	-
45. <b>Bladen County Board of Commissioners</b> – grant-in-aid for restoration of Harmony Hall in Bladen County. Dollar-for-dollar match required.	50,000 State Aid	-
46. <b>City of Henderson</b> – grant-in-aid for operations of the substance abuse program.	25,000 State Aid	-
47. <b>Vance County</b> – grant for fire department and municipal building.	25,000 State Aid	-
48. <b>Jackson County Board of Commissioners</b> – grant-in-aid to be used in the construction of district offices.	300,000 State Aid	300,000 State Aid
49. <b>Nash County Board of Commissioners</b> – grant-in-aid for the extension of a water line to the community of Drake.	125,000 State Aid	-
50. <b>Scotland County</b> – grant-in-aid for planning of a stadium/civic center.	50,000 State Aid	-
51. <b>Harnett County Board of Commissioners</b> – grant-in-aid for water line extension for industrial development.	380,000 State Aid	-
52. <b>City of Durham</b> – grant-in-aid to assist in construction of permanent facilities in Durham County for the American Dance Festival. Match is required on a two-to-one basis by nonstate dollars.	2,000,000 State Aid	-
53. <b>City of Raleigh</b> – grant-in-aid for renovations and repairs to Memorial Auditorium. Match is required on a two-to-one basis by nonstate dollars.	-	2,000,000 State Aid
54. <b>Town of Coats</b> – grant-in-aid for extending waterlines for industrial development.	30,000 State Aid	-



	1987-88 General Fund	1988-89 General Fund
<b>OFFICE OF THE GOVERNOR (1987 ACTIONS, Continued)</b>		
55. Craven County Board of Commissioners – grant-in-aid to be used for improvements at the Simmons-Nott Airport at New Bern.	\$ 75,000 State Aid	\$ -
56. Granville County – grant-in-aid for restoration of the county's historic courthouse.	100,000 State Aid	-
57. Alexander County Water Corporation – grant-in-aid for further development of water system.	92,500 State Aid	-
58. Operations Raleigh – grant for continuing program.	50,000 State Aid	-
59. North Carolina International Folk Festival, Inc.– grant-in-aid for operating expenses of Folkmoot USA.	75,000 State Aid	-
60. Sea Level Fire Department, Rescue Squad and Community Center, Inc. – grant-in-aid for providing emergency medical services.	37,785 State Aid	-
61. County of Dare – grant for replacing embankment at Stumpy Point.	150,000 State Aid	-
62. Madison County – grant to help in purchase of land for landfill.	200,000 State Aid	-
63. Town of Marshall – grant to be used to match federal funds for water and sewer lines and repairs or replacement of sewage disposal plant.	-	240,000 State Aid
64. Town of Marshall – grant for water, sewer and booster pump to accommodate industrial development and the Madison satellite of Buncombe Technical College.	125,000 State Aid	-
65. North Carolina Agricultural Facilities Finance Authority – Additional grant for support.	100,000 State Aid	-
66. City of Fayetteville – land purchase.	275,000 State Aid	-
67. Duke University – construction of a therapeutic pool for Lenox Baker Hospital (SB 1307, Sec. 7)	444,000 State Aid	-
68. North Carolina Association of Black Lawyer's Land Loss Prevention Project Inc. – Grant for implementation of the Small Farm Horticultural Marketing Project. (H1515, H242, and S1248 as amended by H2, Sec. 2)	650,000 State Aid	-
69. Young Women's Children Association of Durham, N.C., Inc. – grant for the Rape Crisis Center Child Services Program (H2, Sec. 16).	37,500 State Aid	-
70. Fayetteville Business and Professional League–grant for the development and expansion of the League's Outreach Program (H2, Sec. 28)	100,000 State Aid	-
71. Beaufort County – grant-in-aid for a farmers market (H2, Sec. 29).	25,000 State Aid	-

	1987-88 General Fund	1988-89 General Fund
OFFICE OF THE GOVERNOR (1987 ACTIONS, Continued)		
72. Other - local discretionary funds as identified in H1515 as amended by H2.	\$ 7,042,350 <u>State Aid</u>	\$ - <u>                </u>
<b>TOTAL OPERATING APPROPRIATIONS</b>	\$28,213,535	\$9,105,000

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$7,530,230</b>
<b>NO BUDGET CHANGES</b>	

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1988**

**House Bill 2641:**

Section 36 **Supercomputer Policy Board.** Directs that the \$18 million appropriated in 1987 to the office of State Budget and Management for a supercomputer be placed in a non-reverting reserve fund. Requires monthly management and status reports on the supercomputer project be provided to the Joint Legislative Commission on Governmental Operations by the State Computer Commission and the designated manager of the project. Provides for the appointment and composition of a 14 member board to govern operations of the supercomputer project.

Section 49 **Transfer OSBM Position to UNC.** Transfers a position from the Office of State Budget and Management (OSBM) to the State Educational Assistance Authority. This position assisted the Needs Based Student Loan Program before it was moved to UNC by the 1987 General Assembly.

Section 50 **Expenditure of Funds for Rejected Purpose.** Clarifies legislative intent on the expenditure of funds for purposes which the General Assembly has considered but not appropriated funds. This provision overrules an Attorney General's opinion that this statute must be read together with two other sections of the Executive Budget Act.

**Senate Bill 257:**

Section 30.1 **Reports on Grants to Non-State Agencies.** Requires any non-State agency receiving an appropriation of \$50,000 or more made directly by the General Assembly in an act ratified during 1988 to make quarterly reports on the amounts expended and details of the use of the expenditures to the Joint Legislative Commission on Governmental Operations with a copy to the State Controller. Such reports shall be made no later than the 10th day of November, February, May, and August to cover previous calendar quarters and continue until all funds are expended or repaid to the State.

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	<b>1988-89 General Fund</b>
<b>OFFICE OF STATE BUDGET - Aid to Non-State Entities:</b>	
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$ 9,105,000</b>
1. <b>Liberty Cart</b> - Grant-in-aid to Duplin Outdoor Drama Society, Inc. for operations of the outdoor drama. Funding is for the biennium. (Chapter 1086, Section 3 and Section 29 (a)(3)b., Chapter 1100)	70,000
2. <b>Mission Air Ministries, Inc.</b> - Grant-in-Aid for continuing air transportation in medical emergencies.	100,000
3. <b>Cunningham Foundation</b> - To provide fund to plan the Air Museum at Havelock.	100,000
4. <b>Thalian Hall Center for Performing Arts, Inc.</b> Grant for renovation of Thalian Hall, a historic theater. State funds are to be matched on a basis of three non-state dollars for each state dollar. Funds must be matched within twelve months. If not, state funds are to revert.	1,000,000
5. <b>Strike at the Wind</b> - Grant to Robeson Historical Drama, Inc., to aid in production of drama.	35,000
6. <b>Minority Business Development</b> - \$100,000 each for Southeastern N.C. Business and Professional League and the Triad Area, and \$50,000 for the Fayetteville Minority Business League.	250,000
7. <b>Howard Improvement Association, Inc.,</b> - Grant for renovation, improvement, and landscaping of the historic Howard Trust property in Cumberland County (Section 24, Chapter 1100 and Chapter 1094: S 1760).	100,000
8. <b>"At the Foot of the Cross Chapel, Inc.</b> - Grant for new funds for construction of building extension to be used as a chapel at Johnston prison Unit. Unexpended prior appropriations to the Department of Correction for construction of the Johnston Unit's Chapel are also transferred to this unit. No match is required.	40,000
9. <b>Alzheimer Model Adult Day Care Program, Alamance County</b> - Grant of \$10,000 for program and a grant of \$10,000 each for the Eastern and Western Chapters of the Alzheimer Disease Association to support hotlines.	30,000
10. <b>Carolina Charter Corporation</b> - Grant to support ongoing program of locating and filming North Carolina - related records in Scotland.	35,000
11. <b>Union County</b> - Grant-in-aid for Union County's Farmers' Market.	50,000
12. <b>General William C. Lee Museum</b> - Grant for capital and operating expenses of the museum.	50,000
13. <b>Vance County</b> - Grant for Courthouse renovations.	100,000
14. <b>N.C. Amateur Sports</b> - Grant for operating the 1989 State Games.	300,000

	1988-89 General Fund
<b>OFFICE OF STATE BUDGET – Aid to Non-State Entities:</b>	
15. <b>Sampson County</b> – To construct an Adult Developmental Activity Program and Child Development Center Building. Land for the building is required as match.	\$ 150,000
16. <b>N.C. Senior Citizens Federation</b> – Funds to support general operations.	85,000
17. <b>Jones County</b> – Funds to complete construction of the Agricultural Center. (H 2641, Section 3, Chapter 1086 and Chapter 1100: S 1656)	90,000
18. <b>Historic Rosedale (Charlotte)</b> – for restoration.	100,000
19. <b>Hyde County Sheriff's Department</b> – Grant for the construction of a communications tower for Ocracoke Island.	80,000
20. <b>Greenville Museum of Art, Inc.</b> – Grant for the construction of an exhibition wing on present facility. Grant is to be matched by \$2 non-state funds for each \$1 state support. Funds already raised may be used as match.	100,000
21. <b>Southeastern Center for Contemporary Art, Forsyth County</b> – Grant for capital needs. Match of non-state funds of \$2 is required for each \$1 of state support.	500,000
22. <b>Science Museum of Charlotte, Inc., Mecklenburg County</b> – To provide a grant for operating expenses of Discovery Place.	250,000
23. <b>Cherokee Historical Association, Swain County</b> – To provide a grant to support the Association's historical preservation programs and projects.	30,000
24. <b>Eastern N.C. Chamber of Commerce, Inc.</b> – grant for the Eastern Tour.	50,000
25. <b>Historic Hope Foundation, Inc.</b> – Support for operations of Historic Hope Plantation. (Section 3 of H 2641 and Chapter 1094: S 1725).	550,000
26. <b>Martin County</b> – Grant for restoration of Martin County Courthouse.	25,000
27. <b>Beaufort County</b> – Grant for the joint Beaufort County/City of Washington recreation project.	25,000
28. <b>Neuse River Development Authority, Inc.</b> – Funds to promote the fishing industry in North Carolina, to expand aquaculture projects and to promote small commercial fishing ventures.	30,000
29. <b>North Carolina State University</b> – Grant for planning the Centennial Campus Center. Dollar for dollar match required.	1,500,000

	1988-89 General Fund
<b>OFFICE OF STATE BUDGET – Aid to Non-State Entities:</b>	
30. <b>Anson County</b> – Grant for construction of Anson’s farmers’ market. (Section 29 of S 257: Chapter 1100).	\$ 150,000
31. <b>Brevard Music Center</b> – Grant to be used for paving of parking lot. (Section 3 of H 2641 and Chapter 1094: S 1820)	150,000
32. <b>Transylvania Youth Activities Building</b> – Grant to Transylvania County for given facility. Match of two non-state dollars required for each state dollar. (Section 29, Chapter 1100).	32,000
33. <b>Johnston County</b> – Grant for the Johnston County Airport Authority for the construction of an aircraft mechanic service and training building at the Johnston County Airport. (Section 29 Chapter 1100).	60,000
34. <b>Webster Enterprises, Inc.</b> – (Jackson County) Grant to provide matching funds for development of a vocational rehabilitation facility to serve the physically and mentally handicapped individuals in the far western counties (dollar-for-dollar match required). (Section 29, Chapter 1100).	250,000
35. <b>North Carolina Family Community Leadership Institute</b> – To provide funds to match a Kellog Foundation Grant for continuance of a program designed to train and teach volunteer leaders how to become involved in public policy. (Section 29, Chapter 1100).	50,000
36. <b>City of Mebane</b> – Grant-in-Aid for the Mebane Art Center. (Section 29, Chapter 1100).	35,000
37. <b>Old Baldy Foundation, Incorporated</b> – Grant for research, surveys, and arthitectural preservation of the Old Baldy Lighthouse. (Section 29, Chapter 1100)	25,000
38. <b>Johnston County Board of Education</b> – Grant to provide mobile classroom units for students displaced by a fire that destroyed Four Oaks School in Johnston County. Notwithstanding any other provision of law, the Johnston County Board of Education may negotiate for the purchase of mobile classroom units to meet this emergency situation. When the Johnston County Board of Education no longer needs these mobile classroom units, Johnston County shall transfer title to the units to the State of North Carolina. The State Board of Education shall assign these mobile classroom units to other schools as it deems appropriate. (Section 29, Chapter 1100)	300,000
39. <b>North Carolina Civic Education Project</b> – Reallocation from the Rural Economic Development Center, Inc., to support project for non-partisan voter profiles. (Section 40.4, Chapter 1100).	50,000
40. <b>Rural Economic Development Center, Inc.</b> –	
(a) Funds for the purpose of making grants to establish pilot projects for minority economic development through institutions owned or controlled by minorities (H 2524, Chapter 1097)	1,500,000

	1988-89 General Fund
<b>OFFICE OF STATE BUDGET - Aid to Non-State Entities:</b>	
(b) Funds for the purpose of providing matching fund for the expansion of the resource pool to support minority economic development (H 2524, Chapter 1097 as amended by Sec. 40.4 of Chapter 1100)	\$ 250,000
41. <b>North Carolina Institute of Minority Economic Development</b> - grant for operating expenses (H 2524, Chapter 1097)	250,000
42. <b>Center for Community Self-Help</b> - grant for operations to aid in the acceleration of economic development in minority communities and depressed rural and urban areas. (H 2528, Chapter 1107)	2,000,000
43. <b>The Vagabond School of Drama, Inc.</b> - Grant for the State Theater of North Carolina for capital improvements and production costs of presentations (H 2641, Section 3, Chapter 1086 as amended by S 257, Chapter 1100, Section 27).	18,750
44. <b>Other</b> - local discretionary funds as identified in H 2643 and S 1840.	<u>6,037,700</u>
<b>TOTAL OPERATING EXPANSION</b>	<b>\$16,983,450</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$26,088,450</b>

## DEPARTMENT OF HUMAN RESOURCES

Statutory Authority: General Statutes Chapters 108, 111, 112, 130 and 131.

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

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1987-88 General Fund	1988-89 General Fund
	\$836,229,899	\$866,613,768

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**1987 LEGISLATIVE ACTIONS**  
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### BASE BUDGET REDUCTIONS

#### *SALARY RESERVE:*

- |   |              |              |
|---|--------------|--------------|
| 1. Reduce reserve and related benefits by one-half. | (\$ 418,228) | (\$ 419,003) |
|---|--------------|--------------|

#### *VACANT POSITIONS:*

- |   |                    |                    |
|---|--------------------|--------------------|
| 2. Reduce budgeted support for 21 positions which are vacant. | ( 561,545)<br>(21) | ( 562,645)<br>(21) |
|---|--------------------|--------------------|

#### *TEACHER SALARIES:*

- |   |         |         |
|---|---------|---------|
| 3. Continue salary increase approved during 1986-87 for teachers salaries in DHR due to revised salary schedule authorized in the 1986 Session. | 362,762 | 362,762 |
|---|---------|---------|

#### *DIVISION OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES:*

- |   |                   |                   |
|---|-------------------|-------------------|
| 4. Increases in Institutional Receipts: Adjust patient receipts in state psychiatric and mentally retarded centers to more accurately reflect anticipated revenues.   | ( 7,512,868)      | ( 6,703,788)      |
| 5. ICF-MR Bed Reclassification: Reclassify beds at Western Carolina and Caswell centers to ICF-MR beds.   | ( 1,951,178)      | ( 2,647,598)      |
| 6. Eliminate three positions and reduce utilities at the North Carolina Special Care Center due to installation of new boiler equipment.  | ( 142,781)<br>(3) | ( 168,447)<br>(3) |
| 7. Adult Developmental Activity Program (ADAP): Adjust recommended continuation budget to reflect the amount required to continue the funding of 792 additional ADAP slots approved by the 1986 General Assembly. | 1,036,416         | 1,036,416         |

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)</b>		

*DIVISION OF SOCIAL SERVICES:*

8. Child Support Payment Receipts: Reduce General Fund appropriations by raising receipts to a more realistic level.	(\$ 1,868,468)	(\$ 1,868,468)
9. Juvenile Code Payments: Elimination of funding provided to the Division in 1979 to implement changes in the Juvenile Code.	( 50,000)	( 49,628)
10. In-Home Screening Funds: Withdraw General Fund support for In-Home Screening programs established by HB 405 that have exceeded the two year grant cycle.	( 150,000)	( 150,000)
11. State Board Home Payments: Reduce funding of State Boarding Home payments to level consistent with current need for foster care services.	( 492,000)	( 492,000)
12. Community Work Experience Program: Reduce funding for reimbursement for Community Work Experience participant travel expenses to more realistic level.	( 53,775)	( 53,775)
13. Aid To Families With Dependent Children: Revise estimates in Aid to Families with Dependent Children to reflect a correction in average payments (from \$87.53 to \$92.25) and a revised caseload forecast (from 168,149 persons to 173,656 persons).	2,273,707	2,308,377
14. State Special Assistance For Adults: Adjust total requirements which were underbudgeted due to a forecasting error in the average payment amount and to a rise in the anticipated number of eligibles. Originally, the budget reflected an average monthly forecast of 14,058 recipients with a payment rate of \$284.52. Revised requirements for FY 87-88 are 14,068 recipients at a payment rate of \$290.96; and 14,738 recipients at a payment rate of \$285.76.	698,153	1,345,773
15. Emergency Assistance: Adjust budgeted requirements to reflect annualized estimate based on FY 86-87 appropriation.	461,395	461,395

*DIVISION OF VOCATIONAL REHABILITATION:*

16. Reduce General Fund appropriations due to increased federal allocation.	( 2,717,995)	( 2,722,522)
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*DIVISION OF MEDICAL ASSISTANCE:*

17. Pre Admission Screening: Reduce General Fund appropriations due to implementation of PAR program. Program is expected to reduce hospital inpatient admissions.	( 1,560,000)	( 1,560,000)
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	1987-88 General Fund	1988-89 General Fund
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**DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)**

- |  |              |              |
|--|--------------|--------------|
| 18. Medicaid Rules Change:<br>Anticipated savings due to rules changes that alter the basis for payment from the date of the payment to the payment levels in use on the date of the service.  | (\$ 520,000) | (\$ 520,000) |
| 19. Coverage For Children and Pregnant Women:<br>Transfer from Division of Health Services to implement Medicaid coverage for children and for pregnant women whose incomes fall below 100% of poverty level. Children to age 2 will be covered in 1987-88 and to age 3 in 1988-89. Coverage to take effect October 1, 1987. | 6,225,000    | 9,700,000    |
| 20. Medicaid Continuation Budget:<br>Adjustments to the continuation budget due to higher outlays in the current fiscal year, to revisions in anticipated utilization and to changes in the federal participation rate.  | 3,540,290    | 5,490,585    |

*DIVISION OF BLIND SERVICES:*

- |  |          |          |
|--|----------|----------|
| 21. Reduce prosthetic appliance requirements to more accurate level of need. | ( 6,244) | ( 6,255) |
|--|----------|----------|

*DIVISION OF HEALTH SERVICES:*

- |   |              |              |
|---|--------------|--------------|
| 22. Transfer of Funds For Medicaid Expansion:<br>Transfer funds from the following programs to the Division of Medical Assistance to implement expanded coverage for children and for pregnant women up to 100% of poverty level as recommended by the Indigent Care Study Commission.<br>Maternal and Child Health Program | ( 1,470,954) | ( 2,161,272) |
| Perinatal Program   | ( 4,499,046) | ( 5,988,728) |
| Children's Special Health Services  | ( 255,000)   | ( 1,540,000) |
| 23. Reduce Aid to Counties in Tuberculosis Control  | ( 40,933)    | ( 40,933)    |

*STATE AID TO LOCAL PROGRAMS:*

- |   |           |           |
|---|-----------|-----------|
| 24. Adjust continuation inflationary increases due to base budget changes in affected programs. | ( 24,558) | ( 47,495) |
|---|-----------|-----------|

<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 9,697,850)	(\$ 6,997,249)
<b>TOTAL POSITION REDUCTION</b>	(24.0)	(24.0)

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**TRANSFERS:**

*CONTRACTUAL SERVICES:*

- |  |              |              |
|--|--------------|--------------|
| 1. Transfer from Division of Mental Health funding for Comprehensive Living and Training Center (\$177,400) and consultation contract (\$187,500) to University of North Carolina at Chapel Hill - Health Affairs. | (\$ 364,900) | (\$ 364,900) |
|--|--------------|--------------|

	1987-88 General Fund	1988-89 General Fund
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DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)

*FARM COMMUNITY PURCHASES:*

1. Transfer support for cash payments directly to the Department of Agriculture to allow memo billing as is done in all but the following institutions:		
Murdoch Center	(\$ 87,260)	(\$ 87,260)
Caswell Center	( 65,380)	( 65,380)
ARC-Butner	( 8,160)	( 8,160)
<b>TOTAL TRANSFERS</b>	(\$ 525,700)	(\$ 525,700)
<b>REVISED BASE BUDGET</b>	\$826,006,349	\$859,090,819

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**EXPANSION BUDGET**

*DIVISION OF SOCIAL SERVICES:*

1. Community Work Experience Program: Provide support for the cost of programs in 8 additional counties (Alamance, Edgecombe, Forsyth, Mecklenburg, Union, Transylvania, Halifax and Pasquotank) for a total of 36 programs in FY 87-88 and FY 88-89.	\$311,801 State Aid	\$311,801 State Aid
2. Permanency Planning/Prevention of Child Abuse: Expand services to families delivered by county departments of Social Services.	400,000 Block Grant	-
3. Protective Services Staff Training: Provide support for new positions for training and funds for contractual training services.	202,489 (3)	300,000 (3)
4. Adult Day Care: Continue program at current level of funding and to allow for \$50 rate increase for providers (from \$275/month to \$325/month).	558,512 Block Grant	-
5. Eligibility Worker Funds: Provide additional income maintenance eligibility staff to county departments of Social Services.	1,500,000 State Aid	1,500,000 State Aid
6. AFDC Eligibility Standard: Raise the AFDC/Medically Needy Income Standards by 2.5%.	450,000	900,000
7. Domiciliary Care Rate Increase: Increase rates for ambulatory care from \$623 to \$654 per month and to raise rates for semi-ambulatory care from \$654 to \$687 per month. Rate increase to take effect 10/1/87. (Includes funding for Blind Services)	2,049,554	2,886,867
8. Family Support Act: Provide benefits to two parent families where the primary wage earner is unemployed; provide employment incentives and medical benefits to working single parent AFDC families; Draw federal funds for day care for teenage parents who continue their education. (Includes funding for Medical Assistance)	1,373,460	2,947,996

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)</b>		
<b>STATE AID TO NON STATE AGENCIES:</b>		
9. Caring for Children: Provide a grant-in-aid to support specialized foster care services.	\$ 163,044 State Aid	\$ 163,044 State Aid
10. Child Caring Institutions: Increase payments to Child Caring Institutions by 1% bringing the states share in the average cost of care to 46% of total cost.	200,000 State Aid	300,000 State Aid
11. Catholic Social Ministries, Inc. Provide grant-in-aid as a private child caring institution.	35,996 State Aid	-
<b>DIVISION OF MEDICAL ASSISTANCE:</b>		
12. Infant Mortality: Increase the OB-GYN reimbursements for basic prenatal medical package from \$409 to \$625.	500,000	1,125,000
13. Medicaid Coverage for 19-21 Year Olds: Provide support for coverage.	147,000	293,000
14. Medically Needy Increase: Raise the medically needy income scale by 2.5%.	850,000	1,700,000
15. DHR Grant Acceptance: Provide support for the development of a new reimbursement plan for hospitals to provide a disproportionate share of health care to indigents.	5,000 NR	-
<b>DIVISION OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES:</b>		
16. Developmental Disabilities Services: Expand community-based services to developmentally disabled.	1,000,000 State Aid	2,000,000 State Aid
17. Pioneer Testing Funding Policy: Funds to test an alternate funding method for MH/MR/SAS community-based services.	261,617 443,383 State Aid	327,000 323,000 State Aid
18. Emotionally Disturbed Children Services: Provide a Comprehensive system of services to meet the needs of seriously disturbed children including prevention, case-management and day services.	1,000,000 State Aid	1,000,000 State Aid
19. Chronically Mentally Ill: Expand community services such as case-management, day-care, inpatient and residential services.	-	500,000 State Aid
20. Safe environment at Psychiatric Hospitals: Support for 78 Health Care Technicians.	921,824 (78)	1,229,098 (78)
21. Additional Willie M. Clients: Provide services and treatment for all certified Willie M. class children.	600,000 State Aid	600,000 State Aid

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)</b>		
22. Involuntary Outpatient Commitment: Support to cover payments to area programs for involuntary outpatient commitments at the current level of need.	\$ 533,000 State Aid	\$ 533,000 State Aid
23. Developmental Day Care and Community Residential Centers: Increase reimbursement for Developmental Day Centers and for Community Residential Centers.	1,000,000 State Aid	1,000,000 State Aid
24. Mental Health Group Homes: Provide support for 8 M.H. group home/apartment living projects.	97,400 State Aid 300,000 NR State Aid	584,455 State Aid -
25. Mental Retardation Group Homes: Provide support for 21 M.R. group home/apartment living projects.	237,153 State Aid 630,000 NR State Aid	1,382,485 State Aid 150,000 NR State Aid
26. Lifeguardianship Council Funds: Provide support for expansion of program.	89,000 NR State Aid	-
27. Autistic Adult and Children Funds: Provide support for autistic services, including a summer camp for children.	84,000 NR State Aid	-
28. Regional Psychiatric Inpatient Services for Youth: Provide support for the Lee/Harnett area MH program to develop and operate a regional unit.	221,000 State Aid 130,000 NR State Aid	499,358 State Aid
29. ADAP Construction Funds: Provide support for Roanoke-Chowan, Halifax, Hertford and Duplin ADAP programs.	300,000 NR State Aid	-
30. Funds for MR Services: Provide support for Sandcastle Group Home and Holy Angels Community Residential Center.	137,800 State Aid	137,800 State Aid
31. ADAP Operational Funds: Increase the reimbursement rate for ADAP services.	700,000 State Aid	700,000 State Aid
32. Hot Springs Health Program: Provide support for operation of program.	75,000 State Aid	75,000 State Aid
33. Developmentally Disabled/Hearing Impaired Funds: Provide support for the operation of a group home for developmentally disabled/hearing impaired.	154,782 State Aid	86,988 State Aid
34. Black Mountain Residential Drug Program: Provide support for development and operation of Program.	300,000 State Aid	475,000 State Aid

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)</b>		
35. Southeastern Area Mental Health Funds: Provide Operational funds for this program.	\$ 200,000 NR State Aid	\$ -
36. MR Alternative Living Program: Provide support for operation of the Nantahala Apartments Community Living Program.	30,000 State Aid	30,000 State Aid
37. First Step Farm: Provide additional support for Program.	20,075 State Aid	20,075 State Aid
38. Federal Staffing Grant Funds Replacement: Replace a federal staffing grant for the Rutherford-Polk Area Mental Health Center	-	28,000 State Aid
39. Grants to Local Adult Developmental Activities Programs as follows:		
a. Gaston-Lincoln to provide transportation services to clients (H 1515, H 1453)	5,000 State Aid	-
b. Rutherford County ADAP Center, for operating expenses (H 1515, H 1929)	4,000 State Aid	-
c. Cleveland County ADAP Center, for operating expenses (H 1515, H 1929)	4,000 State Aid	-
40. Grants to Other Local Programs as follows:		
a. Shelly School Child Development Center, for the operating expenses incurred in providing educational and other services to mentally retarded children (H 1515, H 2076).	1,000 State Aid	-
b. Tri-County Mental Health, Mental Retardation and Substance Abuse Authority for the operation of the "Kelly Street, U.S.A." boarding home for the mentally retarded and for the "Crossroads" Alternative living projects (H 1515, S 994).	8,000 State Aid	-
c. "Kelly Street, U.S.A." boarding home and the "Crossroads" Alternative living projects, provided the sum of \$10,000 is raised from private and local public sources in Rowan, Davie, and Iredell Counties (H 1515, S 1346).	28,000 State Aid	-
d. Orange-Person-Chatham Mental Health Center, for supplemental day care funds for emotionally disturbed pre-schoolers (HB 1515, S 1076).	5,000 State Aid	-
e. Watauga County, start-up funds for a pre-school program for developmentally disabled children (H 1515, H 1535).	7,500 State Aid	-
41. Model Educational Transition Program: Provide support for program involving the public school system, mental health and vocational rehabilitation systems in Wake County.	177,710 NR State Aid	-
42. Cleveland County Mental Health Facility: Provide support for planning and construction of unit.	100,000	650,000

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)</b>		
43. Last Chance For Children Residential Treatment Program: Provide support for the Smoky Mountains Area Mental Health, Mental Retardation, and Substance Abuse Authority's capital costs associated with the development of the given program.	\$ 175,000	\$ -
44. Youth Substance Abusers: Provide for purchase of inpatient-residential care.	300,000	1,500,000
<i>DIVISION OF HEALTH SERVICES:</i>		
45. Hazardous Waste: Provide support for new positions to address the increase in state responsibility for inspecting and permitting hazardous waste storage, treatment and disposal facilities.	75,000 (3)	75,000 (3)
46. Hazardous Waste Receipt Use: Provide support for staff to undertake hazardous waste facility inspection, permitting, and all other essential regulatory activities required by Chapter 773 of the 1987 Session Laws. Receipts collected are to be deposited in General Fund. (Sec. 24 of Ch.876).	100,000	-
47. Inactive Hazardous Substance and Waste Disposal Sites: Provide support for new positions and other requirements of the inactive hazardous sites legislation.	218,000 100,000 NR	218,000 500,000 NR
48. Public Health Training Funds: Provide support for in-service training for public health supervisors and administrators.	50,000	50,000
49. Adult Cystic Fibrosis Funds: Provide support for services.	30,000 State Aid	30,000 State Aid
50. United Cerebral Palsy Funds: Provide grant for United Cerebral Palsy of North Carolina for its program to help disabled children.	225,000 NR State Aid	-
51. Developmental Evaluation Center Funds: Provide operational funds for the Center at Western Carolina University.	135,000	135,000
52. Health Promotion Funds: Establish a statewide health promotion and disease prevention program.	750,000 State Aid	750,000 State Aid
53. Sickle Cell Funds: Provide support for community-based sickle cell programs.	200,000 State Aid	200,000 State Aid
54. Epilepsy Funds for the Indigent: Provide support for prescription anti-convulsant medication for the indigent.	75,000 State Aid	75,000 State Aid

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)</b>		
55. Home Health Care Funds: Provide support for Home Health Services to the indigent.	\$ 300,000 State Aid	\$ 300,000 State Aid
56. Adolescent Pregnancy Funds: Continue 12 Adolescent pregnancy programs	445,000 State Aid Block Grant	-
57. Hospice Care: Funds for services in Dare, Haywood, and Harnett Counties.	20,000 NR State Aid	
58. Laboratories Certification: Provide support for the purpose of determining compliance of certified laboratories with certification requirements. Receipts collected pursuant to G.S. 130A-326(7) will be deposited in the General Fund to support this effort.	39,940	53,250
59. Transfer support from Lenox Baker Hospital to the Department of Public Education for three twelve month teaching positions for the Durham County School System.	(91,523)	(91,523)
<i>DIVISION OF YOUTH SERVICES:</i>		
60. Training School Improvements: Provide support for new positions to assist the division in meeting the treatment and rehabilitation needs of troubled youth.	322,812 (23.75)	540,000 (25.75)
61. Security Officers: Provide support for three officers at Samarkand Manor Training School.	55,437 (3)	55,518 (3)
<i>DIVISION OF VOCATIONAL REHABILITATION:</i>		
62. Independent Living Centers: Expand the Independent Living Program for severely physically disabled persons.	111,446 (5)	400,514 (10)
63. Additional Independent Living Centers: Establish two (2) centers in each year.	476,912 (10)	524,599 (10)
64. Expand High School Program for Vocational Rehabilitation Students: Federal funds in the amounts of \$82,506 in FY 87-88 and \$76,848 in FY 88-89 will be budgeted to expand vocational services to high school students in Cherokee, Clay, Graham, Jackson, Macon and Swain counties.	-	-
<i>DIVISION OF SCHOOLS FOR THE DEAF AND BLIND:</i>		
65. Services to Multi-Handicapped Children: Provide support for additional positions to meet the critical needs of multi-handicapped children.	442,979 (31)	568,113 (31)

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)</b>		
66. Pre-School for the Visually Impaired: Expand a program to meet the needs of visually impaired pre-school children statewide.	\$ 80,619 (3.8)	\$ 104,926 (3.8)
<i>DIVISION OF FACILITY SERVICES:</i>		
67. State Health Planning: Continue the health planning process as currently required by state law. The federal government has discontinued funding for this activity.	75,000 (2)	75,000 (2)
68. Certificate of Need: Continue the current level of support for this activity due to the elimination of federal participation.	169,551 (4)	204,591 (4)
69. Child Day Care Section: Provide support for a total of 15 additional staff persons: Twelve staff persons to inspect family day care homes, three to investigate child abuse and neglect complaints in day care facilities.	284,179 (15)	378,986 (15)
70. East Care Ambulance: Provide funds to continue needed emergency air ambulance service.	350,000 NR State Aid	-
71. Caswell County Medical Center: Provide funds for needed medical equipment and for the operating cost of the Medical Center.	41,000 NR State Aid	-
<i>SECRETARY'S OFFICE:</i>		
72. Senior Games Funds: Improve the quantity and quality of physical activity programs in the State for older adults.	40,000 NR State Aid	-
73. Senior Center Funds: Provide one-time grants for the construction, renovation, and equipping of Senior Citizens Centers.	250,000 State Aid	-
74. Respite Care Program: Continue support for needed relief services to the caregivers of patients who cannot be left alone because of mental or physical problems.	300,000 Block Grant	-
75. Grant-in-Aid: Support for the Iredell County Council on Aging, Inc., for transportation services or equipment to serve the elderly (H 1515, S 1373).	2,000 State Aid	-
<i>DIVISION OF SERVICES FOR THE BLIND:</i>		
76. Radio Reading Services Funds: Provide support services to visually impaired persons.	10,000 NR State Aid	-



	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)</b>		
<i>DEPARTMENT WIDE:</i>		
77. Locally Mandated Programs:		
Provide five percent salary increase for state-funded local programs.	\$ 6,115,660 State Aid	\$ 6,115,660 State Aid
Total Requirements	\$ 30,827,112	\$ 37,521,601
Block Grants	<u>1,703,512</u>	<u>-</u>
<b>TOTAL APPROPRIATION-EXPANSION</b>	<b>\$29,123,600</b>	<b>\$37,521,601</b>
<b>TOTAL POSITIONS</b>	<b>(185.05)</b>	<b>(192.05)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$855,129,949</b>	<b>\$896,612,420</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS-1987**

**House Bill 1514:**

- Section 67      **Medicaid** - Establishes eligibility requirements for recipients of services, and payment rates to provider under the State's Medicaid program. Provides authority for the addition of two new services: case management services and hospice.
- Section 68      **Children in Long Term Care** - Authorizes exclusion of parental income when determining eligibility for Medicaid benefits for minors who will be in long term care for more than twelve months.
- Section 69      **Medicaid/19-21 Year Olds** - Authorizes the provision of medicaid benefits to 19-21 year old children whose family income meets eligibility requirements for the Aid to Families With Dependent Children Program.
- Section 70      **Medicaid Coverage for Pregnant Women and For Children** - Authorizes Medicaid coverage for pregnant women whose income falls below 100% of the federal poverty level and for Children up to age 5 in accordance with federal rules and regulations. Coverage to begin October 1, 1987.
- Section 71      **Indigent Care Study Commission** - Authorizes continuation of the Indigent Care Study Commission.
- Section 72      **Adoption Subsidy** - Establishes adoption subsidy at \$150 per month.
- Section 73      **AFDC Women in Third Trimester of Pregnancy** - Authorizes cash benefits to women who are pregnant for the first time in the third trimester of pregnancy if they meet financial eligibility requirements.
- Section 74      **Limitation on the State Abortion Fund** - Limits expenditures and eligibility for state funded abortions, and provides for counseling and other services under this program.
- Section 75      **Aged and Family Care/County and State Share of Costs** - Establishes state and county share of costs for domicilliary homes at 50% state and 50% county.
- Section 76      **Community Work Experience Program** - Establishes standards for the operation of the Community Work experience program.

**DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)**

- Section 77      **Domiciliary Home Rate Increase** – Increase the maximum monthly rate to \$654 for ambulatory care patients and \$687 for semi-ambulatory patients effective October 1, 1987.
- Section 78      **Emergency Assistance** – Establishes limitations on expenditures for Emergency Assistance Program.
- Section 79      **Family Support Act** – Authorizes the provision of Medicaid and Aid to Families With Dependent Children (AFDC) benefits to two-parent families where primary wage earner is unemployed; authorizes a modification in the calculation of AFDC benefits for single parent families; authorizes the provision of a special allowance to provide day care for teenage parents.
- Section 80      **Foster Care Board Rate** – Establishes foster care board rate at \$200 per month.
- Section 81      **Retrospective Accounting Adjustment/AFDC** – Provides supplemental payment to families adversely affected by 1982 federal changes.
- Section 86      **Youth Substance Abuse Services Plan Development** – Specifies that the \$3,016,748 funded through ADATR Block Grant funds appropriated to the Department in Section 4 of the Act be expended to begin development of services in accordance with the Youth Substance Abuse Plan.
- Section 87      **Pioneer Pilot** – Directs that of the funds appropriated in Section 2, \$261,617 for 1987-88 and \$327,000 for 1988-89 be allocated for Department costs in implementing the Pioneer Pilot Project.
- Section 90      **Establishes Non-Medicaid Reimbursement** – Establishes reimbursement for medical services and income levels for participation in some programs. Effective October 1, 1987, the Children's Special Health Services eligibility level is 100% of federal poverty for outpatient services for all clients and inpatient services for children under the age of five.
- Section 92      **Maternal and Child Health** – Directs local health departments to spend all income from state and federal funds to further the objectives of the programs that generated the income. The Division of Health Services must report to the General Assembly on income generated and on the uses of these funds.
- Section 93      **Certified Laboratory Certification** – Specifies that appropriation of \$39,940 for 1987-88 and \$53,250 for 1988-89 be used to determine compliance of certified laboratories. Receipts collected from this program are to be deposited in the General Fund.
- Section 94      **Cancer Registry** – Directs the Division of Health Services to identify \$125,000 within its budget to support a cancer registry. Appropriations in the amount of \$175,000 each year may be transferred from Adult Health to the Cancer Registry.
- Section 95      **Health Promotion** – Prescribes the allocation of funds for risk reduction projects including federal funds from the Preventive Health Block Grant and \$75,000 of state funds for program development and evaluation. A report on use of these funds is required.
- Section 96      **Western Developmental Evaluation Center** – Specifies that allocation of \$135,000 each year be made to the Developmental Evaluation Center at Western Carolina University.
- Section 97      **Public Health Training Funds** – Directs that \$50,000 each year be used for education of public health nurses.

**DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)**

- Section 98        **Communicable Disease Control** – Provides that \$140,000 each year be used to hire additional program staff at the state level.
- Section 101      **Respite Care Program** – Grants authorization to the Division of Aging to administer a respite care program. Of the \$327,424 of Social Services Block Grant funding authorized in Section 4, \$300,000 may be used for services, and the remainder for administration.
- Section 108      **DHR Employees as In-Kind Match II** – States that, notwithstanding the limitations of Chapter 634 of the 1987 Session Laws, the Secretary may assign employees of the Office of Health Resources to serve as in-kind match to nonprofit corporations working to establish health care cost containment strategies.
- Section 136      **Jail and Detention Services Transfer** – Requires the Department of Justice and the Department of Human Resources to study the feasibility of transferring the jail and detention unit standard and inspection services from Facility Services to the Department of Justice. The departments are to report their findings to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by March 15, 1988.

**House Bill 1515:**

- Section 20        **Inflationary Increases in State Aid to Local Agencies** – Allocates funds for inflationary increases and salaries for local programs.
- Section 21        **Transfers of Certain Funds Authorized** – Authorizes the Director of the Budget to transfer funds appropriated for local programs among services and programs.
- Section 22        **Community Work Experience Training Funds** – Allows funds appropriated for this training purposes to be used as match for other training programs for AFDC eligibles.
- Section 23        **Employment Programs Reserve** – Appropriates funds for implementation of the Community Work Experience Program in Transylvania, Halifax and Pasquotank Counties. Establishes a reserve for WIN funded employment programs to be used in the event that federal WIN funds are reduced or eliminated.
- Section 24        **Eligibility Worker Funds** – Specifies that \$1.5 million dollars in each year of the biennium be used for additional public assistance programs staff.
- Section 25        **Grant-In-Aid to Caring for Children, Inc.** – Provides that \$163,044 in each year of the biennium be used for specialized foster care services.
- Section 26        **Project Self Sufficiency/New Directions** – Provides that \$40,000 in 1987-88 and 1988-89 be used for an employment program for low income women.
- Section 27        **Catholic Social Ministries Grant-in-Aid** – Directs \$35,996 in 1987-88 be allocated to this agency and includes this agency as a Child Caring Institution.
- Section 28        **Health Promotion** – Directs that \$750,000 each year be used for Health Promotion activities and requires a report to the General Assembly.
- Section 29        **Morven Area Medical Center Funds** – Reallocates adolescent pregnancy prevention funds from the Morven Center to the Anson County Board of Education.
- Section 30        **Sickle Cell** – Directs that \$200,000 each year be used for community based sickle cell centers.
- Section 31        **Adult Cystic Fibrosis** – Specifies that \$30,000 appropriation made for each year be used to provide services to eligible adults with cystic fibrosis.

**DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)**

- Section 32      **Epilepsy Funds** – Directs that \$75,000 in each year be used to provide prescription anticonvulsant medications to eligible persons.
- Section 33      **Model Education Transition Funds** – Specifies that \$177,710 appropriated to the Division in 1987-88 be used to meet ongoing service delivery needs of substantially mentally retarded persons who are aging out of the various public school programs. Resources are allocated to three local agencies: Wake County Public Schools, Wake County Vocational Rehabilitation Services and Wake County area MH/MR/SAS. Funds are to be used to establish a coordinated supported employment service system for these persons.
- Section 34      **Hospice Care** – Provides that \$20,000 for 1987-88 be used to provide for hospice care in Haywood, Durham and Harnett Counties.
- Section 35      **Pioneer Pilot** – Directs the Pioneer Project on Funding Policies to develop methodologies to implement the recommendation of the Mental Health Study Commission regarding the state's purchase of services on a prospective unit cost basis from Area MH/MR/SAS Authorities and allows use of \$443,383 in 1987-88 and \$323,000 in 1988-89 by the Division for site administrative costs in the five pilot sites.
- Section 36      **Last Chance for Children Funds** – Specifies that \$175,000 be used by the Smoky Mountain Area Program for this residential treatment program for children.
- Section 37      **Western Drug Dependency Center** – Requires that funds appropriated be used to enable the Blue Ridge Area Mental health program to contract with Open House, Inc., of Charlotte, to establish and manage a residential drug treatment program to be located at the Black Mountain center. \$300,000 for 1987-88 and \$475,000 for 1988-89 were appropriated for development and operation.
- Section 38      **Mental Health Funds** – Specifies support for start-up and operation of 21 residential projects approved by the HUD Section 202 1986 Fund Reservation for mentally retarded and developmentally disabled persons. Of the funds appropriated in Section 2, \$867,153 for 1987-88 and \$1,532,485 for 1988-89 were designated for this purpose.
- Section 39      **Child Mental Health Plan Development** – Provides that \$1,000,000 in each year of the biennium be designated for development of services in accordance with the Child Mental Health Plan.
- Section 40      **Emotionally Disturbed Children's Group Homes** – Transfers funds from line item 14460-1270-6329 to line item 14460-1270-6304 to provide training in caring for emotionally disturbed children in specific group homes. Directs Division to monitor the training contracts to determine the type of training provided, the cost of the services and the quality of services provided.
- Section 44      **Area Mental Health/Substance Abuse In-Patient Funds** – Contains an amendment to a previously existing provision to allow the funds in Section 2, \$850,000 in each year of the biennium, to be used for substance abuse services in addition to mental health services. Types of activities funded, allocation amounts, and allocation recipients are specified.
- Section 45      **Group Home Program Funds** – Specifies that funds appropriated in Section 2, \$397,400 for 1987-88 and \$584,455 for 1988-89 were designated for start-up and operating costs for HUD/MHA residential projects in the following area programs: Tideland, Catawba, Cleveland, Neuse, Gaston- Lincoln, Guilford, Mecklenburg and Edgecombe-Nash.

**DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)**

- Section 46      **Autistic Adults and Children Funds** – Specifies that \$84,000 appropriated to the Division for the NC Society for Autistic Adults and Children be used for a summer camp program for autistic persons (\$60,000) and for a Special Adult/Autism Job Coach (\$24,000).
- Section 47      **Developmental Disabilities-Services** – Directs that funds in the amount of \$1,000,000 for 1987-88 and \$2,000,000 for 1988-89 be directed toward beginning the development of a service system for persons with developmental disabilities in accordance with the recommendations of the Mental Health Study Commission contained in its final report to the 1987 General Assembly.
- Section 48      **Lifeguardianship Council Funds** – Directs that \$89,000 appropriated for 1987-88 be used to provide additional operating revenue for the Lifeguardianship Council of the Association for Retarded Citizens of North Carolina.
- Section 49      **Sandcastle Home & Holy Angels Treatment Program** – Directs appropriations in the amount of \$137,800 for each year of the biennium be used for operational expenses of the Sandcastle Children's Homes and the Holy Angels Community Residential Programs.
- Section 50      **Lee-Harnett Psychiatric Services** – Specifies that \$351,000 for 1987-88 and \$499,358 for 1988-89 be used to support a 12 bed psychiatric inpatient unit for adolescents to be developed at Good Hope Hospital, under contract with the Lee-Harnett Area Program.
- Section 51      **Developmentally Disabled/Hearing Impaired Funds** – Specifies appropriations in the amount of \$154,782 for 1987-88 and \$86,988 for 1988-89 for the Blue Ridge Area Program be used to support the establishment of a residential facility for developmentally disabled/ hearing impaired adults.
- Section 52      **Southeastern Mental Health Care** – Directs that funds in the amount of \$200,000 for 1987-88 for the Southeastern Regional Mental health Center to be used for Indigent Mental Health Care and for substance abuse programs.
- Section 53      **Housing for Mentally Ill Funds** – Requires \$30,000 each year of the biennium be used by the Blue Ridge Area program in operating the Nantahala Apartment Program which serves mentally ill adults.
- Section 54      **ADAP Reimbursement Rate Increase** – Allows an \$11 per person per month rate increase in the subsidy rate to be funded by an additional \$700,000 each year of the biennium.
- Section 55      **Reimbursement Rate/Community Residential Centers** – Increases the reimbursement rate for community residential centers and for developmental day care centers.
- Section 56      **Mental Health Authority Allocation** – Requires the Division of Mental Health, Mental Retardation and Substance Abuse Services to take into account inequities in service availability when allocating expansion dollars to area mental health programs.
- Section 57      **Certain Fees Reporting Requirements** – Requires a report to be made to the Commission on Governmental Operations and the Fiscal Research Division no less than 30 days prior to the convening of the 1988 session regarding revenues earned pursuant to G.S. 20-179.2 (Alcohol Drug Education Traffic School Fees).
- Section 59      **Senior Center Funds** – Directs that \$250,000 appropriated to the Office of the Secretary be used for one-time grants for the construction, renovation, and equipping of Senior Citizens' Centers. Grants are limited to a maximum of \$30,000 per center and require a 25% match of local funds.

**DEPARTMENT OF HUMAN RESOURCES (1987 ACTIONS, Continued)**

- Section 60      **Senior Games Funds** – Specifies that funds in the amount of \$40,000 appropriated to the Office of the Secretary be used to provide a grant-in-aid to the North Carolina Senior Games, Inc.
- Section 61      **East Care Ambulance Funds** – Provides that grant-in-aid of \$350,000 be provided in 1987-88 to Pitt County Memorial Hospital, Inc. for costs of operating the East Care air ambulance service.
- Section 65      **Inpatient Care/Youth Substance Abusers** – Directs that funds appropriated for 1987-88 in the amount of \$300,000 for equal allocation to the four DHR regions to purchase inpatient/ residential care for youth substance abusers, and that \$1,500,000 appropriated for 1988-89 be used to continue the purchase of services initiated in 1987-88 with state or federal substance abuse block grant funds.
- Section 66      **ADAP Program Funds** – Allocates \$300,000 appropriated to the Division be allocated to four ADAP programs in Halifax, Roanoke-Chowan, Hertford and Duplin counties. The funds will be utilized to construct new facilities to meet the operational needs of the programs.
- Section 67      **Moore/Sandhills/Orange/Durham Mental Health Programs** – The General Assembly enacted legislation to transfer operation of Lenox Baker Hospital to Duke (Section 8 of S1307). This section appropriates funds reverting due to that action to be transferred to the Division. The section specifies the allocation of any 1987-88 unused appropriation effective January 1, 1988, and specifies the allocation of the \$759,371 transferred to the Division for 1988-89.
- Section 116     **ACCESS North Carolina** – Earlier legislation has been amended to increase the percentage of proceeds from the sale of personalized license plates to the Department of Human Resources from 8.5% to 17%. Funds are to continue to be used to promote travel accessibility for disabled persons in the state. The funding cap of \$100,000 has been removed, but hereafter any funds remaining unspent or unobligated at the end of each fiscal year will be transferred to the Department of Administration.

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**1988 LEGISLATIVE ACTIONS**  
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	<b>1988-89 GENERAL FUND</b>
<b>TOTAL OPERATING APPROPRIATIONS – 1987 SESSION</b>	<b>\$896,612,420</b>
<i>SECRETARY'S OFFICE – DIVISION OF AGING:</i>	
1. State Match for Federal Funds: Funds to allow the State to draw down \$111,175 of federal funds for in-home service programs for older adults.	6,540 NR
2. In-Home Aging Services: Support for additional in-home service program for older adults.	720,000 State Aid
3. Care Giver Support: Support for services that support family caregivers of elderly persons with functional disabilities.	1,008,000 State Aid

1988-89  
GENERAL  
FUND

DEPARTMENT OF HUMAN RESOURCES (1988 ACTIONS, Continued)

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|---|--|
| 4. Senior Centers/Capital Improvements:<br>Grants for capital improvements to existing senior centers.  | \$ 360,000 NR<br>State Aid                                 |
| 5. Senior Center Outreach:<br>Support for test satellites "services" provided by existing senior centers to unserved and underserved areas and to provide start-up funds for new senior centers.  | 403,800 NR<br>State Aid                                    |
| 6. Program Development:<br>Support for the purpose of developing local strategic planning capacity including new programs for those being served.   | 384,000 NR<br>State Aid                                    |
| 7. Senior Games Funds:<br>Grant-in-aid for the North Carolina Senior Games, Inc.  | 60,000 NR<br>State Aid                                     |
| 8. Area Agencies on Aging Support:<br>Grants to area agencies to help with the additional local costs incurred by the expansion of in-home aging services and new program development activities.   | 142,200 NR<br>State Aid                                    |
| 9. Information and Referral, Case Management Pilot Projects:<br>Support for seven pilot projects (Craven, Buncombe, Cumberland, Robeson, Surry, Guilford and Mecklenburg).  | 600,000 NR<br>State Aid                                    |
| 10. Transportation - Elderly:<br>Support for new transportation services for the elderly and handicapped. Funds are to be allocated according to transportation development plans based upon formula as follows: 50 percent divided equally among counties; 22 1/2 percent based upon number of elderly in county; 22 1/2 percent based upon number of handicapped in county; and 5 percent based upon a population density factor. | 2,000,000 NR<br>Transfer From<br>Highway Fund<br>State Aid |
| <i>DIVISION OF HEALTH SERVICES:</i>   |  |
| 11. Family Physicians and Obstetricians:<br>Provide support for program which is designed to compensate family physicians and obstetricians who provide service in those counties which are underserved.  | 240,000 NR<br>State Aid                                    |
| 12. Obstetrical Education:<br>Provide support to the Mountain Area Health Education Center to develop a pilot program in obstetrical education including an OB/GYN residency program, operation of a high risk maternity clinic, fellowships in obstetrics for family practitioners, and training of nursing students and other residents.  | 480,000 NR<br>State Aid                                    |
| 13. Environmental Health Funds:<br>Provide support in assisting local health departments in providing high quality environmental health program.  | 300,000 NR   |
| 14. AIDS:<br>(a) Provide grants to counties and district health departments for the education and counseling relating to the prevention and treatment of AIDs.  | 250,000 NR<br>State Aid                                    |

	1988-89 GENERAL FUND
<b>DEPARTMENT OF HUMAN RESOURCES (1988 ACTIONS, Continued)</b>	
(b) Allow use of federal indirect cost funds to support a public health program administrator, a public health physician and a secretary to manage and support the non-administrative positions in the AIDS program.	\$ 219,789 (4) Receipts
15. Sickle Cell-Funds:	
(a) Expansion of program's activities.	200,000 NR State Aid
(b) Support for Mecklenburg's community based sickle cell centers (H 2643, H 2494).	1,000 NR State Aid
16. DIVISION OF SCHOOLS FOR THE DEAF AND BLIND:	
Adjustments to Prior Appropriations:	
(a) Transportation funds reduction due to increased usage of school vans to transport children to and from home on weekends and the decreased usage of contracted bus services.	(150,000)
(b) Reduction in budgeted utilities due to a reduced base for the 1987-88 year.	(100,000)
(c) Reduction in the salary increases and teacher pay equalization reserve funded by the 1987 Session due to overbudgeting for actual need.	(538,470)
17. Visually Impaired Program:	100,000
Establish a pilot program in conjunction with the Department of Child Development at the University of North Carolina at Greensboro. Program is to serve visually impaired children from birth to five years of age.	
<i>DIVISION OF SOCIAL SERVICES:</i>	
18. Federal Financial Participation Rate:	
Adjustment in needs at state level due to a reduction from 68.68% to 68.01% effective October 1, 1988 in the aid to Families with Dependent Children Program, the IV-E Foster Care, and Adoption Assistance Programs.	
Receipts (Federal)	(985,981)
Receipts (County)	492,991
Equalizing Payment	<u>(84,149)</u>
Appropriation	577,139
19. Foster Care Assistance Program:	
Adjustment to the budgeted boarding home payments due to lower level of needs experienced in 1987-88.	(100,000)
20. Win Transfers:	
Adjustment to the transfer to the Employment Security Commission for the Work Incentive Program due to a reduction in federal funding thereby requiring less state match.	(130,000)
21. Child Support Enforcement Collections:	
Reduction in appropriation requirements due to collections exceeding the level budgeted.	
Receipts	400,000
Appropriation	(400,000)
22. Adoption Subsidy Program:	
Adjustment in funds budgeted based upon lower expenditure rate than originally projected.	(200,000)



1988-89  
GENERAL  
FUND

DEPARTMENT OF HUMAN RESOURCES (1988 ACTIONS, Continued)

23. Domiciliary Care Rate Increase: Increase rates for ambulatory care from \$654 to \$687 per month and to raise rates for semi-ambulatory care from \$687 to \$721. Rate increase is to take effect January 1, 1989.	\$ 736,021
24. Companions/Governor's One-on-One Volunteer Program: Support for program in Lincoln County (S 1840, S 1714).	5,000 NR State Aid
<i>STATE AID TO NON-STATE AGENCIES:</i>	
25. Catholic Social Ministries, Inc.: Continuation of 1987-88 funding which included this unit among the institutions designated as Child Caring Institutions.	39,807 State Aid
26. United Cerebral Palsy of North Carolina: Grant to support programs for disabled children.	230,000 NR State Aid
27. Children's Home Society of North Carolina: Grant to support the Society's Inter-Agency Placement Program.	200,000 NR State Aid
28. Autism Society of North Carolina: Additional one-time grant for the summer camp program.	262,000 NR State Aid
29. Last Chance for Children Program: Provide grant to Jackson County which is to be used along with the 1987-88 appropriation which is to be used for the purchase of property and construction of a residential treatment facility for this program.	75,000 NR State Aid
30. The Relative, Inc. Support for purchasing and renovating of a permanent home for this family crisis and intervention/counseling center in Charlotte (H 2643, H 2272 and H 2425)	18,000 NR State Aid
<i>DIVISION OF MEDICAL ASSISTANCE:</i>	
31. Federal Financial Participation Rate: Adjustment in needs at state level due to as reduction in the rate from 68.68% to 68.01% effective October 1, 1988.	
Receipts (Federal)	5,300,000
Receipts (County)	<u>800,000</u>
Appropriation	4,500,000
32. Medicare Part B Coverage: Additional support to cover the increase in premiums for eligible Medicaid recipients. Rates increased 28% effective January 1, 1988 and another larger increase is anticipated.	
Total	9,470,240
Receipts (Federal)	4,058,074
Receipts (County)	<u>811,825</u>
Appropriation	4,600,341

1988-89  
GENERAL  
FUND

DEPARTMENT OF HUMAN RESOURCES (1988 ACTIONS, Continued)

33. Catastrophic Health Coverage:	
Support for needs to implement the provisions of the Federal Catastrophic Health Coverage Act of 1988 (HR 2470).	
(a) Administrative and start-up costs.	\$ 400,000
(b) Reserve for program costs to be allocated on February 1, 1989.	4,500,000
<i>DIVISION OF MENTAL HEALTH:</i>	
34. Adjust Institutional Patient Receipts:	4,132,471
Adjustment in projected receipts at various mental institutions.	
Appropriation	(4,132,471)
35. Child Mental Health Funds:	1,000,000
Support for the community-based services developed in accordance with the Child Mental Health Plan and to alleviate the over-census conditions of the adolescent unit at Cherry Hospital.	State Aid
36. Chronically Mentally Ill:	1,000,000
Additional support to be allocated on a per capita basis.	State Aid
37. Group Homes for the Mentally Ill:	1,495,000 NR
Start-up funds for 23 group homes for the mentally retarded approved by the U. S. Department of Housing and Urban Development.	State Aid
38. First Step Farm for Women:	285,000 NR
Funds for planning and development of a program to serve women from Charlotte to the Tennessee Line. Program is to be patterned after the First Step Farm Program for Men.	State Aid
39. Blue Ridge Mental Health Funds:	692,000 NR
Grant of \$667,000 for renovation and addition to facility; and, a grant of \$25,000 for planning a satellite facility.	State Aid
40. ADAP Grants:	2,620,500 NR
Grant of \$500 for each state allotted slot (5,241) to be used for building and/or equipment.	State Aid
41. ICF/MR Group Homes:	240,000 NR
Start-up costs for five Intermediate Care Facilities for the Mentally Retarded (Gaston 2; Cabarrus 2; and Stanly 1).	State Aid
42. Grants to Other Local Programs as Follows:	
a. Tri-County Area Authority in Rowan County for operating costs of its area services and programs (H 2643, H 2484).	30,000 NR State Aid
b. "Kelly Street, U.S.A." boarding home and the "Crossroads" Alternative living projects, provided the sum of \$35,000 is raised from private and local public sources in Rowan, Davie, and Iredell Counties (S 1840, S 1863).	69,000 NR State Aid
c. Myrover-Reese Fellowship Home, Inc., for construction of a new home to be used as facility for substance abusers (S 1840, S 1572).	11,000 NR State Aid

1988-89  
GENERAL  
FUND

DEPARTMENT OF HUMAN RESOURCES (1988 ACTIONS, Continued)

*DIVISION OF FACILITY SERVICES:*

- |  |                         |
|--|-------------------------|
| 43. Bingo Law License Transfer:<br>Reserve for the purpose of transferring the responsibility for issuing Bingo Licenses from the Department of Revenue as required by Chapter 866 of the 1987 Session Laws. | \$ 25,000 NR            |
| 44. Caswell County Family Medical Center:<br>Grant to be used to construct an extension to the Caswell County Family Medical Center to help meet the health care needs of the area.                          | 145,000 NR<br>State Aid |

*DIVISION OF BLIND SERVICES:*

- |   |        |
|---|--------|
| 45. Domiciliary Care Rate Increase:<br>Increase rate for ambulatory care from \$654 to \$687 per month and to raise rate for semi-ambulatory care from \$687 to \$721. Rate increase is to take effect January 1, 1989. | 31,034 |
|---|--------|

*DEPARTMENT WIDE:*

- |  |                        |
|--|------------------------|
| 46. Locally Mandated Programs:<br>Increase of four and one-half percent salary increase for state-funded local programs. | 6,026,103<br>State Aid |
|--|------------------------|

*DIVISION OF VOCATIONAL REHABILITATION:*

- |   |                           |                                 |
|---|---------------------------|---------------------------------|
| 47. Increase in estimated federal receipts, reflecting an increase in federal allocation. | Receipts<br>Appropriation | 1,000,000<br><u>(1,000,000)</u> |
|---|---------------------------|---------------------------------|

<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 28,317,544</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$924,929,964</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 859:**

- |            |  |
|------------|--|
| Section 13 | <b>Transfer of TEACCH Carry-over Funds</b> - Directs the transfer of the last remaining funds in the Department of Human Resources' budget for this program serving autistic adults to the University of North Carolina which now is responsible for this program. |
| Section 16 | <b>Mosquito and Vector Control Program</b> - Prohibits the Department of Human Resources from transferring funds from the Mosquito and Vector Control Program, for any purpose unless authorized by the General Assembly.  |
| Section 17 | <b>Model Education Transition Program Funds</b> - Corrects last year's provision by allowing this program to expend funds appropriated last year over two years as was originally intended.  |
| Section 18 | <b>Southeastern Regional Area Mental Health, Mental Retardation, and Substance Abuse Program's Adult Developmental Activities Program Funds</b> - The ADAP program funded last year in Section 67, HB 1515, encountered delays in beginning                        |

**DEPARTMENT OF HUMAN RESOURCES (1988 ACTIONS, Continued)**

operation. Allows the funds to be carried forward and used for the same purpose during 1988-89.

**Section 19**      **Black Mountain Repair Funds** – Reallocates funds left over from the renovation of the Moore Wing of the Black Mountain Center to repair two small houses for office space use.

**House Bill 2641:**

**Section 39**      **Low Level Radio Waste Management** – Directs that \$100,311 of the \$2.0 million appropriated to the Department of Administration be transferred to the Division of Facility Services, Radiation Protections Section for the performance of its responsibilities relative to the siting, design, and licensing of a low level radio active waste disposal facility.

**Section 127**     **Lenox Baker Transfer/Technical Correction** – Corrects a technical drafting error regarding the transfer of the Lenox Baker Hospital last year to Duke University. Inadvertently, the Board of the School for the Deaf was abolished instead of the Lenox Baker Board.

**Section 128**     **Caswell County Family Medical Center** – Specifies that \$145,000 be used to better help the county meet its critical health care needs.

**Section 129**     **Prevention Programs Funds** – Repeats the provision in last year's bill allocating Block Grant funds for pregnancy prevention projects and requires the programs receiving these funds to report evaluative information to the Department of Human Resources.

**Section 130**     **Respite Care Program** – Changes existing language to make it possible for poor citizens in all counties to participate, if it meets their needs. The current language prohibits persons from receiving respite care services if they are eligible for Medicaid, regardless whether they are living in a waiver or non-waiver county.

**Section 131**     **Health Promotion Funds** – Changes the reporting date.

**Section 132**     **Medicaid Services and Payment Bases** – Raises pharmacy dispensing fees paid by the Medicaid program by 5%.

**Section 134**     **Youth Substance Abuse Services Plan Development** – Requires Block Grant funds to be spent according to the Youth Substance Abuse Plan adopted by last year's General Assembly.

**Section 135**     **Eastern Region Detox Funds** – Allocates Block Grant funds to four non-hospital based medical detox programs which were in need of additional operating funds.

**Section 137**     **Waste Water Disposal and Treatment Study** – Provides funds to Craven County to be used for technical assistance to study their wastewater disposal and treatment problems and requires the Division of Health Services to conduct a review of the wastewater disposal and treatment processes in Brunswick, Craven, and Pender Counties.

**Section 138**     **Alcohol Rehabilitation Center Study** – Requires the Department of Human Resources to conduct a review of the Alcoholic Rehabilitation Center and to study the feasibility of eliminating the medical component from the Centers' programs.

**Section 139**     **Community Work Experience Program** – Directs the Department of Human Resources Division of Social Services to expand the Community Work Experience Program to seven additional counties.

**Section 140**     **Pilot Program for Children** – Directs the University of North Carolina to allocate funds for the development of a pilot program to train professionals to work in public

**DEPARTMENT OF HUMAN RESOURCES (1988 ACTIONS, Continued)**

- sector mental health programs and to provide treatment services for emotionally disturbed children.
- Section 141      **Catastrophic Health Coverage** – Allocates funds for implementation of the Medicaid portion of the federal Catastrophic Health Coverage Act of 1988.
- Section 142      **Federal Funds/Vocational Rehabilitation Allocation** – Allows the Department of Human Resources to use available federal funds totaling \$2,993,085, to provide services requested by counties for: local school transition services for handicapped school age children; a program to assist Social Security disability recipients; funds to expand the supported employment programs to employed handicapped persons; funds to allow sheltered workshops serving the blind establish new projects; and to purchase computer equipment for local vocational rehabilitation unit offices.
- Section 143      **"ACCESS" Position** – Allows the Department of Human Resources to use up to \$37,050 of receipts from the sale of personalized license plates for a position to oversee the requirements of printing and distributing the ACCESS manual to handicapped persons.
- Section 144      **Lifeguardianship Program for the Developmentally Disabled** – Reallocates funds from the Prescription Drug Program which are not needed due to decreased demand for the program and directs them to the Lifeguardianship Program for the Developmentally Disabled in order to continue programs begun last year.
- Section 146      **Child Foster Care Positions** – Authorizes the Division of Social Services to create two positions in the Child Foster Care Program.
- Section 148      **Chronically Mentally Ill Funds** – Requires the Department of Human Resources to allocate new funds for the Chronically Mentally Ill on a regional per capita basis and instructs the regional management teams to allocate these funds within each region.
- Section 148.3      **Maternal and Child Health Programs** – Changes the reporting date for this program.
- Section 148.4      **Inflationary Increases in State Aid to Local Agencies** – Provides for the Jordan-Adams inflationary increases for local programs.
- Section 148.5      **Prescription Drug Funds for Disabled** – Reduces the funding level to what is needed for the Prescription Drug Program for those terminated from the Social Security Disability Program and increases the funding for the toll-free hot line which provides information to citizens on their rights under the Social Society Disability Program.
- Section 148.6      **Willie M.** – Changes the reporting date for this program.
- Section 148.8      **Pioneer Project Reimbursement Authorization** – Allows the Department of Human Resources to change the method of reimbursing the five area program participating in the Pioneer Project from a slot basis to a unit cost reimbursement system for these specific services.
- Section 148.9      **Group Home Program Funds** – Allows the Department of Human Resources to extend the use of funds appropriated for 1988-89 for the start-up of 8 group homes for the mentally ill to 9 additional group homes recently approved for federal construction funds.
- Section 148.10     **Child Mental Health Funds** – Specifies that the \$1 million in new funds for child mental health services appropriated this year shall be spent in accordance with the Child Mental Health Plan adopted last year by the General Assembly and in accordance with the Division of Mental Health's plan to alleviate the over-census condition on the adolescent unit at Cherry Hospital.

**DEPARTMENT OF HUMAN RESOURCES (1988 ACTIONS, Continued)**

- Section 148.11 **Catholic Social Ministries Grant-in-Aid** – Directs that continuing funds to Catholic Social Ministries be continued among those institutions designated Child Caring Institutions.
- Section 148.12 **In-Home Aging Services** – Provides funds for in-home services, such as chore services, to enable the frail elderly to remain in their own communities and avoid institutionalization.
- Section 148.13 **Caregiver Support** – Provides funds that assist family caregivers of elderly persons with disabilities, whether physical or mental, who want to remain in their communities rather than be institutionalized. Services such as respite care, adult day care, senior companion, and other related activities that meet the needs of the elderly will be provided.
- Section 148.14 **Pre-School Visually Impaired Program** – Allows for the transfer of funds, within the budget for the schools for the deaf and blind, to continue to provide educational services to pre-school visually impaired children.
- Section 148.15 **Extended Nursing Home Care** – Includes private duty nursing among authorized services under the Medicaid Program.
- Section 148.16 **Aging Federal Matching Funds** – Requires the Department of Human Resources, Secretary's Office, to provide the state matching requirement to draw down federal funds for in-home services for the elderly, including those with Alzheimer's Disease.
- Section 148.17 **Intermediate Care Facility Group Homes for the Mentally Retarded** – Provides start-up costs for 5 ICF/MR group homes in Gaston, Cabarrus and Stanly Counties.
- Section 148.18 **Funds for Environmental Health Programs & Services** – Directs that \$300,000 be used for the purpose of establishing pilot programs, through local health departments, to address environmental health program needs.
- Section 149 **Last Chance for Children Funds** – Addresses additional funds which are needed for the construction of a residential facility for the treatment of emotionally disturbed children.
- Section 150 **Last Chance for Children Funds/Transfer** – Transfers funds appropriated last year for the construction of a facility for the treatment of emotionally disturbed children from the Department of Human Resources to Jackson County.
- Section 151.1 **Mountain Area Program** – Directs the Mountain Area Health Education Center to develop a pilot program in obstetrical education, including an OB/GYN residency program, operation of a high risk maternity clinic, fellowships in obstetrics for family practitioners, and training of nursing students and other residents.
- Senate Bill 257:**
- Section 39 **Non-Medicaid Reimbursement** – Makes adjustments to the economic needs level for persons that may be seeking services, through the Division of Services for the Blind's Medical Eye Care Program and the Division of Vocational Rehabilitation's Case Services.
- Section 39.1 **Nurse Midwife Services** – Includes nurse midwives among providers eligible for direct reimbursement from the Medicaid program.
- Section 39.2 **NCMH Directors Liability Correction** – Extends immunity from civil liability for monetary damages to a director, trustee or officer of North Carolina Memorial Hospital.

**DEPARTMENT OF HUMAN RESOURCES (1988 ACTIONS, Continued)**

- Section 39.3**      **Rural Obstetrical Care Incentive** – Provides for the establishment of a pilot program to compensate family physicians and obstetricians who agree to provide prenatal and obstetrical services in counties underserved with regard to these services.
  
- Section 40**        **Visually Impaired Children's Funds** – Allows for the establishment of a pilot program in conjunction with the UNC-Greensboro, Department of Child Development, for visually impaired pre-schoolers.
  
- Section 40.1**     **Surry-Yadkin Psychiatric Inpatient Funds** – Directs use of funds for psychiatric inpatient services for the Surry-Yadkin MH/MR/SAS programs.
  
- Section 40.3**     **Delete Repeated Aging Program** – Makes technical changes to language previously drafted in other bills.
  
- Section 40.4**     **Sickle Cell Funds** – Addresses additional funding for the Sickle Cell Program.
  
- House Bill 781:**
  
- Section 11**        **Domiciliary Care Rate Increase** – Raises the domiciliary care rates by 5% effective January, 1989.
  
- Section 12**        **State/County Special Assistance for Adults** – Appropriates funds for rising costs in the State/County Special Assistance for Adults Program.
  
- Section 13**        **Septage Management Fees** – Appropriates to DHR receipts collected pursuant to Chapter 1058 of the 1987 Session Laws and provides that these receipts be used to establish and implement the NC Septage Management Program.
  
- Section 14**        **Birth Defects Registry Funding** – Allows the Division of Health Services to use up to \$36,000 of Vital Records receipts for the Birth Defects Registry.

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**DEPARTMENT OF INSURANCE**

Statutory Authority: General Statutes, Chapter 58

The Department of Insurance is authorized to regulate insurance rates, to license companies and agents, and to check on their operations in the public interest. It also helps the insurance industry by weeding out dishonest operators, and by investigating cases of fraud by policy holders or embezzlement and fraud by company agents. The department serves as the fire and casualty insurance company for state government, enforces the state's building codes, helps set up community fire departments and rescue squads, and helps train emergency workers.

The Department is under the administration of the Insurance Commissioner who is elected to serve a four-year term. As an elected State Official, the Commissioner is a member of the Council of State.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$10,205,565	\$10,224,107

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

- |  |            |            |
|--|------------|------------|
| 1. Reduce reserve of \$5,988 and related benefits by one-half. | (\$ 3,549) | (\$ 3,554) |
|--|------------|------------|

*ADMINISTRATION:*

- |  |           |           |
|--|-----------|-----------|
| 2. Eliminate funding of Health Advisory Board. Reduce various operating expense lines. | ( 87,345) | ( 87,672) |
|--|-----------|-----------|

*COMPANY SERVICES:*

- |  |           |           |
|--|-----------|-----------|
| 3. Reduce travel and employee educational expense. | ( 20,385) | ( 20,385) |
|--|-----------|-----------|

*AGENT SERVICES:*

- |   |           |           |
|---|-----------|-----------|
| 4. Abolish Insurance Agent Examiner position.                               | ( 29,029) | ( 29,072) |
|   | (1)       | (1)       |
| 5. Reduce travel, supplies, subscriptions and employee educational expense. | ( 7,645)  | ( 7,645)  |

*CONSUMER SERVICES:*

- |   |           |           |
|---|-----------|-----------|
| 6. Reduce travel, telephone-toll, printing and data processing equipment. | ( 12,900) | ( 12,900) |
|---|-----------|-----------|

*INVESTIGATIONS:*

- |                   |          |          |
|-------------------|----------|----------|
| 7. Reduce travel. | ( 7,138) | ( 7,138) |
|-------------------|----------|----------|

*ENGINEERING:*

- |                     |          |          |
|---------------------|----------|----------|
| 8. Reduce printing. | ( 9,611) | ( 9,611) |
|---------------------|----------|----------|

*FIRE AND RESCUE SERVICES:*

- |   |           |           |
|---|-----------|-----------|
| 9. Reduce various operating expense lines such as travel, printing and postage. | ( 16,803) | ( 16,803) |
|---|-----------|-----------|



	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF INSURANCE (1987 ACTIONS, Continued)</b>		
<i>SPECIAL SERVICES:</i>		
10. Reduce travel.	(\$ 5,256)	(\$ 5,256)
<i>PUBLIC AND PROFESSIONAL RISK MANAGEMENT:</i>		
11. Reduce travel.	( 8,000)	( 8,000)
<i>RESERVES AND TRANSFERS:</i>		
12. Continue support for grants to local fire districts.	<u>200,000</u>	<u>200,000</u>
<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 7,661)	(\$ 8,036)
<b>TOTAL POSITION REDUCTION</b>	(1)	(1)
<b>REVISED BASE BUDGET</b>	\$10,197,904	\$10,216,071
*****		
<b>EXPANSION BUDGET</b>		
<i>ADMINISTRATION:</i>		
1. Expand automated systems by adding one Analyst Programmer and increasing funding for service and maintenance contracts.	\$74,071 (1)	\$81,718 (1)
<i>MEDICAL DATABASE COMMISSION:</i>		
2. (a) Reappropriate 1986-87 funds.	50,000 NR	-
(b) Provide support for the data processing contractual needs.	796,173 (1)	832,466 (2)
<i>CONSUMER SERVICES:</i>		
3. Fully implement the Senior Health Insurance Information Program .	33,047 (1)	41,769 (1)
<i>INVESTIGATIONS:</i>		
4. Add a financial examiner.	45,413 (1)	54,550 (1)
<i>ENGINEERING:</i>		
5. Expand staff to assist the Building Code Council.	13,236 (1)	17,650 (1)
<i>FIRE AND RESCUE SERVICES:</i>		
6. Add staff for certification of fire departments to reduce residential fire insurance premiums.	80,115 (3)	100,000 (3)
<i>N. C. HEALTH INSURANCE COMMISSION:</i>		
7. Provide support for the Commission which will be organized for the purpose of making economic health insurance available to individuals employed by small business.	10,000 NR	-
<b>TOTAL OPERATING EXPANSION</b>	<u>\$1,102,055</u>	<u>\$1,128,153</u>

	1987-88 General Fund	1988-89 General Fund
DEPARTMENT OF INSURANCE (1987 ACTIONS, Continued)		
TOTAL POSITIONS	(8)	(9)
TOTAL OPERATING APPROPRIATIONS	\$11,299,959	\$11,344,224

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**1988 LEGISLATIVE ACTIONS**  
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TOTAL OPERATING APPROPRIATIONS - 1987 SESSION		1988-89 General Fund
NO BUDGET CHANGES		\$11,344,224

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1988**

**House Bill 2641:**

- Section 52      **Insurance Positions** - Transfers a position from Company Services to Special Services to audit and examine collection agencies.
- Section 53      **Insurance Funds Merger** - Merges the Investigations and Special Services divisions into a new division entitled Field Services.
- Section 54      **Mobile Home Warranty Program** - Authorizes the Department of Insurance to use other available funds if receipts in the Mobile Home Monitoring Program are insufficient to continue the program.

**OTHER LEGISLATION:**

- House Bill 300    **Volunteer Rescue Squad Funds** - Creates Volunteer Rescue Squad Fund with the proceeds from a 20¢ fee increase for motor vehicle safety inspection. Rescue squads may receive one grant per fiscal year, not to exceed \$15,000, to be used for equipment purchases or capital expenditures. These funds are to be matched on a dollar-for-dollar basis with non-state funds.
- House Bill 2648    **Manufactured Housing Board Licenses** - Section 2 of this bill raises the maximum fee for a license issued by the Manufactured Housing Board from \$25 to \$300. Section 3 raises the maximum fee for a supplemental license from \$50 to \$300.

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## JUDICIAL DEPARTMENT

Statutory Authority: General Statutes, Chapter 7A

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

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1987-88 General Fund	1988-89 General Fund
	\$146,906,939	\$150,606,115

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**1987 LEGISLATIVE ACTIONS**  
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### BASE BUDGET REDUCTIONS

#### *SALARY RESERVE:*

1. Reduce reserve and related benefits by one-half.	(\$ 297,267)	(\$ 297,719)
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#### *SUPERIOR COURT:*

2. Reduce funds for juror fees.	( 50,000)	( 50,000)
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#### *PUBLIC DEFENDER SERVICES:*

3. Delete support for two unfilled Assistant Public Defender positions and one Judicial Investigator I position.	( 113,910) (3)	( 114,080) (3)
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#### *RESERVE AND TRANSFERS:*

4. Continue support for the 1986-87 salary increases awarded to assistant and deputy clerks and magistrates.	2,611,877	2,615,844
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<b>TOTAL BASE BUDGET REDUCTIONS</b>	<b>\$ 2,150,700</b>	<b>\$ 2,154,045</b>
<b>TOTAL POSITION REDUCTION</b>	<b>(3)</b>	<b>(3)</b>
<b>REVISED BASE BUDGET</b>	<b>\$149,057,639</b>	<b>\$152,760,160</b>

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### EXPANSION BUDGET

#### *DEPARTMENT-WIDE:*

1. Provide support for new Judicial Department personnel	\$ 1,573,760 (87)	\$ 3,498,895 (136)
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2. Judicial Longevity Pay for 15+ Years' Service for Public Defenders, Assistant District Attorneys & Public Defenders, and State Employee Longevity Pay for Magistrates	200,000	200,000
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#### *SUPERIOR COURT:*

3. Provide funds to support HB 589 for: 1) one additional superior court judge;	-	223,613 (13)
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	1987-88 General Fund	1988-89 General Fund
<b>JUDICIAL DEPARTMENT (1987 ACTIONS, Continued)</b>		
2) conversion of nine regular judgeships to senior judgeships;		
3) ten additional secretaries;		
4) one deputy clerk; and		
5) one court reporter)		
<i>JUVENILE PROBATION AND AFTERCARE:</i>		
4. Provide continuation support for the intensive juvenile probation program established by Sec. 111 of Ch. 757 of the 1985 Session Laws	\$ 226,000	\$ 226,000
<i>OFFICES - CLERKS OF SUPERIOR COURT:</i>		
5. Provide support for automation of General Ledger Accounting for Clerks of Superior Court	100,000 NR	593,375 NR
6. Provide support for repair of Court Record Books in the Offices of Clerks of Superior Court	100,000 NR	100,000 NR
<i>OFFICE - DISTRICT ATTORNEY:</i>		
7. Provide word processing systems for Public Defenders and District Attorneys	272,202	33,600
8. Provide data processing equipment for the District Attorney's Office in the 17A prosecutorial district (H 1424)	15,000 State Aid	-
<i>DISPUTE SETTLEMENT CENTERS:</i>		
9. Additional grant-in-aid support for the following:		
(a) Orange County	1,500 State Aid	1,500 State Aid
(b) Buncombe County	5,000 State Aid	8,900 State Aid
(c) Chatham County	1,500 State Aid	1,500 State Aid
(d) Wake County	16,000 State Aid	16,000 State Aid
(e) Durham County	20,000 State Aid	25,000 State Aid
(f) Guilford County	15,750 State Aid	16,540 State Aid
(g) Henderson County	18,000 State Aid	20,000 State Aid
(h) Iredell County	14,200 State Aid	15,620 State Aid
(i) Forsyth County	18,000 State Aid	19,800 State Aid

	1987-88 General Fund	1988-89 General Fund
<b>JUDICIAL DEPARTMENT (1987 ACTIONS, Continued)</b>		
(j) Cumberland County	\$ 32,000 State Aid	\$ 32,000 State Aid
(k) Mecklenburg County	23,000 State Aid	25,000 State Aid
(l) Reserve for Gaston, Anson, & Robeson Counties	-	50,000 State Aid

**RESERVES AND TRANSFERS:**

10. Provide support for Gaston Custody Mediation Center - pilot program	45,000 NR State Aid	-
11. Provide support for an independent study and evaluation of intensive juvenile probation program funded above, the Youth and Family Counseling Service for continuing the Grimes Alternative Program in the Lexington City Schools, and the Bringing It All Back Home Study Center at Appalachian State University for continuing its home remedies community based alternative program for undisciplined juveniles and their families	60,000 NR	-
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 2,756,912</b>	<b>\$ 5,107,343</b>
<b>TOTAL POSITIONS</b>	<b>(87)</b>	<b>(149)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$151,814,551</b>	<b>\$157,867,503</b>

\*\*\*\*\*

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1987**

**House Bill 1514:**

- Section 123      **Superior Courts Judges** - Adds two special superior court judges effective August 1, 1987 and expiring December 31, 1990. Provides for the election in 1990 of two additional superior court judges for terms beginning January 1, 1991.
- Section 126      **District Court Judges** - Adds one new district court judge, effective December 1, 1988 in the following districts: 3, 5, 7, 10, 11, 16, 18, 19B, 21, 25, and 26.
- Section 127      **Assistant District Attorneys** - Adds an assistant district attorney in the 11th, 25th, 27A, 27B, and 29th districts.
- Section 128      **Assistant Public Defenders** - Provides that \$106,353 in 1987-88 and \$141,435 in 1988-89 be used from the Indigent Persons' Attorney Fee Fund to fund three additional assistant public defender positions.
- Section 129      **Assistant Appellate Defenders** - Provides that \$70,970 in 1987-88 and \$90,900 in 1988-89 from the Indigent Persons' Attorney Fee Fund be used to support two new assistant appellate defenders.
- Section 132      **Creditable Service** - Amends creditable service requirement for emergency judges from twelve to eight years.

**JUDICIAL DEPARTMENT (1987 ACTIONS, Continued)**

**House Bill 1515:**

- Section 15      **Court Information System** - Provides that the Judicial Department may use funds available to it for the 1987-89 biennium to expand the court information system.
- Section 16      **Mecklenburg/Gaston Custody Mediation Programs** - Extends the Mecklenburg Custody Mediation program to June 30, 1988 and establishes the Gaston Custody Mediation Program.
- Section 17      **Applicability of Fee Increase** - Clarifies applicability of increased parole/probation fees for persons under supervision.

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**1988 LEGISLATIVE ACTIONS**  
 \*\*\*\*\*

	<b>1988-89 General Fund</b>
<b>TOTAL OPERATING APPROPRIATIONS 1987 SESSION</b>	<b>\$157,867,503</b>

**OFFICE - CLERK OF SUPERIOR COURT:**

- 1. Deletion of receipts budgeted for collecting child support. Federal reimbursement will be deposited as a non-tax revenue.
- |               |                  |
|---------------|------------------|
| Receipts      | <u>(200,000)</u> |
| Appropriation | 200,000          |

**SUPERIOR COURT:**

- 2. Support for an additional Superior Court Judgeship, to be established in Judicial District 16B, effective January 1, 1989. 60,600  
(1)
- 3. Increase in the yearly travel allowance by \$500 per year for each superior court judge. 36,500 NR

**LEGAL COUNSEL:**

- 4. Support to pay 1987-88 costs for legal representation for indigent persons; and to increase the present year's level to that required for 1987-88. 2,400,000 NR  
3,663,000 NR
- (Reserve)

**CUSTODY MEDIATION CENTERS:**

- 5. Support for continuing the Gaston Custody Mediation Center as a pilot program for another year. 53,500 NR  
State Aid
- 6. Provide support for the Buncombe County Mediation Center. 15,000 NR  
State Aid

**JUDICIAL DEPARTMENT (1988 ACTIONS, Continued)**

**1988-89  
General  
Fund**

**DISTRICT COURT**

7. Support for a chief district court judge in District Court 16A, and a district attorney and an administrative assistant in Prosecutorial District 16A.

46,811 NR

**TOTAL OPERATING EXPANSION**  
**TOTAL POSITIONS**

\$6,475,411  
(1)

**TOTAL OPERATING APPROPRIATIONS**

\$164,342,914

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 859:**

Section 2 **Gaston Custody Mediation Center** - Extends Gaston County Custody Mediation Center project through June 30, 1989.

**House Bill 2641:**

Section 30(b) **Superior Court Judge Expenses Allowance** - Increases travel and per diem from \$6,500 to \$7,000 per year for superior court judges.

Section 31 **Emergency Judge Per Diem** - Increases per diem for emergency judges from \$100 to \$150 per day.

Section 109 **Death Penalty Resource Center** - Provides that the Judicial Department may use \$191,505 from the Indigent Persons' Attorney Fee Fund for the Death Penalty Resource Center.

Section 111 **Assistant District Attorneys** - Adds one assistant district attorney position in each of the following prosecutorial districts: 3A, 17A, 19A, 19B, and 21.

Section 112 **Technical Correction/Judicial Elections** - Specifies how new district court judge in District Court District 16A shall be appointed and elected.

Section 113: **Indigent Persons' Attorney Fee Fund** - Authorizes the Administrative Office of the Courts to allot funds by a formula for indigent counsel fees by county or judicial districts where superior and district court districts are the same. Requests the AOC to develop a fee schedule for attorneys of indigents and to report on that schedule to the 1989 General Assembly. Requires the clerk of court to make efforts to verify that the person is indigent.

**Senate Bill 257:**

Section 11 **Special Judge Term of Office** - Allows term of office to be extended for special superior court judges who will attain five years of membership service under GS 135-53(12) in 1990.

Section 11.1 **Indigent Persons' Attorney Fee Fund** - Repeals GS 7A-456(c) as enacted by Section 113(c) of Chapter 1086, 1987 Session Laws.

Section 12 **Current Operating Expenses** - Allows the Administrative Office of the Courts to use up to \$1,454,854 of its certified budget to meet additional current operating expenses in FY 1988-89.

**JUDICIAL DEPARTMENT (1988 ACTIONS, Continued)**

- Section 13**      **Warehouse and Printing Equipment** - Transfers \$50,488, from funds appropriated for FY 1988-89 for automation of general ledger accounting for clerk of court offices, to be used for equipment for the warehouse and printing services.
- Section 14**      **New Deputy Clerk Positions** - Authorizes the AOC to use available FY 1988-89 funds to establish new deputy clerk of court positions.
- Section 15**      **Longevity Pay** - Authorizes the Director and the Assistant Director of the Administrative Office of the Courts to receive judicial longevity.
- Section 16**      **Clerks of Court-Longevity Pay** - Allows Clerks of Court to receive longevity credit for assistant clerk service.
- Section 17**      **Clerks of Court Population Salary Classification** - Amends the population salary classification for Clerks of Court.
- Section 17.2**    **Add Magistrates** - Increases the maximum number of magistrates allowed for Tyrrell and Stokes Counties by one each.

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**DEPARTMENT OF JUSTICE**

Statutory Authority: General Statutes, Chapter 114

The head of the department is the Attorney General who is elected for a four-year term and who, as an elected official, serves on the Council of State. The Department provides legal and law enforcement services to state agencies, local government, and the citizens of North Carolina.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$ 40,077,825	\$ 40,018,811

\*\*\*\*\*  
**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce reserve and related benefits by one-half.	(\$ 47,877)	(\$ 47,949)
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*LEGAL SERVICES:*

2. Reduce Consultant Fees.	( 102,646)	( 102,646)
3. Reduce Travel funds.	( 2,000)	( 16,000)
4. Reduce funds for purchase of copy machine.	( 44,428)	-

*STATE BUREAU OF INVESTIGATION:*

5. Reduce Overtime Pay and related benefits.	( 123,530)	( 123,710)
6. Reduce Workmen's Compensation.	( 10,424)	( 10,424)
7. Reduce Service Contracts.	( 75,000)	-
8. Reduce Other Expenses.	( 150,000)	( 150,000)
9. Reduce funds for Motor Vehicle replacement.	( 125,000)	( 125,000)
10. Reduce funds for equipment.	( 51,000)	( 51,000)

*JUSTICE TRAINING AND STANDARDS:*

11. Reduce funds for supplies.	( 41,000)	( 41,000)
12. Reduce funds for Motor Vehicle replacement.	( <u>56,200</u> )	( <u>67,000</u> )

<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 829,105)	(\$ 734,729)
<b>TOTAL POSITION REDUCTION</b>	-	-
<b>REVISED BASE BUDGET</b>	\$ 39,248,720	\$ 39,284,082

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**EXPANSION BUDGET**

*GENERAL ADMINISTRATION:*

1. Provide grant-in-aid for law enforcement at the public access and camping areas during peak use time at Jordan Lake and Kerr Lake:

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF JUSTICE (1987 ACTIONS, Continued)</b>		
Chatham County	\$ 25,000	\$ -
Vance County	State Aid 25,000	-
	State Aid	
<b>LEGAL SERVICES:</b>		
2. Provide continuation funding for Attorney II to handle State Land Claims.	51,522	51,622
3. Additional operating funds for computerized legal research, maintenance contracts on office automation, intern program, and office expenses in the Legal Services Section.	197,800	202,440
4. Add two (2) Paralegal II positions in Special Litigation Division to assist with case preparation.	39,622 (2)	49,966 (2)
5. Provide funding for a Utility Accountant II to support legal staff on regulatory issues.	34,204 (1)	43,384 (1)
6. Employ an Attorney III to pursue federal and state Escheat funds.		
Requirement	38,551	46,892
Less Receipt	38,551	46,892
Appropriation	-	-
	(1)	(1)
7. Provide an Attorney II and one Attorney I to assist with increased caseload in the Appellate Section.	33,230 (1)	77,738 (2)
8. Upgrade quality of Federal Habeas Corpus defense cases with the addition of an Attorney I position.	28,798 (1)	34,814 (1)
9. Attorney I and Paralegal I in the Tort Claims Section to meet the demands of increased school bus accident cases.	48,765 (2)	61,975 (2)
10. Provide support for a new attorney position to assist Department of Labor with increasing workload of OSHA cases.	36,790 (1)	45,514 (1)
11. The Consent Judgment for the Gingles v. Edmisten/Thornburg was finalized on March 18, 1987. It prescribes that the defendants shall pay to counsel for the plaintiffs \$859,087.00 as a reasonable award of attorneys' fees, costs and expenses. Payment is contingent upon an appropriation by the General Assembly during the First Session of its 1987 Session, with interest to accrue after July 1, 1987. Interest is set at 8% per annum.	870,600 NR	-
<b>LAW ENFORCEMENT SERVICES (SBI):</b>		
12. Increase travel, educational supplies, and printing funds for law enforcement officer development.	49,300	52,200
13. Increase operating funds for SBI obligations incurred since budget was prepared for leased space, line costs and other expenses.	157,775	157,775

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF JUSTICE (1987 ACTIONS, Continued)</b>		
14. Provide support for office space rental.	\$ 60,000	\$ -
15. Provide equipment for SBI Lab critically needed to provide prompt and thorough analysis mandated by North Carolina law (Sec. 18, H 1515, Ch. 830 redirects that \$66,626 for 1987-88 and \$79,208 for 1988-89 be used to implement the Fuel Marketing Act.)	523,363 NR	331,608 NR
16. Additional personnel for the SBI Lab and necessary equipment.	173,326 (6)	391,820 (10)
	246,030 NR	173,330 NR
17. Provide additional personnel in Division of Criminal Information to support increased use of systems by law enforcement and criminal justice users.	108,046 (4)	170,600 (5)
<b>JUSTICE TRAINING AND STANDARDS:</b>		
18. Secretary IV and Agency Legal Specialist to provide increased clerical support for the Law Enforcement Liaison Unit.	48,298 (2)	59,058 (2)
19. Provide additional support for the Sheriff's Training and Standards Council.	21,000	-
Total Requirements - Expansion	2,817,020	1,950,736
Less Receipts - Expansion	<u>38,551</u>	<u>46,892</u>
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 2,778,469</b>	<b>\$ 1,903,844</b>
<b>TOTAL POSITIONS</b>	<b>(21)</b>	<b>(27)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$42,027,189</b>	<b>\$41,187,926</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

Section 134      **SBI Commemorative Badge** - Allows the State Bureau of Investigation to use \$10,000 of the FY 87-88 funds to design and procure a special badge for members of the State Bureau of Investigation to commemorate the fiftieth anniversary of the Bureau. Also, authorizes the use of FY 87-88 funds for the preparation and publishing of a history of the State Bureau of Investigation to commemorate the fiftieth anniversary of the Bureau.

Section 136      **Jail And Detention Services Transfer** - Directs the Departments of Human Resources and Justice to study the feasibility of transferring the jail and detention unit standard and inspection services from the Department of Human Resources to the Department of Justice. Requires departments to report their findings and recommendations to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by March 15, 1988.

DEPARTMENT OF JUSTICE (Continued)

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$41,187,926</b>
<i>LEGAL SERVICES:</i>	
1. Funds for paying the attorney's fees awarded in compliance with the Consent Judgment of Gingles vs. Thornburg which was finalized on March 18, 1987.	133,800 NR
<i>LAW ENFORCEMENT SERVICES (SBI):</i>	
2. Continuation support for the SBI's participation in the Drug Awareness Resistance Education Program (DARE).	274,328 104,005 NR
3. Support for rental expense of the Capital District Office.	47,116 NR
<i>GENERAL ADMINISTRATION:</i>	
4. Grant-in-aid for law enforcement at the public access and camping areas during peak use time at Jordan Lake and Kerr Lake:	
Chatham County	25,000 NR State Aid
Vance County	25,000 NR <u>State Aid</u>
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 610,249</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$41,798,175</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 859:**

Section 10      **Corporate Law Study Commission** - Provides that the \$15,000 appropriated in 1987-88 for the Commission to revise the Business Corporation Act will not revert, that findings will be reported to the 1989 General Assembly and work will terminate upon adjournment sine die of the 1989 General Assembly.

**House Bill 2641:**

Section 115      **Use of Seized and Forfeited Property Transferred to State Law Enforcement Agencies By the Federal Government** - Specifies that the General Assembly shall review and approve the use of federal funds from the Drug Enforcement Agency to the Department of Justice for the SBI and the Department of Crime Control and Public Safety for the Highway Patrol as a result of assistance in enforcement of drug trafficking laws.

Section 116.1    **Uniform Laws Commission Funds** - Directs that \$20,000 from the Contingency and Emergency Fund be allocated to the Department of Justice for travel to necessary meetings for the Commission.

**DEPARTMENT OF JUSTICE (1988 ACTIONS, Continued)**

**Section 117**      **SBI Lab to be Located on Garner Road Campus** – Directs that SBI Laboratory will be built on the Garner Road Campus.

**Senate Bill 257:**

**Section 17.3**      **SBI Facility Technical Correction** – Rewrites Section 117 of H 2641 to state “facility” rather than laboratory.

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**DEPARTMENT OF LABOR**

Statutory Authority: General Statutes Chapter 95

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

This department's duties include administering and enforcing state laws that affect people at work, administering the OSHA program, enforcing safety and health conditions in mines and quarries, and enforcing safety regulations for elevators, amusement rides, and boilers. Other duties include promoting and supervising apprenticeship and on-the-job training programs, and establishing license requirements for private employment agencies.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$6,377,407	\$6,375,241

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce salary reserve of \$13,455 and related benefits by one-half.	(\$ 7,974)	(\$ 7,988)
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*BOILER INSPECTION:*

2. Increase budgeted receipts due to a 1986 fee increase.	( 50,000)	( 50,000)
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*APPRENTICESHIP TRAINING:*

3. Eliminate Administrative Officer I position in Apprenticeship Division vacant since 1-15-86.	( 24,278) <u>(1)</u>	( 24,322) <u>(1)</u>
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<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 82,252)	(\$ 82,310)
<b>TOTAL POSITION REDUCTION</b>	(1)	(1)

<b>REVISED BASE BUDGET</b>	\$6,295,155	\$6,292,931
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**EXPANSION BUDGET**

*DEPARTMENT-WIDE:*

1. Funds for departmental travel, telephone and postage.	\$ 84,109	\$ 114,832
2. Funds to purchase office furniture and equipment for the Seaboard and Labor Buildings.	-	50,000 NR

*BOILER INSPECTION DIVISION:*

3. Provide support for an additional Boiler Inspector and operating support.	41,762 Receipts (1)	48,690 Receipts (1)
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*ELEVATOR INSPECTION DIVISION:*

4. Two additional elevator inspectors and operating support.	91,324 (2)	105,180 (2)
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	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF LABOR (1987 ACTIONS, Continued)</b>		
<i>OSHA DIVISION:</i>		
5. Provide full State funding for two Safety Inspectors, two Industrial Hygienists, one Clerk and additional operating support.	\$ 155,740 (5)	\$ 163,854 (5)
Total Requirement - Expansion	<u>\$ 372,935</u>	<u>\$ 482,556</u>
Less Receipts - Expansion	<u>41,762</u>	<u>48,690</u>
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 331,173</b>	<b>\$ 433,866</b>
<b>TOTAL POSITIONS</b>	<b>(8)</b>	<b>(8)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$ 6,626,328</b>	<b>\$ 6,726,797</b>

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**1988 LEGISLATIVE ACTIONS**

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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$6,726,797</b>
<b>NO BUDGET CHANGES</b>	

**OFFICE OF THE LIEUTENANT GOVERNOR**

Statutory Authority: North Carolina Constitution,  
Articles 11 and 111;  
General Statutes Chapters 143A  
and 147.

Under the provisions of the Constitution the Lieutenant Governor is an elected officer of the state. He is President of the Senate and presides over that body, but has no vote unless the Senate is equally divided. The authority and duties of the Lieutenant Governor and his capacity as President of the Senate are prescribed by the Senate Rules.

In accordance with the General Statutes, the Lieutenant Governor serves on the Council of State, the Commission on Interstate Cooperation, the Commission on Indian Affairs, the North Carolina Land Policy Council, the State Board of Education, and the Economic Development Board.

The salary for the Lieutenant Governor is set in the Budget Appropriations Act and his annual expense allowance in the General Statutes.

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**1987 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$522,962	\$523,594
<b>BASE BUDGET REDUCTIONS</b>		
<i>ADMINISTRATION:</i>		
1. Reduce Travel.	(\$ 10,459)	(\$ 10,472)
<b>REVISED BASE BUDGET</b>	<b>\$512,503</b>	<b>\$513,122</b>
*****		
<b>EXPANSION BUDGET</b>		
1. Extend the North Carolina Commission on Jobs and Economic Growth.	\$200,000 <u>(2)</u>	<u>-</u>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$712,503</b>	<b>\$513,122</b>
*****		

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

Section 149 **Jobs and Economic Growth Commission** - Extends the life of the North Carolina Commission on Jobs and Economic Growth until June 30, 1989.



OFFICE OF THE LIEUTENANT GOVERNOR (Continued)

\*\*\*\*\*  
**1988 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

	<b>1988-89 General Fund</b>
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$ 513,122</b>
1. Continue funding the North Carolina Commission on Jobs and Economic Growth until December 31, 1988, in order for the Commission to complete its work and publish final recommendations for the 1989 General Assembly.	<u>40,793</u> NR
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$ 553,915</b>

**DEPARTMENT OF NATURAL RESOURCES  
AND COMMUNITY DEVELOPMENT**

Statutory Authority: General Statutes, Chapter 143B-278

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

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$63,407,287	\$63,369,005

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**1987 LEGISLATIVE ACTIONS**  
\*\*\*\*\*

**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

- |  |              |              |
|--|--------------|--------------|
| 1. Reduce salary reserve and related benefits. | (\$ 105,835) | (\$ 126,094) |
|--|--------------|--------------|

*SOIL AND WATER CONSERVATION:*

- |   |            |            |
|---|------------|------------|
| 2. Eliminate funds for Broad Creek water quality study.                         | ( 132,000) | ( 132,000) |
| 3. Reduce the Agriculture Cost Share Program from \$3 million to \$2.9 million. | ( 100,000) | ( 100,000) |

*COASTAL ZONE MANAGEMENT:*

- |   |           |           |
|---|-----------|-----------|
| 4. Reduce National Oceanic Atmospheric Association Use Planning based on the Department's 97% budget by one-half. | ( 58,835) | ( 58,835) |
|---|-----------|-----------|

*MARINE FISHERIES:*

- |                                     |           |   |
|-------------------------------------|-----------|---|
| 5. Reduce motor vehicle operations. | ( 66,400) | - |
|-------------------------------------|-----------|---|

*WATER QUALITY CONTROL:*

- |  |           |           |
|--|-----------|-----------|
| 6. Increase water quality permit fees and reduce the General Fund Appropriation. | ( 35,000) | ( 35,000) |
|--|-----------|-----------|

*LAND RESOURCES:*

- |                          |           |           |
|--------------------------|-----------|-----------|
| 7. Reduce support funds. | ( 50,000) | ( 50,000) |
|--------------------------|-----------|-----------|

*COMMUNITY SERVICE GRANTS:*

- |  |           |           |
|--|-----------|-----------|
| 8. Reduce level of funding to Community Action Agencies to \$900,000 | ( 85,000) | ( 85,000) |
|--|-----------|-----------|

*FORESTATION:*

- |  |                    |                    |
|--|--------------------|--------------------|
| 9. Increase Forestry receipts and reduce State appropriations for 2 Forest Technician positions. | ( 40,519)<br>(2.0) | ( 40,590)<br>(2.0) |
| 10. Reduce Forest Development Act funding from \$800,000 to \$700,000 per year.                  | ( 100,000)         | ( 100,000)         |

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT (1987 ACTIONS, Continued)</b>		
<i>FORESTRY FIELD ORGANIZATION:</i>		
11. Reduce motor vehicle operations.	(\$ 87,176)	(\$ 85,806)
<i>ENVIRONMENTAL MANAGEMENT:</i>		
12. Reduce support funds to Environmental Management.	( 50,000)	( 50,000)
13. Increase receipts from environmental fines and reduce the General Fund appropriation.	( 40,000)	( 40,000)
<i>LABORATORY SERVICES:</i>		
14. Increase lab certification fees and reduce the General Fund appropriation	( 30,000)	( 30,000)
<i>EXECUTIVE AND ADMINISTRATIVE:</i>		
15. Reduce travel in Executive offices, Administrative Services, and Regional offices by 25%.	( 17,415)	( 17,415)
<i>NORTH CAROLINA ZOO:</i>		
16. Reduce data processing services, travel, printing and binding, and equipment and supplies, as recommended in the Department's Level II budget.	( 65,000)	( 65,000)
<i>DEPARTMENT-WIDE:</i>		
17. Eliminate fourteen vacant positions as identified by the Department.	( 275,666) <u>(14.0)</u>	( 276,070) <u>(14.0)</u>
<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$1,338,846)	(\$1,291,810)
<b>TOTAL POSITION REDUCTION</b>	(16.0)	(16.0)
*****		
<b>TRANSFERS:</b>		
1. Transfer from Science and Technology Research Program of the Department of Administration support for grants in the "Pollution Prevention Pays" program.	\$ 150,000	\$ 150,000
2. Transfer funds to the Department of Agriculture from the Division of Marine Fisheries for support of the Seafood Marketing Division.	( 113,000) <u>(3.0)</u>	( 113,000) <u>(3.0)</u>
<b>TOTAL TRANSFERS</b>	\$ 37,000	\$ 37,000
<b>REVISED BASE BUDGET</b>	\$62,105,441	\$62,114,195
*****		
<i>INCREASE IN AVAILABILITY:</i>		
Reduce transfer of sales tax revenue to Wildlife Resources Commission by 2%.	\$ 40,000	\$ 40,000

**DEPARTMENT OF NATURAL RESOURCES  
AND COMMUNITY DEVELOPMENT (1987 ACTIONS, Continued)**

	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
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**EXPANSION BUDGET**

*STATE PARKS:*

1. Funds to provide Trail Coordinators to work in the trails program	\$ 55,122 (4)	\$ 73,496 (4)
2. Funds to provide a park ranger at Waynesborough State Park	13,875 (1)	18,500 (1)
3. Funds to establish an Adopt-A-Trail program to coordinate with local community groups	35,000	35,000
4. Vests for Park Personnel	20,000 NR	
5. Provide two-way radios for all park rangers.	600,000 NR	-

*MARINE FISHERIES:*

6. Funds to conduct fisheries research into the cause and remedy of ulcerated mycosis	75,000 NR	-
7. Funds to continue management, operation or maintenance of artificial reefs owned or operated by North Carolina	50,000 NR	50,000 NR
8. Funds for fisheries development.	75,000	75,000
9. Funds to identify and map shellfish beds and other critical natural resource areas	100,000	100,000
10. Albemarle-Pamlico Estuarine Study Participation State funds to match federal funds to conduct this study	375,000	500,000

*FORESTRY:*

11. Funds to purchase fire suppression unit and operating personnel in Edgecombe, Warren and Duplin Counties	35,121 (2) 452,956 NR	46,828 (2)
12. Helicopter crew additions	40,876 (3)	54,501 (3)

*BLADEN LAKE STATE FOREST:*

13. Funds for the Educational State Forest operation	42,000 (2)	56,000 (2)
14. Funds to continue support for Forest Fire Protection and Forest Management Activities	227,371	227,371

*WILDLIFE RESOURCES COMMISSION:*

15. Funds to improve the management of migratory waterfowl habitat in Hyde County	50,000	50,000
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	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT (1987 ACTIONS, Continued)</b>		
<i>ENVIRONMENTAL MANAGEMENT:</i>		
16. Additional positions and support to evaluate waste disposal permits and resolve problems with leaking fuel tanks resulting in groundwater pollution	\$ 177,402 (8)	\$ 240,334 (8)
17. Funds to provide state supported water supply watershed protection program that provides technical assistance in protecting surface water supplies	67,231 (3)	115,000 (3)
18. Water Classification Studies - Funds to ensure that coastal waters are accurately and appropriately classified to protect the shellfish industry and permit responsible growth and development	86,226 (2)	100,000 (2)
19. Provide support for staff and related costs for program relating to permits and compliance officers-(six month cost)	187,917 (10)	- -
20. Supplant Environmental Receipts with Appropriation - Deposit receipts as General Fund non-tax revenues (Fines, Env. Violations, Lab Services, Air Permits and Water Permits)		
Receipts	(265,000)	(265,000)
Appropriation	265,000	265,000
21. State aid to the Land of Sky Regional Council for water resource management activities related to the French Broad River	40,000 State Aid	40,000 State Aid
<i>SOIL AND WATER CONSERVATION:</i>		
22. Support funds for the Agriculture Cost Share Program and to expand the program to other parts of the State	50,881 (2)	59,808 (2)
(a) 6128 Aid to Counties	660,000 State Aid	60,000 State Aid
(b) 6840 Cost-Sharing	2,915,992 State Aid	1,915,992 State Aid
23. State Aid to the Rural Water Associations for assistance to rural communities	75,000 State Aid	75,000 State Aid
<i>LAND RECORDS MANAGEMENT:</i>		
24. Funds to purchase equipment and to expand program	97,779 (4)	135,041 (4)
Equipment	250,000 NR	-
Grants	150,000 State Aid	200,000 State Aid
25. Provide support for the Natural Heritage Program		
(1) for completion of a Moore County natural areas inventory (H 1515, S 1079) and,	6,000	-
(2) an inventory for Buncombe County (H 1515, H 594)	2,500	-
<i>COMMUNITY SERVICE GRANTS:</i>		
26. Restore base reduction for Community Action Agencies	85,000	-

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT (1987 ACTIONS, Continued)</b>		
<b>TOTAL OPERATING - EXPANSION</b>	\$7,364,249	\$4,492,871
<b>TOTAL POSITIONS</b>	(41)	(31)
<b>TOTAL OPERATING APPROPRIATIONS</b>	\$69,469,690	\$66,607,066

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1987**

**House Bill 1514:**

- Section 139     **Agricultural Cost Share Program** - Directs use of funding for personnel for the Agriculture Cost Share Program for Nonpoint Source Pollution Control to help administer the program.
- Section 150     **Sales Tax Receipts for Wildlife** - Modifies G.S. 105.164.44B by providing that the sales tax receipts collected by the Department of Revenue on hunting and fishing supplies will be transferred quarterly to the Wildlife Resources Commission, with the level of receipts starting at \$1,960,000 for 1987-88.
- Section 151     **Community Service Workers in State Parks** - Directs the Department to continue managing the use of community service workers in development and repair of State Parks. Quarterly reporting to the Joint Legislative Commission on Governmental Operations is required.
- Section 152     **Adopt-A-Trail Program** - Directs the Department to establish an Adopt-A-Trail Program to coordinate with the Trails Committee and local groups or persons on trail development and maintenance.
- Section 154     **Albemarle/Pamlico Estuarine Study** - Specifies that funds be used to match federal funds for the Albemarle/Pamlico Estuarine Study. The Department may submit a request for additional state funds in future years to match additional federal funds.
- Section 155     **DEM Receipts** - Directs that receipts collected by the Division of Environmental Management be deposited directly in the General Fund upon collection. Requires quarterly reports on collections.
- Section 156     **Forestry Camp** - Allocates \$1 million (funds appropriated in Section 2, Chapter 1014, Session Laws of 1985) from a reserve in the Office of Budget and Management for a Youthful Offenders Forestry Camp. These funds will remain available until June 30, 1989 at which time they will revert if unspent. Directs the Departments of Natural Resources and Community Development and Corrections to cooperate in the development and operation of the camp. Requires quarterly reports to the Joint Legislative Commission on Governmental Operations.
- Section 158     **Land Records Management Program** - Rewrites statutes to clarify that the Department of Natural Resources and Community Development operates the Land Records Management Program. Appropriates funds for additional personnel and to purchase a global positioning system to assist in the improvement of county land records.
- Section 159     **Direct Contracting Maximized with JTPA Funds** - Directs the Governor and the State Job Training Coordinating Council to contract directly with the agency or institution capable of providing required services.

**DEPARTMENT OF NATURAL RESOURCES  
AND COMMUNITY DEVELOPMENT (1987 ACTIONS, Continued)**

- Section 160      **JTPA Management Information System Quarterly Updates** – Requires that the JTPA MIS be updated quarterly with finance and program information.
- Section 161      **JTPA State Priorities** – Establishes State priorities for the types of programs and training services provided with JTPA funds.

**House Bill 1515:**

- Section 75      **Pollution Prevention Pays Program Transfer** – Transfers the PPP program from the Board of Science and Technology to the Department of Natural Resources and Community Development.
- Section 98      **Land Records Management Program** – Directs that funding be used for expansion of Land Records Management Grant Program.
- Section 98.1     **Park Lands Fund** – Appropriates \$250,000 for the Beach Access Program from the Reserve for Park Land Acquisition. (See Section 32 of Chapter 795 of the 1987 Session Laws).
- Section 99      **Wastewater Treatment Works Emergency Fund** – Specifies that the provisions of G.S. 143-215.315 and G.S. 143-215.3B as enacted by Chapter 767 of the 1987 Session Laws will prevail over Section 155 of Chapter 738 of the 1987 Session Laws if any conflict occurs.
- Section 101     **Agricultural Cost Share Funds** – Specifies that \$2.9 million will be used to expand the program in the counties in the Neuse, French Broad, Little Tennessee, Hiwassee, and Broad River Basins. Provides \$600,000 for additional technical assistance for farmers.
- Section 102     **Agricultural Cost Share Funds/Non-Reverting** – Amends G.S. 143-215.74 to specify that agriculture cost share funds shall not revert.
- Section 103     **Funds for Tidegates** – Directs that Agriculture Cost Share funds be used for tidegates in Hyde County.
- Section 104     **Community Action Agencies/Administrative Costs** – Allows use of up to 50% of the State appropriations of \$1 million to be used for defraying the administrative expense of non-Community Service Block Grant Funds.
- Section 105     **Councils of Governments Funding** – Allocates \$990,000 of the funds appropriated to the Office of State Budget and Management 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 local governments.

**House Bill 1516:**

- Section 9        **Environmental Lab Report** – Directs the Department of Administration to report to the Joint Legislative Commission on Governmental Operations on the proposed plans and location of the Toxic Metal and Organic Analytical Laboratory prior to determining a site.
- Section 30      **Zoological Park Funds** – Specifies the matching rate to be raised by the Zoological Park Society, and limits the expenditure of State funds to matching amounts raised by the Society.
- Section 31.1    **Clean Water Fund Technical Changes** – Makes technical changes to the Session Laws affecting the Clean Water Funds appropriated in 1985.

**DEPARTMENT OF NATURAL RESOURCES  
AND COMMUNITY DEVELOPMENT (1987 ACTIONS, Continued)**

- Section 32      **Park Land Acquisition** – Allocates Park Land Acquisition Funds placed in a reserve by Section 23(h) of Chapter 1014 of the 1985 Session Laws (1986 Regular Session): \$1,975,000 to purchase park land at Lake James, \$500,000 to purchase park land for Eno River State Park are specified, with the remainder being used to purchase areas specified in Section 126(b) of Chapter 757.
- Section 33      **Civil Works Projects** – Allocates \$1.4 million for civil works projects.
- House Bill 2:**
- Section 9      **Lake James State Park** – Creates and establishes the Lake James Park pursuant to the provisions of Chapter 243 of the 1987 Session Laws. Requires report to the Joint Legislative Commission on Governmental Operations prior to entering in contracts for this park.
- Section 10      **Park Lands Funds** – Further amends Section 32 of Chapter 795 of the 1987 Session Laws to provide that \$80,000 for 1987-88 and \$100,000 for 1988-89 from the Park Land Acquisition Reserve be used for the operation of Lake James State Park. (See specified section)
- Section 11      **Purchase of Natural Areas** – Amends Section 32(3) of Chapter 795 of the 1987 Session Laws to allow the non-specified funds from the Park land Acquisition Reserve to be used to purchase natural areas. (See specified section)

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**1988 LEGISLATIVE ACTIONS**  
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	<b>1988-89 General Fund</b>
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$66,607,066</b>
<i>COMMUNITY SERVICE GRANTS:</i>	
1. Restoration of base reduction for Community Action Agencies (previously restored for 1987-88 only)	85,000 NR State Aid
<i>NORTH CAROLINA ZOO:</i>	
2. Support for staff, operating funds, and equipment for the medical center which is scheduled for completion in August, 1988	310,878 (5)
<i>SOIL AND WATER CONSERVATION:</i>	
3. Support funds for the Agriculture Cost Share Program at the 1987-88 level	
(a) 6128 Aid to Counties	600,000 State Aid
(b) 6840 Cost-Sharing	1,000,000 State Aid
<i>MARINE FISHERIES:</i>	
4. Increase for development of the oyster fishery	150,000 NR



	1988-89 General Fund
<b>DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT (1988 ACTIONS, Continued)</b>	
5. Support to establish and maintain an artificial reef in the waters off Carteret County	\$ 100,000 NR
<i>POLLUTION PREVENTION PAYS:</i>	
6. Increase in contracted services - grants	150,000 NR
<i>FORESTRY:</i>	
7. Provide support for radios	500,000 NR
<i>STATE PARKS:</i>	
8. Support for a consulting contract with North Carolina State University	158,000 NR
<i>LAND RECORDS MANAGEMENT:</i>	
9. Funds for the Buncombe County Nature Areas Survey to complete the county-wide survey of important natural areas and rare species habitats (S1840: S1815)	7,000 NR State Aid
<i>RESERVES AND TRANSFERS:</i>	
10. Transfer to the Department of Administration funds to match a federal grant to be used for the purchase of part of Masonboro Island (S1840: S1844)	100,000 NR
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 3,160,878</b>
<b>TOTAL POSITIONS</b>	<b>(5)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$69,767,944</b>

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#### SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988

##### House Bill 2641:

- Section 157      **Authorization for Use of Water Quality Fees** - Appropriates \$819,350 in water quality fees to the Department to retain previously funded positions and add new positions for permitting and monitoring activities related to water quality. Mandates quarterly reports to JLCGO and Fiscal Research beginning September 30, 1988.
- Section 158      **Waynesborough Park Matching Requirement** - Allows funds previously appropriated for construction of an amphitheater at this park to be matched on the basis of two State dollars for every local dollar.
- Section 159      **Authorization for Use of Air Quality Fees** - Appropriates \$150,000 to the Department to add positions for permitting and monitoring activities related to air quality. Mandates quarterly reports to JLCGO and Fiscal Research beginning September 30, 1988.
- Section 160      **Civil Works Projects** - Appropriates \$503,000 to the Department for various civil works projects (Beaufort Harbor (\$75,000), Wilmington Harbor (\$300,000), New River Inlet (\$28,000), and Morehead City Harbor (\$100,000).

**DEPARTMENT OF NATURAL RESOURCES  
AND COMMUNITY DEVELOPMENT (1988 ACTIONS, Continued)**

- Section 161      **Zoological Park Funds** - Requires appropriation of \$3.5 million for use by the Zoo be matched by the Zoo Society with \$875,000.
- Section 161.3    **Limitation on Use of Water and Sewer Grant Funds** - Places limits on how grants and loans for 88-89 shall be used. Also see Section 37 of SB 257, Chapter 1100 of the 1987 Session Laws (1988).
- Section 161.4    **Buxton Woods Funds** - Mandates the use of \$300,000 of a previous State Parks appropriation in the purchase of land at Buxton Woods in Dare County.

**House Bill 781:**

- Section 8.1      **Noncommercial Leaking Petroleum Underground Storage Tank Clean-Up Fund** - Transfers \$4 million from Highway Fund to this Fund. See also House Bill 1304, Chapter 1035, 1987 Session Laws (1988), Section 6.

**Senate Bill 257:**

- Section 29 (a)(1) **Community Action Agencies** - Reallocates \$85,000 of SBI funds to the Department for Community Action Agencies. Also see Section 35, below.
- Section 31      **Pisgah Fish Hatchery Building** - Authorizes the Wildlife Resources Commission to use funds, not to exceed \$156,000, for construction of a laboratory complex at Pisgah Forest Fish Hatchery. A report to the JLCGO is required before funds are to be spent.
- Section 32      **Clean Water Grant Explanation** - Allocations made by the General Assembly for water and sewer grants are made notwithstanding Chapter 159G of the General Statutes.
- Section 35      **Community Action Program Funds** - Authorizes the use of Community Services Block Grant funds for the administration of agency programs. Limitations apply and mandated reports must be made to the General Assembly by February 15, 1989 and quarterly thereafter to the JLCGO. Requires that \$33,000 of the appropriation be used for additional personnel to administer and monitor federal and state grants to these agencies. Also see Section 29 (a) (1) above.

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**DEPARTMENT OF PUBLIC EDUCATION**

Statutory Authority: General Statutes, Chapter 115C

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

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

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$2,358,493,121	\$2,360,810,840

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

- |                                 |            |            |
|---------------------------------|------------|------------|
| 1. Reduce salary reserve funds. | (\$ 5,000) | (\$ 5,000) |
|---------------------------------|------------|------------|

*DEPARTMENT OF PUBLIC EDUCATION:*

- |  |           |           |
|--|-----------|-----------|
| 2. Reduce office furniture and equipment in the outside evaluator project. | ( 78,000) | ( 78,000) |
|--|-----------|-----------|

*CONTROLLER'S OFFICE:*

- |  |            |            |
|--|------------|------------|
| 3. Reduce administrative expenses for data processing software purchases and contracted personal services. | ( 180,000) | ( 180,000) |
|--|------------|------------|

*PUBLIC SCHOOL FUND:*

- |  |              |              |
|--|--------------|--------------|
| 4. Reduce average salary costs and average daily membership due to revised estimates.  | ( 3,342,465) | ( 3,342,465) |
| 5. Reduce repair parts, tires, etc.  | ( 1,400,000) | ( 1,400,000) |
| 6. Reduce cost of gasoline purchase due to reduction in projected price per gallon.  | ( 1,000,000) | ( 1,000,000) |
| 7. Reduce Other Expenses in central office and plant operation.  | ( 200,000)   | ( 200,000)   |
| 8. Reduce funds for the Career Development Pilot Projects due to a change in the projected annual salary.  | ( 1,500,000) | ( 1,500,000) |
| 9. Reduce budgeted needs to the Center for the Advancement of Teaching. This is intended to be only a temporary reduction in this budget until the Center at Western Carolina University is fully operational. | ( 1,464,000) | ( 1,464,000) |
| 10. Continue Preschool Screening/Evaluation Program pilot in fifteen LEAs.   | 287,000      | 287,000      |

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF PUBLIC EDUCATION (1987 ACTIONS, Continued)</b>		
11. Continue Alcohol and Drug Defense Grants.	\$ 250,000	\$ 250,000
12. Continue Drop-Out Prevention Grants (3 @\$45,000 each).	135,000	135,000
13. Continue Children's Trust Fund.	250,000	250,000
14. Staff Development:		
Reduce workshops support and in-service training.	<u>(544,022)</u>	<u>(544,022)</u>
<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 8,791,487)	(\$ 8,791,487)
<b>TOTAL POSITION REDUCTION</b>	-	-
<b>REVISED BASE BUDGET</b>	\$2,349,701,634	\$2,352,019,353

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#### INCREASE IN AVAILABILITY

##### TRUST AND LOAN FUND:

One-time reduction in unemployment and compensation reserve balance.	(\$ 9,000,000)	-
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#### EXPANSION BUDGET

<b>1. BASIC EDUCATION PROGRAM</b>		
a. Reduce Class Size Grades 10-12. Class size allotment will be 1-29 FY 87-88 1-28 FY 88-89.	\$ 7,232,505	\$ 7,074,099
b. Enhance Programs by Adding Additional Teachers in Grades K-12. Individual programs to be expanded are at the discretion of the local school units.	39,398,860	88,045,761
c. Eliminate Internal Caps for Funding Handicapped Students. Funding now at an overall cap of 12.5%.	7,548,980	7,548,980
d. Funds for Handicapped and Gifted Students 18, 19, and 20 Years Old. Funds not previously appropriated specifically for children in these age groups.	5,044,220	5,044,220
e. Related Services Funds for Exceptional Children. Provides such services as visual screening, psychological services, and audiometric services.	-	18,000,000
f. State Funding/Vocational Education Teachers. State takeover of previously locally paid salary matching funds.	20,713,858	40,656,017
g. In-school Suspension/Dropout Prevention. Expands programs in high schools, junior highs, and middle schools.	2,089,015	4,184,221
h. Remedial Summer School. Grades 1-4,6,8 in FY 87-88 and Grades 1-11 in FY 88-89.	4,424,294	17,404,563
i. Instructional Support Personnel. Includes additional counselors, school nurses, psychologist, social worker, and librarian.	3,027,558	12,128,177

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF PUBLIC EDUCATION (1987 ACTIONS, Continued)</b>		
j. Assistant Principal Positions. Allotted on the basis of 1-700 Average Daily Membership (ADM).	4,139,943	8,258,466
k. Additional Clerical Positions. Adds approximately 848 positions in FY 87-88 and 1702 in FY 88-89.	\$14,781,071	\$29,501,052
l. Staff Development Funds. Allotted on the basis of \$100 per state funded position.	5,475,219	5,904,990
m. Instructional Materials and Supplies. Funded on \$25 per ADM; currently \$21.50 per K-3 ADM; \$12 per 4-6 ADM	9,259,827	10,575,010
n. Assistant/Associate Superintendent Positions. 192 additional positions.	-	4,200,545
o. Additional Textbook Funds. \$22 per ADM. Currently \$20 per ADM.	2,016,326	2,007,648
SUBTOTAL - BASIC EDUCATION PROGRAM	\$125,151,676	\$260,533,749
2. Career Development: Provide funds to continue the existing 16 pilot projects.	12,034,803	26,097,441
3. Hold harmless those LEA's losing assistant principals under the Basic Education Program (Sec. 89, H 1515, Ch. 830)	1,447,294	706,818
4. Textbooks for exceptional children, including the production of Braille, large print, and audio-cassette copies of textbooks	400,000	400,000
5. Student Information Management System (SIMS) Funds. Expands SIMS program into junior high and middle schools. SIMS allows automated class scheduling, grade reports, and other record keeping previously done manually.	1,777,772	1,719,026
6. Funds to local schools to implement uniform financial reporting system requirements. Continues and expands legislatively mandated payroll report requirements, and establishes a uniform accounting and reporting system.	500,000 500,000 NR	1,050,000 1,050,000 NR
7. Community Schools Funds. Provides for inflationary increases in the program.	479,400	479,400
8. Distance Learning by Satellite - Provide support for a telecommunication specialist, a secretary and support staff and to establish one satellite earth station at the 54 smallest and most rural schools in the state and to establish one satellite earth station in each county not receiving one as smallest and most rural unit. (Sec. 188, H 1514, Ch. 738)	1,998,150	1,030,000
9. Governor's School. Provides for inflationary increase in the program.	50,000	50,000
10. School Health Coordinators - Provide support for ten additional positions (Sec. 187 of H 1514, Ch. 738)	371,970	371,970

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF PUBLIC EDUCATION (1987 ACTIONS, Continued)</b>		
11. Lead Teacher Pilot Program – program is to consist of six schools in counties of Haywood, Stanly, and Granville. Support includes funds for a salary differential for lead teachers, funds for half-time replacements for lead teachers, and funds for training and program development and related costs (Sec. 205, H 1514, Ch. 738)	\$ 450,000	\$ 450,000
12. (a) Teaching Fellows (400 new scholarships in each year of the biennium at \$5,000 each)	2,000,000	4,000,000
(b) Department Scholarships (\$1.2m in Base Budget) Sec. 198, H 1514, Ch. 738 establishes program. Two hundred scholarships to be granted.	State Aid 349,922	State Aid 349,922
(c) Juniors Program (50 new scholarships each year)	200,000	400,000
	State Aid	State Aid
13. Strengthen Teacher Education – Support for quality assurance program improvement, teacher certification and program approval and reform of teacher education programs	455,000	780,000 300,000 NR
14. \$250 stipend for teachers completing the effective teacher training program	9,068,000 NR	–
15. Child Nutrition Staff Training Pilot Program – Support for staff development in the areas of financial management, food production, meal service and nutrition education. Grant of \$500 is to be provided for each local school administrative unit.	280,000 NR	–
16. Principles of Technology: provide support for a demonstration program in the Northampton County, Halifax County, and Weldon city school administrative units.	170,000	128,000
17. Support for the Youth and Family Counseling Service for continuing the Grimes Alternative Program in the Lexington City Schools	45,000 State Aid	45,000 State Aid
18. Funds to provide grants to the following twelve administrative units to permit these units to take advantage of opportunities for educational enrichment programs: Counties of Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Polk, Swain, and Transylvania; and city systems of Tryon and Henderson	40,000 State Aid	–
19. Transfer from the Division of Health Services, Lenox Baker Hospital, support for three twelve-month teaching positions for the Durham County School system (Sec. 9, Ch. 856 of 1987 Session Laws)	91,523	91,523
20. Teachers with Masters Degrees: provide support for salary schedule placement due to earning of degree (Sec. 26, H 2, Ch. 876)	1,010,000	–
21. Transportation Information Management Funds		
Total	300,000	775,000
Receipts: Exxon Settlement Funds	300,000	775,000
Appropriation	–	–

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF PUBLIC EDUCATION (1987 ACTIONS, Continued)</b>		
22. Support for six staff positions and related expenses is to be allocated from the Public School Building Capital Fund. Staff is to work with local administrative units in assessing facility needs and conducting final inspection of construction projects (Sec. 178, H 1514, Ch. 738)	\$ 215,250	\$ 287,000
Total Receipts: Public School Building Fund	215,250	287,000
Appropriation	=	=
<b>TOTAL OPERATING EXPANSION</b>	<b>\$158,870,510</b>	<b>\$300,032,849</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$2,508,572,144</b>	<b>\$2,652,052,202</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1987**

**House Bill 1514:**

- Section 176      **Equipment funds** – Allocates \$1,000,000 in 1987-88 in equal amounts to each kindergarten class in North Carolina for equipment.
- Section 177      **Child Nutrition funds** – Specifies that \$280,000 appropriated to Department of Public Education be used for staff development for local food service personnel.
- Section 178      **School Planning** – Allocates funds from the Public School Building Capital Fund to the Department of Public Education for additional personnel in the Division of School Planning to work with local school units on school construction projects.
- Section 179      **Dropout Prevention Study** – Requires the State Board of Education to study the relationship between academic achievement in grades K-6 and school dropouts.
- Section 180      **No Testing in Grades 1 and 2** – Deletes the requirement for annual testing in grades 1 and 2, and requires the State Board of Education to “provide developmentally appropriate individualized assessment instruments consistent with the Basic Education Program for first and second grades.”
- Section 181      **Class size** – Revises procedures for requesting, reporting, and adjusting class size loads in local school units. All adjustments under this provision must be reported to the Governor and the General Assembly by April 15 of each year.
- Section 185      **CPR Training** – Requires local boards of education to provide instruction in cardiopulmonary resuscitation (CPR) and the Heimlich maneuver.
- Section 187      **School Health Coordinators/Bicycle Safety Instruction** – Provides that \$371,970 in each year of the biennium be used for ten school health coordinators. Also requires bicycle safety training in appropriate geographical areas.
- Section 188      **Distance Learning Program Funds** – Provides that \$1,998,150 in 1987-88 and \$1,030,000 in FY 88-89 be used for earth satellite stations in 54 local schools, and one station in each county without a station.
- Section 189      **Textbooks for Handicapped Children** – Requires the State Board of Education to adopt basic textbooks for handicapped children. Requires that all textbook contracts include a provision granting the state a license to produce Braille, large print, and audio-cassette copies of the textbooks. Provides that \$400,000 in each year of the biennium be used for modified textbooks. Requires report to Governmental Operations Commission on number of children without appropriate textbooks.

**DEPARTMENT OF PUBLIC EDUCATION (1987 ACTIONS, Continued)**

- Section 198**      **Scholarship Loans for Prospective Teachers** – Establishes a scholarship loan program in the Department of Public Education for prospective teachers with \$1,600,000 being appropriated in each year for 200 scholarships per year. Each scholarship is in the amount of \$2,000 per year.
- Section 205**      **Lead Teacher Pilot Program** – Establishes a lead teacher pilot program in six schools in three counties. Pilot projects will operate from July 1, 1987 – June 30, 1989. Provides that \$450,000 appropriated in each year of the biennium be used to implement the program.
- Section 206**      **Outside Evaluator Program, Career Development, and Lead Teacher Programs Evaluated** – Requires the Joint Legislative Commission on Governmental Operations to conduct an evaluation of the three pilot programs listed above prior to June, 1989.
- Section 207**      **Teacher Effectiveness Training** – Specifies that \$9,068,000 be used for \$250 stipends to certified public school employees who 1) as an employee of the public schools have already completed effective Teacher Training, and 2) will be teaching in the public schools in 1987-88 and who have not yet received the stipend, or 3) who were employed as a State-paid teacher during the 1986-87 school year and successfully complete the training prior to June 1, 1988.
- Section 208**      **Use of Funds for Teachers** – Allows local boards of education some flexibility in the use of Basic Education Program funds, if a school has too few students to provide a teacher to offer a particular class. Changes may be made only with the approval of the State Board of Education, and report to the General Assembly on these alternative uses of funds by February 1 of each year.

**House Bill 1515:**

- Section 86**      **Loan From State Literacy Funds** – Requires the State Board of Education, upon written request of the Pasquotank County Commissioners and the Pasquotank Board of Education, to loan Pasquotank County \$1,000,000 from the State Literacy Fund for public school needs. The loan shall be interest-free and repaid no later than June 30, 1997.
- Section 87**      **Teaching Fellows Commission Scholarships** – Authorizes the Teaching Fellows Commission to award 400 scholarships in each year of the biennium in the amount of \$5,000 to college freshmen, and 50 scholarships in the amount of \$4,000 per year to college juniors. These scholarships will go to students preparing to teach in the public schools of North Carolina.
- Section 88**      **State BEP Funds Shall Not Supplant Local Funds For Schools** – Expresses the intent of the General Assembly that Basic Education Program funds appropriated for vocational education programs and clerical personnel not supplant local funds previously appropriated for this purpose. Local funds, where appropriated, shall continue to be spent for public school operating or capital expenses.
- Section 89**      **Assistant Principal Positions** – Specifies funds be used to hold-harmless those school districts that would lose assistant principal positions under the Basic Education Allocation formula of 1-700 Average Daily Membership. Requires the State Board of Education to study the need for assistant principals and to make recommendations to the Joint Legislative Commission on Governmental Operations by February 1, 1988.
- Section 90**      **Substitute Teacher Pay** – Establishes the rates of pay for substitute teachers as the following:
1. \$35 per day for those persons who have not had effective teacher training.
  2. \$45 per day for those persons who have taken effective teacher training.
  3. \$52 per day for certified teachers.



**DEPARTMENT OF PUBLIC EDUCATION (1987 ACTIONS, Continued)**

Section 91      **Survey of School Clerical Positions** – Requires the Controller of the State Board of Education to survey local school administrative units to determine the number of clerical positions, salaries and fringe benefits, source of funds, and job descriptions. Report to Joint Legislative Commission on Governmental Operations by May 1, 1988.

**House Bill 2:**

Section 3      **Teacher Effectiveness Training Stipend/ Applicability Clarified** – Clarifies Section 207 of HB 1514 to insure that teacher effectiveness stipend is not paid to a teacher employed for the first time as a full-time state-paid teacher in North Carolina public schools during the 1987-88 school year.

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**1988 LEGISLATIVE ACTIONS**  
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	<b>1988-89 General Fund</b>
<b>TOTAL OPERATING APPROPRIATIONS 1987 SESSION</b>	<b>\$2,652,052,202</b>
1. Adult Bus Drivers – Increase from \$4.91 per hour to \$6.10 per hour plus Social Security, retirement, and hospitalization benefits for adult employees to drive school buses due to the discontinuance of the exemption by the U.S. Department of Labor for the use of 17-year-olds as bus drivers. Bus drivers who are full-time employees will be eligible for retirement and hospitalization.	\$18,817,941
2. Average Daily Membership – Adjust projections of 1,086,904 by 2,631 additional students for a total of 1,089,535.	\$2,854,261 (129)
3. Average Annual Salary Adjustment – Adjustment to projected 1988-89 average annual salaries using 1987-88 actual salaries as a base.	(10,000,000)
4. DARE Program (Drug Abuse Resistance Education) – Continuation support for a coordinator, an intervention specialist, two secretaries, and related costs including instructional workbooks and video supplies.	76,398 247,000 NR (4)
5. Alcohol and Drug Defense Program – Support for a phased-in annual plan to provide one teacher and one teacher assistant to Department of Human Resources' treatment sites on the basis of each 10 students.	738,960
6. Prevention/Student Assistance Program – Support for student assistance programs that effective July 1, 1988 became the responsibility of the Public Schools under Chapter 863 of the 1987 Session Laws.	750,000 NR
7. Uniform Education Reporting System – Provide for the completion of the implementation in all school units by allowing the State Board of Education to purchase financial management information services, equipment and software, and data communications capabilities that meet all standards of the Uniform Education Report System.	6,870,000 NR

	1988-89 General Fund
<b>DEPARTMENT OF PUBLIC EDUCATION (1988 ACTIONS, Continued)</b>	
8. Latchkey Program - Provide an incentive grant of \$30,000 to each local school system to establish before- and after-school care programs for children in grades K-9.	4,200,000 NR State Aid
9. State Advisory Council on Indian Education - Provide support for a council to advise the State Board of Education on policy relating to Indian Education.	20,000 NR
10. Salary Increase - Provide a 4.5% salary increase for those programs which are considered as "State Aid" programs.	155,984 NR
11. North Carolina Close-Up Program - Provide an increase in program's support.	10,000 NR
12. Health Adventure - Provide an additional grant which is to be used for capital improvements for health studies program which is operated through the Mountain Area Health Education Center.	15,000 NR State Aid
<b>TOTAL OPERATING EXPANSION</b>	<hr/> \$24,755,544
<b>TOTAL POSTIONS</b>	(133)
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$2,676,807,746</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 2641:**

- Section 77      **Student Assessment/Grades 1 and 2** - Requires the State Board of Education to adopt and provide to local school administrative units individualized assessment instruments consistent with the Basic Education Plan for first and second grades. Local boards may use these assessment instruments, and shall not use standardized tests for first and second grades.
- Section 78      **Summer School/Twelfth Grade** - Allows funds appropriated for remedial summer school to be used voluntarily to provide classes to 12 graders in 1988, and requires remedial summer school for the 12 grade in 1989. Also allows local school boards to use summer school funds to provide SAT preparation courses.
- Section 79      **Staff Development** - Allows funds appropriated for staff development to become available at the beginning of each fiscal year, but funds do not revert until September 30 of each fiscal year.
- Section 80      **Textbook Services/Accounting Support** - Allows use of money in the textbook fund to hire an accountant manager for the textbook warehouse.
- Section 81      **School Custodian Training Program** - Allows use of funds appropriated for school custodians to establish a training program for custodians.
- Section 83      **Flexibility in Use of School Funds** - Requires the Joint Legislative Commission on Governmental Operations to study the feasibility of more flexibility in the use of state allotted school funds.

**DEPARTMENT OF PUBLIC EDUCATION (1988 ACTIONS, Continued)**

- Section 84      **Teacher Certification Staff** – Allows transfer of positions in the Department of Public Instruction to deal with the backlog in teacher certification requests.
- Section 85      **Teachers with Masters Degrees/Salary Increase** – Allows the State Board of Education to award salary increases to persons earning Masters Degrees.
- Section 86      **School Finance Pilot Project Continued** – Continues the School Finance Pilot Projects for one remaining year. Requires the State Board of Education to report to the General Assembly in March of 1989 on the project.
- Section 87      **Use of Funds for Teachers** – Allows local boards of education to utilize Basic Education Program funds to offer classes in alternative settings, if a school has too few students to provide a class as part of the regular program.
- Section 88      **Robeson School Transition Funds** – Requires the Department of Public Education to allocate up to \$200,000 in FY 1988–89 to the Interim School Board of Robeson County. Source of funds will be monies that the board would continue to receive after merger.
- Section 89      **Class Size** – Complete rewrite of North Carolina's class size law. Establishes maximum class size and maximum teaching loads. State Board of Education may under certain circumstances grant waivers from class size requirements or allot additional teachers to a school unit. Penalty for noncompliance.
- Section 90      **Programs For Academically Gifted** – Requires the Department of Public Education to use \$3,000,000 in funds available during FY 1988–89 to provide additional programs for academically gifted students.
- Section 91      **Dropout Prevention/In-School Suspension** – Allows the use of dropout prevention funds to fund eight pilot public-private educational compacts. Targets high risk students.
- Section 92      **School Office Support Personnel** – Establishes a minimum salary of \$1,084 per month for full time office support personnel effective July 1, 1989. The average salary for office support personnel shall be \$1,167 per month.
- Section 93      **Uniform Education Reporting System** – Addressed funds appropriated (\$6,870,000) to complete the implementation of the Uniform Education Reporting System. Allows funds to be used to purchase systems that fully comply with all UERS standards.
- Section 94      **School Transportation Study** – Allows the Controller's Office of the State Board of Education to use up to \$50,000 of school transportation funds to conduct an operational study of the school transportation system.
- Section 95      **Funding of School Facilities Studies** – Requires the Joint Commission on Governmental Operations to study state building and maintenance of all school buildings, and conduct a survey and inventory abandoned school buildings in North Carolina.
- Section 96      **Physical Education Teacher Certification** – Prevents any decrease in the certification standards of physical education teachers below those in effect on June 1, 1988.
- Section 97      **Superintendents Salary/101 Rule Clarified** – Changes the 101 rule governing superintendents salaries to prevent any decrease in state salary during the school year.
- Section 97.1     **Emergency Funds** – Allots funds to Johnston County for mobile classrooms. This provision was repealed by a subsequent provision in Senate Bill 257, which appropriated \$300,000 directly to the Johnston County Board of Education.

**DEPARTMENT OF PUBLIC EDUCATION (1988 ACTIONS, Continued)**

**Section 97.2 School Facility Standards** - Requests the State Board of Education to review the recently adopted public school facility standards. The board is requested to complete any review by December 15, 1988.

**Section 97.3 Before/After School Programs** - Addresses the \$4,200,000 appropriated to the Department of Public Education to establish an incentive grant program for school units that provide before and after school child care to school age children. Department of Public Instruction must report to the General Assembly by March 1989 on implementation of the program.

**Section 97.4 Project Teach Funds** - Allows the use of \$73,000 to maintain Project Teach. The focus of Project Teach is the recruitment of minority students into public school teaching.

**Senate Bill 157:**

**Section 18 Effective Teacher Training Stipend Clarified** - Provides effective teacher training stipend to persons who completed training in 1986-87 and 1987-88 school year, remained in teaching for some period of time, and then retired; teacher aides who were required to take the training while under contract to be teachers in North Carolina; and, persons employed by the Departments of Human Resources and Correction who took the training in 1986-87 or 1987-88 school year.

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**DEPARTMENT OF REVENUE**

Statutory Authority: General Statutes, Chapter 143B

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

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

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

<b>CONTINUATION BUDGET RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$38,645,178	\$38,679,943

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce salary reserve of \$114,900 and related benefits by one-half.	(\$ 68,095)	(\$ 68,199)
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*DEPARTMENT - WIDE:*

2. Reduce the appropriation for the Department in an amount sufficient to yield a one percent reduction.	( 318,357)	( 318,600)
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<b>TOTAL BASE BUDGET REDUCTIONS</b>	<b>(\$ 386,452)</b>	<b>(\$ 386,799)</b>
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<b>REVISED BASE BUDGET</b>	<b>\$38,258,726</b>	<b>\$38,293,144</b>
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**EXPANSION BUDGET**

*ADMINISTRATION:*

1. Increase funds to pay outside collection agencies to collect out-of-state tax accounts.	\$ 35,000	\$ 40,000
2. Establish Internal Audit Unit to monitor all internal accounting, data processing and management systems and procedures to insure consistent auditing standards and procedures and avoid/detect errors or dollar losses and/or criminal acts.	26,312 (1)	34,214 (1)

*MANAGEMENT INFORMATION SERVICES:*

3. Update automation and completion of office Information System Plan and reorganization of the Division.	732,720 (8)	731,733 (10)
4. Reserve to procure replacement equipment, hardware and software, to ensure Revenue's processing capability at the level necessary for performing its statutory responsibilities in the most proficient and cost effective manner. (Special Provision Ch. 738, Sec. 65, 1987 S.L.)	-	1,660,714

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF REVENUE (1987 ACTIONS, Continued)</b>		
<i>GENERAL SERVICES DIVISION:</i>		
5. Replace printing and mail inserting equipment which is in excess of 20 years old and to purchase a laser printer.	\$ 37,000 NR	\$ 26,806 NR
<i>INDIVIDUAL INCOME AND ACCOUNTING DIVISIONS:</i>		
6. Temporary salaries. To fund seasonal employees.	199,910	200,245
<i>SALES AND USE TAX DIVISION:</i>		
7. Provide three temporary employees to microfilm all sales tax documents and eliminate 450 three-drawer filing cabinets.	33,487	33,543
8. Provide support for temporary salaries and benefits for addressing the transition problems resulting from the elimination of the discount allowed taxpayers for collecting the state and local sales tax under Ch. 622 of the 1987 Session Laws. (See 66.(b) of Ch. 738 of the 1987 Session Laws as rewritten by Sec. 85 of Ch. 830).		
Total Requirements:	40,571	-
Less Receipts: Collections Article 5 of Chapter 105	<u>40,571</u>	<u>-</u>
<i>FIELD SERVICES:</i>		
9. Provide computer capability to Field Auditors.	226,087 NR	
10. Expand the foreign audit unit in efforts to increase the collection of Corporate Income and Sales Taxes from out-of-state companies.	115,500 (3)	150,000 (3)
11. Funds for increases in lease payments for field offices.	62,000	62,000
<i>PROPERTY TAX COMMISSION:</i>		
12. Increase travel for Commission members to handle appeals of property tax evaluations.	11,250	15,000
13. Provide two Property Valuation Specialist positions, an Accounting Clerk, and operating support to perform the annual studies of the ratio of the appraised value of real property to its true value for purposes of allocation of the proceeds of the Critical School Facility Needs Fund. Sec. 84 of Ch. 830, 1987 S.L. (H.B. 1515) authorizes the deduction from proceeds of net collections under G.S. 105-213 for fiscal year ending June 30, 1987 to support the administrative expenses.	72,345 (3)	
<i>TAX RESEARCH DIVISION:</i>		
14. Improve the ability to collect and analyze personal and corporate income tax data and the impact of the Federal Tax Reform Act of 1986 on North Carolina state tax revenue.	37,739	50,393

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF REVENUE (1987 ACTIONS, Continued)</b>		
<i>DEPARTMENT-WIDE:</i>		
15. Continue funding departmental operations at the 1986-87 level.	\$ 318,357	\$ 318,600
16. Provide staff and related support for preparing, printing, publishing, and mailing to certain employers revised income tax withholding instructions and returns required due to enactment of Ch. 622 of the 1987 Session Laws and the cost of processing the additional returns. Support is to be retained by the Department from the collections received under Article 4A of Chapter 105 of the General Statutes. (Sec. 66.(a) of Ch. 738 of the 1987 Session Laws as rewritten by Sec. 85 of Ch. 830):		
a) Field Services – support for revenue officers	55,099 (2) Receipts	55,099 (2) Receipts
b) Individual Income Tax – support for revenue officer and clerical	88,164 (4) Receipts	88,164 (4) Receipts
c) Accounting – support for two temporary employees and overtime pay	20,127 Receipts	20,127 Receipts
d) General Services – support for other materials and postage, and office furniture and equipment	25,170 10,971 NR Receipts	25,170 – Receipts
e) Management Information Services –		
(1) support for consultant fees, and	69,320 NR Receipts	– Receipts
(2) support for data processing equipment and temporary salaries	12,401 Receipts	12,401 Receipts
Subtotal (a-e)	281,252	200,961
Receipt: Collections – Article 4A of Chapter 105	281,252	200,961
<b>TOTAL OPERATING EXPANSION</b>	<b>\$1,907,707</b>	<b>\$3,323,248</b>
<b>TOTAL POSITIONS</b>	<b>(19)</b>	<b>(20)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$40,166,433</b>	<b>\$41,616,392</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

Section 65      **Reserve** – Creates Reserve Fund for Management Information Systems and stipulates that the funds shall be allotted to the Department only after a joint report and Information Systems Plan for the department has been submitted to the Joint Legislative Commission on Governmental Operations by the Secretary of the Department of Revenue

**DEPARTMENT OF REVENUE (1987 ACTIONS, Continued)**

the State Controller, and the Chief of the State Information processing Services. Prohibits any commitment for expenditure of the funds prior to July 1, 1988. Provides that the report shall include detailed description of how the funds will be expended and plan for any merger of functions, operations and computer processing between the Department of Revenue Computer Center and the State Computer Center.

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	\$41,616,392
<i>GENERAL SERVICES:</i>	
1. Increase in postage line-item due to rate increase which was effective April 1, 1988.	251,000
<i>PROPERTY TAX COMMISSION:</i>	
2. Continue funding of the administrative expenses of performing the annual sales-assessment ratio studies for purposes of allocating the proceeds of the Critical School Facility Needs Funds from the net collections of the Intangibles Tax. (Section 57 of H 2641).	
Total Requirements	\$89,814
Less: Receipts	<u>89,814</u>
<i>RESERVES AND TRANSFERS:</i>	
3. Reserve for the initial phase of establishing the DOR Computer Center as part of a Distributed System with the State Computer Center and to prepare a "disaster" recovery and operations plan for major, critical computer applications.	2,259,089 NR (17)
<b>TOTAL OPERATING EXPANSION</b>	\$ 2,510,089
<b>TOTAL POSITIONS</b>	(17)
<b>TOTAL OPERATING APPROPRIATIONS</b>	\$44,126,481

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 2641:**

Section 34 **Computer System Reserve** - (a) Directs the expenditure of \$1,260,714 of the Reserve Fund appropriated to the Department of Revenue (DOR) in 1987 for development of an office automation system and \$400,000 for development of an agency distributed computer capability at DOR in cooperation with the State Information Processing Services (SIPS) and in design, implementation, evaluation, and documentation of a distributed data processing model for State Government. Requires the DOR to report their progress to the Joint Legislative Commission on Governmental Operations not later than December 31, 1988.



**DEPARTMENT OF REVENUE (1988 ACTIONS, Continued)**

(f) Authorizes the DOR to deviate from the requirements to consolidate their information processing functions on equipment owned, controlled or under custody of the SIPS. Requires the DOR to adopt plans, policies, procedures, requirements, rules and standards for the acquisition, management, and use of information processing equipment, programs, data communications capabilities, and information systems personnel in the DOR. All deviations must be reported in writing to the Computer Commission within 15 days by the DOR.

Directs the DOR, in cooperation with SIPS, to develop an information systems capability that will distribute DOR's information processing resources and databases between the agencies' two information processing centers and sets out the distributed system requirements.

Requires SIPS and DOR to prepare a plan to allow for substantial recovery and operation of major critical computer applications at each agency's respective facility and sets out the requirements of the plan. The plan must be tested not later than six months after the establishment of the DOR information capability that is compatible with and partially redundant to the information processing capabilities at SIPS.

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**DEPARTMENT OF SECRETARY OF STATE**

Statutory Authority: General Statutes, Chapter 147

The Secretary of State is elected to a four-year term. He is a member of the Council of State and the Local Government Commission.

The duties of this office are delineated in the North Carolina Constitution and the General Statutes. These responsibilities fall into the broad categories of maintaining public records and state documents, including publication of the North Carolina Manual; services to commerce and industry (corporate filings, securities registration, and administration of commercial law); and appointing notaries public.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$2,251,468	\$2,209,614

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

- |  |            |            |
|--|------------|------------|
| 1. Reduce reserve of \$7,740 and related benefits by one half. | (\$ 4,587) | (\$ 4,594) |
|--|------------|------------|

*GENERAL ADMINISTRATION:*

- |  |                  |                  |
|--|------------------|------------------|
| 2. Delete Administrative Assistant I position and related benefits. Position was funded in 1985 but not established. | ( 16,355)<br>(1) | ( 16,379)<br>(1) |
|--|------------------|------------------|

*CORPORATIONS FILING:*

- |   |                         |                         |
|---|-------------------------|-------------------------|
| 3. Delete part-time Clerk Typist III position and related benefits. | ( 6,100)<br><u>(.5)</u> | ( 6,108)<br><u>(.5)</u> |
|---|-------------------------|-------------------------|

<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 27,042)	(\$ 27,081)
<b>TOTAL POSITION REDUCTION</b>	(1.5)	(1.5)
<b>REVISED BASE BUDGET</b>	<b>\$2,224,426</b>	<b>\$2,182,533</b>

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**EXPANSION BUDGET**

*GENERAL ADMINISTRATION:*

- |  |                 |                 |
|--|-----------------|-----------------|
| 1. Increase administrative staff to provide accounting support for the department. | \$24,448<br>(1) | \$32,690<br>(1) |
|--|-----------------|-----------------|

*UNIFORM COMMERCIAL CODE:*

- |   |                    |       |
|---|--------------------|-------|
| 2. Improve the microfilm program by acquiring table top processors and plain paper reader-printers. | 7,000<br>42,566 NR | 7,000 |
|---|--------------------|-------|

*CORPORATIONS:*

- |   |                    |       |
|---|--------------------|-------|
| 3. Restore security microfilming program for corporate charter documents. | 3,700<br>15,283 NR | 3,700 |
|---|--------------------|-------|

*NOTARY:*

- |  |        |        |
|--|--------|--------|
| 4. Automate the issuance of certified copies of corporate documents. | 25,000 | 12,000 |
|--|--------|--------|

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF SECRETARY OF STATE (1987 ACTIONS, Continued)</b>		
5. Improve the capability to investigate complaints against Notaries Public.	\$ 16,237 (1)	\$ 18,625 (1)
<i>SECURITIES REGISTRATION:</i>		
6. Provide for travel and training of securities examination and investigative staff.	10,000	9,300
7. Chapter 852 (SB 217) authorizes the creation of the North Carolina Capital Resource Corporations and requires the annual registration of Qualified Investment Organizations, Qualified Business Ventures and Qualified Grantee Businesses with the Securities Division on and after January 1, 1988.	-	-
<i>BUSINESS LICENSE INFORMATION OFFICE:</i>		
8. Establish an office to provide information and assistance to the business community on all state licensing and regulatory requirements.	195,212 (4)	576,218 (12)
<i>RESERVE AND TRANSFERS:</i>		
9. Provide support for implementation of the Central Voter File System established by Chapter 833, 1987 Session Laws (SB 1277) which also authorizes the transfer of \$70,000 from funds appropriated to the General Assembly by Section 53(b) of Chapter 757, 1985 Session Laws for 1988-89.	70,000 NR	-
<b>TOTAL OPERATING EXPANSION</b>	<b>\$409,446</b>	<b>\$659,533</b>
<b>TOTAL POSITIONS</b>	<b>(6)</b>	<b>(14)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$2,633,872</b>	<b>\$2,842,066</b>

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$ 2,842,066</b>
<i>SECURITIES REGISTRATION:</i>	
1. Provide an accountant, a clerk, and operating support to handle the annual registration of qualified investment organizations, business ventures, and grantee businesses and certify their eligibility for corporate income tax credit in accordance with the provision of the 1987 Business Investment Registration act.	69,646 (2)
2. Authorizes the Secretary to retain receipts (from the collection of fees) to implement the provisions of the law to regulate Investment Advisers. (S 1676 Chapter 1098).	132,832 Receipts

1988-89  
General  
Fund

DEPARTMENT OF SECRETARY OF STATE (1988 ACTIONS, Continued)

BUSINESS LICENSE INFORMATION OFFICE:

3. Provide additional funds to print and distribute the *Directory of State Business Licenses and Permits*. The number of licenses and permits contained in the directory are 50% greater than originally listed by the Simplified Business Licensing Study Commission. 20,000 NR

Total Requirements \$222,478  
Less: Receipts Expansion 132,832

TOTAL OPERATING EXPANSION  
TOTAL POSITIONS

\$ 89,646  
(2)

TOTAL OPERATING APPROPRIATIONS

\$2,931,712

**DEPARTMENT OF STATE AUDITOR**

Statutory Authority: North Carolina Constitution,  
Article III, Section 7 and  
General Statutes Chapter 147, Article 5A.

The Auditor is an elected officer of the State under the provisions of the Constitution and serves as a member of the Council of State. The duties and responsibilities of the Auditor are established by statute and he is granted independence in the performance of those duties.

The major responsibility is to perform or coordinate all financial and compliance audits of the records and operations for State government to assure the proper expenditure and accountability of public funds. The Auditor is responsible for evaluating and monitoring the bookkeeping and accounting systems in use by State agencies to assure that they are adequate and designed to accumulate the information required for preparation of budget and financial reports.

The Auditor, by statute, is Chairman of the Board of Trustees of the North Carolina Firemen's and Rescue Squad Workers' Pension Fund and his office provides the general administration of those funds.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$10,710,703	\$10,721,960

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce reserve of \$26,664 and related benefits by one-half.	(\$ 15,802)	(\$ 15,826)
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*GENERAL SERVICES:*

2. Reduce employee educational expense.	( 8,727)	( 8,727)
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*FIELD AUDIT DIVISION:*

3. Increase estimated receipts from audit fees.	( <u>120,000</u> )	( <u>120,000</u> )
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<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$ 144,529)	(\$ 144,553)
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<b>REVISED BASE BUDGET</b>	\$10,566,174	\$10,577,407
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**EXPANSION BUDGET**

*FIELD AUDIT DIVISION:*

1. Increase the EDP audit staff to keep pace with the automation of state agencies.	\$31,432 (1)	\$39,682 (1)
2. Add Financial Auditors to reduce the backlog of incomplete audit work	55,759 (2)	69,878 (2)
3. Provide additional computer hardware and software to Auditors.	38,400	47,400

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF STATE AUDITOR (1987 ACTIONS, Continued)</b>		
4. Add a Microcomputer Specialist and a Computer Programmer I to assist in the automation of the Field Audit units.	\$ 58,043 (2)	\$ 72,927 (2)
5. Fund the travel expense of the new audit positions.	5,000	5,000
6. Fund increased data processing service costs.	14,500	14,500
<i>PENSION FUND DIVISION:</i>		
7. Add a Clerk Typist due to increased volume of applications.	16,536 (1)	18,977 (1)
<i>FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUNDS:</i>		
8. Increase the contribution due to open-door enrollment.	1,500,000 State Aid	1,500,000 State Aid
<i>GENERAL:</i>		
9. Renovate office space for the word processing section from the statewide reserve for repairs and renovations.	-	-
<b>TOTAL OPERATING EXPANSION</b>	<b>\$1,719,670</b>	<b>\$1,768,364</b>
<b>TOTAL POSITIONS</b>	<b>(6)</b>	<b>(6)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$12,285,844</b>	<b>\$12,345,771</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1515:**

Section 71      **Audit of Community Colleges** - Requires the State Auditor to audit all Community Colleges and Technical Institutions once every five years.

DEPARTMENT OF STATE AUDITOR (Continued)

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$12,345,771</b>
<i>FIELD AUDIT DIVISION</i>	
1. Support for Assistant Auditor Supervisor II and Assistant Auditor III positions and operating expenses, authorized out of overrealized receipts, to follow up and investigate "hotline" reports of fraud, waste and abuse of State property and funds. (Section 42, H 2641, Chapter 1086).	92,718 Receipts (2)
2. Authorize the use of overrealized receipts to support two Assistant Auditor III positions for financial and/or performance auditing. (Section 42, H 2641, Chapter 1086).	80,704 Receipts (2)
Total Requirements - Expansion	\$173,422
Less: Receipts	<u>173,422</u>
<b>TOTAL OPERATING EXPANSION</b>	-
<b>TOTAL POSITIONS</b>	(4)
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$12,345,771</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1988**

**House Bill 2641:**

Section 42      **Auditor's Hotline.** Permits the State Auditor to use overrealized receipts to fund 4 auditors: 2 positions for use in a hotline program and 2 auditors for financial and/or performance auditing.

**OTHER LEGISLATION:**

House Bill 2467      **Fire Marshals' Death Benefit.** Includes fire marshalls and emergency service coordinators in the Law Enforcement Officers', Firemen's, Rescue Squad Workers', and Civil Air Patrol Members' Death Benefits Act.

Senate Bill 109      **Fire/Rescue Retired Volunteers.** Permits pensioners in the Firemen's and Rescue Workers' Pension Fund to perform volunteer duties while receiving a pension.

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**DEPARTMENT OF STATE BOARD OF ELECTIONS**

Statutory Authority: General Statutes, Chapter 163

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

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

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$1,186,741	\$409,638

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**1987 LEGISLATIVE ACTIONS**  
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**BASE BUDGET REDUCTIONS**

*ADMINISTRATION:*

1. Reduce the Reserve for the Presidential Preference Primary.	(\$ 23,794)	\$ -
2. Reduce printing, travel, furniture and the campaign reserve.	<u>          -</u>	<u>( 8,242)</u>
<b>TOTAL BASE BUDGET REDUCTIONS</b>	<b>(\$ 23,794)</b>	<b>(\$ 8,242)</b>
<b>REVISED BASE BUDGET</b>	<b>\$1,162,947</b>	<b>\$401,396</b>

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**EXPANSION BUDGET**

1. Add a Clerk-Receptionist position.	\$14,565	\$17,860
	<u>(1)</u>	<u>(1)</u>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$1,177,512</b>	<b>\$419,256</b>

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**1988 LEGISLATIVE ACTIONS**  
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	<b>1988-89 General Fund</b>
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$419,256</b>
<b>NO BUDGET CHANGES</b>	



**DEPARTMENT OF TRANSPORTATION - GENERAL FUND**

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$5,261,571	\$5,261,571

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**1987 LEGISLATIVE ACTIONS**  
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**EXPANSION BUDGET**

1. State Aid - Public Transportation Reduce General Fund support for this program. This program will now be supported from the Highway Fund. (50¢ per Vehicle Registration fee)	(\$1,645,000)	(\$1,645,000)
2. State Aid - Airports Combine this amount with the \$3.4 million annual General Fund support provided in the Continuation Budget.	1,645,000	1,645,000
<b>TOTAL GENERAL FUND OPERATING BUDGET</b>	<b>\$5,261,571</b>	<b>\$5,261,571</b>

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**1988 LEGISLATIVE ACTIONS**  
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		<b>1988-89 General Fund</b>
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>		<b>\$5,261,571</b>
<b>AERONAUTICS:</b>		
1. G.S. 136-16.4 requires an annual appropriation for aviation purposes a sum equal to the estimated revenue derived from the State's Sales and Use Taxes to be paid by the aviation industry. The Department of Revenue estimates the revenue range will be between \$5.5 million and \$6.4 million for 1988-89.		500,000
<b>AID TO RAILROADS:</b>		
2. G.S. 136-16.6 requires an annual appropriation of \$100,000 or 100% of the annual dividend received in the prior year by the State from its ownership of stock in the N.C. Railroad Co. and the Atlantic and North Carolina Railroad Co. Dividends received in fiscal year 1987-88 totaled \$216,666.		116,666
<b>TOTAL OPERATING EXPANSION</b>		<b>\$ 616,666</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>		<b>\$5,878,237</b>

**DEPARTMENT OF THE TREASURER**

Statutory Authority: General Statutes, Chapter 143A

The State Treasurer is elected to a four-year term. As an elected official, the Treasurer is a member of the Council of State.

The Treasurer is responsible for investing all idle state funds. The Treasurer also manages debt incurred through bond issues, receives and disburses all state funds, manages the trust funds responsible for providing state and local employees their retirement benefits and pensions, and helps local governments improve their accounting systems and supervises their issuance of bonds.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
	\$3,617,544	\$3,625,182

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**1987 LEGISLATIVE ACTIONS**

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**BASE BUDGET REDUCTIONS**

*SALARY RESERVE:*

1. Reduce reserve of \$8,724 and related benefits by one-half.	(\$ 5,170)	(\$ 5,178)
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*INVESTMENT MANAGEMENT:*

2. Reduce other services.	( 10,000)	( 10,000)
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*BANKING OPERATIONS:*

3. Reduce level of funding for data processing services.	( 50,000)	( 50,000)
4. Reduce funding for other equipment rental.	( 5,000)	( 5,000)

*LOCAL GOVERNMENT OPERATIONS:*

5. Reduce funds for consultant fees	( 6,000)	( 6,000)
6. Increase receipts for underwriting service and reduce appropriation.	( 1,350)	( 1,500)

<b>TOTAL BASE BUDGET REDUCTIONS</b>	<b>(\$ 77,520)</b>	<b>(\$ 77,678)</b>
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<b>REVISED BASE BUDGET</b>	<b>\$3,540,024</b>	<b>\$3,547,504</b>
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**EXPANSION BUDGET**

*GENERAL ADMINISTRATION:*

1. Provide internal auditing of departmental operations to avoid/detect errors or dollar losses due to improper data processing and/or criminal acts.		
Total Requirements	\$38,289	\$42,258
Less: Receipts	<u>15,737</u>	<u>17,368</u>
Appropriations	22,552	24,890
	(1)	(1)

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF THE TREASURER (1987 ACTIONS, Continued)</b>		
<i>INVESTMENT MANAGEMENT:</i>		
2. Provide one additional Portfolio Manager to maintain operating span of \$2.5 billion portfolio per manager and maximize the earnings from the portfolio.	\$ 44,454 (1)	\$ 51,736 (1)
3. Increase funds for equity investment advisory services.	16,000	16,000
4. Provide funds for additional file cabinets.	4,000 NR	4,000 NR
<i>ESCHEATS ADMINISTRATION:</i>		
5. Additional staff to handle increased number of refund claims and volume of escheated and abandoned property and to strengthen audit program. Sec. 27 of Ch. 876, 1987 S. L. (HB 2) increased the expansion budget by \$31,474 in 1987-88 and \$41,350 in 1988-89 for 2 Accounting Clerks IV positions.		
Total Requirements	87,661	105,914
Less: Receipts	<u>87,661</u>	<u>105,914</u>
	(4)	(4)
<i>DATA PROCESSING:</i>		
6. Provide funds for software maintenance on new Investment Accounting System, replacement of 1975 printer and additional disk drive and core storage.		
Total Requirement	93,000	73,000
Less: Receipts	<u>93,000</u>	<u>73,000</u>
<i>LOCAL GOVERNMENT OPERATIONS:</i>		
7. Provide additional clerical support to properly handle the level of bond issuance required by local governments and to prepare data for the annual Financial Information Report on cities and counties.	15,188 (1)	18,313 (1)
8. Fund an Accountant position to provide financial management assistance to local governments.	30,466 (1)	36,838 (1)
<i>RETIREMENT OPERATIONS:</i>		
9. Fund two clerical positions and operating support to send annual statements to inactive members and to identify members eligible to receive a monthly retirement allowance and beneficiaries of deceased members eligible for any type of payment.		
Total Requirements	75,000	75,000
Less: Receipts	<u>75,000</u>	<u>75,000</u>
	(2)	(2)
10. Provide an Administrative Officer position and operating expenses to administer the Register of Deeds Supplemental Pension Plan established by Chapter 792 of 1987 Session Laws. Section 63, Ch. 738, 1987 S. L. (HB 1514) authorizes the use of receipts for administrative expenses.		
Total Requirements	35,000	25,000
Less: Receipts	<u>35,000</u>	<u>25,000</u>
	(1)	(1)

	1987-88 General Fund	1988-89 General Fund
<b>DEPARTMENT OF THE TREASURER (1987 ACTIONS, Continued)</b>		
11. Provides an Accountant I and Clerk V position and operating expenses to administer the Teachers' and State Employees' Disability Income Plan established by Sec. 29, Ch. 738, 1987 S. L. (H. B. 1514). Section 63, Ch. 738, authorizes the use of receipts for administrative expenses.		
Total Requirements	\$ 105,000	\$ 75,000
Less: receipts	<u>105,000</u>	<u>75,000</u>
	(2)	(2)
12. Provide an Administrative Officer II position and operating expenses to administer the contributory death benefit plan for retired employees established by Chapter 824 of the 1987 Session Laws. Section 63, Ch. 738, 1987 S. L. (HB 1514) authorizes the use of receipts for administration of the plan.		
Total Requirements	90,000	75,000
Less: Receipts	<u>90,000</u>	<u>75,000</u>
	(1)	(1)
<i>TELECOMMUNICATIONS DEVICES - DEAF TRUST FUND:</i>		
13. Funds to establish a communication services program for the hearing and speech impaired.	200,000 NR	-
<i>RECREATION AND NATURAL HERITAGE TRUST FUND:</i>		
14. Provide support for establishment of fund.	275,000	-
<i>RESERVES:</i>		
15. Study Commission on Survival of Public Hospitals. (Section 16.12, Chapter 873, 1987 Session Laws).	10,000	-
<b>TOTAL OPERATING EXPANSION</b>	<b>\$617,660</b>	<b>\$151,777</b>
<b>TOTAL POSITIONS</b>	<b>(14)</b>	<b>(14)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$4,157,684</b>	<b>\$3,699,281</b>

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

Section 64      **Appropriations/Positions** - Commands the agency not to expend any funds or add any positions except as authorized by law.

DEPARTMENT OF THE TREASURER (Continued)

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**1988 LEGISLATIVE ACTIONS**  
 \*\*\*\*\*

	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$3,699,281</b>
<i>ESCHEAT FUND ADMINISTRATION:</i>	
1. Increases receipts by \$67,033 to provide one governmental accounts auditor and an accounting clerk to strengthen the audit program, and by \$75,000 to increase data processing funds for operating and maintenance costs of an integrated application package being prepared. (Section 28, S 257: Chapter 1100).	-
Total Requirements	142,033
Less: Receipts	<u>142,033</u> (2)
<i>INVESTMENT MANAGEMENT:</i>	
2. Authorize the use of \$44,702 investment income funds, which are deposited as non-tax revenue, to support one additional portfolio manager, and \$100,000 increase in data processing funds for operation and maintenance of the investment accounting system currently being installed. (Section 28, S 257, Chapter 1100).	144,702 (1)
Total Requirements	<u>\$286,735</u>
Less: Receipts	<u>\$142,033</u>
<b>TOTAL OPERATING EXPANSION</b>	<b>\$144,702</b>
<b>TOTAL POSITIONS</b>	<b>(3)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$3,843,983</b>

# UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS

Statutory Authority: General Statutes, Chapter 116

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

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

## CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR

1987-88 General Fund	1988-89 General Fund
\$909,237,010	\$917,998,438

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### LEGISLATIVE ACTIONS

#### BASE BUDGET REDUCTIONS

##### SALARY RESERVE:

- |  |              |              |
|--|--------------|--------------|
| 1. All campuses: Reduce salary reserve and related benefits by one-half. | (\$ 181,567) | (\$ 181,843) |
|--|--------------|--------------|

##### EAST CAROLINA MEDICAL SCHOOL:

- |  |            |            |
|--|------------|------------|
| 2. Budget annual receipts from Pitt County Hospital for depreciation and from Medical Faculty Practice Plan for use of Brody Building. | ( 200,000) | ( 200,000) |
|--|------------|------------|

##### RELATED EDUCATIONAL PROGRAMS:

##### AID TO PRIVATE MEDICAL SCHOOLS:

- |  |            |            |
|--|------------|------------|
| 3. Hold number of grants paid to Duke and Bowman Gray Medical Schools for number of North Carolinians enrolled to 1986-87 level. | ( 226,000) | ( 256,000) |
|--|------------|------------|

##### RELATED EDUCATION PROGRAMS:

##### REGIONAL CONTACTS:

- |  |           |           |
|--|-----------|-----------|
| 4. Reduce the number of spaces purchased at Meharry Medical College and shift the funds to ECU and UNC-CH for minority scholarships aid in medicine and dentistry: |           |           |
| Related Programs   | ( 46,100) | ( 47,850) |
| East Carolina University   | 6,300     | 6,550     |
| UNC-CH Health Affairs  | 39,800    | 41,300    |

##### UNC GENERAL ADMINISTRATION:

- |   |            |            |
|---|------------|------------|
| 5. Eliminate Operating reserves for new facilities for the Center for Public Television because the facilities have not received capital funding. | ( 157,212) | ( 630,759) |
| 6. Continue support for the Distinguished Professors Endowment Trust.   | 2,000,000  | 2,000,000  |

1987-88  
General  
Fund

1988-89  
General  
Fund

**UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS (1987 ACTIONS, Continued)**

**UNC-ASHEVILLE:**

7. Continue support for Center for Creative Retirement.	\$ 100,000	\$ 100,000
<b>TOTAL BASE BUDGET REDUCTIONS</b>	<b>\$ 1,335,221</b>	<b>\$ 831,398</b>
<b>TOTAL POSITION REDUCTION</b>	-	-

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**TRANSFERS:**

*UNC-CHAPEL HILL- HEALTH AFFAIRS:*

1. Transfer of funds for autistic programs currently contracted with UNC from the Department of Human Resources, as recommended by the Mental Health Study Commission.	\$ 364,900	\$ 364,900
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*UNC - GENERAL ADMINISTRATION:*

2. Transfer of Medical and Math Student Loan Program from Office of State Budget and Management to the State Educational Assistance Authority.	1,067,745	1,067,949
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<b>TOTAL TRANSFERS</b>	<b>\$ 1,432,645</b>	<b>\$ 1,432,849</b>
<b>REVISED BASE BUDGET</b>	<b>\$912,004,876</b>	<b>\$920,262,685</b>

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**EXPANSION BUDGET**

**A. SCHEDULE OF PRIORITIES:**

1. Enrollment Changes	\$11,302,582	\$15,794,652
Less Tuition Increase	( 6,835,553)	( 11,020,715)
General Fund	4,467,029	4,773,937
3. AHEC Mental Health	757,295	1,133,925

**Priorities 4-10 Combined**

4. Computing	}		
5. Scientific Equipment			
6. Physical Plant			
7. Medical Education		12,000,000	12,000,000
8. Biotechnology			
9. Inter-institutional			
10. Basic Program Support			

Subtotal: Schedule of Priorities	17,224,324	17,907,862
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**B. OTHER:**

11. Enhancement of Elizabeth City State University Academic Programs	850,425	1,056,401
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UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS (1987 ACTIONS, Continued)

	1987-88 General Fund	1988-89 General Fund
12. Agricultural Programs (Includes \$400,000 for Aquaculture across the State; \$160,000 for forestry biotechnology; and \$125,000 for economic development research at N.C. State University and N.C. Central University.)	\$ 1,500,000	\$ 1,800,000
13. <i>Related Educational Programs</i>		
a. Increase American Indian Scholarships	21,000	21,000
b. Aid to Private Colleges:		
(b1) Legislative Tuition Grant Program \$50 increase per year	1,109,200 State Aid	2,218,400 State Aid
(b2) Contractual scholarships \$50 increase per year	1,188,000 State Aid	2,376,000 State Aid
14. One time assistance to historically minority colleges to aid teacher education programs	170,665 NR State Aid 529,335 NR	-
15. Science and Math High School: Staff for business office, enhancement of computer services and (2nd year only) staff for physical education facility	172,943 (2)	227,944 (3)
16. UNC-Charlotte: Equipment for Optical Disk Manufacturing training	1,000,000 NR	-
17. Parent-to-Parent Program as administered by the UNC-Chapel Hill School of Medicine to assist parents in coping with children's disabilities (Sec. 229, H 1514, Ch. 738)	75,000	75,000
18. N.C. State University Sewage Study - study of alternative disposal systems for residential sewage in those parts of N.C. where soil absorption qualities are poor (Sec. 228, H 1514, Ch. 738)	50,000 NR	-
19. Strengthen Teacher Education - support of \$30,000 each year to the Board for program implementation with the balance being allocated to institutions of higher education for the reform of teacher education programs, quality assurance program improvements, and revitalization of Teacher Education faculty (Sec. 96(c) of H 1515, Ch. 830)	1,060,000	1,560,000
20. East Carolina University - support to establish and fund the NC Geographic Alliance Network Program	50,000 State Aid	-
21. Support for the Bringing It All Back Home Study Center at Appalachian State University for continuing its home remedies community based alternative program for undisciplined juveniles and their families	35,000 State Aid	35,000 State Aid
22. Grants through the Board of Governors for various programs serving local communities:		



**UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS (1987 ACTIONS, Continued)**

	1987-88 General Fund	1988-89 General Fund
Board of Governors:		
(a) Operating and capital expenses of Public Radio Station WFAE (H 1515, H 1474)	\$ 6,000 State Aid	\$ -
(b) Operating expenses of Fayetteville State University's Public Radio Station, WFSS (H 1515, H 1513)	2,500 State Aid	-
(c) Support for the Continuing Education Center at Fayetteville State University (H 1515, H 1323)	2,500 State Aid	-
(d) Funds for the 3R's Program at Fayetteville State University (H 1515, H 1324)	2,500 State Aid	-
	2,500 State Aid	-
(e) Support for North Carolina State University's Career Maturity Research Program (H 1515, H 1550)	3,000 State Aid	-
(f) Support for North Carolina Central University's International Studies Center (H 1515, H 1658)	2,000 State Aid	-
(g) Support for the Jewish Studies Center at UNC-Asheville provided a like amount of non-state funds is raised by the Center (H 1515, S 1024)	3,000 State Aid	-
(h) Support for the Kids-on-Motion Program at East Carolina University Medical School (H 1515, H 1633)	2,000 State Aid	-
( H 1515, S 1353 (4))	500 State Aid	-
(i) Support for the North River Adventures Program at East Carolina University School of Medicine (H 1515, H 1684 (1))	1,000 State Aid	-
(j) Support for the Rainbow Services Program for pediatric cancer victims at East Carolina University School of Medicine (H 1515, H 1684 (2))	1,500 State Aid	-
(H 1515, S 1353 (3))	750 State Aid	-
(k) Support for the Creative Living Senior Daycare Program at East Carolina University School of Medicine (H 1515, H 1684(3))	1,000 State Aid	-
(l) Support for equipment at the Ronald McDonald House of Children's Services of Eastern Carolina, Inc. (H 1515, S 1353(2))	750 State Aid	-
(m) Support for scholarships with the East Carolina University Friends of Music (H 1515, S 1353(1))	500 State Aid	-
(n) Support for the volunteers in Partnership with Parents in Martin County administered by the East Carolina University School of Medicine (H 1515, S 1518)	1,000 State Aid	-
23. Grants made directly to an institution for local programs:		
(a) Grant to East Carolina University for the E.C.U. Friends of Music (H 1515, H 1610)	1,000 State Aid	-
(b) Grant to East Carolina University for the Remedial Education Activity Program (H 1515, H 1610)	1,000 State Aid	-
<b>TOTAL OPERATING EXPANSION</b>	<b>\$ 25,070,892</b>	<b>\$ 27,277,607</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$ 937,075,768</b>	<b>\$947,540,292</b>

**UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS (1987 ACTIONS, Continued)**  
**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514**

- Section 225      **UNC-Chapel Hill Clerical Positions Within Grade Adjustments** - Allows UNC-Chapel Hill to use any base budget funds for within-grade salary adjustments for clerical employees in accord with 1986 authorization by State Personnel Commission.
- Section 226      **NCSU - Special Allocations** - Allocates expansion funds for agricultural programs at N.C. State on following basis:
- Section 227
- Section 230

	<i>1987-88</i>	<i>1988-89</i>
(1) Aquaculture	\$400,000	\$400,000
(2) Forestry Biotechnology Research	160,000	160,000
(3) Economic Development Research	125,000	125,000
(4) Director at 4-H Center near Reidsville (HB 2, Section 25)	30,000	30,000
(5) Identified Priorities of Board of Governors	785,000	1,085,000

- Section 231      **ECU - Medical School/Reimbursement** - Allows East Carolina Medical School to retain all (was 50%) of Medicaid/Medicare Settlement Reimbursement receipts for 1987-88.
- Section 233      **UNC - Vending Reports** - Rewrites reporting requirements of UNC system on vending receipts. Eliminates reporting on vending receipts of budgeted auxiliary services (dormitories, laundry, cafeterias, health service) and special funds (athletics funds). Changes required reporting to use of net proceeds by campus.

**House Bill 1515**

- Section 93      **Aid to Private Colleges/Legislative Tuition Grant Limitations** - Changes Legislative Tuition Grant Program to make military personnel eligible for grant for programs offered at off-campus sites.
- Section 94      **Aid to Private Colleges/Procedures and Amounts** - Increases need-based student aid for North Carolina residents attending private colleges in North Carolina from \$300 to \$350 per student in 1987-88 and to \$400 per student in 1988-89. Increases Legislative Tuition Grant Program funding from \$1,000 per student to \$1,050 per student in 1987-88 and to \$1,100 per student in 1988-89.
- Section 96      **Strengthen Teacher Education** - Directs the UNC Board of Governors, the State Board of Education, and higher education institutions with teacher training programs to implement objectives of 1987 report on Teacher Education. Allocates funds appropriated to specific objectives, and sets evaluation, reporting and sunset requirements.

**House Bill 1516**

- Section 24      **Autistic Adults Funds** - Allocates \$638,000 funded to UNC-Chapel Hill for purchase and beginning development of site for special living and training center for adults with autism.
- Section 25      **NCSU Pulp and Paper Lab** - Requires \$1 million non-state match for funding Pulp and Paper Lab at N.C. State.
- Section 26      **UNC Advance Planning Funds** - Allocates \$3.28 million in advanced planning funds to 8 projects.

UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS (1987 ACTIONS, Continued)

Section 27      **Unencumbered University Funds/Advanced Planning** – Repeals authority of UNC Board of Governors to shift unused capital improvement funds to advance planning for new projects.

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS – 1987 SESSION</b>	\$947,540,292
<i>ENROLLMENT CHANGES:</i>	
1. Support for revised enrollment projections, from 112,075 full-time equivalents to 114,475	\$9,794,791
<i>OUT-OF-STATE TUITION INCREASE:</i>	
2. Increase of 2.6 percent in rate above the 6 percent level contemplated by the 1987 Session as needed based upon a review of current rates charged to non-residents by comparable public institutions in other states	(1,871,463)
Net Increase	<u>\$7,923,328</u>
<i>AID TO PRIVATE COLLEGES:</i>	
3. Additional Legislative Tuition Grant funds needed due to federal curtailment of tuition assistance for military personnel	149,219 State Aid
<i>OVERHEAD RECEIPT INCREASES:</i>	
4. Increase in budgeted overhead receipts: University of North Carolina at Chapel Hill:	
a) Academic Affairs	1,100,000
b) Health Affairs	<u>915,253</u>
Total Receipt Increase Appropriation	2,015,253 (2,015,253)
<i>STATE'S NURSING EMERGENCY NEEDS:</i>	
5. a) Support to the State Education Assistance Authority for use in the development and distribution of a comprehensive directory of financial aid programs available to nursing students	20,000 NR
b) Funds to establish an "Emergency Financial Assistance Fund for Nursing Students"	140,000 NR
<i>APPROPRIATIONS FOR SELECTED PROGRAMS:</i>	
6. a) University of North Carolina at Chapel Hill Division of Health Affairs	
a1) Grant to the Lineberger Cancer Center for the School of Medicine's breast cancer program	368,750 NR
a2) Support to establish a pilot regional TEACCH Center to serve the Greensboro, High Point, and Winston-Salem area	226,856
a3) Support for a pilot program with the Joint Orange-Person-Chatham mental health program to train professionals to work in public sector	188,397

1988-89  
General  
Fund

UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS (1988 ACTIONS, Continued)

b)	North Carolina State University	
b1)	Funds for equipment needs for the turfgrass research project	\$ 40,448 NR
b2)	Funds to support implementation of the Research Triangle World Trade Center	100,000 NR State Aid
b3)	Continuation support for the study of alternative disposal systems for residential sewage in those parts of North Carolina where soil absorption qualities are poor	50,000 NR
c)	East Carolina University	
c1)	Continued support to match a grant to be used for establishing the N.C. Geographic Alliance Network	50,000 NR State Aid
c2)	Funds for the Regional Development Institute to conduct a feasibility study on the potential for restoration and adaptive re-use of Mattamuskeet Lodge. Potential uses shall consider the economic impact on the region.	50,000 NR
d)	Western Carolina University	
d1)	Funding for economic development efforts of the Center for the Improvement of Mountain Living	200,000 NR
d2)	Support for the Centennial Celebration	50,000 NR

*GRANTS THROUGH THE BOARD OF GOVERNORS FOR VARIOUS PROGRAMS SERVING LOCAL COMMUNITIES:*

7.	Grants through the Board of Governors for various programs serving local communities:	
a)	Grant for East Carolina University Friends of Music for scholarships (H 2643, H 2508)	1,000 NR
b)	Support for the Rainbow Services Program for pediatric cancer victims at East Carolina University School of Medicine (S 1840, S 1855; H 2643, H 2508 and H 2595)	2,000 NR
c)	Support for the Creative Living Center's Senior Daycare Program at East Carolina University (H 2643, H 2508 and H 2595; and, S 1840, 1855)	1,500 NR
d)	Support for Kids-in-Motion program at East Carolina University Medical School (H 2643, H 2508)	500 NR
e)	Support for the North River Adventures Program at East Carolina University School of Medicine (H 2643, H 2595 and S 1840, 1855)	1,000 NR
f)	Grant to East Carolina University for the Remedial Education Activity Program (H 2643, H 2595 and S 1840, S 1855)	1,000 NR
g)	Support for the Summer Creative Program for Mentally Handicapped Children at East Carolina University (H 2643, H 2595)	1,000 NR
h)	Support for the Volunteers in Partnership with Parents in Martin County administered by the East Carolina University School of Medicine (S 1840, S 1855)	1,000 NR
i)	Support of the "Appalachian Summer" an arts festival at Appalachian State University (H 2643, H 2522)	3,000 NR

**1988-89  
General  
Fund**

**UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS (1988 ACTIONS, Continued)**

- j) Grant for capital project in Brunswick County and the purchase of a van through the Agricultural Extension Service at North Carolina State University (H 2643, H 2540 and S 1840, S 1781) \$5,000 NR
- k) Support for the Continuing Education Center at Fayetteville State University (H 2643, H 2557 and H 2582) 5,000 NR
- l) Support for continuing a mental health therapy program of gardening (S 1840, S 1814) 2,000 NR
- m) Support for the purchase of subscription of law reviews and other legal publication for the D.H. Hill Library collection (S 1840, S 1862) 1,500 NR

**TOTAL OPERATING EXPANSION** \$7,567,245

**TOTAL OPERATING APPROPRIATIONS** \$955,107,537

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**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1988**

**House Bill 859:**

Section 13      **Transfer of TEACCH Carry-Over Funds** - Transfers \$167,560 from Human Resources to UNC-Chapel Hill TEACCH Program for capital funding for residential center for autistic adults.

Section 14      **Autistic Center Capital Funds** - Carries forward \$116,000 of operating budget in UNC-Chapel Hill TEACCH program for use in capital construction of residential center for autistic adults.

**Senate Bill 257:**

Section 19      **Memorial Hospital Capital Funds** - Appropriates \$1.5 million to UNC Board of Governors for fire system capital improvements at N.C. Memorial Hospital.

Section 38.1    **University Employees Optional Retirement** - Increases State matching rate for University EPA employees in Optional Retirement System (TIAA) from 7.62% to 7.72%.

Section 39.2    **NCMH Directors Liability Correction** - Adds N.C. Memorial Hospital directors, trustees and officers to statute limiting liability of public hospital officials.

**House Bill 2641:**

Section 98      **Scallop Reseeding/Aquaculture** - Directs the UNC Board of Governors to allocate \$45,000 to begin a two-year program to increase the bay scallop population. This is in response to the devastation of the bay scallop fishery by the "Red Tide" last year.

Section 99      **ECU Medical School Medicare-Medicaid Reimbursement** - Allows East Carolina Medical School to continue retention of 100% of Medicaid audit settlements for use in capital projects and equipment purchases.

Section 101     **University Fund Transfer for Certain Program Areas** - Allows the UNC Board of Governors to transfer \$5.5 million from the utilities budgets of various campuses and to use those funds for partial funding of their expansion requests.

Section 102     **ECU Budget Code Division** - Splits the East Carolina University budget into two budget codes, by placing the Medical School into a separate operating code.

**UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS (1988 ACTIONS, Continued)**

- Section 103**      **Autistic Adults Funds** – Allows UNC to use up to \$39,000 of funds appropriated last year for a living and training center for autistic adults to reimburse the Autistic Foundation of North Carolina for services provided in planning and development of the center.
- Section 105**      **Regional TEACCH Center** – Directs the University at Chapel Hill to start a \$226,856 pilot program for autistic adults and children in the Triad area. The funds are from an estimated increase in the overhead receipts that will be transferred to the General Fund portion of the University's budget.
- Section 107**      **Centennial Campus Center** – Directs that \$1.5 million in funds for the NCSU Centennial Campus is to plan and develop a sports arena on a location to be determined by the NCSU Board of Trustees. The funds must be matched on a one-to-one ratio, and shall be available upon agreement that 50% of seats in the arena will be allocated for students at regular NCSU athletic contests held at the arena. It indicates that the General Assembly intends to match additional non-state funds received for this purpose in addition to this \$1.5 million.

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## OFFICE OF STATE BUDGET AND MANAGEMENT - STATEWIDE RESERVES

The Office of State Budget and Management is charged to allocate lump sum appropriations which are distributed to all state departments and institutions once their needs are determined. Each agency determines its own needs and make its request to the Office of State Budget and Management. The latter ranks the requests according to overall need and allocates the appropriations accordingly.

<b>CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR</b>	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
Contingency and Emergency Reserve	\$1,125,000	\$1,125,000
Reserve for Salary Adjustments	500,000	500,000
Reserve for Electronic Data Processing	500,000	500,000
<b>TOTAL RECOMMENDATIONS</b>	<b>\$2,125,000</b>	<b>\$2,125,000</b>

### EXPANSION BUDGET:

#### *RESERVE FOR SUPER COMPUTER:*

1. Reserve for a super computer that is needed both to keep North Carolina's universities in the fore-front of scholarly research and training and to maintain the momentum of the State's science-based economic development. Funds to be allocated as follows (Section 74, H 1515, Ch. 830):

1. Capital equipment	8,100,000	3,800,000
2. Operating expenses	900,000	2,200,000
3. Building	3,000,000	-

#### *RESERVE FOR INDUSTRIAL DEVELOPMENT:*

2. Reserve that may be used to support the State's offer to an industrial company that may be considering relocating within the state. Joint Legislative Commission on Governmental Operations is to be informed how funds are to be used prior to commitment or expenditure. Sec. 73 of H 1515, Ch 830 requires the Secretary of Commerce to determine the actual need for funds. If all funds are not needed, Office of State Budget and Management may transfer such funds to the Repairs and Renovation Reserve.

	8,250,000	-
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#### *RESERVE FOR PURCHASING FROM SMALL BUSINESSES:*

3. Reserve to be allocated for the purposes of (a) identifying small business that could do business with the State, and to do pre-and post-bid information and assistance to these businesses; (2) publish and distribute a directory of small business enterprises; and (3) establish a system to monitor, record, and measure the use of small businesses.

	50,000	-
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#### *RESERVE FOR TELEPHONE EQUIPMENT:*

4. Reserve to be allocated to the various departments for updating telephone systems.

	500,000	500,000
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#### *RESERVE FOR SALARY INCREASE:*

5. Reserve to be allocated to the various departments for the granting of a 5.0% across-the-board salary increase over the salaries in effect on June 30, 1987.

	198,600,000	202,000,000
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	1987-88 General Fund	1988-89 General Fund
<b>OFFICE OF STATE BUDGET AND MANAGEMENT</b>		
<b>- STATEWIDE RESERVES (1987 ACTIONS, Continued)</b>		
<i>RESERVE FOR RETIREMENT AND OTHER BENEFITS FOR PART-TIME EMPLOYEES:</i>		
6. Reserve to provide effective September 1, 1987, retirement and hospital-medical benefits for those employees who are employed in permanent jobs on a recurring basis with work schedules of 30 or more hours per week for at least 9 months per year.	\$ 875,000	\$ 905,000
<i>RESERVE FOR HOSPITAL-MEDICAL BENEFITS:</i>		
7. Reserve to support the 1986-87 level of benefits in the Basic Plan. Rate increase effective October 1, 1987.	47,000,000	65,100,000
<b>TOTAL OPERATING EXPANSION</b>	<b>\$267,275,000</b>	<b>\$274,505,000</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$269,400,000</b>	<b>\$276,630,000</b>

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 General Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$276,630,000</b>
<i>RESERVE FOR SALARY INCREASE:</i>	
1. Reserve to be allocated to the various departments for the granting of a 4.5% across-the-board salary increase over the salaries in effect on June 30, 1988.	204,376,062
<i>RESERVE FOR RETIREMENT AND OTHER BENEFITS FOR PART-TIME EMPLOYEES:</i>	
2. Reduction in reserve previously budgeted to reflect actual level of need.	(528,664)
<i>RESERVE FOR HOSPITAL-MEDICAL BENEFITS:</i>	
3. Reduction in reserve previously budgeted to reflect actual level of need.	(8,229,546)
<i>RESERVE FOR SALARY ADJUSTMENT FOR NURSES:</i>	
4. Reserve to be used for a salary range revision for nurses and licensed practical nurses, for additional requirements for shift premium pay for nurses, for funding permanent weekend, evening, and night pay plans for nurses, and to adjust nurses' salaries to address internal inequities and job performance.	3,500,000
<b>TOTAL OPERATING EXPANSION</b>	<b>\$199,117,852</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$475,747,852</b>



**LEGISLATIVE ACTIONS:  
HIGHWAY FUND  
OPERATING BUDGETS**

LEGISLATIVE ACTIONS  
- HIGHWAY FUND -  
OPERATING BUDGETS

## HIGHWAY FUND

### DEPARTMENT OF TRANSPORTATION

Statutory Authority: General Statutes, Chapter 20, 63, 136 and 143B

The Department of Transportation has two primary operating agencies, the Division of Highways and the Division of Motor Vehicles. In addition, there are staff that have to do with other modes of transportation such as aviation, railroads, bikeways and overall statewide transportation planning.

The Department of Transportation is headed by the Secretary of Transportation who serves at the pleasure of the Governor. The Board of Transportation formulates policies and priorities of all modes of transportation. The Board also approves all highway construction plans and construction projects.

The Division of Highways is responsible for all highway construction and maintenance operations including bridge maintenance activities and ferry operations.

The Division of Motor Vehicles is responsible for registering all motor vehicles and issuing drivers licenses to all qualified North Carolina drivers. This division also provides defensive driver training to public school bus drivers.

Goals of the Department of Transportation include:

- To properly maintain 12,107 miles of Primary roads, 59,264 miles of secondary roads and 5,097 miles of Urban roads.
- To inspect and maintain 16,844 bridges in North Carolina.
- To provide ferry service to the islands on the coast of North Carolina.
- To provide a method for licensing, titling and license recording of motor vehicles.
- To issue drivers licenses to only qualified drivers.

CONTINUATION BUDGET AS RECOMMENDED BY THE GOVERNOR	1987-88 Highway Fund	1988-89 Highway Fund
	\$843,460,340	\$844,926,644

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### 1987 LEGISLATIVE ACTIONS

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#### BASE BUDGET REDUCTIONS

##### *DIVISION OF HIGHWAYS:*

1. Reduce State Maintenance by 2%.	(\$13,542,053)	(\$13,585,380)
2. Restore funding for Urban Construction to the 1986-87 level of funding.	3,000,000	3,000,000
3. Delete support for Special Appropriations for Highways.	(60,109,000)	(61,519,500)
4. Reduce salary reserves by 50%:		
(a) Highways Administration and Operations.	(11,865)	(11,865)
(b) Governor's Highway Safety Program.	(8,283)	(8,283)
(c) Division of Motor Vehicles.	(200,876)	(200,876)

##### *RESERVES AND TRANSFERS:*

5. Reduce Appropriation Transfer to the Department of Crime Control and Public Safety.	(1,568,997)	(1,509,068)
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	1987-88 Highway Fund	1988-89 Highway Fund
<b>DEPARTMENT OF TRANSPORTATION</b>		
<b>- HIGHWAY FUND (1987 ACTIONS, Continued)</b>		
<b>TOTAL BASE BUDGET REDUCTIONS</b>	(\$72,441,074)	(\$73,834,972)
<b>REVISED CONTINUATION BUDGET</b>	\$771,019,266	\$771,091,672

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**EXPANSION BUDGET**

1. <i>Special Appropriation for Highways: Provides funds for highway construction and other highway purposes.</i>	\$60,000,000	\$60,000,000
2. <i>Transportation Administration: Provides for 2 additional positions for the Purchasing Section and additional equipment for the Fiscal Section along with provisions for moving into the Old Art Museum.</i>	250,000 NR 139,497 (2)	250,000  (2)
3. <i>Transportation Operations: Provides a receptionist position for the Traffic Engineering Section along with funds for computers, furniture and equipment to supplement statewide communication network and enhance the Computer Aided Design and Drafting (CADD) System. Provides for internal changes involving personnel which does not affect appropriations.</i>	495,475 NR 93,662 (1)	140,321 NR 101,510 (1)
4. <i>State Aid-Public Transportation: Provides that approximately 50 cents of each vehicle registration fee will be earmarked for support of the Public Transportation Program.</i>	2,500,000 State Aid	2,500,000 State Aid
5. <i>Division of Motor Vehicles: Provides for direct electronic communications in the Contract Agents facilities and provides 44 new positions to process license revocations and provides for personnel pay grade adjustments.</i>	2,200,000 NR 1,085,370 (44)	1,000,000 NR 1,158,457 (44)
6. <i>Reserves &amp; Transfers Highway Patrol: Provides funding for 20 additional troopers each year of the biennium and additional communication equipment.</i>	1,158,000 NR 869,680 (20)	- 1,534,400 (40)
7. <i>Maintenance: Contract Resurfacing Provides additional funds for maintenance.</i>	13,542,053	13,585,380
8. <i>Division of Motor Vehicles: Provides for the purchase of 16 weigh-in-motion units of equipment.</i>	400,000 NR	400,000 NR
9. <i>Division of Motor Vehicles: Provides for increase in fees paid to tag agencies per transaction from 70¢ to 72¢</i>	134,196	134,196
10. <i>Reserve for Salary Increases: Provides for a 5.0% Salary Increase for those employees paid from the Highway Fund.</i>	13,400,000	13,400,000

	1987-88 Highway Fund	1988-89 Highway Fund
<b>DEPARTMENT OF TRANSPORTATION</b>		
<b>- HIGHWAY FUND (1987 ACTIONS, Continued)</b>		
11. Reserve for Hospital-Medical Benefits	<u>4,800,000</u>	<u>6,500,000</u>
<b>TOTAL HIGHWAY FUND - EXPANSION</b>	\$101,067,933 (67)	\$100,704,264 (87)
<b>TOTAL HIGHWAY FUND - OPERATING APPROPRIATIONS</b>	\$872,087,199	\$871,795,936

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS-1987**

**House Bill 1514:**

- Section 152      **Eliminate Overdrafts** - Requires the Controller of the Department of Transportation to eliminate all overdrafts at the beginning of each fiscal year on State maintenance and construction projects.
- Section 163      **Limitations on Overexpenditures** - Requires that overexpenditures have corresponding under- expenditures in the following titles:
- State Construction/Primary  
State Construction/Urban  
State Construction/Access & Public Service Roads  
State Funds to Match Federal Highway Aid  
State Maintenance  
Ferry Operations
- Overexpenditures or underexpenditures may not vary more than 10% without prior consultation with the Advisory Budget Commission.
- Overexpenditures in any of the above titles for the purpose of providing additional positions shall be approved by the Director of the Budget.
- Section 164      **Cash Flow** - Authorizes and certifies anticipated revenues of the Highway Fund for the 1989-91 biennium.
- Section 165      **Highway Fund Appropriations** - Allows an amount not to exceed 10% of the Board of Transportation's allocation for Contract Maintenance Resurfacing Programs to be used for widening existing narrow pavements that are scheduled for resurfacing.
- Section 166      **Use of Sales Taxes** - Allows the Department of Transportation to deduct and retain from the sales tax collected on motor vehicles an amount equal to the cost of collecting the sales tax; however, the annual amount may not exceed \$475,000.
- Section 167      **Urban Construction Funds** - provides \$1.0 million for each of the 14 Highway Divisions for small urban construction projects and \$6.0 million to be used statewide for rural or small urban highway improvement projects.
- Section 168      **Adjustments to Reflect Actual Revenue** - Provides for any unreserved credit balance in the Highway Fund on June 30 of each fiscal year shall be used to support appropriations in the succeeding fiscal year.
- Section 169      **Pay Grade Increase** - Provides for a pay grade increase for the positions of Education Program Specialist and Driver Education Representatives in the Division of Motor Vehicles.

DEPARTMENT OF TRANSPORTATION  
- HIGHWAY FUND (1987 ACTIONS, Continued)

- Section 170      **Continuing Appropriations** - Amends the General Statutes to provide for (1) Continuing Aviation Appropriations, (2) Continuing Rail Appropriations, (3) Continuing Public Transportation Appropriations. Also amends the General Statutes to require the identification of the anticipated funding sources of all projects in the Transportation Improvement Program.
- Section 171      **Special Appropriations** - Provides \$60.0 million each year of the biennium for highway construction, planning, design and engineering of highways, and acquisition of rights-of-way, matching funds for unanticipated Federal aid, payment of interest and principal on highway bonded indebtedness.
- Section 172      **Commission Paid to Branch Agents** - Provides a 2 cents per transaction increase for DMV Contract Branch Agents. This increase brings the fee up to 72 cents per transaction.

**House Bill 1515:**

- Section 113      **Special Events Funds** - Amends the General Statutes to allow the Secretary of Transportation to allocate \$100,000 each year from the *Personalized License Plate Fund* for the purpose of traffic control at major events.
- Section 114      **Excess Personalized Plates' Fees** - Allows the transfer of certain funds from Department of Transportation to the Department of Commerce.
- Section 115      **Reorganization** - Recognizes the reorganization of portions of the Division of Highways and requires notification to the General Assembly by May 1, 1988 of the status, cost and the savings that result from the reorganization.
- Section 116      **Access Allocation** - Amends the General Statutes to provide funds to the Department of Human Resources to promote travel accessibility for disabled persons and to develop, print and promote the publication *Access, North Carolina*. Also provides that any of the above funds unspent or unobligated at the end of the fiscal year shall not revert, but shall be transferred to the Department of Administration for removal of man-made barriers to disabled travelers at State funded travel attractions.
- Section 117      **Signing of State Maintained County Roads** - Provides funds for signing of State maintained county roads in the counties where signing has not already been funded.
- Section 118      **Revocation Processors** - Provides that none of the funds appropriated for the forty-four new positions to process license revocations shall be expended for new supervisory personnel.

DEPARTMENT OF TRANSPORTATION - HIGHWAY FUND (Continued)

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**1988 LEGISLATIVE ACTIONS**  
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	1988-89 Highway Fund
<b>TOTAL OPERATING APPROPRIATIONS - 1987 SESSION</b>	<b>\$871,795,936</b>
1. <i>TRANSPORTATION ADMINISTRATION</i> : Provides for an accounting position in the Fiscal Section; \$1,745,000 for increased cost of computer services; for General Services increases related to building costs; for data processing for Transportation Systems Planning; and for two positions for the increased service level in the Aeronautics program.	2,390,749 (3)
2. <i>HIGHWAYS - ADMINISTRATIONS/OPERATIONS</i> : Provides for the cost of updating the Department Standard Specifications Book (\$111,100) and provides funds for deficiencies in 11 different sections of Highway Administration.	297,487
3. <i>SECONDARY ROAD CONSTRUCTION</i> : Provides funds for the estimated increase in the consumption of motor fuels.	883,293
4. <i>PLANNING SURVEY AND HIGHWAY PLANNING RESEARCH</i> : Reduction due to State matching funds no longer required.	(562,700)
5. <i>CONTRACT RESURFACING</i> : Provides resurfacing fund at the 1987-88 level to eliminate the backlog of resurfacing needs.	8,000,000
6. <i>DIVISION OF MOTOR VEHICLES</i> : Provides to most Sections within DMV funds to meet unanticipated cost increases (postage, printing, rentals, etc.) and unanticipated workload activities.	1,144,346 (10)
7. <i>RESERVES AND TRANSFERS</i> :	
(a) Provide funds to meet the amount necessary for salary adjustments approved by the State Personnel Commission	450,000
(b) Support for the 4.5% salary increase for those employees paid from the Highway Fund	13,200,000
(c) Support for transfer to Crime Control and Public Safety to support bar light purchases and the purchase of six drug sniffing dogs and their training	505,236
(d) Support for transfer to Natural Resources and Community Development for repairs to the aprons of the runway at Stalling Airfield	312,000
8. <i>STATE AID - PUBLIC TRANSPORTTION</i> : Provides funds at the statutory level based on estimated registration of 5,250,000 vehicles (G.S. 136-16.8)	125,000
9. <i>STATE AID - MUNICIPALITIES (POWELL BILL)</i> : Provides funds at the statutory level based on an estimated 4.5% increase in the consumption of motor fuels	<u>883,293</u>
<b>TOTAL OPERATING EXPANSION</b>	<b>\$27,628,704</b>
<b>TOTAL POSITIONS</b>	<b>(13)</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$899,424,640</b>

## DEPARTMENT OF TRANSPORTATION - HIGHWAY FUND

### SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS-1988

#### House Bill 781:

- Section 5      **Urban Construction Funds** - Provides \$1.0 million for each of the 14 Highway Divisions for small urban construction projects and \$6.0 million to be used statewide for rural or small urban highway improvement projects.
- Section 6      **Adjustments to Reflect Actual Revenue** - Provides for any unreserved credit balance in the Highway Fund on June 30 of each fiscal year shall be used to support appropriations in the succeeding fiscal year. Of the credit balance that is represented by actual revenue in excess of estimated revenues, that excess shall be placed in a Reserve for Highway Construction and Maintenance. The Board of Transportation shall report monthly to the Joint Legislative Commission on Governmental Operations regarding the use of this reserve. Copies of the report shall also be sent to the House and Senate Chairmen of the Appropriation Committees on Natural and Economic Resources and the Committees on Transportation.
- Section 7      **State Aid to Anson County Airport** - Requires an allocation of \$58,000 to the Anson County Airport for runway maintenance and airport construction.
- Section 8      **Aging Transportation Services Fund** - Provides \$2,000,000 to fund the North Carolina Elderly and Handicapped Transportation Assistance Program.
- Section 8.1    **Leaking Petroleum Storage Tank Clean Up Fund** - Provides \$4,000,000 to fund the Noncommercial Leaking Petroleum Underground Storage Tank Clean Up program.

#### House Bill 2641:

- Section 162    **Revolving Fund for Airport Hangar Construction** - Allows up to \$1,000,000 to be transferred from the State Aid to Airports Reserve Account for a revolving fund to provide loans for construction of aircraft hangars and related airport facilities. Small airports are given preference in receiving loans.
- Section 164    **Essential Air Services** - Allows for more airports to be eligible for State Aid.
- Section 165    **State Aid to Airports - P. B. Raiford** - Requires an allocation of \$25,000 from the state Aid to Airports to Duplin County for drainage improvements at P. B. Raiford Airport.



**AUTHORIZED CAPITAL IMPROVEMENTS  
GENERAL FUND AND  
HIGHWAY FUND**

THE  
BERRY FUND  
GENERAL FUND AND  
AUTHORIZED CAPITAL IMPROVEMENTS

**GENERAL FUND CAPITAL IMPROVEMENTS**

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**1987 LEGISLATIVE ACTIONS**

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**Department:**

	<b>1987-88 General Fund</b>	<b>1988-89 General Fund</b>
<b>ADMINISTRATION</b>		
1. Construction of underground parking and thermal storage facility	\$3,600,000	\$ -
2. New Museum of History Supplement	8,000,000	-
3. Construction of a new Education Building	- a	25,000,000
4. Bath Building - Renovation for additional Health Laboratory space	2,600,000	-
5. Office of Administrative Hearings - roof repair and removal of handicap barriers	100,000 b	-
<b>TOTAL - ADMINISTRATION</b>	<b>\$14,300,000</b>	<b>\$25,000,000</b>
<b>AGRICULTURE</b>		
1. Western Farmers' Market:		
a) Addition to Fruit and Vegetable Building	\$280,000	\$ -
b) Construction of a small truck shed	50,000	-
2. Western NC Agriculture Center - Paving	225,000	-
3. Watercraft Museum - Construction of new facility	259,000 c	-
4. Raleigh Farmers' Market - Completion of new facility	-	1,500,000
5. Triad Farmers' Market - Purchase of land	3,000,000	-
6. Oxford Tobacco Research Station - Construction of a farm storage/maintenance building and a supervisor's dwelling	157,400	100,700
7. Mountain Research Station at Waynesville - Construction of a multi-purpose education building	154,780	-
<b>TOTAL - AGRICULTURE</b>	<b>\$4,126,180</b>	<b>\$1,600,700</b>
<b>COMMERCE:</b>		
1. State Ports - Expansion, modernizations, development, and purchase of Radio Island	\$19,900,000	\$16,000,000
<b>COMMUNITY COLLEGES: d</b>		
1. <i>Central Piedmont</i> - High Technology Center	\$1,586,275	\$ -
2. <i>TC of Alamance</i> - Complete Classroom Lab Building	450,000	400,000
3. <i>Mayland TC</i> - LRC, Shop renovation	500,000 e	544,750
4. <i>Wayne CC</i> - Vocational & Social Sciences Building	1,000,000	1,000,000
5. <i>Pitt CC</i> - Vocational Building	510,170	200,830

	1987-88 General Fund	1988-89 General Fund
<b>CAPITAL IMPROVEMENTS-1987 Session (Continued)</b>		
6. <i>Wake TC</i> - Health Education Building	\$ 1,000,000	\$ 1,175,000
7. <i>Rowan TC</i> - General Purpose Building - Cabarrus County	-	500,000
8. <i>Sampson TC</i> - Complete second floor Adult Education/Student Center	251,250 f	-
9. <i>Sandhills CC</i> - Complete Library/Performing Arts Center and provide for increased costs of project	400,000	-
10. <i>Cape Fear TI</i> - Satellite in Pender County	300,000	-
11. <i>Craven CC</i> - Student Activity Center	300,000	300,000
12. <i>Caldwell CC &amp; TI</i> - Technical Skills Building	750,000	740,000
13. <i>Vance-Granville CC</i>		
(a) Small Business Center	250,000	500,000
(b) Granville Satellite	300,000	-
14. <i>Randolph TC</i> - Planning Money Laboratory/Classroom Facility	200,000	700,000
15. <i>Nash TC</i> - Student Center/Library	-	500,000
16. <i>Blue Ridge TC</i> - Library/Student Center	-	588,000
17. <i>Cleveland TC</i> - Student Activities Center	1,300,000	1,300,000
18. <i>Wilkes CC</i> - Skills Center and Power Mechanics renovation	700,000	-
19. <i>Halifax CC</i> - Student Development Center completion	-	400,000
20. <i>Forsyth TC</i> - Vocational Education Building	850,000	-
21. <i>Isothermal CC</i> - Funds to complete project currently under construction Polk County satellite	200,000 250,000 g	-
22. <i>Rockingham CC</i> - Laboratory/Classroom Building	-	757,826
23. <i>Edgecombe TC</i> - LRC/Classroom, Tarboro	-	600,000
24. <i>Tri-County CC</i> - Classroom/Lab Building, Phase II and for needed sewer line	700,000	500,000
25. <i>Mitchell CC</i> - Renovations of Continuing Education Center	500,000	-
26. <i>Martin CC</i> - Equine Training Center	900,440	-
27. <i>Bladen TC</i> - High Technology Building	150,000	-
28. <i>Western Piedmont CC</i> - Complete Learning Resource Center facilities	750,000	-
29. <i>Roanoke-Chowan CC</i> - Complete and equip Industrial Technology/Small Business Center	-	1,000,000

	1987-88 General Fund	1988-89 General Fund
<b>CAPITAL IMPROVEMENTS-1987 Session (Continued)</b>		
30. <i>Asheville-Buncombe TC</i> - Vocation additions and renovations Madison satellite	\$ 1,500,000 400,000 h	\$ 1,500,000 -
31. <i>Carteret TC</i> - Renovate recently acquired building	347,975	-
32. <i>Central Carolina TC</i> - Student Activity/Performing Arts Center Harnett Satellite - equipment Laser-Electro Optics Building	- 479,000	1,000,000 828,520
33. <i>Coastal Carolina CC</i> - Business Technology Building	500,000	500,000
34. <i>College of the Albemarle</i> - Complete current project and repay Rockingham CC	500,000	500,000
35. <i>Haywood TC</i> - Regional Education Services Center	1,487,300	1,487,300
36. James Sprunt TC - Renovations and complete Student Center	200,000	-
37. <i>Johnston TC</i> - Increased costs for current project	500,000	-
38. <i>Gaston College</i> - Equipment for Lincoln School of Technology	442,000	-
39. <i>Fayetteville TI</i> - Equipping a center for business and industry and a center for applied technology	1,000,000	1,000,000
40. <i>Lenoir CC</i> - Aviation Facility & Classroom Building Greene County satellite	- 50,000	939,000 -
41. <i>Durham TC</i> - Satellite in northern Durham County	500,000	-
42. <i>Richmond TC</i> - Repay Rockingham CC Scotland County satellite	80,000 184,500	- -
43. <i>Robeson TC</i> - Complete current project	187,715	-
44. <i>Sandhills CC</i> - Increased costs for Library/Music/ Audiovisual Building	136,500	-
45. <i>Piedmont TC</i> - Repay Rockingham CC Caswell satellite - startup funds	350,000 i 50,000	-
46. <i>Stanly TC</i> - Planning/Learning Resource Center	250,000	-
47. <i>Montgomery TC</i> - Planning/Specialty Lab Building	100,000	-
48. <i>Anson TC</i> - Water and sewer line	1,500,000 j	-
49. <i>Southwestern TC</i> - Equipping Regional Allied Health Center Macon County satellite	945,000 k 100,000	-
<b>TOTAL - COMMUNITY COLLEGES</b>	<b>\$25,888,125</b>	<b>\$19,461,226</b>

**CORRECTION:**

1. Reserve for Prison Recreation Facilities and for repairs and renovations	\$5,000,000 l	\$ -
2. Cumberland County - Reserve for work release facility	1,230,000 m	-
3. Washington County Prison Unit at Creswell - drainage system	85,000	-
4. Western Correctional Center - Construction of a chapel	450,000	-

	1987-88 General Fund	1988-89 General Fund
<b>CAPITAL IMPROVEMENTS-1987 Session (Continued)</b>		
5. Harnett Prison chapel	\$ -	\$ -
6. Caledonia Prison dormitories	-	-
7. Electronic Perimeter Security System	-	-
<b>TOTAL - CORRECTION</b>	<b>\$6,765,000</b>	<b>-</b>
<b>CULTURAL RESOURCES</b>		
1. Zeigler House in Edenton - Renovations & equipment	\$ 25,000	\$ -
2. New History Museum - equip the Sports Hall of Fame exhibit	-	250,000
3. Museum of the Cape Fear in Fayetteville - Renovations	125,000	-
4. Thomas Wolfe Memorial - Construction of a new Visitors Center	325,000	325,000
<b>TOTAL - CULTURAL RESOURCES</b>	<b>\$475,000</b>	<b>\$575,000</b>
<b>CRIME CONTROL &amp; PUBLIC SAFETY:</b>		
1. Construction of 60-person Armory, Marion		
Total Requirement	\$ 1,059,186	
Less Federal Rcpt.	775,640	
Less Local Rcpt.	141,773	
Appropriation	141,773	-
2. Supplement for Wadesboro and Taylorsville armories	61,194	-
<b>TOTAL - CRIME CONTROL</b>	<b>\$202,967</b>	<b>\$ -</b>
<b>HUMAN RESOURCES:</b>		
1. <i>Cherry Hospital:</i> q -		
(a) Renovate water plant	\$ 266,500	\$ -
(b) Renovate waste water treatment plant	730,700	-
2. <i>Broughton Hospital</i> - Air condition patient living area	169,000	3,286,000
3. <i>Jackson Training School:</i>		
Construction of two new dorms	150,000	2,150,300
4. <i>Dobbs School</i> - Construction of a multi-purpose building	195,000	-
5. <i>Eastern School for the Deaf in Wilson:</i>		
(a) Renovate three dormitories	511,000	-
(b) Air condition Eagle Hall	89,000	-
6. <i>Black Mountain Center:</i> r		
(a) Renovate Moore Hall second floor wing	100,000	-
(b) Correct ICF/MR deficiencies and remove asbestos	1,380,924	-
7. <i>Juvenile Evaluation Center:</i>		
(a) Replace window screens	88,439	
(b) Construction of a new Vocational Building	680,000	
(c) Paving and road improvement	150,000	-
<b>TOTAL - HUMAN RESOURCES</b>	<b>\$4,510,563</b>	<b>\$5,436,300</b>

	1987-88 General Fund	1988-89 General Fund
<b>CAPITAL IMPROVEMENTS-1987 Session (Continued)</b>		
<b>JUSTICE:</b>		
1. <i>Justice Academy</i> Dormitory building	\$1,961,800	\$ -
2. <i>State Bureau of Investigation</i> - Advance planning for laboratory facilities (H 2, Ch. 876, Sec. 18)	400,000	-
<b>TOTAL - JUSTICE</b>	<b>\$2,361,800</b>	<b>-</b>
<b>NATURAL RESOURCES AND COMMUNITY DEVELOPMENT:</b>		
1. <i>North Carolina Zoological Park</i> - Continued development of the North American phase	\$6,000,000 s	-
2. <i>Toxic Metal and Organic Analytical Laboratory</i> - Planning and new construction	600,000 t	7,800,000
3. <i>Reserve for Civil Works Projects:</i>		
(a) <i>Carolina Beach Berm and Dune</i> renourishment	825,000	-
(b) <i>Wilmington harbor</i>	185,000	-
(c) <i>Aquatic Weed Control projects</i>	49,000	-
(d) <i>Carolina Beach Inlet - Planning</i>	20,000	-
(e) <i>Morehead City harbor deepening - Planning</i>	130,000	-
(f) <i>State-Local projects</i>	200,000	-
4. <i>Jordan State Forest</i> - Development	400,000	-
5. <i>Bladen Lake State Park</i> - Restroom facilities	25,000	-
6. <i>Marine Fisheries</i> - Complete construction of building in Morehead City	150,000	-
7. <i>Wildlife Resources</i> - Acquisition of the Timber Deed on Conine Island Tract, Bertie County	650,000	650,000
8. <i>Lake James</i> - Land purchase	- u	-
9. <i>Eno River</i> - Land purchase	- u	-
10. <i>Beach Access Program</i>	- u	-
<b>TOTAL - NATURAL RESOURCES AND COMMUNITY DEVELOPMENT</b>	<b>\$ 9,234,000</b>	<b>\$ 8,450,000</b>
<b>UNIVERSITY OF NORTH CAROLINA:</b>		
1. <i>Appalachian State University:</i>		
(a) Classroom Building for College of Business	\$ 5,500,000	\$ 4,188,000
2. <i>East Carolina University:</i>		
(a) Sports Medicine Physical Education Facility	2,200,000	2,225,500
(b) Renovations/addition to Brody Building	2,100,000	2,100,000
3. <i>Fayetteville State University:</i>		
(a) New School of Business Administration Building	3,000,000	3,350,000
4. <i>North Carolina A &amp; T University:</i>		
(a) New Library building	7,000,000	7,823,000

	1987-88 General Fund	1988-89 General Fund
<b>CAPITAL IMPROVEMENTS-1987 Session (Continued)</b>		
5. <i>North Carolina Central University:</i>		
(a) Renovation of major facilities	\$ 2,000,000	\$ 2,485,000
6. <i>North Carolina State University:</i>		
(a) Forest Resources expansion of Robertson Pulp & Paper Lab	4,402,000 v	-
(b) Textile School Facilities - equipment	3,000,000	3,000,000
7. <i>Pembroke State University:</i>		
(a) Addition to Oxendine Science Building	1,200,000	1,253,600
8. <i>University of North Carolina at Asheville:</i>		
(a) Graduate Center and Classroom Building	5,558,500	-
(b) Western North Carolina Arboretum	-	1,449,500
(c) Repairs/renovations Kellogg Foundation	150,000 w	-
9. <i>University of North Carolina at Chapel Hill:</i>		
(a) Biology/Biotechnology Building	5,000,000	5,994,500
(b) Alcohol Studies Center	2,000,000	2,255,700
(c) Family Physicians Center	3,600,000	3,665,000
(d) Construction of a Community Learning and Living Center for Autistic Adults	638,000 x	-
10. <i>University of North Carolina at Charlotte:</i>		
(a) Office/Classroom Building for College of Architecture	3,600,000	3,657,000
(b) College of Engineering Applied Research Lab Facility	-	6,500,000
11. <i>University of North Carolina at Greensboro:</i>		
(a) Land acquisition	3,000,000	-
12. <i>Western Carolina University:</i>		
(a) Warehouse and Storage Building	1,829,700	-
(b) Renovate Stillwell Building	3,520,000	-
(c) Renovate McKee Building and Hoey Auditorium	-	2,737,600
13. <i>University Advance Planning Funds: y</i>		
(a) Engineering Graduate Research Center at North Carolina State University	640,000	-
(b) College of Engineering Applied Research at the University of North Carolina at Charlotte	490,000	-
(c) Performing Arts Center at the University of North Carolina at Chapel Hill	450,000	-
(d) Eastern Carolina Center for Regional Advancement at East Carolina University	350,000	-
(e) Renovation of Varsity Gym at Appalachian State University	300,000	-
(f) Renovation of Scott Hall at North Carolina State University	400,000	-
(g) Conference Center at the University of North Carolina at Asheville	500,000	-
(h) School of Social Work at the University of North Carolina at Chapel Hill	150,000	-
14. <i>Agricultural Programs:</i>		
(a) Mountain Horticulture Crops Research Station and Extension Center at Fletcher - Landscaping and renovations	140,000	-



	1987-88 General Fund	1988-89 General Fund
<b>CAPITAL IMPROVEMENTS-1987 Session (Continued)</b>		
(b) North Carolina State University:		
(1) Complete construction of stalls at Equine Teaching facility	\$ 200,000	\$ -
(2) Complete Swine Research facility	250,000	-
<b>TOTAL - UNIVERSITY OF NORTH CAROLINA</b>	<b>\$63,168,200</b>	<b>\$52,684,400</b>
<b>OFFICE OF STATE BUDGET AND MANAGEMENT:</b>		
Reserve for Repairs and Renovations: z		
1. Town of Salemburg sewer project	\$ 100,000	\$ -
2. North Carolina School of Science and Mathematics - Hill House renovations	2,306,400	-
3. North Carolina Museum of Art - landscaping	475,000	-
4. State Parks:		
(a) Carolina Beach - Complete bulkhead, replace 30 slips	900,000	-
(b) Cliffs of Neuse:		
(1) Dam inlet structure repairs	60,000	-
(2) Water system improvement	166,208	-
(c) Duke Power - Renovate swim area building roofs	75,000	-
(d) Fort Macon		
(1) Replacement of water line	152,000	-
(2) Shelter renovations	75,000	-
(e) Hammocks Beach - well and pump for water system on Bear Island	316,800	-
(f) Hanging rock - Replace underground power line	70,694	-
(g) Kerr Lake:		
(1) Water system improvements - Nutbush	146,000	-
(2) Water system improvements - Hibernia	112,000	-
(3) Toilet building renovations - Bullocksville	62,002	-
(4) Pave use area/improve Satterwhite Point	97,337	-
(5) Water system improvement - County line	88,368	-
(h) Merchants Millpond - Improve drainage	25,000	-
(i) Morrow Mountain:		
(1) Renovate bathhouse and swimming pool	750,000	-
(2) Water system improvements	116,407	-
(3) Renovate bathroom complex-3 buildings	165,000	-
(j) Waynesborough Park:		
(1) Construction of amphitheater (matching funds)	330,000	-
(2) Ranger residence	100,000	-
5. Seaboard Building Renovations	289,000	-
6. Unallocated	59,984	-
<b>TOTAL - OFFICE OF STATE BUDGET AND MANAGEMENT</b>	<b>\$7,038,200</b>	<b>\$ -</b>

	1987-88 General Fund	1988-89 General Fund
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**CAPITAL IMPROVEMENTS-1987 Session (Continued)**

**State Aid to Non-state Entities:**

**CULTURAL RESOURCES:**

Library Construction Grants	\$1,250,000 aa	\$1,250,000
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**NATURAL RESOURCES AND COMMUNITY DEVELOPMENT:**

Clean Water Revolving Loan and Grant Funds	\$ 5,700,000 bb	\$ 15,800,000
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<b>GRAND TOTAL</b>	<b>\$164,920,035</b>	<b>\$146,257,626</b>
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a Section 29, H 1516, Chapter 795 directs that the following funds be placed in a Reserve for the Education Building.

1984 Repairs and Renovations Reserve	\$ 400,333
1986 Direct Appropriation for Education Building	1,450,000
1986 Repairs and Renovation Reserve	2,000,000
Total	\$3,850,333

Of the \$3.9 million, \$1.5 million is authorized as planning funds for a new Education building. Section mandates that an architect be selected within sixty days of July 1, 1987 and that construction plans be completed within twelve months of effective date.

- b Section 6, H 1516, Chapter 795 directs that \$425,00 appropriated by Section 4 of Chapter 1014 of the 1985 Session Laws (Regular Session 1986) to the Department of Administration to purchase the Credit Union building for the Office of Administrative Hearings revert to the General Fund.
- c Section 31, H 1516, Chapter 795 rewrites Section 64 of Chapter 757 of the 1985 Session Laws changing the purpose of the \$75,00 from renovations to construction of a new watercraft center.
- d Section 23, H 1516, Chapter 795 authorizes the Board of Community Colleges to negotiate loans between institutions upon written confirmation of agreement by local boards of trustees.
- e Section 21, H 1516, Chapter 795 mandates that Mitchell County, Avery County, and Yancey County provide at least \$100,000 each over the biennium to match this allocation.
- f Section 12.1, H 2, Chapter 876, states that funds are not subject to any matching requirements.
- g Section 21, H 1516, Chapter 795 states that funds are not subject to any matching requirements.
- h Section 20.1, H 1516, Chapter 795 states that funds are not subject to any matching requirements.
- i Section 22, H 1516, Chapter 795 states that funds are not subject to any matching requirements and also excludes allocations by the 1985 General Assembly to Piedmont Technical college from any matching requirements.
- j Section 20.2, H 1516, Chapter 795 excludes this allocation from any matching requirement. Section 4, H 2, Chapter 876 reallocates these funds to the Anson County Board of commissioners for extending sewer line from the Anson County sewer line on U.S. Highway 74 westward to Anson Technical College.
- k Section 18, H 1516, Chapter 795 mandates use of funds for capital improvements for the Western North Carolina Regional Allied Health and Geriatric Training Center. No local matching funds are required.

**CAPITAL IMPROVEMENTS-1987 Session (Continued)**

- l Section 13, H 1516, Chapter 795 requires that \$15,000 be used to defray the cost of the vocational building at the Vance County Prison Unit (Gillburg).
- m Section 16, H 1516, Chapter 795 mandates that funds be released to Cumberland County when it is ready to begin design and construction.
- n Section 11, H 1516, Chapter 795 rewrites Section 217(a) of Chapter 1014 of the 1985 Session Laws to read that funds appropriated for this purpose shall not revert until June 30, 1988.
- o Section 12, H 1516, Chapter 795 directs that \$134,000 as authorized in Section 207 of Chapter 1014 of the 1985 Session Laws (Regular Session, 1986) from the Reserve for Prison Needs to renovate Building A at Cherry Hospital be used for renovations of Caledonia Prison dormitories. Also repeals 1986 Special Provision transferring Building A to the Department of Correction.
- p Section 14, H 1516, Chapter 795 requires that electronic perimeter systems be tested at the new Craggy Prison in Buncombe County and McCain Prison in Hoke County prior to installation at any other units authorized for construction or renovation under Chapter 3 of the 1987 Session Laws.
- q Section 17, H 1516, Chapter 795 directs the Department of Administration to study and recommend the use of vacant and underutilized buildings at Cherry Hospital. Report is to be made to various appropriation committees, the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by March 15, 1988.
- r Section 28, H 1516, Chapter 795 reallocates funds appropriated to this unit in Section 4 of Chapter 1014 of the 1985 Session Laws for corrections of ICF/MR deficiencies, the removal of asbestos, and an architectural and feasibility study of the utilization of the existing Alcoholic Rehabilitation Center at Black Mountain as an ICF/MR Facility and the subsequent use of Black Mountain Center as an alcoholic rehabilitation center.
- s Section 30, H 1516, Chapter 795 requires that the North Carolina Zoological Park Society provide \$1,500,000 match.
- t Section 9, H 1516, Chapter 795 requires the Department of Administration report to the Joint Legislative Commission on Governmental Operations on proposed plans and proposed location prior to determining a site for this facility.
- u Section 32, H 1516, Chapter 795 requires of the funds in Section 126 of Chapter 757 of the 1985 Session Laws and placed in a reserve by Section 231(b) of Chapter 1014 of the 1985 Session was (1986 Regular Session), \$1,975,000 be used to purchase park land at Lake James and \$500,000 be used to purchase park land for Eno River State Park. Section 98.1, H 1515, Chapter 830 adds that \$250,000 shall be used for the Beach Access Program.
- v Section 25, H 1516, Chapter 795 states that appropriation may be spent only if matched by \$1.0 million in non-state funds.
- w Section 6, H 1515 (S 1011), Chapter 830 appropriates funds to be used by the University of North Carolina at Asheville for repairs/renovations of parking facilities.
- x Section 24, H 1516, Chapter 795 states that funds may be used for purchasing and improving property only upon certification by the Office of State Budget and Management that appropriate provisions for transfer of title to the property have been made.
- y Section 26, H 1516, Chapter 795 identifies these projects.

**CAPITAL IMPROVEMENTS-1987 Session (Continued)**

- z Section 73, H 1515, Chapter 830 states that if the Secretary of Commerce determines that part or all of the funds (\$8,250,000) allocated by Section 57, Chapter 738, Session Laws of 1987 may not be needed for industrial development and having reported such to the Joint Legislative Commission on Governmental Operations, the unneeded sum shall be transferred to the Repairs and Renovation Reserve.
- aa Section 80, H 1515, Chapter 830 states that only one construction grant per public library system may be awarded each year and it shall be limited to ten percent (10%) of the funds allocated by this section. Each grant is contingent on a local dollar-for-dollar match.
- bb Senate Bill 110, Chapter 796 addresses the establishment of the "North Carolina Clean Water Revolving Loan and Grant Act of 1987."

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**1988 LEGISLATIVE ACTIONS**  
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**GENERAL FUND CAPITAL IMPROVEMENTS**

<b>Department:</b>	<b>1988-89 General Fund</b>
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**ADMINISTRATION**

1. Supplement to add an additional floor to the Education Building	\$7,000,000 a
2. Underground Parking - North end of Bicentennial Mall (Use \$2.5 million bond authorizations through H 2427)	-
3. Infrastructure needs for Blue Ridge Road Complex - Extension to new Toxic Metal and Organic Analytical Lab	300,000
4. Low Level Radioactive Waste Management - site development	2,000,000 b
5. Revenue Building - supplement for final drawings for construction of new six-floor facility	500,000
6. Office of Public Telecommunications - Satellite Up Link	247,000 c
7. State Capitol Grounds	- d
<b>TOTAL - ADMINISTRATION</b>	<b>\$10,047,000</b>

**AGRICULTURE**

1. Office and Conference Center, Tidewater Research Center - Construction	\$3,830,000
2. Western NC Agriculture Center - Land purchase	350,000
3. State Fairgrounds - Paving, curb, gutters and storm drains	1,013,100
4. New Agronomics Building - Planning	225,000

<b>Department:</b>	<b>1988-89 General Fund</b>
<b>CAPITAL IMPROVEMENTS-1988 Session (Continued)</b>	
5. Butner Food Warehouse - Freezer addition	841,000
6. Watercraft Museum - Cost overrun	290,700
<b>TOTAL - AGRICULTURE</b>	<b>\$6,549,800</b>
<b>COMMUNITY COLLEGES</b>	
1. <i>Alamance CC</i> - Completion of classroom	\$443,500
2. <i>Asheville-Buncombe TC</i> - Planning of library	150,000
3. <i>Beaufort CC</i> - Planning for classroom building	100,000
4. <i>Blue Ridge CC</i> - Transylvania Satellite	75,000
5. <i>Blue Ridge CC</i> - Plan and develop a Vocational Skills Trade Center	75,000
6. <i>Caldwell CC</i> - Technical Skills Building	(100,000) e
7. <i>Caldwell CC</i> - Watauga County satellite	100,000 f
8. <i>Central Carolina</i> - Harnett County Satellite	50,000
9. <i>Central Piedmont</i> - Optical Disc Facility	1,000,000
10. <i>Craven CC</i> - Student Athletic Center	750,000
11. <i>Durham TC</i> - Extensions to Northern Campus	- g
12. <i>Davidson CC</i> - Emergency Water and Sewer Project	- h
13. <i>Edgecombe</i> - Completion of library/classroom building	330,000
14. <i>Guilford TC</i> - Aviation/Transportation Building	1,700,000
15. <i>Haywood CC</i> - Completion of Student Activities Building	750,000 i
16. <i>Isothermal CC</i> - Land purchase	121,000
17. <i>Johnston TC</i> - Renovate Library	100,000
18. <i>Mayland TC</i> - Emergency Water Project	- j
19. <i>Piedmont CC</i> - Planning of Adult Learning Center	100,000
20. <i>Rowan TC</i> - Cabarrus County Satellite	500,000
21. <i>Sampson CC</i> - Renovations	100,000
22. <i>Sandhills TC</i> - Hoke County Satellite	100,000 k
23. <i>Southwestern CC</i> - Macon County Satellite - Regional Fire Training Center	\$ 350,000 l
24. <i>Stanly/Anson TC</i> - Union County Satellite	1,000,000 m
25. <i>Tri-County CC</i> - Complete classroom, office shop addition	316,000

Department:	1988-89 General Fund
<b>CAPITAL IMPROVEMENTS-1988 Session (Continued)</b>	
26. <i>Vance-Granville</i> - Repay loan	350,000
27. <i>Vocational Textile School</i> - Safety Energy and Handicap Code Requirements	- n
28. <i>Wayne CC</i> - Classroom building	900,000
29. <i>Wilkes CC</i> - Skills Center	700,000
<b>TOTAL - COMMUNITY COLLEGES</b>	<b>\$10,060,500 °</b>
<b>CORRECTION</b>	
1. Wastewater Treatment Facility Upgrading, Caledonia	\$1,300,000 p
2. Chapel Completion:	
a. Western Correctional Center	65,000
b. Harnett Youth Center	93,000
3. Chapel Construction, Rockingham Prison Unit	60,000
<b>TOTAL - CORRECTION</b>	<b>\$1,518,000</b>
<b>CRIME CONTROL AND PUBLIC SAFETY</b>	
1. National Guard Military Center Addition, Raleigh - Planning	\$65,000
<b>CULTURAL RESOURCES</b>	
1. Art Museum - Completion of landscape project	\$474,100 q
2. Charlotte Hawkins Brown Historic Site - Renovations	50,000
3. Tryon Palace - Renovate Disosway House	100,000
<b>TOTAL - CULTURAL RESOURCES</b>	<b>\$624,100</b>
<b>HUMAN RESOURCES</b>	
1. Juvenile Evaluation Center - Air conditioning of two lockup facilities	\$100,000
2. Black Mountain Center - Supplement for on-going renovations	852,000
<b>TOTAL - HUMAN RESOURCES</b>	<b>\$952,000</b>
<b>JUSTICE</b>	
1. Justice Academy - Supplement for new dorm	\$ 396,223
2. SBI Facility, Garner Road - Design completion, site development and construction	5,379,590 r
<b>TOTAL - JUSTICE</b>	<b>\$ 5,775,813</b>
<b>NATURAL RESOURCES AND COMMUNITY DEVELOPMENT</b>	
1. State Parks - Repairs and Renovations	- s
2. New River State Park - Construct meeting shelter	60,000
3. Lake James State Park - Development	250,000
4. Eno River State Park - Land Purchase	250,000

Department: 1988-89  
General  
Fund

CAPITAL IMPROVEMENTS-1988 Session (Continued)

5. North Carolina Zoological Park - Continued development of the North American phase	3,500,000 t
6. Dredging of North Channel, Dare County	500,000
7. Civil Works Project - Reserve	503,000 u
8. Masonboro Island Purchase	- v
9. Buxton Woods	- w
<b>TOTAL - NATURAL RESOURCES AND COMMUNITY DEVELOPMENT</b>	<b>\$5,063,000 x</b>

UNIVERSITY OF NORTH CAROLINA

1. <i>East Carolina University:</i>	
(a) Land purchase	\$500,000
2. <i>North Carolina School of the Arts:</i>	
(a) Renovation of Gray High School	5,989,000
3. <i>North Carolina State University:</i>	
(a) Planning funds - Centennial Campus	710,000
(b) Addition/Remodel Scott Hall	8,863,500
(c) Centennial Campus Site Development	1,000,000
(d) Centennial Campus Center	- y
4. <i>North Carolina State University - Agricultural Extension:</i>	
(a) Repairs/Renovations of Mitchell 4-H Camp, Onslow County	272,500
(b) Land purchase and development of Swannanoa 4-H Camp	27,500
5. <i>University of North Carolina at Asheville:</i>	
(a) Arboretum capital improvements: design work and planning (\$450,000)	2,050,000
(b) Kellogg Center	100,000
(c) Conference Center - Complete design and site work	2,377,000
(d) Physical Education Building - Complete design	300,000
6. <i>University of North Carolina at Chapel Hill:</i>	
(a) Complete design of School for Social Work	250,000
(b) Construction of a Community Learning and Living Center for Autistic Adults	- z
7. <i>University of North Carolina at Charlotte:</i>	
(a) Additional funding for Applied Research Lab Facility	1,250,000
8. <i>University of North Carolina at Greensboro:</i>	
(a) Land purchase	1,500,000
9. <i>Western Carolina University</i>	
(a) Boiler Repairs (\$191,500 from Repairs Reserve)	-
(b) Land purchase	425,000

Department: 1988-89  
General  
Fund

CAPITAL IMPROVEMENTS-1988 Session (Continued)

10. System Reserve:	
(a) Repairs/Renovations	15,000,000
11. North Carolina Memorial Hospital	
(a) Fire alarm and sprinkler system (Sec. 19, of Chapter 1100)	1,500,000
<b>TOTAL - UNIVERSITY OF NORTH CAROLINA</b>	<b>\$42,114,500</b>

OFFICE OF STATE BUDGET AND MANAGEMENT

1. Reserve for Repairs and Renovations:	
(a) State Capitol Grounds	\$ 500,000
(b) Vocational Textile School	684,300
(c) State Parks	1,000,000
2. Construction of new dorms (600 beds) for the Department of Correction	17,447,391 aa
3. Sewer and Water Loans and Grants:	
<b>Grant Allocationsbb</b>	
Town of Salemburg	100,000
Burke County	433,550
Montgomery County	200,000
Lenoir County	3,500,000
Davidson Community College	450,000
Wake County - Little River	100,000
Mayland TC	170,000
Haywood County	120,000
Harnett County	150,000
Lower Cape Fear	150,000
Durham County	400,000
Town of Hot Springs	75,000
Town of Swansboro	100,000
Upper Cleveland Sanitary District	100,000
Piedmont Metropolitan Water District	25,000
Transylvania County	250,000
Town of Wadesboro	200,000
<b>Unobligated</b>	<b>3,476,450</b>

**TOTAL - OFFICE OF STATE BUDGET AND  
MANAGEMENT** \$29,631,691

**TOTAL - CAPITAL EXPANSION** \$112,401,404

**TOTAL - CAPITAL IMPROVEMENTS** \$258,659,030

LEGISLATIVE BOND ISSUE AUTHORIZED:

DEPARTMENT OF ADMINISTRATION:

1. Underground Parking - North end of Bicentennial Mall/Salisbury Street Parking Deck and other parking facilities in Raleigh area	\$25,000,000
<b>TOTAL - CAPITAL AUTHORIZATIONS</b>	<b>\$283,659,030</b>



**CAPITAL IMPROVEMENTS-1988 Session (Continued)**

- a Makes a total of \$35.9 million available for the construction of the Education Building. Section 20, S 257, Chapter 1100 extends the date for construction plan completion 60 days of August 12, 1988.
- b Section 39, H 2641, Chapter 1086 authorizes the transfer of \$100,311 to the Department of Human Resources, Division of Facility Services, Radiation Protection Section, to perform its responsibilities relative to siting, design, and licensing of a low level radioactive waste disposal facility.
- c Section 26.1, S 257, Chapter 1100 reallocates funds from the SBI Facility for this project.
- d Item to be funded from Repairs and Renovation Reserve as allocated under the Office of State Budget and Management.
- e Section 73, H 2641, Chapter 1086 allocates prior 1988-89 appropriation from Caldwell CC to Caldwell CC for the Watauga County satellite.
- f Section 73, H 2641, Chapter 1086 allocates the Caldwell CC for the Watauga County satellite to Watauga County.
- g Durham County is allocated \$400,000 as a grant from Sewer and Water Loans and Grants for extension of facilities to the Northern Campus.
- h Davidson CC is allocated \$450,00 as a grant from the Sewer and Water Loans and Grants for extensions to facility.
- i Section 68, H 2641, Chapter 1086 exempts Haywood CC from any match requirement.
- j Mayland TC is allocated \$170,000 as a grant from the Sewer and Water Loans and Grants for an emergency project.
- k Section 70, H 2641, Chapter 1086 requires that the Sandhills CC - Hoke County satellite funds be allocated to Hoke County.
- l Section 72, H 2641, Chapter 1086 limits the use of Macon County satellite funds to a regional fire training center.
- m Section 65, H 2641, Chapter 1086 states that land provided by Union County on a long-term lease basis satisfies the matching requirement.
- n Item to be funded from Repairs and Renovation Reserve as allocated under the Office of state Budget and Management.
- o Directives for prior appropriation:
  - (1) Section 66, H 2641, Chapter 1086 allows land provided by Pender County to serve as match requirement for the 1985-86 and the 1987-88 appropriations for Pender County satellite.
  - (2) Section 67, H 2641, Chapter 1086 reallocates funds appropriated to Central Carolina Community College in Section 19 of Chapter 795 of the 1987 Session Laws to Lee County for the construction of a Community Resource Center. Requires a \$2,000,000 match.
- p Section 124, H 2641, Chapter 1086 requires the Department of Correction to report to the Joint Legislative commission on Governmental Operation on expenditures.
- q Section 46, H 2641, Chapter 1086 limits the use of land near Polk youth Center. The Museum of Art must submit a site development master plan to the General Assembly for its approval prior to any use.
- r Section 117, H 2641, Chapter 1086 directs that State Bureau of Investigation Facility be constructed on Garner Road Campus. Section 4 of this Act appropriates \$8,230,700 for this facility. Sections 26.1 and 29 of S 257, Chapter 1100 reallocates \$2,851,110 to other purposes.

CAPITAL IMPROVEMENTS-1988 Session (Continued)

- s Item to be funded from Repairs and Renovations Reserve as allocated under the Office of State Budget and Management.
- t Section 161, H 2641, Chapter 1086 requires match of \$875,000 by the North Carolina Zoological Park Society.
- u Section 160, H 2641, Chapter 1086 allocates civil works projects as follows: (a) Beaufort Harbor, \$75,000; (b) Wilmington Harbor, \$300,000; (c) New River Inlet, \$28,000; and (d) Morehead City Harbor Study, \$100,000.
- v S 1840 : S 1844 appropriates \$100,000 to the Department of Natural Resources and Community Development for the purchase of part of this Island. These funds were certified as a transfer in the Department's operating budget. The Department of Administration will handle this purchase.
- w Section 161.4, H 2641, Chapter 1086 directs that of the funds allocated in Sec. 32 (amended by S 257, Section 33) of Chapter 795 of the 1987 Session Laws for State Parks, \$300,000 is to be used for the purchase of Buxton Woods in Dare County.
- x Directives for prior appropriations:
  - (1) Section 158, H 2641, Chapter 1086 requires that funds allocated by Section 7 of Chapter 795 of the 1987 Session Laws for construction of an amphitheater at Waynesborough Park be matched on the basis of two state dollars for every local dollar.
- y Funds of \$1.5 million were certified in the Office of State Budget and Management as state Aid. Section 197, H 2641, Chapter 1086 states that these funds are available for the planning and development of a sports arena if matched on a dollar-for-dollar basis by non-state funds and only if the appropriate governing authority allocates one-half of the seats at this facility to the student body for all regular athletic contests. Also, section expresses intent of the General Assembly to match additional contributions for the construction of this facility.
- z Directives for prior appropriation:
  - (1) Section 103, H 2641, Chapter 1086 rewrites Section 24 of Chapter 795 of the 1987 Session Laws to allow up to \$39,000 to be expended for services provided by the Autistic Foundation of North Carolina, Inc., in planning and development of center.
  - (2) Section 13, H 859, Chapter 1036 transfers from the Division of Mental Health unexpended, but carried forward, funds of \$167,560 appropriated in 1985-86 for the Comprehensive Living and Learning center for Autistic Adults to the Division of Health Affairs for capital improvements of the Center; and,
  - (3) Section 14 directs that \$116,000 of the \$364,900 transferred from the Department of Human Resources in 1987-88 to the Division of Health Affairs be used for capital improvements associated with the development of this center.
- aa (1) Section 123, H 2641, Chapter 1086 identifies the site of new medium custody facilities as follows:
  - (a) Two 104-bed facilities at both the Harnett and Johnston Prison Units; (b) One 104-bed facility at Franklin and Sampson Prison Units. Section allows continuance of emergency construction measures; (2) Section 126 allows the acceptance of a donation from the Clinton Ministerial Association Prison Chapel Fund to build an extension to a support service building at Sampson County Prison Unit; and (3) Section 122 rewrites Section 14(b) of Chapter 795 of the 1987 Session Laws by deleting authorization for use of electronic perimeter security system at McCain Prison in Hoke County. Adds authorization for this system to be installed at Johnston County Prison unit.
- bb Section 161.3, H 2641, Chapter 1086 limits water and sewer grants use to public purposes only, requires purchases remain titled to local governments; Section 37, S 257, Chapter 1100 directs that the cost of real property given to an industry be reduced from the state grant allocation or an equal amount reimbursed to the state if property is given to an industry after this grant allocation is made.

**HIGHWAY FUND CAPITAL IMPROVEMENTS**

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**1987 LEGISLATIVE ACTIONS**  
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	1987-88 Highway Fund	1988-89 Highway Fund
<b>Department:</b>		
<b>CRIME CONTROL &amp; PUBLIC SAFETY:</b>		
1. Law Enforcement Precision Driving Track	\$2,654,000	\$ -
2. Upgrade Highway Patrol Communications Tower and Radio System, Greensboro	250,000	-
<b>TOTAL CRIME CONTROL &amp; PUBLIC SAFETY</b>	<b>\$2,904,000</b>	<b>\$ -</b>
<b>TRANSPORTATION</b>		
<b>Division of Motor Vehicles:</b>		
1. Driver License-Patrol Office, Newton	\$ 102,400	\$ -
2. Renovation of Motor Vehicles Building, Raleigh	36,400	-
3. Building Additions:		
a. Nine Locations	903,600*	-
b. Elizabeth City	56,900	-
c. Gastonia	-	106,500
d. Rocky Mount	-	106,800
4. Roof Replacements at Three Locations	124,800	-
5. Resurface Parking Lots At Four Locations	-	49,300
6. Electrical Renovations, C and L Garage, Raleigh	-	45,200
<b>Division of Highways:</b>		
1. Division Equipment Shops:		
a. North Wilkesboro	2,734,000	-
b. Fayetteville	115,000	2,142,500
2. Maintenance Headquarters:		
a. Taylorsville	450,000	-
b. Monroe	-	34,000
3. Equipment Repair Shops		
a. Spruce Pine	32,000	598,000
b. Andrews	43,000	814,200
c. Selma	46,000	870,600
d. Burnsville	-	36,000
e. Shallotte	-	27,000
f. Williamston	-	45,000
4. Division Sign Shop, Albermarle	32,000	610,000
5. Maintenance Warehouse, Sandy Ridge	14,000	218,000
6. Salt Storage Facilities, Statewide	-	292,000
7. Ferry Replacement and Facility Renovation	2,500,000	3,500,000
8. Boiler Replacement H&T Central Lab, Raleigh	58,000	-

	1987-88 Highway Fund	1988-89 Highway Fund
<b>CAPITAL IMPROVEMENTS-1987 Session (Continued)</b>		
9. Sewer Line, Division Complex, Wilmington	\$ 112,000	\$ -
10. Renovation to Thompson Building, Raleigh	21,000	387,800
11. Bridge Maintenance Office, Boone	-	11,000
12. Consolidation of Currituck/Dare Counties Bridge Maintenance Yards	-	500,000
<b>TOTAL TRANSPORTATION</b>	<b>\$ 7,381,100</b>	<b>\$10,393,900</b>
<b>TOTAL HIGHWAY FUND</b>	<b>\$10,285,100</b>	<b>\$10,393,900</b>

\* Section 34, H1516, Chapter 795 authorizes \$100,000 to be provided for the use of the Division of Motor Vehicles in the Marion H. Brock Law Enforcement Center.

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**1988 LEGISLATIVE ACTIONS**  
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**TOTAL CAPITAL IMPROVEMENTS - 1987 SESSION** **\$10,393,900**

**Department:** **1988-89  
Highway  
Fund**

**CRIME CONTROL & PUBLIC SAFETY:**

1. Renovation of Highway Patrol Stations:	
a. Robeson County	\$46,152
b. Gaston County	69,828
<b>TOTAL - CRIME CONTROL &amp; PUBLIC SAFETY</b>	<b>\$115,980</b>

**TRANSPORTATION:**

**Division of Motor Vehicles:**

1. Building Additions - Nine Locations	\$1,002,000
2. New Buildings - Division Offices:	
a. Aberdeen	440,300
b. Taylorsville	308,000
c. Charlotte	922,100
3. Handicap Modifications Reserve	146,900
4. Replace Septic System, Salisbury	55,650
5. Roof Replacement	147,100

**Division of Highways:**

1. Highway Building - Roof Replacement	188,854
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	<b>1988-89 Highway Fund</b>
<b>CAPITAL IMPROVEMENTS-1988 Session (Continued)</b>	
2. Ferry Replacement & Shore Facilities Renovations	3,500,000
3. Maintenance Headquarters Supplement, Taylorsville	150,000
4. Maintenance Office Addition, Beaufort County	70,000
5. Division Shop Furnace Replacement, Shelby Division Office	17,500
6. Rowan County Bridge Maintenance Relocation	550,000
7. Cedar Island Mini Rest Area	150,000
8. Materials and Test Lab Replacement, Statesville	25,000
9. Supplemental Funds, Method Complex	700,000
10. Division Office Supplements:	
a. Wilson	60,000
b. Greensboro	150,000
11. New Division Office Annex, Albemarle	<u>200,000</u>
<b>TOTAL - TRANSPORTATION</b>	<b>\$8,783,404</b>
<b>TOTAL - CAPITAL EXPANSION</b>	<b>\$8,899,384</b>
<b>TOTAL - CAPITAL IMPROVEMENTS</b>	<b>\$19,293,284</b>

1000  
1000  
1000

TABLE 1. SUMMARY OF THE DATA SOURCES

Source	Description
1. Census of the United States	1950, 1960, 1970, 1980, 1990
2. Census of the United States	1950, 1960, 1970, 1980, 1990
3. Census of the United States	1950, 1960, 1970, 1980, 1990
4. Census of the United States	1950, 1960, 1970, 1980, 1990
5. Census of the United States	1950, 1960, 1970, 1980, 1990
6. Census of the United States	1950, 1960, 1970, 1980, 1990
7. Census of the United States	1950, 1960, 1970, 1980, 1990
8. Census of the United States	1950, 1960, 1970, 1980, 1990
9. Census of the United States	1950, 1960, 1970, 1980, 1990
10. Census of the United States	1950, 1960, 1970, 1980, 1990
11. Census of the United States	1950, 1960, 1970, 1980, 1990
12. Census of the United States	1950, 1960, 1970, 1980, 1990
13. Census of the United States	1950, 1960, 1970, 1980, 1990
14. Census of the United States	1950, 1960, 1970, 1980, 1990
15. Census of the United States	1950, 1960, 1970, 1980, 1990
16. Census of the United States	1950, 1960, 1970, 1980, 1990
17. Census of the United States	1950, 1960, 1970, 1980, 1990
18. Census of the United States	1950, 1960, 1970, 1980, 1990
19. Census of the United States	1950, 1960, 1970, 1980, 1990
20. Census of the United States	1950, 1960, 1970, 1980, 1990

**STATE AID TO  
NON-STATE ENTITIES**





**STATE AID TO NON STATE ENTITIES, 1987 SESSION**  
**1987-89**

**Sections 2 and 3 of H 1515, Chapter 830, Session Laws, 1987**

	1987-88			1988-89		
	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
<b>Total General Fund - Operations</b>	<b>\$276,131,449</b>	<b>\$67,902,958</b>	<b>\$344,034,407</b>	<b>\$276,735,309</b>	<b>\$50,792,814</b>	<b>\$327,678,123</b>
<b>Total Highway Fund - Operations</b>	<b>62,851,923</b>	<b>2,500,000</b>	<b>65,351,923</b>	<b>65,773,077</b>	<b>2,500,000</b>	<b>68,273,077</b>
<b>Department of Administration</b>						
Program: 1251 Office of Policy & Planning						
Object: 6300 Aid to Other Govt. Unit	86,444	-	86,444	86,444	-	86,444
Program: 1311 Office of State Personnel						
Object: 6905 Employer OJT Incentive	104,200	-	104,200	104,200	-	104,200
Program: 1734 Rape Crisis Program						
Object: 6983 Community Service Grants	181,300	-	181,300	181,300	-	181,300
Recipient: Non-Profit Organization						
Program: 1761 Youth Involvement Office						
Object: 6980 Other Grants	6,500	-	6,500	6,500	-	6,500
Program: 1772 Veterans Affairs						
Object: 6110 Aid to Counties	196,000	-	196,000	196,000	-	196,000
xxxx Grant for Veterans Cemeteries	-	75,000	75,000	-	-	-
Program: 1781 Domestic Violence Program						
Object: 6980 Other Grants	417,814	465,000	882,814	417,814	465,000	882,814
Recipient: Non Profit Organization						
Program: 1856 N. C. Alcoholism Research						
Object: 6981 Alcoholism Research Grants	150,000	-	150,000	-	-	150,000
Program: 1861 Commission on Indian Affairs						
Object: 6984 Cherokee Advisory Council	10,000	-	10,000	10,000	-	10,000
Object: 6985 Lumbee Regional Dev. Assoc.	50,000	-	50,000	-	-	-
Program: 1871 Science & Technology						
Object: 6901 Research Grants	<u>192,262</u>	<u>250,000</u>	<u>442,262</u>	<u>192,262</u>	<u>250,000</u>	<u>442,262</u>
<b>Total - Administration</b>	<b><u>1,394,520</u></b>	<b><u>790,000</u></b>	<b><u>2,184,520</u></b>	<b><u>1,194,520</u></b>	<b><u>715,000</u></b>	<b><u>2,059,520</u></b>

State Aid - 1987 Session (Continued)

		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
<b>Department of Cultural Resources</b>							
Program:	1211 Unconditional Grants in Aid						
Object:	6413 N. C. Confederate Museum	200	-	200	200	-	200
	6414 Confederate Cemetery	350	-	350	350	-	350
	6415 Moore's Creek Battleground	500	-	500	500	-	500
	xxxx Historic Rosedale	-	150,000	150,000	-	-	-
	xxxx Bellamy Mansion, Wilmington	-	25,000	25,000	-	-	-
	xxxx Thalian Hall, Wilmington	-	25,000	25,000	-	-	-
	xxxx Elizabethan Gardens	-	25,000	25,000	-	25,000	25,000
Program:	1221 Conditional Grants-in-Aid						
	xxxx Historic Preservation Foundation		50,000	50,000		100,000	100,000
Program:	1241 State Historic Sites						
Object:	6912 Local Grants	11,256	-	11,256	11,256	-	11,256
Program:	1330 Division of the Arts Council						
Object:	Statewide Arts Resources	672,000	-	672,000	672,000	-	672,000
	Theatre	350,000	-	350,000	350,000	-	350,000
	Dance, Folk, Literature, Music, Visual	438,305	-	438,305	438,305	-	438,305
	Touring/Community Development	516,085	-	516,085	516,085	-	516,085
	Grassroots Arts Program	1,250,000	500,000	1,750,000	1,250,000	1,000,000	2,250,000
Program:	1360 Grants-in Aid to Arts						
Object:	6432 Vagabond School of Drama	50,000	-	50,000	50,000	-	50,000
	6435 N. C. State Art Society	8,000	-	8,000	8,000	-	8,000
	6436 N. C. Symphony Society, Inc.	1,329,092	150,000	1,479,092	1,329,092	150,000	1,479,092
	6493 Shakespeare Festival	-	100,000	100,000	-	-	-
	8305 American Dance Festival	55,000	-	55,000	55,000	-	55,000
Program:	1470 Services to Public Libraries						
Object:	6100 Aid to Counties	<u>10,789,462</u>	<u>500,000</u>	<u>11,289,462</u>	<u>10,789,462</u>	<u>500,000</u>	<u>11,289,462</u>
	<b>Total - Cultural Resources</b>	<b><u>15,470,250</u></b>	<b><u>1,525,000</u></b>	<b><u>16,995,250</u></b>	<b><u>15,470,250</u></b>	<b><u>1,775,000</u></b>	<b><u>17,245,250</u></b>
<b>Department of Insurance:</b>							
Program:	1900 Reserves and Transfers:						
Object:	6999 Grants to Fire Districts	200,000	-	200,000	200,000	-	200,000

State Aid - 1987 Session (Continued)		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
<b>Department of State Auditor</b>							
Program:	1312	G. F. Contribution to Fireman's Pension Fund					
Object:	8101	3,779,286	1,354,500	5,133,786	3,779,286	1,354,500	5,133,786
Program:	1313	G. F. Contribution to rescue Squad Pension Fund					
Object:	8101	405,579	145,500	551,079	405,579	145,500	551,079
Program:	1332	Death Benefits - Offices & Fireman Killed Line of Duty					
Object:	8103	<u>250,000</u>	=	<u>250,000</u>	<u>250,000</u>	=	<u>250,000</u>
<b>Total - State Auditor</b>		<b><u>4,434,865</u></b>	<b><u>1,500,000</u></b>	<b><u>5,934,865</u></b>	<b><u>4,434,865</u></b>	<b><u>1,500,000</u></b>	<b><u>5,934,865</u></b>

**Office of State Budget**

xxxx	Holocaust Council	-	75,000	75,000	-	-	-
xxxx	Aid to Council of Governments	-	990,000	990,000	-	990,000	990,000
xxxx	Institute of Medicine	-	200,000	200,000	-	-	-
xxxx	City of Fayetteville (land purchase)	-	275,000	275,000	-	-	-
	Bertie Co. Bd. of Education	-	107,000	107,000	-	-	-
	County of Caswell (Civic Center)	-	465,000	465,000	-	-	-
	City of Greenville (Amphitheater)	-	25,000	25,000	-	-	-
	Person - Caswell Lake Authority	-	75,000	75,000	-	75,000	75,000
	Town of Robbinsville (Municipal Bldg.)	-	125,000	125,000	-	-	-
	Medical Foundation of N. C. Inc.	-	500,000	500,000	-	-	-
	Coastal Women's Shelter Board, Inc.	-	50,000	50,000	-	-	-
	Asheville Community Theatre, Inc.	-	50,000	50,000	-	-	-
	Southern Appalachian Historical Association	-	125,000	125,000	-	-	-
	State Theater of N. C. in Flat Rock	-	25,000	25,000	-	-	-
	Swain County - grant-in-aid for the Swain County Museum's operation and capital needs	-	50,000	50,000	-	-	-
	Gates County Historical Society	-	50,000	50,000	-	-	-
	Anson County - grant-in-aid for the planning of a civic and arts center	-	50,000	50,000	-	-	-
	The Arts Council of Fayetteville/Cumberland County	-	75,000	75,000	-	-	-
	Cape Fear Regional Theatre at Fayetteville, Inc.	-	250,000	250,000	-	-	-

State Aid - 1987 Session (Continued)

	1987-88			1988-89		
	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
Schiele Museum of Natural History and Planetarium, Inc.	-	70,000	70,000	-	-	-
Mint Museum at Charlotte	-	200,000	200,000	-	-	-
United Arts Council of Greensboro, Inc.	-	1,500,000	1,500,000	-	-	-
Eastern Music Festival of Greensoboro	-	50,000	50,000	-	-	-
Old Salem, Inc.	-	60,000	60,000	-	-	-
Onslow County Commissioners	-	100,000	100,000	-	-	-
N. C. Council of Women's Organizations	-	25,000	25,000	-	-	-
N. C. Dance Theatre	-	40,000	40,000	-	-	-
Central Children's Home of North Carolina, Inc.	-	89,900	89,900	-	-	-
Washington County - grant-in-aid	-	50,000	50,000	-	-	-
The Pack Place Education, Arts and Service Center	-	3,000,000	3,000,000	-	-	-
Brevard Music Center, Inc.	-	150,000	150,000	-	-	-
Discovery Place in Charlotte	-	250,000	250,000	-	-	-
William C. Lee Memorial Commission, Inc.	-	100,000	100,000	-	-	-
City of Charlotte	-	4,500,000	4,500,000	-	5,000,000	5,000,000
Spirit Square	-	500,000	500,000	-	-	-
Diversified Opportunities, Inc. of Wilson	-	75,000	75,000	-	-	-
Hospice of Union County, Inc.	-	15,000	15,000	-	-	-
Hospice of Montgomery County, Inc.	-	5,000	5,000	-	-	-
Mission Air Ministries, Inc.	-	100,000	100,000	-	-	-
Sampson County - grant-in-aid for construction of a multi-purpose building to serve Duplin-Sampson Area Mental Health	-	200,000	200,000	-	-	-
Florence Crittenton Services, Inc.	-	500,000	500,000	-	500,000	500,000
Franklin County Board of Commissioners	-	65,000	65,000	-	-	-
Region R. Council of Government	-	550,000	550,000	-	-	-
Town of Oriental	-	25,000	25,000	-	-	-

State Aid - 1987 Session (Continued)	1987-88			1988-89		
	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
Pamlico County Board of Education -	-	62,500	62,500	-	-	-
Burke County Public Library -	-	80,000	80,000	-	-	-
Bladen County Board of Commissioners -	-	50,000	50,000	-	-	-
City of Henderson - (substance abuse program) -	-	25,000	25,000	-	-	-
Vance County - (fire department and municipal building) -	-	25,000	25,000	-	-	-
Jackson County Board of Commissioners-	-	300,000	300,000	-	300,000	300,000
Nash County Board of Commissioners -	-	125,000	125,000	-	-	-
Scotland County - stadium/civic center)-	-	50,000	50,000	-	-	-
Harnett County Board of Commissioners -	-	380,000	380,000	-	-	-
City of Durham - American Dance Festival -	-	2,000,000	2,000,000	-	-	-
City of Raleigh - Memorial Auditorium-	-	-	-	-	2,000,000	2,000,000
Town of Coats - (water lines for industrial development) -	-	30,000	30,000	-	-	-
Craven County Board of Commissioners -	-	75,000	75,000	-	-	-
Granville County - (historic courthouse) -	-	100,000	100,000	-	-	-
Alexander County Water Corporation -	-	92,500	92,500	-	-	-
Operations Raleigh -	-	50,000	50,000	-	-	-
N. C. International Folk Festival, Inc. -	-	75,000	75,000	-	-	-
Sea Level Fire Department, Rescue Squad and Community Center, Inc. -	-	37,785	37,785	-	-	-
County of Dare - (Stumpy Point) -	-	150,000	150,000	-	-	-
Madison County (landfill) -	-	200,000	200,000	-	-	-
Town of Marshall (water & sewer) -	-	125,000	125,000	-	240,000	240,000
N. C. Agricultural Facilities Finance Agency -	-	100,000	100,000	-	-	-
<b>Total-Office of State Budget and Management</b>	<b>-</b>	<b>19,914,685</b>	<b>19,914,685</b>	<b>-</b>	<b>9,105,000</b>	<b>9,105,000</b>

State Aid - 1987 Session (Continued)		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
<b>University of North Carolina</b>							
Program: 0241	Regional Ed. Program -						
	Other Aid & Grants	656,050	-	656,050	690,450	-	690,450
0242	Private Medical School Aid	2,507,900	-	2,507,900	2,506,150	-	2,506,150
0243	Aid to Private Colleges	7,128,000	1,188,000	8,316,000	7,128,000	2,376,000	9,504,000
0244	Legislative Tuition Grants	20,929,000	1,109,200	22,038,200	20,929,000	2,218,400	23,147,400
	Non-Public Institution Grants						
	for One-Time Instructional						
	eq/Supplies Needs	-	170,665	170,665	-	-	-
<b>Total University - Related Programs</b>		<b><u>31,220,950</u></b>	<b><u>2,467,865</u></b>	<b><u>33,688,815</u></b>	<b><u>31,253,600</u></b>	<b><u>4,594,400</u></b>	<b><u>35,848,000</u></b>
0252	Other Reserves						
8310	Reserve Aid to Summer						
	Theatre	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>
	N. C. Geographic Alliance Network	-	50,000	50,000	-	-	-
	<b>Total ECU</b>	<b>55,000</b>	<b>50,000</b>	<b>105,000</b>	<b>55,000</b>	<b>-</b>	<b>55,000</b>
<b>Appalachian State University</b>							
xxxx	Bring It All Back Home						
	Study Center	-	35,000	35,000	-	35,000	35,000
<b>Western Carolina University</b>							
	Western N. C. Tomorrow	250,000	-	250,000	250,000	-	250,000
<b>Elizabeth City</b>							
	Northeastern N. C. Tomorrow	150,000	-	150,000	150,000	-	150,000
<b>Department of Public Education:</b>							
Program: 1700	State Aid Special Programs						
Object: 6400	State Aid - Non Govt. Units	3,119,837	-	3,119,837	3,119,837	-	3,119,837
Program: 1800	Public School Fund						
Object: 6676	Developmental Day Care	2,845,000	-	2,845,000	2,845,000	-	2,845,000
6991	Health Adventure	51,960	-	51,960	51,960	-	51,960
6992	Cued Speech Center	25,000	-	25,000	25,000	-	25,000
6993	Public School Forum of N. C.	375,000	-	375,000	375,000	-	375,000
	Teaching Fellows	-	2,000,000	2,000,000	-	4,000,000	4,000,000
	Junior Programs	-	200,000	200,000	-	400,000	400,000
	Lexington City Schools Project	-	45,000	45,000	-	45,000	45,000
<b>Total - Public Education</b>		<b><u>6,416,797</u></b>	<b><u>2,245,000</u></b>	<b><u>8,661,797</u></b>	<b><u>6,416,797</u></b>	<b><u>4,445,000</u></b>	<b><u>10,861,797</u></b>

State Aid - 1987 Session (Continued)	1987-88			1988-89		
	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
<b>Department of Community Colleges</b>						
Program: 1000 State Aid Institutions						
Object: 6391 SA - Nursing Program	<u>381,650</u>	<u>-</u>	<u>381,650</u>	<u>381,650</u>	<u>-</u>	<u>381,650</u>
<b>Department of Justice</b>						
Program: 1100 General Administration						
Object: 6111 Aid to Counties (Vance & Chatham)	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Department of Correction:</b>						
Program: Extradition (1310)						
Object: 3100 Travel - Recipient County	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
<b>Department of Crime Control</b>						
Program: Victim & Justice Community Penalty Grant Program (1610)						
Object: 6101 Community Penalty Grants Recipient: Non Profit Organization	<u>556,000</u>	<u>205,800</u>	<u>761,800</u>	<u>556,000</u>	<u>-</u>	<u>556,000</u>
<b>Judicial Department:</b>						
Program: Mecklenburg Program for Custody & Visitation Dispute Mediation (1710)						
Object: 1991 Contractual Services - Others	70,000	-	70,000	70,000	-	70,000
Recipient: Non Profit Organization						
Gaston Custody Mediation Center	-	45,000	45,000	-	-	-
Program: Dispute Settlement Centers						
6401 - Orange	15,000	1,500	16,500	15,000	1,500	16,500
6402 - Buncombe	33,600	5,000	38,600	33,600	8,900	42,500
6403 - Chatham	15,000	1,500	16,500	15,000	1,500	16,500
6404 - Wake	20,000	16,000	36,000	20,000	16,000	36,000
6405 - New Hanover	-	-	-	-	-	-
6406 - Polk	3,900	-	3,900	3,900	-	3,900
xxxx - Durham	-	20,000	20,000	-	25,000	25,000
xxxx - Guilford	-	15,750	15,750	-	16,540	16,540
xxxx - Henderson	-	18,000	18,000	-	20,000	20,000
xxxx - Iredell	-	14,200	14,200	-	15,620	15,620
xxxx - Forsyth	-	18,000	18,000	-	19,800	19,800

State Aid - 1987 Session (Continued)	1987-88			1988-89		
	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
xxxx - Cumberland	-	32,000	32,000	-	32,000	32,000
xxxx - Mecklenburg	-	23,000	23,000	-	25,000	25,000
Reserve for Gaston, Anson and Robeson	-	-	-	-	50,000	50,000
Total Dispute Centers	<u>87,500</u>	<u>164,950</u>	<u>252,450</u>	<u>87,500</u>	<u>231,860</u>	<u>319,360</u>
<b>Total - Judicial Department</b>	<b><u>157,500</u></b>	<b><u>209,950</u></b>	<b><u>367,450</u></b>	<b><u>157,500</u></b>	<b><u>231,860</u></b>	<b><u>389,360</u></b>
<b>Department of Transportation</b>						
Program: 84230 Transportation Construction & Maintenance						
Object: 5910 State Aid Municipalities	62,851,923	-	62,851,923	65,773,077	-	65,773,077
Recipient: Municipality						
Program: xxxx State Aid Public Transp.H.F.	-	2,500,000	2,500,000	-	2,500,000	2,500,000
Object: 5945 State Aid - Railroads G.F.	100,000	-	100,000	100,000	-	100,000
Object: 5955 State Aid - Airports G. F.	3,400,000	1,645,000	5,045,000	3,400,000	1,645,000	5,045,000
Object: 5971 Public Transportation Grant Program	<u>1,645,000</u>	<u>(1,645,000)</u>	<u>-</u>	<u>1,645,000</u>	<u>(1,645,000)</u>	<u>-</u>
Total-Transportation H.F.	<u>62,851,923</u>	<u>2,500,000</u>	<u>65,351,923</u>	<u>65,773,077</u>	<u>2,500,000</u>	<u>68,273,077</u>
Total-Transportation G.F.	<u>5,145,000</u>	<u>-</u>	<u>5,145,000</u>	<u>5,145,000</u>	<u>-</u>	<u>5,145,000</u>
<b>Department of Agriculture</b>						
Program: 1200 Museum of Natural History						
Object: 6415 Aid to Tobacco Museum	25,000	-	25,000	25,000	-	25,000
Object: 6409 Life & Science Museum	100,000	-	100,000	100,000	-	100,000
Program: 1180 Plant Protection						
Object: 6101 Aid Multi-Flora Rose	65,014	-	65,014	65,014	-	65,014
Program: Marketing						
Object: 6422 Aid - UNC Development Assoc.	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
<b>Total - Agriculture</b>	<b><u>230,014</u></b>	<b><u>-</u></b>	<b><u>230,014</u></b>	<b><u>230,014</u></b>	<b><u>-</u></b>	<b><u>230,014</u></b>
<b>Department of Commerce</b>						
Program: 1551 Travel & Tourism Development						
Object: 6210 Tourist Promotion Grants	255,000	-	255,000	255,000	-	255,000
Recipient: Non Profit Organization						
Object: 1990 Other Contracted Personal						
Recipient: Keep N. C. Beautiful	25,000	25,000	50,000	25,000	-	25,000



State Aid - 1987 Session (Continued)	1987-88 <u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	1988-89 <u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
Program: 1541 International Development						
Object: 8199 Transfer International Visitors Centers	30,000	-	30,000	30,000	-	30,000
Program: 1731 Technological Development Authority						
Object: 6901 Research Grants	1,320,660	703,262	2,023,922	1,320,660		1,320,660
Program: 1900 Reserves and Transfers Southwestern N. C. Planning & Ec. Dev. Commission	-	75,000	75,000		-	
Rural Economic Development	-	2,000,000	2,000,000		2,000,000	2,000,000
Industrial Development - Edgecombe Co.	-	750,000	750,000		-	
Industrial Development - Harnett Co.	-	100,000	100,000		-	
Mid-East & Albemarle Commission	-	150,000	150,000		-	
Ahoskie Incubator	-	150,000	150,000		-	
Reserve - Industrial Development	-	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total - Commerce</b>	<b><u>1,630,660</u></b>	<b><u>8,953,262</u></b>	<b><u>10,583,922</u></b>	<b><u>1,630,660</u></b>	<b><u>2,000,000</u></b>	<b><u>3,630,660</u></b>
<b>Microelectronics Center</b>						
Object: 6904 Other State Aid	12,226,000	6,227,600	18,453,600	12,226,000	1,929,896	14,155,896
<b>Biotechnology Center</b>						
Object: 8100 Transfer to Biotechnology	6,360,200	-	6,360,200	6,360,200	-	6,360,200
<b>Department of Natural Resources</b>						
Program: 1170 Coastal Zone Management Adm.						
Object: 6101 Implementation CAMA Permit	100,000	-	100,000	100,000	-	100,000
Object: 6103 NAOO Land Use Planning Projects (remainder is federal money)	106,596	-	106,596	106,596	-	106,596
Program: 1212 Forestry Field Organization						
Object: 5500 Other Equipment (rest is used by state)	154,734	-	154,734	154,734	-	154,734
Program: 1250 Forestation						
Object: 8110 Transfer to 24300	700,000	-	700,000	700,000	-	700,000
Program: 1470 Community Services Grant Adm.						
Object: 6313 Aid to Community Action Agency	901,640	85,000	986,640	901,640	-	901,640

State Aid - 1987 Session (Continued)		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
Program: 1510	Soil Water Conservation - Adm.						
Object: 6107	Soil & Water Conservation	200,000	-	200,000	200,000	-	200,000
xxxx	Rural Water Association	-	75,000	75,000	-	75,000	75,000
Object: 6128	Aid to Counties-Nutrient Sensitive	165,000	660,000	825,000	165,000	60,000	225,000
Object: 6840	Cost-Sharing for Nutrient Sensitive Counties (N.C. Agricultural Cost Share	2,900,000	2,915,992	5,815,992	2,900,000	1,915,992	4,815,992
Program: 1640	Land Records Mgtm.						
Object: 6124	Aid for Land Records Mgtm.	325,000	150,000	475,000	325,000	200,000	525,000
Program: 1374	Pollution Prevention Pays Program						
Object: 1900	Contracted Personal Services	200,000	-	200,000	200,000	-	200,000
Program: 1420	Local Planning & Mgmt. Assistance						
Object: 6314	Aid to Council of Government	-	-	-	-	-	-
Program: -----	Environmental Management						
	Land of Sky Regional Council -						
	French Broad River	-	40,000	40,000	-	40,000	40,000
	<b>Total - Natural Resources</b>	<b>5,752,970</b>	<b>3,925,992</b>	<b>9,678,962</b>	<b>5,752,970</b>	<b>2,290,992</b>	<b>8,043,962</b>
<b>Department of Human Resources</b>							
State Aid to Non-State Agencies:							
Program: 1710	Child Caring Institutions Grant-in-Aid	4,093,278	200,000	4,293,278	4,093,278	300,000	4,393,278
1720	Childrens Home Society	50,000	-	50,000	50,000	-	50,000
1750	Autistic Children's Society (6427)	10,000	-	10,000	10,000	-	10,000
1750	Autistic Children's Society - Summer Camp (6432)	20,000	-	20,000	20,000	-	20,000
1770	Rescue Squad Assoc. (6429)	25,000	-	25,000	25,000	-	25,000
1780	Mountain Youth Resources	40,000	-	40,000	40,000	-	40,000
1820	Triad Home Autistic Youth	27,000	-	27,000	27,000	-	27,000

State Aid - 1987 Session (Continued)		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
1890	Autistic Children's Home of Stanly Co.	50,000	-	50,000	50,000	-	50,000
	Caring for Children	-	163,044	163,044	-	163,044	163,044
	Catholic Social Ministeries Inc.	-	35,996	35,996	-	-	-
	<b>Total State Aid to Non-State Agencies</b>	<b><u>4,315,278</u></b>	<b><u>399,040</u></b>	<b><u>4,714,318</u></b>	<b><u>4,315,278</u></b>	<b><u>463,044</u></b>	<b><u>4,778,322</u></b>
<b>Facility Services:</b>							
Program: 1411	Health Resources Development						
Object: 6410	Operational Subsidy	647,704	-	647,704	647,704	-	647,704
64xx	Caswell County Medical Center	-	41,000	41,000	-	-	-
Object: 6420	Aid for Clinic Construction	425,000	-	425,000	425,000	-	425,000
Program: 1511	Emergency Medical Services						
Object: 6440	Aid to Planning Regions	569,548	-	569,548	569,555	-	569,555
64xx	East Care Ambulance	-	350,000	350,000	-	-	-
Program: 1712	State Health Planning						
Object: 6410	Aid to Planning Regions	264,543	-	264,543	264,543	-	254,543
	<b>Total - Facility Services</b>	<b><u>1,906,795</u></b>	<b><u>391,000</u></b>	<b><u>2,297,795</u></b>	<b><u>1,906,802</u></b>	<b><u>-</u></b>	<b><u>1,906,802</u></b>
<b>Social Services:</b>							
Program: 1140	Family Services Administration						
Object: 6131	Services from SS Block Grant	4,500	-	4,500	4,500	-	4,500
Program: 1180	County Administration						
Objects: 6101	AFDC Administration	26,728	-	26,728	26,728	-	26,728
6111	Special Assistance	1,464	-	1,464	1,464	-	1,464
6117	Med Assistance Adm.	5,550	-	5,550	5,550	-	5,550
6120	Food Assistance	28,299	-	28,299	28,299	-	28,299
6130	SSBG Administration	2,336	-	2,336	2,336	-	2,336
6132	Chore Service Adm.	89,639	-	89,639	89,639	-	89,639
6133	Homemaker Adm.	363,439	-	363,439	363,439	-	363,439
6137	Housing & Home Imp. Adm.	2,765	-	2,765	2,765	-	2,765
6138	Protective Serv. Adm.	281,000	-	281,000	281,000	-	281,000
6153	Req. Perm Plan Adm.	147,901	-	147,901	147,901	-	147,901
6173	Child Support Enforcement	350	-	350	350	-	350
6173	CWEP ADMIN - AFDC	124,291	-	124,291	124,291	-	124,291

State Aid - 1987 Session (Continued)		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
6174	CWEP ADMIN - Food Stamps	6,612	-	6,612	6,612	-	6,612
6190	State Aid to Counties	5,831,958	-	5,831,958	5,831,958	-	5,831,958
6192	State Aid - Day Care Coord.	24,577	-	24,577	24,577	-	24,577
xxxx	Eligibility Worker Fund	-	1,500,000	1,500,000	-	1,500,000	1,500,000
Program:	1480 County Services Programs						
Object:	6131 Services from SS Block Grant	45,164	-	45,164	45,164	-	45,164
	6140 Chore Services	2,537,650	-	2,537,650	2,537,650	-	2,537,650
	6141 Adult Day Care Services	800,155	-	800,155	800,155	-	800,155
	6142 Homemaker Services	794,011	-	794,011	794,011	-	794,011
	6143 Housing - Home Improvements	14,303	-	14,303	14,303	-	14,303
	6144 Prep. & Delivery of Meals	152,429	-	152,429	152,429	-	152,429
	6151 Permanency Planning Services	446,080	-	446,080	446,080	-	446,080
	6179 CWEP Training	102,450	-	102,450	102,450	-	102,450
	6180 In Home Screening Pilot	150,000	-	150,000	150,000	-	150,000
	6181 CWEP Travel Cost	53,775	-	53,775	53,775	-	53,775
	6184 Community Work Exp. Program	439,097	311,801	750,898	439,097	311,801	750,898
	6193 Protective Services	<u>719,000</u>	-	<u>719,000</u>	<u>719,000</u>	-	<u>719,000</u>
	<b>Total - Social Services</b>	<b><u>13,195,523</u></b>	<b><u>1,811,801</u></b>	<b><u>15,007,324</u></b>	<b><u>13,195,523</u></b>	<b><u>1,811,801</u></b>	<b><u>15,007,324</u></b>
<b>Health Services:</b>							
Program:	1140 Health Aid to Counties	3,974,854	-0-	3,974,854	3,974,854	-	3,974,854
Program:	1240 Tuberculosis Control						
	6100 Aid to Counties	1,729,441	-0-	1,729,441	1,729,441	-	1,729,441
Program:	1510 Adult Health Promotion & Disease Prevention						
	6100 Aid to Counties	1,976,200	-0-	1,976,200	1,976,200	-	1,976,200
	8354 Adult Cystic Fibrosis Funds	-	30,000	30,000	-	30,000	30,000
	8355 Health Promotion	-	750,000	750,000	-	750,000	750,000
Program:	1520 Adult Health Care						
	6105 Aid to Counties - Kidney	95,448	-	95,448	95,448	-	95,448
	6112 Aid to Counties - Epilepsy	15,361	-	15,361	15,361	-	15,361
	6113 Aid to Counties - Home						
	Health	1,963,704	232,740	2,196,444	2,081,526	232,740	2,314,266
	6890 Pharmaceuticals - Epilepsy	-	75,000	75,000	-	75,000	75,000
	6401 Aid to Home Health Agencies	586,154	67,260	653,414	601,563	67,260	668,823
Program:	1620 Sickle Cell & Genetic Council						
	6100 Aid to Counties	29,401	-	29,401	29,401	-	29,401

State Aid - 1987 Session (Continued)

		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
Program:	1630 Maternal and Child Care						
	6100 Aid to Counties	41,747	-	41,747	41,747	-	41,747
	6101 Aid to Counties - Child Health	6,153,946	-	6,153,946	6,153,946	-	6,153,946
	6102 Aid to Counties - Maternal Health	4,401,174	-	4,401,174	3,710,856	-	3,710,856
	6103 Aid to Counties - Adolescent	458,935	-	458,935	458,935	-	458,935
Program:	1640 Family Planning						
	6100 Aid to Counties	1,450,728	-	1,450,728	1,450,728	-	1,450,728
Program:	1650 Developmental Evaluation Center						
	6100 Aid to Counties	465,324	-	465,324	465,324	-	465,324
Program:	1660 Children's Special Health Ser.						
	6100 Aid to Counties	533,207	-	533,207	533,207	-	533,207
Program:	1710 Communicable Diseases						
	6100 Aid to Counties (A.I.D.S.)	-	150,000	150,000	-	150,000	150,000
Program:	1820 Mosquito and Other Vector Control						
	6100 Aid to Counties	380,745	-	380,745	380,745	-	380,745
	6200 Aid to Cities/Towns	205,712	-	205,712	205,712	-	205,712
Program:	1920 Reserves						
	8355 Reserve Special Grant (United Cerebral Palsy)	-	225,000	225,000	-	-	-
	6491 Sickle Cell Community Based Grant	-	200,000	200,000	-	200,000	200,000
	6493 Hospice Care	-	20,000	20,000	-	-	-
	<b>Total - Health Services</b>	<b><u>24,462,081</u></b>	<b><u>1,750,000</u></b>	<b><u>26,212,081</u></b>	<b><u>23,904,994</u></b>	<b><u>1,505,000</u></b>	<b><u>25,409,994</u></b>
<b>Secretary's Office:</b>							
Program:	1510 Division of Aging						
Object:	6301 Homemaker Home Health Aid	300,000	-	300,000	300,000	-	300,000
	6312 NH Ombudsman Projects	17,069	-	17,069	17,069	-	17,069
	6313 Title III Plan. & Admin.	72,088	-	72,088	72,088	-	72,088
	6314 Title III Social Services	446,895	-	446,895	446,895	-	446,895
	6315 Congregate Nutrition (T.III)	332,510	-	332,510	332,510	-	332,510
	6316 Home Delivered (Title III)	85,001	-	85,001	85,001	-	85,001
	64xx Senior Games Funds	-	40,000	40,000	-	-	-
	64xx Senior Center Funds	-	250,000	250,000	-	-	-
	<b>Total - Secretary's Office</b>	<b><u>1,253,563</u></b>	<b><u>290,000</u></b>	<b><u>1,543,563</u></b>	<b><u>1,253,563</u></b>	<b><u>-</u></b>	<b><u>1,253,563</u></b>

State Aid - 1987 Session (Continued)		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
<b>Youth Services:</b>							
Program: 1320	DVS Detention Services						
6110	Detention Home Subsidy	350,000	-	350,000	350,000	-	350,000
6130	Transportation Subsidy - Law Enforcement	120,000	-	120,000	120,000	-	120,000
6131	Transportation Subsidy - Buncombe	36,460	-	36,460	36,460	-	36,460
Program: 1310	Community Based Services						
6120	Aid to Counties	8,549,930	-	8,549,930	8,549,930	-	8,549,930
6121	Aid to Judicial Districts	196,410	-	196,410	196,410	-	196,410
6420	Eckerd Camps	<u>4,373,426</u>	-	<u>4,373,426</u>	<u>4,373,426</u>	-	<u>4,373,426</u>
<b>Total - Youth Services</b>		<b><u>13,626,226</u></b>	<b><u>-</u></b>	<b><u>13,626,226</u></b>	<b><u>13,626,226</u></b>	<b><u>-</u></b>	<b><u>13,626,226</u></b>
<b>Blind Services:</b>							
Program: 1210	Special Assistance for the Blind						
6110	State A/B County Equalization	12,000	-	12,000	12,000	-	12,000
Program: 1510							
6400	Radio Reading Service Funds		<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total - Blind Services</b>		<b><u>12,000</u></b>	<b><u>10,000</u></b>	<b><u>22,000</u></b>	<b><u>12,000</u></b>	<b><u>-</u></b>	<b><u>12,000</u></b>
Salary Reserve and Inflationary Adjustments for Mandated Programs.							
<b>Salary Increase</b>		<b><u>-</u></b>	<b><u>6,115,660</u></b>	<b><u>6,115,660</u></b>	<b><u>-</u></b>	<b><u>6,115,660</u></b>	<b><u>6,115,660</u></b>
<b>Inflationary Increases</b>		<b><u>1,422,089</u></b>		<b><u>1,422,089</u></b>	<b><u>2,750,379</u></b>	<b><u>-</u></b>	<b><u>2,750,379</u></b>
<b>Mental Health:</b>							
Program: 1270	Community Based Services - Mental Health Services - State						
Objects: 6301	Area MH Programs	27,992,323	-	27,992,323	27,992,323	-	27,992,323
6304	Group Homes	2,156,207	104,000	2,260,207	2,156,207	104,000	2,260,207
6308	Inpatient Funding - Mental Health (Area Match Fund)	850,000	351,000	1,201,000	850,000	499,358	1,349,358
6314	Chronically Mentally Ill Adults	5,675,129	-	5,675,129	5,675,129	500,000	6,175,129

State Aid - 1987 Session (Continued)

	1987-88			1988-89		
	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
6315 Early Intervention for Emotionally Disturbed	695,114	-	695,114	695,114	-	695,114
6329 Bringing It All Back Home	104,000	(104,000)	-0-	104,000	(104,000)	-0-
6330 Funds for Assaulting Children	26,912,890	600,000	27,512,890	26,912,890	600,000	27,512,890
6332 South Central Deinstitutionalization	3,742,415	-	3,742,415	3,742,415	-	3,742,415
6333 Replace Lost Block Grant Funds	3,485,853	-	3,485,853	3,485,853	28,000	3,513,853
6341 Multidisciplinary Evaluation	55,555	-	55,555	55,555	-	55,555
6343 Involuntary Outpatient Commitment	1,023,758	533,000	1,556,758	1,023,758	533,000	1,556,758
6367 Community Mental Health P.	795,000	397,400	1,192,400	795,000	584,455	1,379,455
6393 Children's Services - Emotionally Disturbed	-	175,000	175,000			
Program: 1370 Community Based Services - Mental Retardation Services - State						
Objects: 6301 Area Mentally Programs	4,518,242	-	4,518,242	4,518,242	-	4,518,242
6302 Community Demonstration Projects	196,826	-	196,826	196,826	-	196,826
6303 Mental Retardation Complexes	1,604,621	-	1,604,621	1,604,221	-	1,604,621
6305 Group Home for Mentally Retarded	8,326,323	1,021,935	9,348,258	8,326,323	1,619,473	9,945,796
6324 Respite Care - Mentally Retarded	752,401		752,401	752,401	-	752,401
6325 Group Homes for Mentally Retarded Children	899,127	137,800	1,036,927	899,127	137,800	1,036,927
6326 Sub - Family Care - MR	96,213	-	96,213	96,213	-	96,213
6327 Apartment Living for MR	252,563	-	252,563	252,563	-	252,563
6348 Early Intervention - MR	1,428,492	-	1,428,492	1,428,492	-	1,428,492
6353 ADAP Construction	-	300,000	300,000	-	-	-
6354 Adult, Developmental Activity Program	12,015,799	700,000	12,715,799	12,015,799	700,000	12,715,799
6355 Day Care Substitute	3,862,418	630,000	4,492,418	3,862,418	630,000	4,492,418
6358 Community Service Fund	1,321,012	-	1,321,012	1,321,012	-	1,321,012
6359 Residential Subsidy Children	2,270,394	370,000	2,640,394	2,270,394	370,000	2,640,394

State Aid - 1987 Session (Continued)		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
6386	Adult Developmental Activity Program Transportation	504,240	-	504,240	504,240	-	504,240
6388	Hot Springs Health Program	-	75,000	75,000	-	75,000	75,000
6391	Guardianship Prog. NCARC	90,500	89,000	179,500	90,500	-	90,500
Program: 1470 Community Based Services - Alcohol and Drugs							
Objects: 6301	Area Mental Health Programs	5,908,054	-	5,908,054	5,908,054	-	5,908,054
6306	Community Alcoholism Programs	3,773,087	-	3,773,087	3,773,087	-	3,773,087
6309	South Central Regional	422,442	-	422,442	422,442	-	422,442
6310	Drug Program	639,243	-	639,243	639,243	-	639,243
6313	Treatment Alternatives to Street Crimes Funds	357,724	-	357,724	357,724	-	357,724
6339	Western Region Detox Services	749,955	-	749,955	749,955	-	749,955
6384	Contract - Res. Drug Blue Ridge	-	300,000	300,000	-	475,000	475,000
6385	First Step Farm	256,598	20,075	276,673	256,598	20,075	276,673
6387	Wiccacon Center	96,000	-	96,000	96,000	-	96,000
Program: 1910 Reserves and Transfers							
8354	Dev. Disabilities	-	1,000,000	1,000,000	-	2,000,000	2,000,000
8356	Pioneer Testing	-	443,383	443,383	-	323,000	323,000
8358	Emotionally Disturbed Children Services	-	1,000,000	1,000,000	-	1,000,000	1,000,000
8382	Autistic Adult & Children Ser.	-	84,000	84,000	-	-	-
8381	Special Grant-Southeastern MH	-	200,000	200,000	-	-	-
8385	MR - Nantahala Apt. Community Living	-	30,000	30,000	-	30,000	30,000
8359	Model Educational Transition Prog. Wake	-	177,710	177,710	-	-	-
xxxx	Cleveland MH Construction	-	100,000	100,000	-	650,000	650,000
xxxx	Residential Care for Youth Substance Abusers	-	300,000	300,000	-	1,500,000	1,500,000
<b>Total - Mental Health</b>		<b><u>123,830,518</u></b>	<b><u>9,035,303</u></b>	<b><u>132,865,821</u></b>	<b><u>123,830,518</u></b>	<b><u>12,275,161</u></b>	<b><u>136,105,679</u></b>



**STATE AID TO NON STATE ENTITIES, 1988 SESSION**  
**1988-89**  
**Sections 3 of H 2641 and H 781, Chapters 1086 & 1101, Session Laws, 1988**

	1987-88			1988-89		
	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
Total General Fund - Operation - 1987 Session				\$276,735,309	\$50,792,814	\$327,678,123
Total Highway Fund - Operations - 1987 Session				65,773,077	2,500,000	68,273,077
Total General Fund - Expansion - 1988 Session (d)					\$32,945,512	\$32,945,512
Total Highway Fund - Expansion - 1988 Session					1,008,293	1,008,293
Grand Total - General Fund					\$83,738,326	\$360,623,635
Grand Total - Highway Fund					3,508,293	69,281,370
<b>Department of Administration:</b>						
Program: 1734 Rape Crisis						
Object: 6983 Community Service Grants					368,000	368,000
<b>Department of Cultural Resources:</b>						
Program: 1211 Unconditional Grants-in-Aid						
Object: Living History Farm					25,000	25,000
<b>Office of State Budget and Management:</b>						
xxxx Liberty Cart - Duplin Outdoor						
Drama Society					35,000	35,000
Mission Air Ministries, Inc.					100,000	100,000
Cunningham Foundation					100,000	100,000
Thalian Hall Center for Performing						
Arts, Inc.					1,000,000	1,000,000
Strike at the Wind-Robeson Historical						
Drama, Inc.					35,000	35,000
Minority Business Development (a)					300,000	300,000
"At the Foot of the Cross Chapel, Inc.					40,000	40,000
Alzheimer Model Adult Day Care Program,						
Alamance County					10,000	10,000
Eastern Alzheimer Disease Association					10,000	10,000
Western Alzheimer Disease Association					10,000	10,000
Carolina Charter Corporation					35,000	35,000

State Aid Additions - 1988 Session (Continued)		1987-88		1988-89			
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
	Union County - Farmers' Market					50,000	50,000
	General William C. Lee Museum					50,000	50,000
	Vance County - Courthouse Renovations					100,000	100,000
	N. C. Amateur Sports - 1989 Games					300,000	300,000
	Sampson County ADAP Building					150,000	150,000
	N. C. Senior Citizens Federation					85,000	85,000
	Jones County - Agricultural Center					40,000	40,000
	Historic Rosedale					100,000	100,000
	Hyde County Sheriff's Department					80,000	80,000
	Greenville Museum of Art, Inc.					100,000	100,000
	Southeastern Center for Contemporary Art					500,000	500,000
	Science Museum of Charlotte, Inc.						
	Discovery Place					250,000	250,000
	Cherokee Historical Association					30,000	30,000
	Eastern N. C. Chamber of Commerce, Inc.						
	Historic Hope Foundation, Inc.					50,000	50,000
	Martin County - Courthouse					500,000	500,000
	Beaufort County - Recreation Project					25,000	25,000
	Neuse River Development Authority, Inc.					25,000	25,000
	North Carolina State University - Centennial Campus Center					30,000	30,000
	Folkmoot, USA (b)					1,500,000	1,500,000
	<b>Total-Office of State Budget and Management</b>					<u>18,750</u>	<u>18,750</u>
						<u>5,658,750</u>	<u>5,658,750</u>
<b>University of North Carolina:</b>							
	Program: 0244 Legislative Tuition Grants					149,219	149,219
<b>East Carolina University:</b>							
	N. C. Geographic Alliance Network					50,000	50,000
<b>N. C. State University:</b>							
	Research Triangle Park Trade Center					100,000	100,000
<b>Department of Public Education:</b>							
	Program: 1800 Public School Fund						
	Object: 6991 Health Adventure Latchkey Program					15,000	15,000
	Latchkey Program					4,200,000	4,200,000
	<b>Total-Public Education</b>					<u>4,215,000</u>	<u>4,215,000</u>

State Aid Additions - 1988 Session (Continued)	1987-88 <u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	1988-89 <u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
<b>Department of Crime Control and Public Safety:</b>						
Program: 1610	Victim and Justice Community Penalty Grant Program					
Object: 6201	Community Penalty Grants				215,967	215,967
<b>Department of Justice:</b>						
Program: 1100	General Administration					
Object: 611	Aid to Counties (Vance and Chatham)				50,000	50,000
<b>Judicial Department:</b>						
	Gaston Custody Mediation Center				53,500	53,500
	Buncombe County Mediation Center				<u>15,000</u>	<u>15,000</u>
	<b>Total - Judicial</b>				<b><u>68,500</u></b>	<b><u>68,500</u></b>
<b>Department of Transportation:</b>						
Program: 84230	Transportation					
Object: 5910	State Aid to Municipalities State Aid - State Aid -Public Transportation				883,293 125,000	883,293 125,000
Program:						
Object: 5945	State Aid to Railroads GF				116,666	116,666
	5955 State Aid to Airports GF				<u>500,000</u>	<u>500,000</u>
	<b>Total - Transportation - H. F.</b>				<b><u>1,008,293</u></b>	<b><u>1,008,293</u></b>
	<b>Total - Transportation - G.F.</b>				<b><u>616,666</u></b>	<b><u>616,666</u></b>
<b>Department of Commerce:</b>						
Program: 1551	Travel & Tourism Development N. C. Travel Council, Inc.				80,000	80,000
Program: Reserves and Transfers:						
	Rural Economic Development Center				500,000	500,000
	N. C. Rural Water Assoc.				<u>90,000</u>	<u>90,000</u>
	<b>Total - Commerce</b>				<b><u>670,000</u></b>	<b><u>670,000</u></b>

State Aid Additions - 1988 Session (Continued)		1987-88	1988-89				
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
<b>Department of Natural and Community Development:</b>							
Program:	1510	Soil Water Conservation					
Object:	6840	Agriculture Cost Share				1,000,000	1,000,000
	6128	Aid to Counties-Nutrient Sensitive				600,000	600,000
Program:	1374	Pollution Prevention Pays Program					
Object:	1900	Contracted Personal Services				150,000	150,000
<b>Total - Natural Resources and Community Development</b>						<b>1,750,000</b>	<b>1,750,000</b>
<b>Department of Human Resources:</b>							
<b>State Aid to Non-State Agencies:</b>							
Program:	1710	Child Caring Institutions Grant-in-Aid					
		Catholic School Ministries, Inc.				39,807	39,807
	1720	Children's Home Society				200,000	200,000
	1750	Autistic Children's Society-					
		Summer Camp				262,000	262,000
		Last Chance for Children Program				75,000	75,000
		United Cerebral Palsy of N. C.				230,000	230,000
<b>Total State Aid to Non-State Agencies</b>						<b>806,807</b>	<b>806,807</b>
<b>Facility Services:</b>							
Program:	1911	Reserves & Transfers:					
Object:	6481	Caswell County					
		Family Medical Center				145,000	145,000
<b>Health Services:</b>							
Program:	1230	Acute Communicable Disease					
Object:	6100	Aid to Counties				250,000	250,000
Program:	1630	Maternal and Child Care					
Object:	6114	Physician Compensation Pilot				240,000	240,000
Program:	1670	Perinatal					
Object:	6922	Obstetrical Education				480,000	480,000
<b>Total - Health Services</b>						<b>970,000</b>	<b>970,000</b>

State Aid Additions - 1988 Session (Continued)		1987-88			1988-89		
		<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>	<u>Continuation</u>	<u>Expansion</u>	<u>Total</u>
<b>Secretary's Office:</b>							
Program:	1510	Division of Aging					
Objects:	6101	Information and Referral					
	6304	In-Home Aging Services				600,000	600,000
	6305	Caregiver Support				720,000	720,000
	6306	Senior Centers/Capital				1,008,000	1,008,000
	6307	Senior Center Outreach				360,000	360,000
	6310	Program Development				403,800	403,800
	6313	Area Agencies on Aging				384,000	384,000
	8308	Senior Games				142,200	142,200
		<b>Total - Secretary's Office (c)</b>				<u>60,000</u>	<u>60,000</u>
						<b>3,678,000</b>	<b>3,678,000</b>
<b>Salary Increases - State Aid</b>						<b>6,026,103</b>	<b>6,026,103</b>
<b>Mental Health:</b>							
Program:	1270	Community Based Services - Mental Health Services -State					
Objects:	6314	Chronically Mentally Ill Adults				1,000,000	1,000,000
	6344	Emotionally Disturbed Children Services	1,000,000	1,000,000		2,000,000	2,000,000
	6372	Blue Ridge MH Funds				692,000	692,000
Program:	1370	Community Based Services - Mental Retardation Services - State					
Objects:	6305	Group Home for Mentally Retarded				1,735,000	1,735,000
	6354	Adult Developmental Activity Program				2,620,500	2,620,500
Program:	1470	Community Based Services - Alcohol and Drugs					
Object:	6374	First Step Farm for Women				285,000	285,000
Program:	1910	Reserves and Transfers:					
Object:	8358	Emotionally Disturbed Children Services -	(1,000,000)	(1,000,000)		(1,000,000)	(1,000,000)
		<b>Total - Mental Health</b>				<u>7,332,500</u>	<u>7,332,500</u>

- a \$50,000 was reallocated to Howard Improvement Association, Inc. (Section 24 of S 257)
- b \$18,750 was reallocated to Vagabond School of Drama, Inc. (Section 27 of S 257)
- c Total is \$50,000 less than expansion in conferee report and appropriation bill, since funds of this amount were certified to the General Assembly for an independent study of the Aging Program.
- d Total is \$50,000 more than certified in state aid object due to independent study funds being misclassified as "State Aid" in conferee report.



## **LOCAL NEEDS**

### **Section 6 of H 1515**

**(Chapter 830, 1987, S.L.) as amended by H 2  
(Chapter 876, 1987, S.L.) for 1987-88;  
H 2643 (Chapter 1085, 1988, S.L.) and S 1840  
(Chapter 1094, 1988, S.L.) for 1988-89**

LOCAL PUBLISHERS

Section 6 of H. 1113

- (Chapter 83A, 1987, R.L.) amended by H. 1113
- (Chapter 83A, 1987, R.L.) amended by H. 1113
- (Chapter 83A, 1987, R.L.) amended by H. 1113
- (Chapter 83A, 1987, R.L.) amended by H. 1113



**APPROPRIATIONS FOR LOCAL NEEDS  
OFFICE OF STATE BUDGET AND MANAGEMENT**

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
"From This Day Forward" Funds	H 304	\$ 5,000
Adam Funds	H 1971	5,000
Adam Program Funds	H 1761	10,000
Adkin High School Funds	S 1097	4,000
Adolescent Pregnancy Funds	H 1719	2,500
Afro-American Center Funds	H 1131	5,000
Afro-American Cultural Center Funds	H 2060	4,000
Afro-American Cultural Center Funds	S 1283	5,000
After School Care Funds	H 433	5,000
After School Care Funds	S 1512	15,000
Ahoskie Economic Enhancement Funds	H 1625	4,000
Alamance Arts Council Funds	S 1432	8,000
Alamance Fire Marshall Funds	S 1468	15,000
Alamance Friends of Youth Funds	H 1532	2,500
Alamance Hist. Properties Funds	S 1438	2,000
Alamance Homeless Shelter Funds	H 1458	7,500
Alamance Human Relations Funds	H 1112	4,000
Alexander Dickson House Funds	H 1495	5,000
Alexander Handycrafts Funds	H 1009	10,000
Alexander Prison Chapel Funds	S 1278	10,000
Allied Shelter Funds	S 1464	7,000
Alternative Sentencing Funds	H 2078	5,500
Alzheimer's Victims Assist. Funds	H 1349	10,000
Angier Senior Citizens Funds	S 1253	5,000
Angier Sr. Center Funds	H 1545	8,000
Angola Ball Field funds	H 1319	3,000
Anita Stroud Foundation Funds	H 1377	4,000
Anita Stroud Foundation Funds	S 1105	5,000
Anson County Arts Council Funds	S 1281	4,000
Anson Firemen's Funds	H 1418	10,000
Anson Library Funds	H 1414	2,000
Anson/Montgomery Funds	H 1636	
Montgomery Women's Crisis Council		2,500
Historic Roller Mill, Montgomery		1,000
Lilesville Civic Builders		500
Cowan Recreation Center		500
Ansonville Rescue Squad		1,000
Burnsville Rescue Squad		1,000
Apex Recreation Funds	S 1369	3,250
Apex Seniors Park Funds	H 2071	5,000
Appalachian Art Center Funds	S 1196	10,000
Arthritis Patient Services Funds	H 570	5,000
Arts Together Funds	S 1250	5,000
Artspace Funds	H 2079	9,500
Artspace of Raleigh Funds	H 2017	1,000
Ashe Co. Library Funds	H 1707	10,000
Ashe Public Library/Arts Funds	S 1195	30,000
Asheboro Arts Funds	S 1263	10,000
Asheboro Econ. Development Funds	H 1695	35,000
Asheville Chamber Music Funds	S 916	2,500
Asheville-Buncombe Homeless Funds	H 1376	15,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Atkinson Library Access Funds	S 1049	8,000
Atkinson Mem. Lib. Funds	H 1522	5,000
Atkinson Park funds	H 1813	1,000
Autryville Fire Dept. Funds	H 1874	1,600
Autryville Outdoor Theatre Funds	H 2040	1,000
Avery-Mitchell-Yancey Library Funds (Amended by H2)	H 59	10,000
Aycock Jr. High Athletic Funds	H 1785	1,000
Ayden Library/Recreation Funds	S 1386	2,250
Ayden Museum Funds	H 1721	3,000
Ayden Recreation Funds	H 1783	3,500
Ayden Rural Fire Funds	H 1780	250
Ballet Theater of Raleigh Funds	H 2126	1,000
Ballet Theater of Raleigh Funds	S 1409	1,000
Bear Grass/Jamesville Funds	S 1456	2,000
Beaufort County Museum Funds	H 1340	19,000
Beaufort Emergency Services Funds	S 1520	3,750
Beaufort Fire Department Funds	S 1354	7,500
Beaufort Historical Assoc. Funds	S 1127	4,500
Beaufort Historical Funds	H 1321	12,000
Beaufort Police Radio Funds	H 1327	5,000
Beaufort Rescue Squad Funds	S 1355	4,500
Beaver Dam Community Center Funds	H 1601	5,000
Beaver Dam Community Center Funds	S 1525	5,000
Beaver Dam Fire Dept. Funds	S 1215	1,000
Belhaven Visitor Center Funds	H 275	12,000
Bell Arthur First Responders	S 1118	2,000
Bell House Funds	H 987	4,000
Bell-Johnston Community Center	H 1760	9,000
Belle Chere Festival Funds	H 1681	2,500
Belvoir Comm. Building Funds	H 1879	1,600
Bennett Literacy Funds	S 1144	6,000
Benson Museum Funds	S 1046	4,000
Bentonville Fire Funds	H 1395	8,000
Bertie Dental Clinic Funds	S 342	25,000
Bethlehem Center Funds	H 2088	5,000
Bethlehem Center Funds	S 1107	5,000
Bethlehem Center-Charlotte Funds	H 1845	4,000
Bethlehem Community Center Funds	H 569	10,000
Bethlehem Ctr. Youth Funds	H 1379	4,000
Big Bros./Sisters of Lower Neuse Funds	H 1891	1,000
Big Marsh Vol. Fire Funds	H 1770	3,500
Black Artists' Guild Funds	S 1102	4,000
Bladen County Fire Depts. Funds	H 2043	6,500
Bladen County Projects Funds	H 1804	
County 4-H Program		1,000
Bladen Springs Community Bldg.		1,000
Dublin Community Building		1,000
Bladen High School Booster Funds	H 1880	1,600
Bladen Improvement Assoc. Funds	S 1219	1,000
Bladen Improvement Assoc. Funds	H 1805	1,000
Bladenboro Community Building Funds	H 1811	1,000
Bladenboro Community Building Funds	S 1220	1,000
Bladenboro Community Center Funds	H 1873	4,000
Blowing Rock Arts Funds	H 2022	10,000
Bolton Community Funds	S 1213	1,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Bradshaw Fire and Rescue Funds	H 73	15,000
Brasstown Fire Dept. Funds	H 1432	4,000
Brevard Police Dept. Funds	H 2112	7,000
Brigade Boys Club Funds	H 1756	7,000
Brigade Boys Club Funds	S 1333	3,000
Broad River Genealogical Funds	H 1434	1,000
Broadway Park Facilities/Horton Park Funds	H 1666	7,500
Brunswick Civic Center Funds	H 1561	2,000
Brunswick Literacy Funds	H 1401	2,000
Brunswick NAACP Funds	H 2149	1,000
Brunswick Schools Athletic Equip. Funds	H 1560	6,000
Burgaw Depot Preservation Funds	H 1878	1,600
Burgaw Depot/Rail Line Project Funds	H 1806	2,000
Burke Alcohol Council Funds	H 393	5,000
Burke County Fair Funds	H 447	15,000
Burke United Funds	H 854	5,000
Cabarrus Senior Citizens Funds (Amended by H2)	H 951	60,000
Cabarrus Workshop Funds	S 955	10,000
Caldwell Half-Way House Funds	S 1031	10,000
Caldwell Senior Center Funds	S 1032	20,000
Camp Carefree Funds	H 1412	5,000
Campbell Folk School Funds	S 211	10,000
Canetuck Community Center Funds	H 2050	1,000
Canetuck Community Center Funds	S 1418	1,500
Canton Comm. Center Funds	H 1363	20,000
Cape Fear Domestic Violence Shelter Funds	H 1975	3,500
Cape Fear Literacy Council Funds	H 2004	4,000
Cape Fear Literacy Council Funds	S 1540	1,500
Cape Fear Teen Center Funds	H 1916	4,000
Cape Fear Teen Center Funds	H 2034	7,000
Cape Fear Teen Center Funds	S 988	75,000
Cape Fear Teen Funds	H 1904	2,500
Cape Fear United Way Funds	S 1334	12,500
Capital Area Soccer Funds	S 665	20,000
Carolina Beach Rescue Funds	H 2021	3,000
Carolina Beach Rescue Funds	S 1421	500
Carolina Civic Center Funds	S 1112	5,000
Carteret Band/Athletic Funds	S 1126	4,500
Carteret County Vol. Fire Depts. Funds	S 1128	16,000
Carteret Historical Society Funds	H 1328	3,000
Carteret Marching Band Funds	H 1307	3,000
Carteret Phys.-Ed/Band Funds	H 467	12,000
Carteret Senior Center Fund	H 1329	3,000
Cary Historic Hotel Funds	H 1486	4,500
Cary Senior Citizens Funds	H 1489	1,500
Cary YMCA Funds	H 1482	7,000
Cashiers Child Development Funds	H 1348	10,000
Castalia Boundary Funds	H 900	5,000
Castle Hayne Fire Dept. Funds	H 1467	3,000
Caswell Arts and History Funds	S 1436	2,000
Caswell Educ. Foundation Funds	S 1469	2,000
Caswell Emergency Tower Funds	S 1435	10,000
Caswell Funds	H 1505	
Caswell County Recreation Areas		5,000
Caswell County Historical Jail		1,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Caswell County Civic Center		5,000
Gunn Memorial Library		5,000
Caswell Historical Assoc. Funds	S 1506	2,000
Caswell Library Funds	S 1470	5,000
Catawba Arts Funds	S 86	15,000
Catawba Projects Funds	H 706	
Startown VFD, Inc., Newton		10,000
The Adult Life Programs, Inc.		10,000
The Family Guidance Center, Inc.		10,000
Catawba Training Grounds Funds	H 676	20,000
Caveness House Funds	H 1336	1,500
Cedar Grove Day Care Funds	S 1150	7,000
Chadbourn Chamber of Commerce Funds	H 1623	1,000
Chadbourn Committee of 100 funds	S 1209	2,000
Chadbourn Community Projects Funds	S 1217	2,000
Chapel Hill/Carrboro shelter Funds	S 1051	5,000
Charles Williamson Bar Funds	S 1160	700
Charlotte Area Fund Funds	H 1844	5,000
Charlotte Business League Funds	H 2095	5,000
Charlotte Childrens' Theatre Funds	H 1590	6,000
Charlotte Housing Youth Service Funds	H 1865	4,000
Charlotte Mecklenburg Youth Funds	H 1866	9,000
Charlotte Shakespeare Company Funds	H 1367	5,000
Charlotte Symphony Funds	H 1464	6,000
Charlotte/Mecklenburg Youth Council Funds	S 1500	40,000
Chatham Aging Funds	S 1260	2,500
Chatham Co. Hospice Fund	H 1492	5,000
Chatham Domestic Violence Funds	S 1264	2,000
Chatham Hospice Funds	S 1261	2,000
Chatham White Pines Funds	H 1502	10,000
Chatham White Pines Funds	S 1291	2,500
Cherryville Museum Funds	H 1454	7,500
Cherryville Recreation Funds	S 977	6,000
Chicod Recreation Funds	H 1548	750
Child Abuse Prevention Funds	S 998	8,000
Child Advocacy Funds	H 2152	2,090
Child Care Directions Funds	S 1487	9,000
Child Care Networks Funds	S 1077	3,500
Child Guidance Center Funds	H 1679	6,000
Choanoke Area Development Funds	S 1161	7,000
Clarkton High School Field Funds	H 1882	1,600
Clay Activity Bus Funds	H 1758	4,000
Cleveland Abuse Prevention Funds	S 997	8,000
Cleveland Arts Council Funds	S 1037	8,000
Cleveland Children's Center Funds	H 1732	10,000
Cleveland Co. Historical Museum	H 1861	4,000
Cleveland Co. Kidney Assoc. Funds	H 1627	20,000
Cleveland Co. Library Funds	H 1953	4,000
Cleveland Dialysis Funds	H 1440	5,000
Cleveland Hospice Funds	H 1863	7,000
Cleveland Hospice Funds	S 999	8,000
Cleveland Senior Funds	H 1952	5,000
Clinton H. S. Booster Club Funds	H 1883	4,000
Clinton School funds	S 1048	9,000
Clinton/Sampson Agri-Civic Funds	S 1043	8,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Coastal Recreation Funds	H 1403	2,000
Coastal Recreation Funds	S 1458	1,500
Coastal Women's Shelter Funds	H 1472	6,000
Coastal Women's Shelter Funds	H 1595	5,000
Coastal Women's Shelter Funds	S 1268	5,000
Coharie Intertribal Council Funds	H 1887	2,400
Columbus Activity Center Funds	H 1855	1,000
Columbus Agricultural Building Funds	S 1275	5,000
Columbus County Hospice, Inc., Funds	H 1622	1,000
Columbus Historic Building Funds	S 1550	10,000
Columbus Judicial Building Funds	H 1690	9,000
Columbus Senior Citizens Funds	S 1548	1,000
Commercial Fisheries Dev. Funds	S 1170	5,000
Conetoe Volunteer Fire Company funds	H 530	12,500
Congregate Meals Program Funds	H 385	10,000
Harold D. Cooley Library Funds	S 1445	10,000
Council for Children Funds	H 950	9,000
Cove Creek Senior Citizens Funds	H 2048	5,000
Cramerton Community Center Funds	S 980	3,000
Cramerton Fire Truck funds	S 981	3,000
Craven Arts Funds	H 1579	1,000
Craven County Aging Funds	H 1578	1,000
Craven County Education Funds	S 1133	4,500
Craven Senior Citizens Funds	S 1138	9,000
Craven, Pamlico, Lenoir Funds	H 1820	
United Tri-County Lenoir Citizens Corp.		5,000
Hugo VFD		4,000
Coastal Women's Shelter Board		5,000
Pamlico County Rescue Squad		3,250
N.C. Fisheries Assoc. Inc.		2,000
Craven Co. Board on Aging		1,000
Big Brothers/Big Sisters		1,000
Harvey Gardens		2,500
LaGrange Library		3,000
Safe in Lenoir County		1,000
Harlowe Community Building		2,500
Adkin High School		2,000
Caswell Fire Co., #1 Station, Kinston		1,500
Cunningham Air Museum		1,000
Boys Club of Lenoir County		1,000
Help is On the Way		1,250
Town of Pink Hill Buildings		3,000
Craven/Pamlico/Carteret Library Funds	S 1132	2,000
Creedmoor Roof Funds	S 1152	8,000
Crisis Pregnancy Funds	H 1969	10,000
Crossroads of Wilmington Funds	H 1979	7,500
Cued Speech Center Funds	S 1397	3,000
Cued Speech Funds	H 2001	3,000
Cued Speech Funds	S 1329	1,500
Cultural Arts/SPCA Funds	H 1583	20,000
Cumberland Co. Indian Funds	H 1941	2,500
Cumberland Co. Sheriff's Funds	H 1943	3,750
Cumberland Public Library Funds	H 1901	3,750
Cumberland Rescue Funds	H 1905	2,500
Cumberland Rescue Squad Funds	H 1829	3,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Cumberland Rescue Squad Funds	H 1917	3,000
Cumberland Rescue Squad Funds	H 1936	2,500
Cumberland Senior Citizens Funds	H 1911	4,000
Cumberland Sickle Cell Funds	S 986	10,000
Cumberland Workshop Funds	H 1913	15,000
Cunningham Museum Funds	H 1570	1,000
Cystic Fibrosis Research Funds	H 2031	18,000
Dallas Capital Projects Funds	S 979	6,000
Davidson Meals Funds	H 1798	10,000
Davidson Museum Funds	S 963	62,000
Day Care in Orange County	H 1748	5,000
Delta Arts Center Funds	S 1004	5,000
DeRossett Funds	H 2151	2,500
Developmentally Disabled Adult Funds	S 1054	2,500
Dickson House Funds	S 1292	1,000
Dillard Incubator Funds	H 1696	5,000
Dobbins Heights Park Funds	S 1227	3,000
Dobson Community Building Funds	H 1660	5,000
Dobson Community Center Funds	S 1302	10,000
Domestic Violence Funds	S 1493	5,000
Domestic Violence Shelter Funds	S 1543	1,700
Dore Academy Funds	H 2129	5,000
Dry Ponds Community Club Funds	H 392	5,000
Ducks Unlimited Funds	H 2026	6,000
Dunn Centennial Celebration Funds	H 1542	2,000
Duplin Agribusiness Council Funds	S 1096	4,000
Duplin Arts Council Funds	H 1552	1,000
Duplin Education Foundation Funds	H 1539	5,000
Duplin Education Foundation Funds	S 1360	2,500
Duplin Fire Departments Funds	H 1554	20,000
Duplin Monument Funds	S 1361	1,000
Durham Arts Complex Funds	S 966	50,000
Durham Child Victim Funds	H 1427	15,000
Durham Day Care Funds	H 1429	10,000
Durham Dispute Center Funds	H 1540	2,000
Durham Housing Authority Funds	H 1640	12,500
Durham Housing Authority Youth Funds	S 1148	7,000
Durham Meals on Wheels Funds	H 1637	2,000
Durham	H 1691	
Durham County Inventory of Natural and Cultural Resources		4,000
Redwood Fire Department		1,000
Durham Women's Commission Funds	H 1630	3,000
Durham YWCA Fire Funds	S 1149	2,000
East Arcadia Gym Funds	H 1809	1,000
East Arcadia Gym Restoration Funds	S 1208	1,000
East Carolina Boy Scouts Funds	S 1376	2,000
East Hamlet Community Funds	S 1526	5,000
East Side Day Care Service Funds	S 1265	10,000
Eastern Minority Dev. Funds	S 1240	50,000
Eastern Minority Dev. Funds	H 1576	2,000
Eastern North Carolina Tomorrow	S 1297	31,000
Eastern Regional Jetport Funds	H 224	3,000
Eastover Community Park Funds	H 1915	5,000
EBC Child Care Funds	H 1127	5,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Econo Force Funds	H 325	10,000
Eden Recreation Funds	S 1325	10,000
Edgecombe Rescue Squad Funds	H 472	12,500
Edgecombe Rescue Squad Funds	S 1422	6,000
Edgecombe/Pitt Senior Funds	S 1496	5,000
Edgecombe/Wilson Rehab. Funds	S 1475	16,000
Educational Enrichment Pgm. Funds	H 1787	1,000
Educational Excellence Funds	H 1263	20,000
Educational Search Funds	H 512	5,000
Eliada Home Funds	H 1922	5,000
Eliada Home Funds	S 1184	10,000
Elizabeth City Hopeline Fund	S 1348	5,000
Elizabethtown Revitalization/Tory Hole Theatre	H 1812	2,000
Elizabethtown Revitalization Funds	S 1272	2,000
Elkin Recreation Center Funds	S 1300	10,000
Elm City EMS Funds	S 1324	5,000
Erwin Center Funds	S 1231	6,000
Erwin Town Hall Funds	H 1567	5,000
Ezzell Outreach Ctr. Funds	H 1998	1,000
Ezzell Outreach Funds	H 1881	1,600
Fair Bluff Community Funds	S 1223	1,000
Fair Bluff Drainage Funds	S 1551	10,000
Fair Bluff Funds	H 1599	2,000
Fair Bluff Library Funds	H 1852	2,000
Fairmont Projects Funds	H 1958	7,000
Faison Center Funds	H 1417	5,000
Falcon Town Hall Funds	H 1828	5,000
Falcon Town Hall Funds	S 984	20,000
Falkland Town Improvements Funds	H 1634	1,000
Families in Crisis Funds	H 2003	2,500
Families in Crisis Funds	S 1338	1,000
Family Crisis Center Funds	S 1052	4,500
Family Housing Services Funds	H 1378	3,000
Family Service Center Funds	H 556	5,000
Family Service Center Funds	S 1064	5,000
Family Violence Intervention Funds	S 1405	2,000
Farmville Arts Council Funds	H 1799	1,000
Farmville Child-Develop. Ctr. Funds	H 1800	750
Farmville Community Arts Council Funds	S 1495	3,000
Farmville Town Funds	H 1728	4,250
Fayetteville Area Funds	H 1323	
Old Orange Street School		5,000
Operation Sickle Cell, Inc.		5,000
Spring Lake Community Center		2,500
Hollywood Heights Community Center		2,500
Fayetteville Senior Citizen Transportation		5,000
Marlboro Improvement Assoc.		2,500
Dept. of Human Services		2,500
Fayetteville Area Funds	H 1324	
Old Orange Street School		5,000
Operation Sickle Cell, Inc.		5,000
Spring Lake Community Center		5,000
Hollywood Heights Community Club		2,500
Fayetteville Senior Citizen Transportation		5,000
Stedman-Wade Health Services		2,500

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Marlboro Improvement Assoc.		2,500
Spring Lake Life Line Center		5,000
Fayetteville Human Relation Council		2,500
Hope Mills Law Enforcement Fac.		2,500
Fayetteville Human Services/Arts Funds	S 1244	15,500
Fayetteville/Cumberland Sr. Funds	H 1942	2,500
Find My Child Funds	H 1473	3,000
"First in Freedom" Funds	S 962	2,450
Fisheries Research Funds	H 1646	2,000
Fisheries Research Funds	H 1648	3,000
Flora McDonald Educational Foundation (HB2)	H 1792	5,000
Florence Crittenton Services Funds	H 1465	6,000
Flue-Cured Tobacco Funds	H 1788	1,500
Flynn Houses Funds	H 1607	3,000
Food Bank Funds	H 2000	7,500
Food Bank Funds	S 1539	3,500
Fountain Rural Fire Funds	S 1116	2,000
Fountain Town Improvements Funds	H 1926	1,000
Fourth of July Festival Funds	H 1433	4,000
Fourth of July Festival Funds	S 1344	2,000
Frankie Lemmon School Funds	H 1490	2,500
Frankie Lemmon School Funds	H 2124	1,500
Frankie Lemmon School Funds	S 309	40,000
Franklin Indigent Care Funds	H 1935	5,000
Franklin Park Pool Funds	H 1833	5,000
Franklin Rescue Squad/Fire Dept. Funds	S 1398	15,500
Franklin/Vance/Warren Preschool Funds	S 1404	2,500
Franklinton City Hall Renovation Funds	H 1981	5,000
Fremont Health Funds	H 1982	2,000
Friends of the Page-Walker Hotel Funds	S 1368	3,250
Fuquay Concession Stand Funds	S 683	7,000
Fuquay-Varina Recreation Funds	H 2065	5,000
Gaddy's Community Center Funds	H 1835	2,000
Gallery Theatre Funds	S 1073	3,500
Garland Senior Center Funds	H 1875	1,600
Garner Fire Department Funds	H 2069	2,000
Garner Recreation Funds	H 2068	5,000
Garner Senior Center (amended by HB2)	S 1254	3,250
Garner Senior Citizens Funds	H 388	10,000
Gaston Battered Spouse Shelter Funds	S 1025	8,000
Gaston Community Dev. Funds	H 1452	7,500
Gaston Museum Funds	S 982	20,000
Gate City Jr. Tennis Funds	H 1527	3,000
Gates County Historical Society Funds	H 1351	10,000
Gates County Historical Society Funds	S 971	4,410
General Lee Memorial Comm. Funds	S 1359	7,000
Gethsemane Enrichment Program Funds	H 2012	4,000
Gethsemane Enrichment Program Funds	S 1372	5,000
Gibson Renovation Funds	H 1734	5,000
Goldsboro City Teacher Awards Funds	S 1163	16,000
Goldsboro Developmental School Funds	H 1675	6,500
Good Fellows Club Funds	H 1448	6,000
Graham County Activity Bus Funds	H 1431	9,000
Graham County Comm. Center Funds	H 1347	7,500
Graham Fire Station Funds	H 1425	5,000



SECTION TITLE--1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Graham School Bus Funds	S 1444	20,000
Grantsboro-Silverhill Fire/Tri-County Senior	H 1605	5,500
Granville Funds	H 1504	
Granville Medical Center		15,000
South Granville Rescue Squad		5,000
North Granville EMS		5,000
Central Children's Home		5,000
Oxford Business & Professional Chain		15,000
Granville Senior Citizens' Funds	S 1151	16,000
Granville/Person/Durham Funds	S 1235	
Oxford Business & Professional Chain		5,000
Person Co. Council on Aging		10,000
Creedmoor Rescue Squad (amended by HB2)		5,000
Greater Wilmington Foundation Funds	H 2007	1,910
Greene Council on Aging Funds	S 1357	3,000
Greene County Band Funds	H 2018	3,500
Greene County Teacher Awards Funds	S 1164	16,000
Greene Ed. Foundation Funds	S 992	10,000
Greene Fire Funds	H 1999	8,000
Greene Projects Funds	H 2101	
Transportation of Handicapped		1,000
Senior Citizens Center Programs		2,500
Greene Recreation Funds	H 1967	1,000
Greensboro Beautiful Funds	S 922	10,000
Greensboro Crime/Delinquency Funds	S 1147	25,000
Greensboro Holocaust Funds	H 1524	1,000
Greensboro NAACP Tutorial Funds	H 1369	5,000
Greensboro Woman's Club Funds	H 1315	3,000
Greenville A.M.E. Zion Funds	H 1846	4,000
Greenville Amphitheater Funds	H 1775	1,000
Greenville Art Museum Funds	H 1776	500
Greenville Fire Tower Funds	H 1722	2,000
Greenville Projects Funds	S 1322	
Recreation Department		750
United Cerebral Palsy Development Center		500
Sheppard Memorial Library		500
Grifton Depot Renovation Funds	H 1968	3,000
Grifton Improvement Funds	H 1781	3,000
Grimesland Improvements Fund	H 1778	1,000
Guilford and BHM Libraries Funds	S 1482	3,000
Halifax 4-H Camp Funds	S 1178	4,000
Halifax 4-H Day Camp Funds	S 970	7,000
Halifax Co. Projects Funds	H 1729	
Enfield-Oakview Park		5,000
Enfield Fire Dept. Equipment		1,000
Enfield Rescue Squad		1,000
Hospice of Halifax		1,500
Our Community Hospital		2,000
Littleton Community Center		2,000
Roanoke Valley Arts Council		1,000
Haliwa-Saponi Tribe Library		2,000
Center for Adolescence & Adult Dev.		1,500
Hobgood VFD		1,000
Halifax Co. Dept. of Social Services		1,000
Halifax Law Enforcement		750

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Tillery Recreational Facility		750
Enfield Senior Citizens Transportation "First in Freedom"		500
Southern Halifax Day Care Center		1,000
Scotland Neck VF/R		1,500
Lillie Pike Sullivan Library		1,000
Halifax County School Libraries Funds	S 1179	500
Halifax Funds	H 1509	5,000
Halifax EMS		5,000
Roanoke Rapids Education Board		8,000
Roanoke Rapids Public Library		5,000
Roanoke Canal Commission		3,000
Littleton Civic/Community Center		2,000
Hamilton Recreation Center Funds	S 1072	1,750
Hamlet Library Funds	S 1485	9,000
Hamlet Public Library Funds	H 1602	5,000
Harlowe Community Ctr. Funds	S 1134	3,000
Harmony Hall Funds	H 1889	2,400
Harnett "Quest"/Historical Funds	H 1544	5,000
Harnett Handicapped Skills/Angier Little Leagues	H 1624	18,000
Harnett Uplift Operation Funds	S 1255	4,000
Harold D. Cooley Library Funds	H 1649	5,000
Harrells Comm. Bldg. Funds	H 1876	2,400
Harvey Gardens Funds	H 1572	2,500
Havelock Comm. Center Funds	H 1620	2,500
Havelock Parks and Recreation Funds	S 1135	2,000
Haw River Assembly Funds	H 1757	7,000
Haw River Assembly Funds	S 1293	2,500
Hayes Taylor YMCA Funds	H 1526	5,000
Hayes Taylor YMCA Funds	S 1141	8,000
Hayti Development Funds	H 1428	10,000
Hayti Development Funds	H 1693	2,500
Headstart of New Hanover Funds	S 1459	3,500
Hector MacLean Public Library Funds	H 1963	2,500
Henderson Farmers Market Funds	S 1401	12,000
Henderson Rape Crisis Funds	S 956	5,000
Hertford Economic Development Funds	H 881	5,000
Hertford Senior Center Annex Funds	H 219	5,000
Hickory Grove VFD Funds	H 1884	2,400
Hickory Landmarks Society Funds	S 90	30,000
Higgins Ag-Civic Center Funds	H 1698	20,000
Higgins Agricultural Center Funds	S 1194	10,000
High Point Art Council/Emmanuel Center Funds	H 1944	40,000
Highland Games Funds	H 1771	3,000
Hillsborough Cemetery Funds	H 1496	5,000
Hillsborough Cemetery Funds	S 1294	5,000
Historic Bethabara Park Funds	S 1256	15,000
Historic Caswell Fire Station Funds	H 1647	1,500
Historic Harshaw Chapel Funds	H 1468	2,000
Historic Preservation Funds	S 1033	34,000
Historical Wright Tavern Funds	H 816	10,000
Hoke Communications Funds (HB2)	H 1959	7,500
Hoke Literacy Council Funds	H 1796	7,500
Holly Springs Fire Dept. Funds	H 2067	2,000
Holly Springs Rural Fire Dept. Funds	S 1472	3,250

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Hope Harbor Funds	H 1393	5,000
Hope Mills Law Bldg. Funds (as amended by HB2)	H 2033	10,000
Hope Mills Law Enforcement Funds	H 1914	4,000
Hope Mills Law Funds	H 1902	2,500
Hope Mills Law Funds	H 1937	2,500
Hope Mills Senior Citizens Funds	H 1830	2,500
Hope Mills Sunshine Ctr. Funds	H 1898	2,500
Hospice of Gastonia Funds	S 976	6,000
Hot Springs Municipal Building Funds	H 1362	40,000
Hot Springs Tourism Funds	H 1364	5,000
Hudson Prison Chapel Funds	S 1030	6,000
Hugo Fire Dept. Funds	H 1574	4,000
Hyde County VFD Funds	S 1441	25,000
Individual Development Funds	H 1980	2,000
Individual Development Funds	S 1541	1,000
Ingold Community Building Funds	H 1870	2,400
Interact Crisis Center Funds	H 2122	1,000
Interact Funds	H 1697	9,000
International House Funds	H 1308	6,000
Iredell Adult Learning Ctr. Funds	H 1375	10,000
J. R. Faison Community Center Funds	S 1486	19,000
Jackson Industrial Development Funds	S 1533	5,000
JOCCA Funds	S 1055	6,500
John Avery Boy's Club Funds	H 1638	2,500
John Avery Boy's Club Funds	S 1155	7,000
Johnston 4-H Try Funds	H 334	5,000
Johnston Central Alumni Funds	H 1581	5,000
Johnston Council on Aging Funds	H 1396	5,000
Jones Ag. Center Funds	S 1363	5,000
Jones Community Action Funds	H 1791	1,000
Jones County Agricultural Center Funds	H 1750	3,000
Jones County Senior Citizens Funds	S 1103	4,000
Jones Fire Departments Funds	H 1538	6,000
Jones House Renovation Funds	S 1326	10,000
Jordan Law Enforcement Funds	H 1497	5,000
Jordan Law Enforcement Funds	S 1262	10,000
Jordan Water Funds	S 1062	1,000
Kannapolis Historical Funds	H 1445	5,000
Kannapolis Sr. Center Funds	H 1446	15,000
Katie B. Hines Center Funds	S 1420	1,500
Katie B. Hines Senior Ctr. Funds	H 1976	3,000
Kerr Area Rural Transit System Funds	S 1515	1,500
Keyauwee Center Capital Funds	S 163	40,000
Kings Mountain Pool Funds	S 996	8,000
Kings Mt. Rescue Squad Funds	S 1001	8,000
Kinston Community Center Funds	H 1460	3,000
Kinston Harvey Gardens Funds	S 1104	4,000
Kinston Park Funds	H 1471	3,000
Kinston Softball Funds	H 1984	2,500
Kinston/Lenoir Air Show Funds	S 1101	3,000
Kizito Project Funds	H 1422	5,000
Knightdale Park Funds	H 2066	5,000
Knightdale Recreation Park Funds	S 1492	3,000
Knotts Island Community Ctr. Funds	H 880	5,000
LaGrange Library Funds	H 1459	3,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
LaGrange Library Funds	H 1573	3,000
LaGrange Library Funds	S 1238	3,500
Lake Tabor Bird Sanctuary Funds	S 1210	1,000
Lake Waccamaw Depot Museum Funds	H 1857	1,000
Lake Waccamaw Improvements Funds	H 1853	1,000
Lakeland Cultural Arts Funds	S 1159	15,250
Learning is Fun Funds	H 2082	20,000
Learning Together, Inc., Funds	S 1411	3,000
Lee County Education Funds	H 1669	10,000
Lee County Hospice Funds	S 1003	7,500
Lee County Hospice Funds	H 1668	5,000
Lee County Industries Funds	H 1672	5,000
Lee County Industries Funds	S 646	7,000
Leland Library Funds	H 1405	2,000
Lemon Springs Improvement Funds	H 1671	2,500
Lenoir Boys Club/Help Is On The Way Funds	H 1580	2,250
Lenoir County Law Funds	S 1531	5,000
Lenoir Domestic Violence Funds	H 1596	1,000
Lenoir High School Funds	H 1470	5,000
Lenoir Historical Museum Funds	H 1461	3,000
Lenoir Historical Restoration Funds	S 1100	4,000
Lenoir School Bands Funds	S 1239	4,000
Licklog Players Funds	H 1608	4,000
Life Enrichment Center Funds	H 1862	8,000
Life Experiences Funds	H 1487	3,000
Life Experiences Funds	S 1400	3,000
Lincoln Arts Council Funds	S 1060	4,000
Lincoln Community Health Funds	H 1642	10,000
Lincoln Cultural Center Funds	S 1038	8,000
Lincoln Wildlife Orphanage Funds	H 499	5,000
Literacy Funds	S 1388	8,000
Little Theater Funds	H 1677	3,000
Livestock Ass'n Scholarship Funds	H 1824	11,000
Loaves and Fishes Children's Funds	H 1618	1,000
Long Acre Community Building	H 276	5,000
Look Up Gaston Funds	S 964	5,000
Louisburg Beautification Funds	H 1933	2,500
Lowell Recreation/Beautification Funds	S 975	6,000
Lucama Fire Department Funds	S 1375	3,000
Lumbree Regional Dev. Assn. Funds	S 1111	7,500
Lumberton Downtown Restoration Funds	H 1795	5,000
Macon Fruit Growers Funds	H 417	12,000
Madison Library Funds	H 547	5,000
Madison Rape Crisis Funds	S 939	4,500
Madison-Mayodan Recreation/School Funds	S 1305	15,000
Malcolm Blue Hist. Soc. Funds	S 1067	1,000
Manteo Hopeline Funds	S 1349	5,000
Maple Hill Civic Center Funds	S 1457	2,000
Maple Hill Civic Center Funds	H 1872	2,400
Maple Hill Community Funds	H 2041	1,000
Marietta/Whitehouse Fire Funds	S 1341	5,000
Marion Airport Funds	H 1447	10,000
Marion Airport Funds	S 1034	5,000
Mars Hill College Funds	S 1180	25,000
Martin Co. Projects Funds	H 1817	

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Robersonville Community Hospital		1,500
Parme Community Senior Center		1,500
Martin County Courthouse		1,000
Hamilton Summer Youth Program		1,000
Hamilton Fire Department		1,000
Martin Community Players		500
Pittman Clinic		1,000
Martin County Courthouse Funds	H 426	18,000
Martin Courthouse Funds	S 1424	1,000
Martin Fire Department Funds	S 1431	3,000
Martin Players Funds	S 1352	3,250
Martin Rescue Squad Funds	S 1428	1,500
Matthews Comm. Center Funds	H 1973	10,000
Matthews Help Center Funds	H 1970	5,000
Mauney Memorial Library Funds	S 974	8,000
Maury Community Center Funds	H 1731	1,000
Maxton Day Care Funds	H 1955	2,500
Maxton Day Care Funds	S 1110	3,500
Maxton Revitalization Funds	H 1919	4,000
McCrorey Branch YMCA Funds	H 2061	3,000
McCrorey Branch YMCA Funds	S 1282	5,000
McCrorey YMCA Funds	H 1842	4,000
McDowell Recreation Center Funds	H 1749	15,000
McDowell Recreation Center Funds	S 1183	15,000
Meals on Wheels Funds	H 935	1,000
Mecklenburg Fire Depts. Funds	H 1475	24,000
Mecklenburg Shelter Funds	H 312	15,000
Mecklenburg Youth Council Funds	H 2058	4,000
Mediation Services Funds	S 644	5,000
Men's Garden Club Funds	H 1615	1,000
Mercy Hospital Restoration Funds	H 1125	5,000
Metrolina Assoc. For Blind Funds	H 1686	17,000
Micro Community Building Funds	S 1013	8,000
Military Museum Funds	H 1903	2,500
Mingo Community Building Funds	S 1455	2,000
Minority Business Council Funds	H 1309	5,000
Mint Hill Historical Funds	H 1972	10,000
Mitchell County School Programs Funds (HB2)	H 1343	10,000
Monroe Parks Funds	S 1390	25,000
Montgomery County Hospice Program	S 1224	5,000
Montgomery Firemen Funds	H 1419	10,000
Montgomery Library Funds	H 1415	3,000
Moore Respite Care Funds	S 1082	2,000
Moore's Creek Battleground Funds	H 2053	1,000
Moore'sville Library Funds	H 1469	20,000
Moratoc Park Funds	S 1480	1,500
Mother's Helper Funds	H 2002	2,500
Mother's Helper Funds	S 1330	700
Mount Holly Recreation Funds	H 500	7,500
Mountain Area Hospice Funds	H 1519	2,500
Mountain Area Hospice Funds	S 1327	2,500
Mt. Airy Police Radio Funds	S 1304	10,000
Mt. Airy Westwood Park Funds	H 1988	5,000
Mt. Pleasant Lake and Dam Funds	S 913	50,000
Murfreesboro Historical Assoc. Funds	S 1074	15,340

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Myrover-Reese Funds	H 1899	2,500
Myrtle Grove Center Funds	S 1335	700
Myrtle Grove Community Center Funds	H 1978	2,000
N. Brunswick Boosters' Funds	S 1454	1,000
N.C. Council of Women Funds	S 365	6,500
N.C. Seafood Festival Funds	S 1129	2,500
N.C. Theatre Funds	H 1485	5,500
N.C. Turkey Festival Funds	S 1108	15,000
N.C. Women's Resource Center Funds	H 2015	1,000
N.C. Women's Resource Center Funds	H 2099	1,000
N.E. Human Development Funds	S 1316	2,800
Nags Head Woods Funds	S 941	5,000
Nags Head Woods Preserve Funds	H 1374	5,000
Nantahala Fire/Rescue Funds	H 1547	5,000
Nash Babe Ruth League Funds	S 1379	4,000
Nash County Cultural Center Funds	H 1755	5,000
Nash Preschool Funds	S 892	5,000
National Tour Association Funds	H 1411	5,000
Nature Science Center Funds	H 1765	10,000
Nature Science Center Funds	S 1257	15,000
Neighborhood Justice Funds	H 2084	4,000
New Hanover Arboretum Funds	H 2046	5,000
New Hanover Arboretum Funds	S 1331	2,000
New Hanover Fire/Rescue Funds	S 1460	5,000
New Hanover Salvation Army Funds	S 1336	3,000
North State Law Officers Funds	H 1368	8,500
Northampton Museum Funds	S 968	2,450
Northeastern Area Funds	H 1665	
Northampton Bd. of Education		4,000
Roanoke-Chowan Hospice		2,000
Roanoke-Chowan SAFE Program		5,000
Volunteer Fire Depts.		8,000
Lasker Municipal Drainage Project		6,000
Garysburg Community Center		1,000
Northeastern Tourism Funds	H 440	4,000
Northview Optimist Club Funds	H 1667	2,500
Northwest Developmental Day Funds	H 1588	6,000
Odyssey of The Mind Funds	S 1061	8,000
Ogden Rescue Squad Funds	H 2045	3,000
Old Baldy Lighthouse Funds	H 1400	4,000
Old Depot Association Funds	H 888	2,500
Old Depot Association Funds	S 641	2,500
Old Greensborough Preservation Society Funds	S 947	20,000
Old Tabor School Funds	H 1652	9,000
Old Wilkes, Inc., Funds	H 419	20,000
Ongoing Natural Settings, Inc., Funds	H 1371	5,000
Onslow Arts Council Funds	S 381	8,750
Onslow Co. Museum Funds	S 379	8,750
Onslow Council on Aging Funds	S 376	8,750
Onslow Hospice Funds	S 382	8,750
Onslow Peers Program Funds	S 377	8,750
Onslow Phys.-Ed/Band Funds	H 450	28,000
Onslow Women's Center Funds	S 383	8,750
Operation Breakthrough Funds	H 1659	4,000
Operation Breakthrough Funds	S 1153	7,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Opportunity Corporation Funds	H 1558	5,000
Opportunity Corporation Funds	S 1023	5,000
Options to Domestic Violence Funds	H 907	2,000
Orange Arts Center Funds	H 1499	5,000
Orange Arts Center Funds	S 1078	10,000
Orange Bicentennial Funds	H 1501	5,000
Orange Bicentennial Funds	S 1290	2,000
Orange Library Funds	H 1494	5,000
Orange Library Funds	S 1089	4,500
Orange Shelter Funds	H 1491	5,000
Orange Sheltered Workshop Funds	S 1088	2,000
Orange Street School Restoration Funds	S 1028	10,000
Orange-Chatham JOCCA Funds	H 1500	3,000
Outreach Day Care Funds	S 1044	4,000
Oyster Festival Funds	H 1404	4,000
Oyster Festival Funds	S 1489	1,000
P.A.T.H. Funds	S 1027	8,000
Page Walker Hotel Restor. Funds	H 2070	5,000
Pamlico Band/Athletic Funds	S 1122	4,500
Pamlico Fire Dept. Funds	H 1571	1,000
Pamlico Hospice Funds	H 1575	1,000
Pamlico Rescue Squad Funds	H 1577	3,250
Pamlico Rescue Squad Funds	S 1125	6,500
Pamlico Senior Citizens Funds	S 1124	4,000
Pamlico-Tar River Funds	S 1430	1,500
Parkton Civic Bldg. Repairs Funds	H 1773	4,000
Parmele Senior Citizen funds	S 1117	1,000
Pasquotank Arts Funds	H 121	5,000
Patrol Car Radio Funds	S 1542	2,000
Pelham Community Center Funds	S 1507	2,000
Pembroke Rescue Squad Funds	H 1725	3,000
Pender Fire & Rescue Funds	S 1477	8,500
Pender Fire Dep'ts Funds	H 2042	3,500
Pender High School Funds	S 1537	1,000
Pender Library Funds	S 1478	1,700
Pender School Band Funds	H 2051	1,000
Pender School Funds	S 1416	1,200
Pender Senior Center Funds	H 1885	1,600
Pender Senior Center Funds	H 2054	1,000
Pender Sheriff Department Funds	S 1538	1,500
Pender/Lenoir/Jones VFD Funds	S 1365	10,000
Penn Civic Center Funds	H 1621	5,000
Penn House Center Funds	S 1193	10,000
People Assisting Victims Funds	H 1629	2,500
People Assisting Victims Funds	H 1907	2,500
People Assisting Victims Funds	H 2036	3,500
Performing Arts Funds	S 1081	1,500
Perquimans Blanchard Bldg. Funds	H 380	10,000
Person Funds	H 1506	
County Memorial Hospital		15,000
Person-Caswell Lake Authority		5,000
Person County Rescue Squad		10,000
Person Memorial Hospital Funds	S 1154	16,000
Person Place Funds	H 1741	10,000
Piedmont Development Center Funds	S 954	10,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Piedmont Opera Theater Funds	H 1587	2,000
Pine Forest Cemetery Funds	H 2047	6,000
Pine Forest Cemetery Funds	S 1332	2,000
Pine Level Fire Dept. Funds	H 1934	5,000
Pinehurst Rescue Squad Funds	S 1286	2,000
Pinetree Funds	S 1295	2,000
Pitt Band Funds	S 1429	2,000
Pitt Child Development Funds	H 1847	2,500
Pitt County Fire & Rescue Squad Funds	H 1611	10,000
Pitt County Funds	S 1351	
Pitt County Boys' Club		750
Laughinghouse Assoc. for Retarded Citizens		500
Eastern Carolina Home Health		500
Pitt County Senior Citizens Center		500
Mental Health Child Dev. Day Care		500
Family Violence program		750
Pitt County Historical Society		750
Pitt County Farm Museum		500
Pitt-Greenville Arts Council		500
Pitt-Greenville Museum of Art		750
Pitt Co. Southern Flue-Cured Tobacco Festival		500
Pitt-Greenville Chamber of Commerce		500
Chicod Recreation Program		250
Grimesland Town Improvements		500
Pitt County Hospice Funds	H 1591	1,000
Pitt Educational Foundation Funds	H 1789	500
Pitt Family Violence Program Funds	H 1632	1,500
Pitt Farm Museum Funds	H 1774	1,750
Pitt Fire Departments Funds	S 1483	7,000
Pitt Historical Society Funds	H 1784	1,000
Pitt Hospital Program Funds	H 1801	700
Pitt Rescue Building Funds	H 1777	1,000
Pitt Rescue Squad Funds	S 1385	5,250
Pitt Retarded Citizens Funds	H 1782	1,000
Pitt School Funds	H 1786	3,000
Pitt Senior Citizens Funds	H 2037	1,000
Pitt-Greenville Arts Council Funds	H 1689	1,000
Pitt/Edgecombe VFD Funds	S 1342	12,000
Pitt/Edgecombe/Wilson Tourism Funds	S 1497	3,000
Pitt/Wilson Arts Funds	S 1474	2,000
Pitts Boys' Club Funds	H 1612	1,000
Pittsboro Funds Water Tank Funds	H 1493	10,000
Pleasant Garden Center Funds	H 1529	2,000
Polk County Hospice Funds	H 1733	3,000
Polk County Jail Funds	H 1439	10,000
Post Detention Advocate Funds	H 1525	2,500
Pregnant Teen Program Funds	H 1528	3,000
Preservation Jazz Funds	H 2077	4,000
Princeton Women Club Funds	H 2032	2,000
Project Care Funds	H 1521	5,000
Public Art Project Funds	H 1551	2,000
Purchasing Medicine For Poor Funds	H 2092	2,000
Radio Reading Services Funds	H 2072	1,000
Radio Reading Services Funds	S 901	3,500
Raeford Fire Department Funds	S 1114	1,500



SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Raeford-Hoke Depot Roof Funds	H 1768	4,000
Railway Historical Society Funds	H 1892	4,000
Raleigh Arts Foundation Funds	H 1179	15,500
Raleigh Arts Foundation Funds	S 201	10,000
Raleigh Downtown Housing Funds	H 2073	10,000
Raleigh Oratorio Funds	H 2091	1,000
Raleigh Programs Funds	H 2080	
Garner Road YMCA		10,000
YWCA of Wake County		8,000
Capital Area Arts Foundation		4,000
Raleigh Symphony Funds	H 1480	2,000
Raleigh YWCA Funds	H 1483	5,000
Ramseur's Mill Funds	S 1026	5,000
Randolph Hospice Funds	S 1050	4,000
Randolph Mental Health Crisis Funds	S 1267	2,500
Rankin Museum Funds	S 1524	9,000
Ransom Activity Center Funds	S 1552	2,000
Raynham Town Hall Funds	H 1839	3,000
Recreation Center Funds	H 1661	5,000
Red Oak Center Funds	H 633	5,000
Red Oak Community Ctr. Funds	S 1446	3,000
Red Springs Revitalization Funds	H 1772	4,000
Rennert Town Improvements Funds	H 1838	2,000
Repertory Company/Fine Arts Funds	H 2009	10,000
Retarded Citizens Funds	H 2038	1,500
Rhododendron Festival Funds	H 60	5,000
Richmond Arts Council Funds	S 1529	3,000
Richmond Community Theatre Funds	S 1396	5,000
Richmond Hill Law School Funds	H 612	15,000
Richmond School Guidance Funds	H 1794	28,000
Roanoke Developmental Ctr. Funds	H 1398	3,000
Roanoke Handicapped Services Funds	S 1171	3,000
Roanoke Rapids Library Funds	S 1380	5,000
Roanoke Rapids School Funds	S 1381	5,000
Roanoke Valley Youth Soccer Funds	S 1378	4,000
Robersonville Hospital Funds	S 1423	5,000
Robeson Bicentennial Funds	S 1340	10,000
Robeson Community Center Funds	H 1960	8,000
Robeson County Museum Funds	H 1964	3,000
Robeson Emergency Services Funds	H 1834	7,000
Robeson Little Theatre Funds	H 1840	1,000
Robeson Substance Abuse Funds	H 1954	2,000
Robeson Video Funds	S 1339	15,000
Rockford Preservation Society	H 1896	5,000
Rockingham Arts Funds	H 348	5,000
Rockingham Jr. High School Funds	H 1280	3,000
Rockingham Recreation Foundation Funds	S 1226	3,000
Rockingham Retardation Facility Funds	H 1457	7,500
Roger Page Center Funds	S 959	40,000
Ronald McDonald House Funds	H 1925	1,000
Rose Hill Recreation Funds	S 1362	2,000
Rouse's Group Home Funds	H 1520	10,000
Rowan Community Building Funds	H 1871	1,600
Rowland Library Funds	S 1109	2,500
Rowland Water and Sewer Funds	H 1974	5,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Ruffin Fire Dept. Funds	H 591	10,000
Rural Hall Fire Funds	H 1763	8,000
Rutherford Abuse Prevention Funds	H 1435	5,000
Rutherford Arts Council Funds	S 1036	5,000
Rutherford Arts Funds	H 1437	5,000
Rutherford Athletic Programs	H 1436	11,000
Rutherford Econ. Dev. Funds	H 1438	5,000
Rutherford Genealogy Funds	H 1724	1,000
Rutherford Hospice Funds	H 1441	4,000
Rutherford Vocational Workshop Funds	S 1039	10,000
S. Brunswick Boosters' Funds	S 1453	1,000
Samaritan Colony Funds	S 1413	9,000
Sampson Alumni Assn. Funds	H 1888	1,600
Sampson Alumni Funds	H 1807	1,000
Sampson Comm. Theater Funds	S 1045	11,000
Sampson Comm. Theater Funds	H 1808	1,000
Sampson Fire Dept. Funds	H 2044	8,000
Sampson School Arts Funds	H 1810	1,000
Sampson Schools' Arts Funds	S 1047	9,000
Sand Castle Children's Home Funds	S 378	8,750
Sandhills Hospice Funds	S 1090	4,000
Sanford's Old City Hall Funds	S 619	13,000
Sanlee Care Funds	S 645	10,000
Sanlee Care, Inc., Funds	H 1670	2,500
Santeetlah Center Funds	S 940	10,000
Sawtooth Center Funds	H 1678	1,000
Sawtooth Design Center Funds	S 960	10,000
Scarboro Nursery Funds	H 1641	2,500
Schiele Museum Funds	S 978	20,000
Schiele Museum Survey Funds	H 1451	7,500
Scholarship Funds	H 2106	5,000
Scotland Arts Council Funds	H 1769	4,000
Scotland Arts Council Funds	H 1956	1,000
Scotland Historic Prop. Funds	H 1792	4,500
Scotland Job Programs Funds	S 1228	5,000
Scotland Neck Gymnasium Funds	S 1087	1,750
Scuffleton Fire Department Funds	H 1957	4,000
SE Cumberland Community Funds (As amended by HB2)	H 1908	2,500
Self-Reliance Funds	H 1995	13,000
Senior Citizens Council Funds	H 1639	2,000
Shalom Homes of Charlotte Funds	H 2096	5,000
Sheep-Harney Library Book Funds	H 55	20,000
Shelley School Funds	H 1617	1,000
Shelley School Funds	H 2125	1,000
Shelley School Funds	S 1412	2,000
Shelley School Funds	S 1516	2,500
Sheltered Workshop Funds	H 1906	2,500
Shepherd's Center of Kernersville Funds	H 1764	5,000
Sheppard Memorial Library Funds	H 1966	1,000
Sherills Ford Library Funds	H 1392	20,000
Sickle Cell Assn. Funds	S 380	8,750
Sickle Cell Disease Funds	H 2011	4,000
Sickle Cell Disease-Charlotte Funds	H 1867	10,000
Sickle Cell Disease-Charlotte Funds	S 1106	5,000
Siler City Water/Sewer Funds	H 1498	5,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Siler City Water/Sewer Funds	S 1289	2,500
Sixth District Service Project Funds	H 1626	18,000
Smith Street Community Funds	H 1823	12,000
Smith-McDowell Museum Funds	H 442	1,000
Snow Camp Drama Funds	S 1437	10,000
Snow Hill Arts Funds	H 2134	1,000
Sourwood Festival Funds	H 535	2,500
Sourwood Festival Funds	S 1511	2,500
Southeastern Cumberland Rural Funds (HB2)	H 2104	4,000
Southeastern Sickle Cell Funds	H 1977	3,000
Southeastern Sickle Cell Funds	S 1417	1,500
Special Olympics Funds, Cleveland Co.	H 1948	4,000
Spring Hope Library Funds (As amended by HB2)	H 1651	5,000
Spring Hope Revitalization Funds	H 1650	5,000
Spring Lake Senior Funds	H 1897	2,500
St. Pauls Comm. Assoc. Funds	S 1502	5,000
St. Pauls Revitalization Funds	H 1962	4,000
St. Thomas Preservations Funds	H 2006	2,500
Stanly Co. VFD Communications Funds	S 1312	8,000
Stedman Funds (Amended by HB2)	H 1827	5,000
Stedman Water Funds	H 1909	5,000
Stedman Water System Funds	H 1900	2,500
Stedman-Wade Health Funds	S 951	7,000
Stokes Funds	H 1699	
Stokes County Hospice		5,000
King Outreach Ministries		10,000
Danbury Public Library		5,000
Stokes Projects Funds	S 1303	
Stokes County Animal Shelter		10,000
Stokes County Arts Council		5,000
Stokes Senior Citizens Funds	H 1503	15,000
Stoneville Park Funds	H 1335	5,000
Stoneville Town Revitalization Funds	S 1301	10,000
Strawberry Festival Funds	H 1854	1,000
Strawberry Festival Funds	S 1271	2,000
Surry and Ashe Funds	H 1994	
Pilot Mountain Recreation Center		5,000
Surry Arts Council		2,500
Foothills Arts Council		2,500
Ashe County Performing Arts		10,000
Surry Friends of Youth Funds	H 1987	5,000
Swansboro Baseball Funds	H 1318	3,000
Swansboro Fire Dept. Funds	H 1320	8,000
Sword of Peace Funds	H 1530	2,500
Sword of Peace Funds	H 1751	25,000
Tabor City Chamber Funds	S 1211	2,000
Tabor City Committee of 100 Funds	S 1207	15,000
Tabor City Community Center Funds	S 1273	2,000
Tabor City Courthouse Funds	H 1856	1,000
Tabor City Library Funds	H 1851	9,000
Tammy Lynn Foundation Funds	H 1653	2,000
Tammy Lynn Foundation Funds	H 2123	1,500
Tammy Lynn Foundation Funds	S 1410	3,000
Tammy Lynn Funds	S 1406	5,000
Tar River Choral and Orchestral Funds	H 1511	5,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Taylor's Bridge Fire Funds	S 1532	5,000
TCI Parking Lot Funds	H 506	12,500
TCI Parking Lot Funds	S 450	5,000
The Relatives Funds, Charlotte	H 571	10,000
Theatre in the Park Funds	H 1484	4,000
Thoms Hospital Funds	H 1832	2,500
Thoms Hospital Funds	S 915	2,500
Topsail High Band Funds	H 1399	2,000
Topsail School Funds	S 1419	1,000
Town of Coats/Anderson Creek Sr. Center Funds	H 1564	7,000
Town of Grifton Funds	S 1321	1,500
Transylvania Sheriff's Dept. Funds	H 2113	11,000
Transylvania Youth Center Funds	H 2111	54,000
Transylvania Youth Center Funds	S 1442	20,000
Tri-County Sr. Citizen Funds	H 1569	5,000
Triad Sickle Cell Funds	S 1145	8,500
Triangle Land Conservancy Funds (As amended by HB2)	S 1370	2,500
Troy Park Expansion Funds	S 1225	10,000
Troy Park Funds	H 1416	3,500
Tryon Genealogical Society Funds	S 1040	5,000
Turkey Town Improvements Funds	S 1093	2,000
Tylertown Fire Dept. Funds	H 1797	5,000
Tyrrell 4-H Funds	H 1718	5,000
Union Community Health Funds	H 1313	5,000
Union County Hospice Funds	S 972	8,000
Union Mission Funds	S 1382	2,000
United Arts Council Funds	H 1313	12,000
United Cerebral Palsy of N.C. Funds	H 1779	1,000
United Negro College Funds	S 1143	5,000
United Services for Older Adults Funds	H 1314	14,000
Urban League Funds	H 2081	5,000
V.F.W. Post #9826 Funds	H 1877	1,600
Valleytown Cultural Arts Funds	S 1200	5,000
Vance Funds	H 1507	
Henderson-Vance Drug Enf.		10,000
Henderson Fire Station		8,000
Henderson Family Violence		2,000
Vance Senior Center		4,000
Henderson Institute Library		2,000
Vanceboro Parks and Recreation Funds	S 1137	2,000
Veteran's Memorial Funds	H 2005	6,500
Veteran's Memorial Funds	S 1337	2,000
VFW Housing Project Funds	S 1146	7,500
Victims Assistance Program Funds	H 986	4,000
Vietnam Veterans Leadership Program	H 1442	5,000
Vietnam-Korean War Memorial Funds	H 58	3,000
Visions, Inc., Funds	H 1512	7,500
Visions, Inc., Funds	S 675	10,000
W. Brunswick Boosters Funds	S 1490	1,000
Waccamaw Depot Museum Funds	S 1553	1,000
Wagram Revitalization Funds	H 1961	4,000
Wake County Arts Council Funds	H 1893	2,000
Wake County Arts Council Programs Funds	S 1139	8,500
Wake County Funds	H 1715	
Family Violence Prevention		1,200

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Council of Women's Organization		1,200
Raleigh Arts Foundation		4,000
Wake Forest Senior Citizens Center		4,000
Wendell Senior Citizens Facility		4,000
Tammy Lynn Foundation		1,200
Life Experiences, Inc.		1,200
Haven House, Inc.		1,200
YWCA of Wake		1,200
Loaves & Fishes Ministry		1,500
Frankie Lemmon School		1,200
Zebulon Rural Community Networking Resource Center		1,200
Shelley School		1,200
Rolesville Recreation Program		2,000
New Hope VFD		2,000
Hopkins Rural FD		2,000
Falls VFD		2,000
Stony Hill Rural FD		2,000
Women's Center of Raleigh		1,200
Zebulon Recreation Park		4,000
Raleigh Ballet Theater Co.		500
Wake Fire Department Funds	S 1407	3,000
Wake Local Funds	H 2008	
Hospice of Wake County		2,000
YWCA of Wake		1,000
Total Life Center		2,000
Wake Rehabilitation Services Funds	S 1251	1,500
Wake Respite/Arts Together Funds	H 1868	3,000
Wake Up For Children Funds	H 2027	1,000
Wake/Franklin Seniors Funds	S 1471	10,500
Wallace Community Center Funds	H 1553	4,000
Warren Co. Projects Funds	H 1740	
Warren County Courthouse		3,500
Council for Senior Citizens		1,500
Warrenton Rural VF Assoc.		1,000
Areola Rural VFD		1,500
Warren Courthouse Funds	S 895	100,000
Warren Senior Citizens Funds	H 1508	3,000
Washington Chamber Funds	S 1517	3,000
Washington City School Funds	H 1656	2,000
Washington County Fire Dept. Funds	S 1173	10,000
Washington/Beaufort Civic Center Funds	S 1481	2,000
Watauga Historical Marker Funds	H 2024	2,500
Wayne Co. Firemen's Funds	H 1730	15,000
Wayne Co. Sheltered Workshop Funds	H 1825	13,500
Wayne County Teacher Awards Funds	S 1162	16,000
Wayne Rescue Squad Funds	H 1950	10,000
Wayne Veterans Monument Funds	H 1676	5,000
Waynesborough Park Funds	S 991	9,000
Waynesville Elderly Housing Funds	H 1366	27,500
Waynesville Housing Authority Funds	S 1199	27,000
WCQS-FM Funds	H 961	5,000
WCQS-FM Funds	S 983	10,000
Weaverville/Lake Louise Funds	H 557	5,000
Weaverville/Lake Louise Funds	S 354	5,000
Wesley Hall Funds	H 1531	11,000

SECTION TITLE-1987 Session	ORIGINAL BILL NUMBER	1987-88 APPROPRIATION
Wesley Hall of Alamance Funds	S 1467	5,000
West End School Park Funds	S 1288	3,000
Western Carolina Center Foundation	S 1000	12,000
Western Carolina Rescue Mission	H 1723	3,000
Western Medical Center Funds	S 1252	2,500
Weymouth Nature Preserve Funds	S 1066	1,000
White Plains Ctr. Funds	H 1685	5,000
Whiteville Revitalization Funds	S 1214	1,000
Whitsett Comm. Center Funds	S 1142	10,000
Wilkesboro Cemetery Funds	H 1816	10,000
Willarlea Comm. Bldg. Funds	H 2039	1,000
William C. Lee Museum Funds	S 617	10,000
Wilson Community Funds	H 1129	5,000
Wilson County 4-H Clubs Funds	S 1499	5,000
Wilson Emergency Management Funds	S 1498	2,000
Wilson Fireman's Assoc. Funds	S 1377	3,000
Wilson OIC Funds	H 511	5,000
Winchester School Center Funds	S 1314	5,000
Winston Lake Funds	H 2105	5,000
Winston-Salem Arts Council Funds	H 2025	5,000
Winston-Salem Arts Funds	H 1983	10,000
Winston-Salem Arts Funds (Amended by HB2)	S 1007	25,000
Winston-Salem Guidance Ctr. Funds	S 961	5,000
Winston-Salem Little Theatre Funds (Amended by HB2)	S 1005	2,500
Winston-Salem NAACP Tutorial Funds	H 2083	3,000
Winston-Salem Rescue Funds	H 1766	2,500
Winston-Salem Rescue Squad Funds	S 995	2,500
Winston-Salem Status of Women Funds	S 1006	5,000
Winston-Salem Symphony Funds	S 973	15,000
Winston-Salem Symphony Funds	H 2100	3,000
Winston-Salem YWCA Funds	H 2029	5,000
Winston-Salem/Forsyth YWCA Funds	H 1680	3,500
Winterville Historical and Arts Soc. Funds	H 1802	1,000
Winterville Projects Funds	S 1384	1,500
Winterville Town Funds	H 1727	3,000
Winton Senior Citizen Center Funds	S 969	3,500
Women's Center Funds	H 1306	6,000
Women's Center of Raleigh Funds	H 2127	2,000
Women's Job Strategy Funds	H 2087	5,000
Women's Resource Center	H 1869	2,000
Women's Resource Center Funds	H 1631	1,000
Women's Resource Center Funds	S 1020	2,000
Wright Brothers Museum Funds	H 501	7,000
Wrightsboro Fire Dept. Funds	H 1402	3,000
Yadkin Handicap Access Funds	H 1444	25,000
Yam Festival Funds	H 1600	2,000
Yancey County E.M.S. Funds	H 1985	5,000
Yancey E.M.S. Funds	S 1415	10,000
Yancey Human Resource Center Funds	S 1182	10,000
Yancey Human Resource Center Funds	H 1563	10,000
YMI Cultural Center Funds	H 1831	5,000
YMI Cultural Center Funds	S 1022	5,000
Youngsville Town Hall Funds	S 1408	2,500
Youngsville Town Hall Funds	H 2030	2,500
Youth Care/Safe Place Funds	H 1333	3,000

<b>SECTION TITLE-1987 Session</b>	<b>ORIGINAL BILL NUMBER</b>	<b>1987-88 APPROPRIATION</b>
Youth Services Funds	H 1370	5,000
YWCA of Wake Funds	S 1318	7,000
YWCA/Winston-Salem Funds	H 1589	1,000
Zebulon/Rolesville Recreation Funds	S 1514	7,000
Total		\$7,042,350

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**LOCAL NEEDS FOR 1988-89**  
**H 2643 and S 1840**  
(excludes appropriations to State departments)

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
4-H Youth Day Camp, Inc.	S 1726	7,000
Abuse Prevention Council of Cleveland County	S 1714	5,000
Alamance County Juvenile Restitution Program	H 2568	2,500
Alamance County - Fire Marshall's Office	S 1770	4,500
Alamance County Board of Education	S 1856	8,000
Alamance County Council on Elderly	H 2566	7,500
Alamance County Historical Museum, Inc.	H 2612	3,000
Alamance County Historical Museum, Inc.	S 1828	4,500
Albemarle-Stanly Co. Historic Preservation Comm.	S 1827	15,000
Alexander County - Hiddenite Center, Inc.	H 2367	10,000
Alleghany Fairgrounds, Inc.	H 2626	5,000
Allen VFD	S 1690	2,000
Allied Churches of Alamance County, Inc.	H 2545	7,500
Alzheimer's Disease and Related Disor. Assoc.	H 2535	5,000
Alzheimer's Disease and Related Disorders Assoc.	H 2550	5,000
Angier Senior Citizens Inc.	S 1740	2,000
Angola Community Association	H 2456	1,125
Anita Stroud Foundation Inc.	S 1756	5,000
Anita Stroud Foundation, Inc.	H 2644	2,000
Anson County Arts Council, Inc.	S 1827	5,000
Anson County - Faison Community Center	H 2392	2,000
Anson County Firemen's Association	H 2435	10,000
Ansonville Rescue & Ambulance Service, Inc.	H 2435	1,000
Apex Volunteer Fire Department	S 1715	1,000
Apex Volunteer Fire Department	S 1741	1,000
Apex Volunteer Fire Department, Rural Ser. Inc.	H 2615	3,000
Arba Rescue Squad	S 1831	1,000
Arcola Volunteer Fire Department, Inc.	H 2638	500
Art Council of Fayetteville/Cumbeerland Co Inc	H 2584	2,500
Arts Council of Fayetteville-Cumberland Co. Inc	H 2557	2,500
Arts Council of Fayetteville/Cumberland Co. Inc	H 2582	2,500
Artspace, Inc.	H 2500	1,000
Artspace, Inc.	H 2622	3,000
Ashe County Arts Council, Inc.	S 1793	16,000
Asheville Chamber Music, Inc.	S 1590	2,500
Asheville Symphony Society, Inc.	H 2645	3,000
Asheville-Buncombe Comm. Christian Ministry Inc	H 2645	4,000
Asheville/Buncombe Community Christian Ministry	S 1815	5,000
Asheville/Buncombe, Inc.	H 2645	5,000
Asheville/Buncombe/Transylvania Public Schools	H 2645	4,000
Assoc. for Individual Dev. for Handicap.(A.I.D.)	H 2647	1,800
Assoc. for Individual Dev. for the Handicapped	S 1844	1,500
Assoc. for Sickle Cell Disease of Char.-Met. In	H 2621	9,000
Assoc. for Sickle Cell Disease of Charlotte	S 1756	5,000
Association for Retarded Citizens	H 2608	3,000
Association for Retarded Citizens of Orange Co.	S 1814	6,000
Association for Sickle Cell Disease	H 2644	4,000
Aulander Rescue Squad	S 1700	3,000
Aurora Library	S 1855	2,500
Autistic Opportunities, Inc.	H 2494	1,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Avery Co. Disabled Amer. Veterans., No. 87, Inc	H 2206	5,000
Avery-Mitchell-Yancey Regional Library	H 2177	1,000
Bay Leaf Fire Department	S 1817	1,500
Beaufort County - Winsteadville Community Center	H 2419	3,000
Beaufort County - Veteran's Park	H 2419	4,000
Beaufort County - VFD's	S 1854	8,000
Beaufort County - Bonnertown Headstart Center	S 1855	2,000
Beaufort Historical Association, Inc.	H 2456	9,000
Beaufort Historical Association, Inc.	S 1818	5,000
Beaufort-Hyde-Martin Regional Library	S 1855	1,000
Beaver Dam Community Development Corporation	H 2501	5,000
Bell Arthur Fire Department - First Responders	S 1860	1,500
Belvoir Fire Department	S 1860	750
Belvoir Fire Department	S 1860	1,500
Bertie County Fire Departments	H 2485	5,000
Bertie County Board of Education	S 1693	2,000
Bertie County Sheriffs Department	S 1850	3,000
Bethlehem Center of Charlotte	S 1756	5,000
Bethlehem Community Center, Inc.	H 2636	3,000
Big Brothers-Big Sisters of the Lower Neuse	H 2382	1,000
Black Child Development Institute - Greensboro	S 1802	6,000
Black Child Development Institute - High Point	S 1802	6,000
Black Mountain Committee for Better Sports, Inc	H 2645	5,000
Bladen County Fire Departments	H 2565	10,500
Bladen County's Rape and Sexual Abuse Victim Service	H 2635	1,000
Bladen County Willing Workers Community Building	H 2635	2,500
Boys Club of Pitt County	S 1855	500
Boys Club of Pitt County, Inc.	H 2508	500
Boys Club of Pitt County, Inc.	H 2595	500
Brigade Boys Club, Inc.	H 2633	3,500
Brigade Boys Club, Inc.	H 2647	4,000
Brigade Boys Club, Inc.	S 1844	2,000
Broad River Genealogical Society	H 2629	1,000
Brunswick Co. Rape Sexual Abuse Victim Serv./Other	H 2540	3,500
Brunswick County Library	H 2540	2,000
Brunswick County Literacy Council, Inc.	H 2540	2,000
Bunn Fire Department	S 1817	1,500
Burgaw Fire Department	H 2577	1,000
Burke County Council on Alcoholism, Inc.	H 2320	4,000
Burke County Fair, Inc.	H 2320	5,000
Burke County Rescue Squad	H 2320	4,000
Burlington City Board of Education	S 1856	4,000
Burnsville Fire & Rescue Ambulance Service, Inc	H 2435	1,000
Cabarrus County Senior Citizens' Center	H 2301	45,000
Cabarrus County Senior Citizens' Center	H 2505	20,000
Cabarrus County Senior Citizens' Center	S 1688	20,000
Caldwell Opportunities, Inc.	S 1669	15,000
Caldwell Residential Services, Inc.	S 1673	11,000
Camden County 4-H Camp	H 2516	4,000
Camden County	S 1850	3,000
Canton Ywca	S 1746	7,000
Cape Fear Dev.Corp.,A.M.E.Zion Church	S 1844	1,400
Cape Fear Literacy Council	S 1844	1,500
Cape Fear Literacy Council in New Hanover Co.	H 2647	2,300
Cape Fear Regional Theater At Fayetteville,Inc.	H 2505	4,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Cape Fear Teen Center	H 2505	3,000
Cape Fear Teen Center	H 2584	1,500
Capital Area Arts Foundation	S 1739	5,000
Capital Area Arts Foundation	S 1848	8,000
Capital Area Arts Foundation in Wake County	H 2615	2,000
Capital Area Arts Foundation, Inc.	H 2500	8,000
Capital Area Arts Foundation, Inc.	H 2588	5,000
Capital Area Arts Foundation, Inc.	H 2622	2,000
Capital Area Arts Foundation, Inc.	S 1738	7,500
Capital Area Soccer League	S 1741	3,000
Capital Area Soccer League, Inc. in Wake County	S 1715	5,000
Carobell Children's Home	S 1728	10,000
Carobell Children's Home, Inc.	H 2456	3,750
Carol Wilson Caldwell Legal Scholarship Fund	H 2638	500
Carolina Hunger Coalition, Inc.	H 2622	3,000
Carolina Raptor Center, Inc.	H 2495	1,000
Carteret County Board of Education Phys.-Ed.	H 2232	9,000
Carteret County Council on Aging, Inc.	H 2456	1,125
Carteret County Historical Society, Inc.	H 2456	3,750
Carteret County Historical Society, Inc.	S 1818	5,000
Cary Area Rescue Squad, Inc.	H 2608	3,000
Castle Hayne Volunteer Fire Department, Inc.	H 2540	2,000
Castoria Rescue Squad	S 1831	1,000
Caswell County Communications Tower	H 2600	2,000
Caswell County Coordinator of Aging Services	H 2642	5,000
Caswell County Communications Tower	H 2642	8,000
Caswell County - Aging Services Coordinator	S 1769	9,000
Caswell County	S 1770	17,000
Caswell County Family Violence/Emergency Medical	H 2624	4,000
Caswell County Board of Education	S 1856	3,000
Catawba Co. Assoc. for Special Education, Inc.	H 2256	10,000
Catawba County - Pretrial Release Pilot Program	S 1634	20,000
Catawba County - Rescue and Emergency Medical Serv.	S 1637	10,000
Catawba County Assoc. for Special Education, Inc.	S 1635	10,000
Catawba County Chamber of Commerce, Inc.	H 2366	8,000
Catawba County Chamber of Commerce, Inc.	S 1633	10,000
Catawba County Firemens' Association, Inc.	H 2191	10,000
Catawba County Public Library	H 2276	15,000
Catawba Valley Foundation, Inc.	H 2257	10,000
Cedar Grove Day Care Center	S 1706	10,000
Center for Adolescent & Adult Development	H 2638	1,500
Center of Independent Living, Inc.	H 2606	2,500
Char. Meck Afro-Amer. Cult. & Svs. Ctr. Inc.	H 2644	3,000
Charl. Meck. Afro-Amer. Cult. & Service Center	H 2494	1,000
Charl.-Mecklenburg Afro-American Culture Center	S 1698	5,000
Charlotte Area Funds, Inc.	H 2621	4,000
Charlotte City Ballet Company	H 2531	5,000
Charlotte Crisis Pregnancy Center, Inc.	H 2471	10,000
Charlotte Emergency Housing, Inc.	H 2601	5,000
Charlotte Emergency Housing, Inc.	H 2621	1,200
Charlotte Hawkins Brown Hist. Foundation, Inc.	S 1802	11,000
Charlotte Mecklenburg Urban League	H 2644	2,000
Charlotte Mecklenburg Youth Council	H 2644	4,000
Charlotte Mecklenburg Youth Council	S 1756	25,000
Charlotte Organizing Project, Inc.	H 2601	5,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Charlotte-Mecklenburg Urban League	S 1756	5,000
Charlotte-Mecklenburg Youth Council	H 2621	6,000
Chatham County - Jordan Lake Law Enforcement	H 2442	5,000
Chatham County - Courthouse Renovations	H 2523	5,000
Chatham County - Jordan Lake Patrolling	S 1796	8,000
Chatham County - Courthouse Renovations	S 1861	5,000
Chatham County Council on Aging	S 1814	3,000
Chatham Domestic Violence and Rape Crisis Ctr	S 1814	2,000
Chicod Elementary School	S 1855	1,000
Child Abuse Prevention Services of Cleve. Co.	S 1714	5,000
Child Advocacy Comm. of Wil.-New Han. Co. Inc.	H 2647	1,500
Child Care Directions, Inc.	S 1798	10,000
Child Care Resoruces, Inc.	H 2532	5,000
Child Care Resources, Inc.	H 2601	5,000
Children's Services of Eastern Carolina, Inc.	H 2508	500
Children's Services of Eastern Carolina, Inc.	H 2595	500
Children's Services of Eastern Carolina, Inc.	S 1855	500
Choanoke Area Dev't Association, Inc.	S 1726	2,500
Choanoke Area Development Association	H 2548	7,000
Chowan County Recreation Department	H 2516	3,500
Christian Fellowship Home	S 1858	3,000
Christian Fellowship Home of Nash-Edgecombe Co.	H 2586	5,000
Christian Life Home - Wake County	S 1737	2,000
Christian Life Home - Wake County	S 1740	1,000
Christian Life Home - Wake County	S 1849	1,500
City of Archdale Library	H 2493	11,000
City of Asheville - Bele Chere Street Festival	S 1815	1,000
City of Charlotte Housing Authority	H 2621	2,000
City of Concord Community Swimming Pool	H 2300	15,000
City of Eden - Recreation Department	S 1811	10,000
City of Elizabeth City - Albemarle Food Bank	S 1850	5,000
City of Elizabeth City - Albemarle Hopeline	S 1850	5,000
City of Fayetteville Senior Citizens' Transportation	H 2557	5,000
City of Fayetteville Senior Citizens' Transportation	H 2582	5,000
City of Fayetteville Senior Citizens' Center	H 2584	2,000
City of Fayetteville Business and Professional Women	H 2605	1,500
City of Fayetteville Women's Club	H 2605	1,500
City of Fayetteville - Market House Renovations	S 1760	40,000
City of Goldsboro Cultural Enrichment Program	H 2637	3,000
City of Greenville Wellness Council Director	H 2508	500
City of Greenville Chestnut Fire/Recreation	H 2508	1,000
City of Greenville - Sheppard Memorial Library	H 2595	500
City of Greenville - Museum of History	S 1855	750
City of Greenville - West Greenville Fire Station	S 1855	4,000
City of Greenville - Soup Kitchen	S 1855	750
City of Hamlet Library Fund	S 1799	10,000
City of Henderson Police Training Facility	H 2600	5,000
City of Henderson Farmers' Market	H 2600	10,000
City of Henderson Police Training Facility	H 2624	5,000
City of Henderson Police Training Facility	H 2642	1,000
City of Henderson Farmers' Market	S 1787	5,000
City of Kinston Harvey Gardens	S 1657	20,000
City of Lowell Recreation Projects	S 1763	5,000
City of Madison Chambers Remodeling	H 2394	5,000
City of Mount Airy Main Street Project	H 2596	3,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
City of Raleigh Housing Task Force	H 2589	4,000
City of Raleigh International Festival	S 1739	1,000
City of Raleigh Homeless Shelter	H 2615	2,000
City of Raleigh International Festival	S 1738	10,000
City of Reidsville - Branch Street Mini-Park	S 1811	1,500
City of Reidsville Senior Citizens' Center	S 1813	3,500
City of Sanford Old City Hall Repairs	S 1739	5,000
City of Southport Community Building	H 2540	2,000
City of Sparta Crouse Park	H 2522	5,000
City of Troy Park Expansion	S 1826	10,000
City of Wilson Chamber of Commerce	S 1859	1,000
Clay County Mapping Project	H 2452	5,000
Cleveland Co. Chapter of the Amer. Red Cross	H 2629	5,000
Cleveland County Mental Health Association	H 2629	5,000
Cleveland County Adap Program	H 2629	4,000
Cleveland County Arts Council	S 1733	5,000
Cleveland County Boys' Club, Inc.	H 2629	5,000
Cleveland County Chapter of the Amer. Red Cross	S 1714	10,000
Cleveland County Special Olympics	H 2629	5,000
Cleveland County Girls' Club, Inc.	S 1714	5,000
Cleveland County Kidney Association, Inc.	H 2629	5,000
Cleveland County Memorial Library	H 2629	5,000
Cleveland County Memorial Library	S 1733	5,000
Cleveland County Senior Citizens Housing, Inc.	H 2629	5,000
Clinton Area Foundation of Education	S 1784	5,000
Club 15-Civic League Inc.	S 1782	3,000
Co-ordinating Council for Senior Citizens	H 2507	1,000
Coastal Recreation, Inc.	S 1844	1,500
Cold Water VFD	S 1690	2,000
Columbia-Tyrrell County Fire Department	S 1850	5,000
Community Arts Council, Inc.	H 2637	2,000
Community Arts Council, Inc. of Goldsboro	S 1771	1,000
Community Corrections Resources, Inc.	H 2447	2,000
Community Health Svs. of Meck. & Union Co., Inc	H 2494	5,000
Community Ministries, Inc.	S 1806	4,000
Community Recreation of Spring Hope, Inc.	H 2586	5,000
Concord Fire Department	S 1690	2,000
Conetoe Fire Department	S 1860	1,500
Contact: Asheville/Buncombe, Inc.	S 1815	8,000
Council for Children, Inc.	H 2601	5,000
Council for Educational Excellence, Inc.	H 2193	20,000
Council on Aging of Wake County, Inc.	H 2622	3,500
Country Doctor Museum Foundation	S 1789	10,000
County of Chatham Drug Task Force	S 1809	10,000
County of Sampson - Clement Civic Center	S 1836	3,000
County of Sampson Ingold Community Building	S 1836	2,000
County of Scotland Youth Jobs Program	S 1792	12,000
Cowan Recreation Center	H 2392	500
Cranberrian Corporation	H 2206	5,000
Cranberrian Corporation	S 1671	15,000
Craven County "2001 Strategic Planning Project"	H 2382	3,000
Craven County Various Programs	H 2576	10,500
Craven County "2001 Strategic Planning Project"	H 2594	3,000
Craven County - Economic Development	S 1753	40,000
Cued Speech Center, Inc.	S 1849	3,500

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Cued Speech Center, Inc.	H 2622	3,000
Cued Speech Center, Inc.	H 2633	1,000
Cued Speech Center, Inc.	S 1740	1,000
Cued Speech Center, Inc.	S 1844	1,500
Cumberland Comm. Action Program, Inc.	S 1701	5,000
Cumberland Community Foundation, Inc.	H 2557	2,500
Cumberland Community Foundation, Inc.	H 2582	2,500
Cumberland Community Foundation, Inc.	S 1641	10,000
Cumberland County Volunteer Fire Departments	H 2584	2,000
Cumberland County Sheltered Workshop	H 2605	2,000
Cumberland County Women's Club	H 2605	1,500
Cumberland County VFD's	S 1754	5,000
Cumberland County Assoc. for Indian People	H 2505	2,000
Cumberland County Assoc. for Indian People	H 2584	2,000
Cumberland County Public Library	H 2584	1,500
Cumberland County Rescue Squad	H 2505	2,000
Cumberland County Sheltered Workshop	H 2505	1,000
Cumberland Senior Roundtable, Inc.	H 2505	1,500
Cumberland Sheltered Workshop, Inc.	H 2557	2,500
Cumberland Sheltered Workshop, Inc.	H 2572	12,000
Cumberland Sheltered Workshop, Inc.	H 2582	2,500
Currituck County Community Facilities	H 2516	5,000
Currituck County Community Building	S 1850	5,000
Dare County Friends of Nags Head Woods	S 1850	5,000
Dare County Manteo Hopeline	S 1850	5,000
Dare County - the Nature Conservancy	H 2516	5,000
Davidson County Animal Shelter	S 1727	25,000
Day Care Services Association, Inc.	H 2523	5,000
Dillard Building, Inc.	S 1830	2,000
Diversified Opportunities, Inc.	S 1858	3,000
Dom.Violence Shelt.& Serv.Of the Cape Fear Area	S 1844	2,200
Domestic Violence Shelter	H 2633	6,000
Dorothea Dix Volunteer Service Guild	S 1848	2,500
Dorothea Dix Volunteer Service Guild, Inc.	S 1738	5,000
Dorothea Dix Volunteer Service Guild, Inc.	S 1740	2,000
Drexelfoundation Inc.	H 2206	2,000
Drexel Foundation, Inc.	H 2320	3,000
Duplin County Agribusiness Council, Inc.	H 2477	2,000
Duplin County Emergency Services Office	H 2479	20,000
Durham Arts Council, Inc. Arts Complex	S 1835	25,000
Durham Congregations in Action	H 2507	1,000
Durham County Inventory of Natural/Cultural Res.	H 2657	2,500
Durham County Mental Health Department	H 2510	2,500
Durham Day Care Council, Inc.	H 2657	10,000
Durham Housing Authority	H 2507	10,000
Durham Housing Authority	S 1705	5,000
East Hamlet Community Concerned Citizens, Inc.	S 1799	5,000
East Side Improvement Association, Inc.	S 1814	5,000
East. N.C. Minority Bus. Council in Edge. Co.	H 2509	4,000
Eastern Minority Econ. Development Corporation	H 2382	1,000
Eastern Minority Economic Development Corp	S 1850	3,000
Eastern Minority Economic Development Corp.	H 2594	2,000
Eastern Music Festival, Inc.	H 2420	20,000
Eastern Stage, Inc.	H 2638	1,000
Eastern Stage, Inc.	H 2642	2,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Eastover Community Park Association, Inc.	H 2505	3,000
Eastover Community Park Association, Inc.	H 2573	10,000
Ebenezer Baptist Church Child Care	H 2509	5,000
Eden Boys' Club, Inc.	H 2394	5,000
Eden Preservation Society, Inc.	H 2612	2,000
Edgemont Community Center	H 2507	5,000
Edgemont Community Center, Inc.	H 2510	5,000
Eliada Home for Children	S 1815	25,000
Eliada Homes, Inc.	H 2645	10,000
Elm City Emergency Service	S 1860	5,000
Elm City Emergency Services, Inc.	H 2509	5,000
Enfield Rescue Squad, Inc.	H 2638	500
Enfield-Roanoke Rapids Chapt. Delta Sigma Theta	H 2638	1,000
Eure Volunteer Fire Department, Inc.	H 2499	2,000
Evergreen Senior Activity Center, Inc.	S 1713	6,000
Experiment in Self-Reliance, Inc.	H 2636	6,000
Experiment in Self-Reliance, Inc.	S 1683	7,000
Fair Bluff Community Library Association, Inc.	H 2514	2,000
Fair Bluff Community Library Association, Inc.	S 1781	3,500
Fairgrounds Rural Fire Department	H 2608	5,000
Faith Community Camp, Inc.	H 2622	2,000
Falkland Fire Department	S 1860	1,500
Falls Rural Fire Volunteer Fire Department, Inc	H 2458	2,000
Families in Crisis, Inc.	S 1844	1,000
Family & Children's Serv. of Greater Greensboro	H 2181	5,000
Family & Children's Services, Inc.	S 1768	5,000
Family & Children's Svs. of Greater Greensboro	H 2421	10,000
Family Housing Services, Inc.	H 2443	5,000
Family Housing Services, Inc.	H 2621	1,000
Family Housing Services, Inc.	H 2644	2,000
Family Services of the Lower Cape Fear, Inc.	H 2633	1,000
Family Services, Inc.	H 2636	1,000
Family Services, Inc., Forsyth County	S 1683	8,000
Family Services, Inc.	S 1768	10,000
Family Violence & Rape Crisis Volunteers	H 2523	2,500
Family Violence Center, Inc.	H 2458	1,000
Family Violence Prevention Center, Inc.	H 2587	1,500
Farmville Arts Council	S 1821	1,000
Farmville Child Development Center, Inc.	H 2508	500
Farmville Child Developmental Center, Inc.	H 2595	500
Farmville Community Arts Council, Inc.	H 2595	500
Figs of Wake County, Inc.	H 2500	1,000
First Baptist Church Headstart Program	H 2543	5,000
Flora Macdonal Education Foundation, Inc.	H 2526	5,000
Flora Macdonald Educational Foundation Inc.	S 1729	10,000
Flora Macdonald Highland Games, Ltd.	H 2526	3,000
Florence Crittenton Services, Inc.	H 2409	10,000
Florence Crittenton Services, Inc.	H 2495	1,000
Flowe's Store VFD	S 1690	2,000
Flynn Christian Fellowship Houses of Asheville	H 2645	2,000
Food Bank of the Lower Cape Fear	H 2633	1,000
Food Bank of the Lower Cape Fear	S 1844	3,500
Foothills Area Mh/Mr/Sas Program	H 2307	5,000
Foothills Equestrian Nature Center, Inc.	S 1746	7,000
Foothills Area Mental Health, Ment. Retard. & sub.	S 1607	25,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Fork Mountain Volunteer Fire and Rescue Inc.	H 2175	2,500
Forsyth Prison Chaplaincy	H 2636	2,000
Fountain Fire Department	S 1860	1,500
Frankie Lemmon Foundation, Inc.	H 2458	1,000
Franklin County Library/Access Ramp To Ag. Bldg.	H 2488	12,500
Franklin County Drug Enforcement Program	H 2534	5,000
Franklin County General Health Program	S 1816	2,000
Franklin County Library	H 2534	5,000
Franklin-Vance-Warren Opportunities, Inc.	S 1816	2,000
Franklin-Vance-Warren Opportunity, Inc.	H 2600	2,500
Franklin-Vance-Warren Opportunity, Inc.	H 2638	1,000
Franklinton Fire Department	S 1817	1,500
Fremont Rescue Squad	S 1831	1,000
Fremont Rescue Squad, Inc.	H 2637	1,500
Friends of Page-Walker Hotel, Inc.	S 1848	3,500
Friends of Page-Walker Hotel, Inc.	H 2608	2,000
Friends of Page-Walker Hotel, Inc.	S 1738	3,000
Friends of the Ashe County Public Library	H 2596	3,200
Friends of the Hamlet Library, Inc.	H 2501	9,000
Friends of the Page-Walker Hotel, Inc.	H 2588	1,500
Friends of the Page-Walker Hotel, Inc.	H 2458	1,000
Friends of the Page-Walker Hotel, Inc.	S 1739	2,000
Friends of Weymouth, Inc.	S 1796	2,000
Friendship Center of Alamance, Inc.	H 2567	5,000
G.R. Whitfield School	S 1855	1,000
Garner Senior Center	S 1849	5,500
Garner Senior Citizen Center, Inc.	S 1740	2,000
Garner Volunteer Fire Department, Inc.	H 2615	2,000
Gaston Community Action, Inc.	S 1765	5,000
Gaston County Community-Based Alternative Task Force	S 1714	5,000
Gaston Co. Board of Education-"odyssey of the Mind"	S 1767	5,000
Gaston County Childrens' Council	S 1714	5,000
Gaston County Museum of Art and History	S 1766	15,000
Gaston Skills, Inc.	H 2472	9,000
Gaston Skills, Inc.	S 1765	5,000
Gate City Junior Tennis Academy	H 2599	5,000
Gates County Board of Education	H 2499	2,000
Gates Historical Society	S 1724	2,500
Gates Volunteer Fire Department, Inc.	H 2499	2,000
General William C. Lee Memorial Commission	S 1848	5,500
General William C. Lee Memorial Commission, Inc	S 1735	5,000
General William C. Lee Memorial Museum	S 1739	5,000
Georgeville VFD	S 1690	2,000
Gethsemane Enrichment Program, Inc.	S 1756	5,000
Girls Club of Wake County	H 2458	1,000
Girls Club of Wake County	H 2622	3,000
Girls Club of Wake County	S 1741	1,000
Godwin-Falcon Fire Dept., Inc.	H 2574	1,000
Goldsboro City Board of Education	S 1771	2,500
Goldsboro Rescue Squad	S 1831	1,000
Goldsboro Rescue Squad, Inc.	H 2637	1,500
Graham County Santeetlah Community Center	H 2452	5,000
Graham County Santeetlah Community Center & VFD	S 1846	10,000
Graham County Board of Education	S 1746	6,750
Graham County Library	S 1746	2,500



SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Grantham Rescue Squad	S 1831	1,000
Grantham Rescue Squad, Inc.	H 2637	1,500
Granville Arts Council, Inc.	H 2624	2,000
Granville County Senior Center	H 2600	2,000
Granville County Senior Center	H 2624	2,000
Granville County Senior Center	H 2642	1,000
Granville County Council on Aging, Inc.	H 2624	2,000
Grassy Creek Volunteer Fire Department, Inc.	H 2175	5,000
Greater Piedmont Challenge, Teen Challenge, Inc	S 1768	4,500
Greater Tabor City Chamber of Commerce	H 2513	10,000
Greater Topsail Area Chamber of Commerce, Inc.	H 2540	1,000
Greater Wilmington Chamber of Commerce	H 2633	3,700
Greater Wilmington Chamber of Commerce	S 1844	2,000
Greene County VFD and Rescue Squads	H 2508	3,000
Greene County Arts Program	H 2508	1,000
Greene County Educational Enrichment Program	H 2508	750
Greene County Assoc. for Retarded Citizens	H 2595	500
Greene County Various Programs	H 2595	6,000
Greene County Economic Development	S 1830	2,500
Greene County Arts Council, Inc.	H 2595	500
Greene County Board of Education	H 2508	500
Greene County Board of Education	S 1771	2,500
Greene County Council on Aging	H 2508	500
Greene County Council on Aging	H 2595	1,500
Greene County Council on Aging	S 1830	2,500
Greensboro Housing Authority	H 2599	3,500
Greensboro Preservation Society	H 2180	15,000
Greenville Area Preservation Association	H 2595	500
Greenville Area Preservation Association	S 1855	500
Greenville Community Life Center, Inc.	H 2508	500
Halifax Co. Bd. of Educ. for Mciver Elem. Sch.	H 2638	1,000
Halifax County Coalition for Progress	H 2638	1,000
Halifax County Library Computer	H 2638	1,000
Halifax County 4-H Youth Conference	S 1806	2,500
Haliwa-Saponi Tribe, Inc.	H 2638	2,500
Hamilton Community Organization, Inc.	H 2638	1,000
Harnett Co. Historical Society Found., Inc.	H 2634	5,000
Harnett Co. Uplift Opr. Inc.	S 1741	1,000
Harnett County Uplift Operation, Inc.	H 2634	5,000
Harnett County Uplift Operations, Inc.	H 2606	3,000
Harnett County Uplift Operations, Inc.	S 7175	1,000
Harrellsville Volunteer Fire Department, Inc.	H 2499	1,000
Harrisburg VFD	S 1690	2,000
Harvey Gardens of Kinston, Inc.	H 2382	1,000
Harvey Gardens of Kinston, Inc.	H 2594	2,000
Havelock Community Improvement Assoc	H 2382	2,000
Haven House, Inc.	S 1737	5,000
Haven House, Inc.	S 1740	1,000
Haywood County Bd.Of Ed.	H 2291	1,500
Haywood County Literary Council	S 1746	3,000
Head Start of New Hanover, Inc.	H 2647	4,000
Headstart of New Hanover, Inc.	S 1844	3,500
Heartsease Fire Department	S 1860	1,500
Help Line of Carteret County, Inc.	H 2456	5,625
Helpmate Inc.	H 2266	15,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Henderson Institute	S 1787	5,000
Henderson Institute Graduates	H 2600	2,500
Hertford County Roanoke Chowan Industries	H 2499	2,000
Hertford County Senior Center in Winton	H 2499	2,000
Hertford County Roanoke Chowan S.A.F.E.	H 2499	2,000
Hertford County Senior Citizens' Center, Winton	S 1726	3,000
Hertford County 4-H Foundation, Inc.	H 2499	2,600
Hickory Rescue Squad, Inc.	H 2255	2,000
Hiddenite Center, Inc.	S 1624	5,000
High Point Arts Council	S 1801	4,000
High Point Arts Council, Inc.	S 1709	10,000
High Point Drug Action Council, Inc.	H 2527	5,000
High Point Senior Citizens Center	S 1686	10,000
Historic Bethabara Park, Inc.	H 2440	5,000
Historic Bethabara Park, Inc.	S 1703	3,000
Historic Hillsborough Commission	H 2442	5,000
Historic Hillsborough Commission of Orange Co.	H 2523	2,500
Hoke County Communications Equipment	H 2552	4,000
Hoke County Committee of 100's, Inc.	S 1729	5,000
Hoke County Reading Literacy Council, Inc.	S 1729	5,000
Hoke County Reading-Literacy Council, Inc.	H 2526	3,000
Holden Beach Merchants Association	S 1781	1,000
Hollister Rescue Squad	H 2638	1,500
Hollister Rescue Squad	S 1806	5,000
Holly Springs Rural Fire Department	H 2615	2,000
Hookerton Rescue Squad	S 1831	1,000
Hope Harbor Home, Inc.	H 2540	3,000
Hope Mills Senior Citizens, Inc.	H 2584	2,000
Hopkins Rural Fire Department	H 2458	2,000
Hopkins Rural Fire Department	S 1817	1,500
Hospice of Chatham County	S 1814	2,000
Hospice of Cleveland County, Inc.	H 2629	5,000
Hospice of Cleveland County, Inc.	S 1734	5,000
Hospice of Gaston County, Inc.	S 1765	5,000
Hospice of Harnett County, Inc.	H 2634	5,000
Hospice of Haywood Co., Inc.	H 2265	10,000
Hospice of Hoke County	H 2552	1,000
Hospice of Lee County	S 1849	3,000
Hospice of Lee County, Inc.	S 1736	5,000
Hospice of Lee County, Inc.	S 1740	1,000
Hospice of Lincoln County, Inc.	S 1714	5,000
Hospice of N.C., Inc.	S 1814	2,000
Hospice of Polk County, Inc.	H 2404	5,000
Hospice of Rutherford County, Inc.	H 2404	5,000
Hospice of Rutherford County, Inc.	S 1734	5,000
Hospice of Stokes County	H 2626	5,000
Hospice of Surry County, Inc.	S 1813	5,000
Hospice of Union County	S 1792	10,000
Hospice of Wake County, Inc.	H 2500	1,000
Hot Springs Health Program	H 2265	10,000
Howard Improvement Assoc., Inc.	H 2582	5,000
Howard Improvement Association, Inc.	H 2557	5,000
Hugo Volunteer Fire Department, Inc.	H 2173	2,500
Hyde County Sladesville Community Center	H 2419	3,000
Hyde County Focus on Aging	S 1850	2,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Idlewild VFD	S 1690	2,000
Indian Museum of the Carolinas, Inc.	H 2526	5,000
Indian Museum of the Carolinas, Inc.	S 1800	10,000
Inter-Church Council for Social Service, Inc.	H 2523	5,000
Inter-Church Council for Social Services, Inc.	H 2442	5,000
Interchurch Council for Social Services	S 1814	2,500
Iredell County Firemen's Association, Inc.	H 2410	10,000
Iredell Developmental Day Center, Inc.	S 1595	10,000
J. R. Faison Community Center, Inc.	S 1799	10,000
Jackson Park VFD	S 1690	2,000
John Avery Boy's Club	S 1705	3,000
Johnston Central High School Alumni Assoc. Inc.	H 2534	5,000
Johnston Central High School Alumnia Ass0. Inc.	H 2585	5,000
Johnston Central High School Nat. Alumni Assoc.	S 1836	10,000
Johnston County Bicentennial Committee	H 2487	7,500
Johnston County Spca Program	H 2534	5,000
Johnston County Board of Education	H 2248	10,000
Johnston County Council on Aging, Inc.	H 2585	5,000
Joint Orange Chatham Community Action	S 1814	10,000
Joint Orange-Chatham Community Action, Inc.	H 2442	7,500
Joint-Orange Chatham Community Action, Inc.	H 2523	2,500
Jonas Ridge Service Center & Fire Dept.	H 2175	2,500
Jones Co. Unit of United Tri-Co. Senior Citiz.	H 2478	2,000
Jones County Emergency Management Office	H 2479	6,000
Justice Rural Fire Department	S 1817	1,500
Juvenile Court Counselor's Fund	H 2638	500
Juvenile Court Counselor's Fund of 6th Judi Dis	S 1806	5,000
Kannapolis VFD	S 1690	2,000
Kappa Iota Omega Chapter	H 2638	1,000
Katie B. Hines Senior Center, Inc.	H 2647	3,000
Katie B. Hines Sr. Center	S 1844	1,500
King Outreach Ministry, Inc. of Stokes County	S 1813	3,000
King Volunteer Fire District	S 1810	5,000
Kinston City Board of Educationi	H 2594	2,500
Knightdale Fire Department	S 1817	1,500
Lakeland Cultural Arts Center	S 1725	2,500
Lakeland Cultural Arts Center, Inc.	H 2638	1,500
Learning Together, Inc.	S 1740	1,000
Learning Together, Inc.	S 1849	3,500
Lee County Carbonton Community Center	H 2606	1,500
Lee County Carbonton Community Center	S 1741	1,000
Lee County Bmx Parent's Association, Inc.	H 2606	2,000
Lee County Bmx Parents Association	S 1741	3,000
Lee County Industries	S 1740	4,000
Lee County Industries, Inc.	H 2606	4,000
Lee County Industries, Inc.	S 1849	2,500
Lee County Veterans Memorial Fund, Inc.	H 2606	7,000
Lee County Veterans' Memorial Fund, Inc.	S 1741	7,000
Leggett Fire Department	S 1860	1,500
Lenoir County - Pink Hill Fire Dept.	H 2173	2,500
Lenoir County Various Programs	H 2576	7,500
Lenoir County Fair Association, Inc.	H 2594	2,000
Lenoir County Historical Association, Inc.	H 2382	1,000
Lenoir County Historical Association, Inc.	H 2594	1,500
Lewis Community Fire Department	S 1860	1,500

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Lewiston/Woodville Fire & Rescue Squad	S 1700	4,000
Life Experience, Inc.	H 2458	1,000
Life Experiences, Inc.	H 2608	3,000
Life Experiences, Inc.	S 1740	1,000
Life Experiences, Inc.	S 1849	2,500
Lift, Inc., Forsyth County	H 2636	8,000
Lift, Inc.	S 1683	4,000
Lillie Pike Sullivan Municipal Library	H 2638	1,000
Lincoln Community Center	H 2507	8,000
Lincoln Cultural Development Center	S 1733	5,000
Lincoln Wildlife Orphanage, Inc.	H 2472	5,000
Lions Services, Inc.	H 2437	10,000
Little Theater of Gastonia, Inc.	S 1764	5,000
Littleton Volunteer Fire Department	H 2624	2,000
Loaves and Fishes Ministry, Inc.	H 2458	1,000
Long Bay Artificial Reef Association, Inc.	H 2540	1,000
Maccripine Fire Department	S 1860	1,500
Madison Colored & Charles Drew Alu. Assoc. Inc	H 2570	10,000
Madison Colored & Charles Drew Alumni Assoc.Inc	H 2394	5,000
Mann's Chapel Church Preservation Society	S 1861	3,000
Mars Hill College	S 1660	10,000
Martin Community Action Headstart	S 1855	3,000
Martin Community Players	S 1855	4,000
Martin Community Players, Inc.	H 2547	3,500
Martin Community Players, Inc.	H 2638	500
Martin County Fire Departments	H 2485	5,000
Martin County Fire and Rescue Units	S 1854	3,000
Martin County Board of Education	H 2638	1,500
Martin County Board of Education	H 2638	500
Martin County Community Action, Inc.	H 2547	2,500
Matthews Community Club, Inc.	H 2551	2,500
Matthews Community Help Center	H 2551	5,000
Matthews Historical Foundation, Inc.	H 2551	2,500
Matthews Morning Star VFD	S 1690	2,000
Mauney Memorial Library of Kings Mountain	S 1734	5,000
Maury Rescue Squad	S 1831	1,000
Maxton Day Care Council, Inc.	H 2618	3,000
Mc Dowell Arts and Craft Association, Inc.	S 1815	12,500
Mc Dowell County Recreational Center	S 1815	12,500
Mcdowell Arts and Crafts Association	H 2444	7,500
Mcdowell County Recreational Center	H 2445	7,500
Meals on Wheels of Asheville & Buncombe Countie	S 1815	4,000
Meals on Wheels of Asheville/Buncombe Co. Inc.	H 2645	3,000
Meals on Wheels of Wake County, Inc.	H 2500	1,000
Mecklenburg County Fire Departments	H 2285	10,000
Mecklenburg County Parks/Recreation Dept.	H 2495	5,000
Mediation Services of Wake, Inc.	S 1740	500
Mental Health Assn. of Mecklenburg County	H 2494	2,000
Metro. African Method. Episc. Zion Church, Inc.	H 2621	2,200
Metrolina Assoc. for Blind, Inc.	H 2426	5,000
Metropolitan African Method.Episcopal Zion Chur	S 1855	3,000
Midland VFD	S 1690	2,000
Mint Hill Historical Society, Inc.	H 2470	5,000
Mint Hill VFD and Emergency Ambulance Service	S 1690	2,000
Mitchell County - Grassy Creek VFD & Rescue	S 1672	10,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Mitchell County Board of Education	H 2177	2,000
Mitchener's Rural Fire Department	S 1817	1,500
Montgomery County Women's Crisis Council	H 2392	1,000
Montgomery County Fire Commission	H 2435	10,000
Montgomery County Public Library	H 2392	1,000
Mooneyham Public Library	H 2405	5,000
Mooresville Public Library	H 2277	15,000
Mother's Helpers	S 1844	700
Mountain Area Hospice Corp. of Buncombe County	H 2645	3,000
Mountain Area Hospice Corporation	S 1815	3,000
Mountain Outdoor Recreation Alliance	H 2645	2,000
Mountain Youth Resources, Inc.	H 2267	13,500
Mt. Mitchell VFD	S 1690	2,000
Mull Athletic Foundation, Inc.	H 2320	2,000
Murfreesboro Fire Department	H 2499	2,000
Murfreesboro Historical Association	S 1725	10,000
My Sister's House, Inc.	H 2586	5,000
My Sister's House, Inc.	S 1806	7,500
Myover-Reese Fellowship Home, Inc.	H 2584	2,000
Myrtle Grove Community Center, Inc.	H 2647	1,000
N. C. Christmas Tree Association, Inc.	S 1702	10,000
N. C. International Folk Festival, Inc.	S 1747	37,000
N. C. Council of Women's Organizations, Inc.	H 2458	1,000
N. C. Council on the Holocaust, Green. Chapter	H 2599	1,000
N. C. International Folk Festival, Inc.	H 2291	37,500
N. C. Turkey Festival, Inc.	S 1729	15,000
N. E. Centerfor Human Development	S 1726	5,000
Nat'l.Assoc.For the Advance.Of Colored People	H 2636	3,000
Nature Science Center of Forsyth County, Inc.	H 2636	500
Nature Society, Inc.	H 2645	2,000
Nature Society, Inc.	S 1815	2,000
NCSU Education Foundation, Inc.	H 2500	1,000
Neighb. Just. Ctr. of Win.-Sal/Fors. Co. Inc.	H 2636	3,000
Neighborhood Justice Center	S 1683	2,000
New Beginnings Center, Inc.	H 2542	5,000
New Bern-Craven County Ymca, Inc.	H 2382	8,000
New Hanov.Cty.Extension Serv.Arboratum Foundati	S 1844	2,400
New Hanover Co. Extension Svs. Arboratum. Inc.	H 2633	5,000
New Hanover Comm. Services Assoc., Inc.	H 2633	2,000
New Hanover Community Services, Inc.	S 1844	1,500
New Hanover County Parents Supporting Parents	H 2647	2,000
New Hanover County	S 1843	4,700
New Hanover County Child Advocacy Commission	S 1844	1,000
New Hanover County Museum Foundation, Inc.	S 1845	1,500
North Carolina Baptist Hospitals, Inc.	S 1683	9,000
North Carolina Black Repertory Company, Inc.	S 1703	5,000
North Carolina Land Trustees of America, Inc.	H 2607	3,500
North Carolina Nurses Association	H 2453	30,000
North Carolina Strawberry Festival	H 2512	1,500
North East Cabarrus County VFD	S 1690	2,000
North Granville Emergency Medical Services	H 2642	5,000
Northampton County Drainage Project	H 2499	2,400
Northampton County Courthouse	S 1724	2,000
Northampton County Museum, Inc.	H 2499	4,000
Northern Hospital District of Surry County	H 2596	2,500

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Northside Neighborhood Housing Council, Inc.	S 1844	1,500
Northwestern Regional Library	S 1813	2,500
Odell VFD	S 1690	2,000
Ogden-New Hanover Volunteer Rescue Squad, Inc.	H 2633	2,000
Old Jamestown School Association, Inc.	H 2504	25,000
Old Salem, Inc.	H 2436	5,000
Old Salem, Inc.	S 1681	30,000
Old Waynesborough Commission, Inc.	S 1830	15,000
One Step Further, Inc.	S 1803	10,000
Onslow Coordinating Council on Aging	S 1728	10,000
Onslow Coordinating Council on Aging, Inc.	H 2456	1,125
Onslow County Peers	H 2456	1,125
Onslow County White Oak Little League Assoc.	H 2456	1,125
Onslow County White Oak Little League Assoc.	S 1696	7,000
Onslow County Peers Program	S 1752	5,000
Onslow County Juvenile Restitution Program	S 1752	13,000
Onslow County Board of Education Phys.-Ed./Band	H 2231	21,000
Onslow County Women's Center, Inc.	S 1752	5,000
Onslow Hospice, Inc.	S 1728	5,000
Onslow Hospice, Incorporated	H 2456	1,125
Operation Breakthrough	H 2507	3,000
Operation Breakthrough	S 1705	5,000
Opportunities Industrialization Center, Inc.	H 2586	5,000
Opportunity Corporation	S 1815	2,000
Options To Domes. Violence & Sexual Assault, Inc	H 2419	2,000
Options To Domestic Violence & Sexual Assault	S 1855	1,000
Orange Chatham Comprehensive Health Services	S 1814	5,000
Orange Congregations in Mission, Inc.	H 2523	5,000
Orange Congregations in Mission, Inc.	S 1814	2,500
Orange County Parks and Recreation Dept.	S 1788	5,000
Orange County Firefighters Assoc.	S 1814	12,000
Orange County Rape Crisis Center	H 2442	2,500
Orange County Women's Center, Inc.	H 2523	2,500
Orange-Chatham Comprehensive Health Svs., Inc.	H 2442	5,000
Orange-Person Chatham Mental Health Center	S 1814	1,000
Orange/Durham Coalition	H 2511	10,000
Oxford Business & Professional Chain	S 1706	20,000
Pactolus Elementary School Recreation Program	S 1855	1,000
Pamlico County Various Programs	H 2576	12,000
Pamlico County Economic Development	S 1753	20,000
Pamlico County Board of Education	H 2382	5,000
Pamlico County Board of Education	H 2594	5,000
Pamlico Pals Role Models for Children Program	S 1855	1,000
Pamlico-Tar River Foundation, Inc.	S 1855	2,500
Parmele Community Organization	H 2638	1,500
Pasquotank County 4-H Camps for Handicapped	H 2516	4,000
Pasquotank County Albemarle Food Pantry	H 2516	5,000
Pasquotank County 4-H and Handicapped Programs	S 1850	3,000
Pekin Volunteer Fire Department, Inc.	H 2435	1,500
Pender County St. Helena Community Bldg.	H 2577	1,000
Pender County Long Creek Recreation Center	H 2577	2,000
Pender County Museum	H 2577	2,000
Pender County Fire Departments & Rescue Squads	S 1843	6,800
Pender County Sheriff's Department Building	S 1843	1,500
Pender County Conservancy	S 1844	1,400

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Pender County Long Creek Community Building	S 1844	1,000
Pender County Canetuck Community Center	S 1844	1,500
Pender County Museum	S 1845	2,000
Pender County Watch & Conservancy Project	H 2540	3,500
Pender County Various Projects	H 2565	7,500
Pender County Library	S 1845	1,700
People Assisting Victims	H 2505	3,000
Perquimans County Newbold-White House	H 2516	5,000
Perquimans County Blanchard Bldg.	H 2516	5,000
Person Co. Memorial Hospital	S 1706	20,000
Person County Children's Learning Center	H 2624	3,000
Person County Children's Learning Center	H 2642	1,000
Person County Memorial Hospital, Inc.	S 1835	9,000
Piedmont Opera Theatre, Inc.	H 2455	2,000
Piedmont Triad Council of Government	S 1824	5,000
Pilot Mtn. Foundation, Inc. of Surry County	S 1811	2,500
Pine Forest Cemetery Company	H 2647	5,000
Pinetown Vol. Firemen's Assoc., Inc.	H 2419	4,000
Pinetree Enterprises in Moore County	S 1861	1,000
Pitt - Greenville Arts Council	S 1855	750
Pitt County Fire and Rescue Squads	H 2508	3,000
Pitt County Athletic Field Project	H 2508	500
Pitt County Council on Aging	H 2508	200
Pitt County Wellcome Middle School Library	H 2508	500
Pitt County Community & School Projects	H 2508	500
Pitt County Wellcome Middle School Library	H 2595	500
Pitt County Rescue Squads & Fire Departments	S 1854	9,000
Pitt County Mental Health Center	S 1855	750
Pitt County Board of County Commissioners	H 2508	1,000
Pitt County Board of Education	S 1859	5,000
Pitt County Chicod Elementary School	H 2508	750
Pitt County Family Violence Program	H 2595	750
Pitt County Family Violence Program	S 1855	500
Pitt County Fire Marshall' Office	H 2595	2,000
Pitt County Historical Society, Inc.	H 2595	1,000
Pitt County Historical Society, Inc.	S 1855	1,000
Pitt County Home Nursing Care Foundation	H 2595	500
Pitt County Memorial Hospital, Inc.	H 2508	550
Pitt County Memorial Hospital, Inc.	H 2508	750
Pitt County Mental Health Center	H 2595	1,000
Pitt County Senior Citizens	H 2508	500
Pitt County Senior Citizens	H 2595	750
Pitt County Senior Citizens	S 1855	1,000
Pitt-Greenville Arts Council	H 2508	500
Pitt-Greenville Arts Council	H 2595	500
Pitts VFD	S 1690	2,000
Planned Parenthood of Greater Charlotte, Inc.	H 2601	10,000
Planned Parenthood of Greater Charlotte, Inc.	H 2621	1,200
Planned Parenthood of Greater Charlotte, Inc.	H 2644	2,000
Pleasant Garden Community Center	H 2599	2,000
Pleasure Island Volunteer Rescue Squad, Inc.	H 2633	1,000
Polk County Adap Program	H 2629	5,000
Polk County Senior Citizens Club, Inc.	H 2629	5,000
Poplar Tent VFD	S 1690	2,000
Prevention of Abuse in the Home, Inc.	H 2406	5,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Prevention of Abuse in the Home, Inc.(P.A.T.H)	S 1734	5,000
Princeton Little Tar Heel League, Inc.	S 1836	5,000
Princeville Fire Department	S 1860	1,500
Princeville Senior Citizens Center	S 1858	2,000
Prison and Jail Project Durham Co.	S 1687	3,000
Purvis Community Civic Organization	H 2618	2,000
Radio Reading Services, Inc.	H 2590	3,000
Radio Reading Services, Inc.	H 2615	1,000
Radio Reading Services, Inc.	S 1740	2,000
Raleigh Arts Foundation, Inc.	H 2458	2,000
Raleigh Boychoir, Inc.	H 2500	1,000
Raleigh Dialysis Center	H 2608	3,000
Raleigh Oratorio Society	S 1848	3,500
Raleigh Symphony Orchestra, Inc.	H 2500	1,000
Randolph Arts Guild	S 1861	15,000
Randolph County 4-H Program	H 2561	17,500
Randolph County Contact	S 1814	2,000
Randolph National Health Ser. Corp Pract. Inc	S 1814	3,000
Rankin Museum, Inc.	S 1800	5,000
Rankin Museum, Inc.	S 1827	30,000
Ransom Activity Center	S 1782	3,000
Rape Crisis Center, Inc.	S 1815	1,000
Rape Crisis Intervention of Harnett County	H 2634	5,000
Rape Line of Winston-Salem	H 2636	1,000
Real Crisis Intervention, Inc.	H 2595	500
Real Crisis Intervention, Inc.	H 2508	500
Real Crisis Intervention, Inc.	S 1855	500
Red Springs Chamber of Commerce, Inc.	H 2552	10,000
Red Springs Rescue Squad, Inc.	S 1762	5,000
Redwood Fire Department in Durham	H 2657	5,000
Region "p" Human Development Agency	S 1728	15,000
Rehabilitation Services of Wake County, Inc.	H 2615	2,000
Rehabilitation Services of Wake County, Inc.	H 2500	2,000
Rehabilitation Services of Wake County, Inc.	H 2622	3,000
Rehabilitation Services of Wake County, Inc.	S 1737	10,000
Rehabilitation Services of Wake County, Inc.	S 1849	2,500
Rehabilitation Services of Wake County, Inc.	S 1740	2,000
Remmsco, Inc.	H 2394	5,000
Research Educ. and Literary Assoc., Inc.	S 1802	10,000
Richmond Co. Board of Education	S 1827	3,000
Richmond Co. Parents of Disabled Children, Inc.	S 1792	3,000
Richmond County Ashley Chapel Community Center	S 1799	5,000
Richmond County Arts Council	S 1800	3,000
Richmond County Beaver Dam Community Center, Inc	S 1799	5,000
Richmond County Board of Education	H 2501	2,000
Richmond County Community Theater	S 1800	5,000
Richmond County Hospice, Inc.	S 1798	7,000
Richmond County Parents of Disabled Children	S 1798	3,000
Rimer VFD	S 1690	2,000
Roanoke Canal Commission, Inc.	H 2600	2,000
Roanoke Canal Commission, Inc.	H 2624	5,000
Roanoke Valley Adult Day Center	H 2638	1,500
Robersonville Fire Department	S 1860	2,000
Robertson Memorial Ymca	H 2268	11,000
Robertson Memorial Ymca of Canton, N.C.	S 1794	7,000



SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Robeson County Black Heritage Association, Inc	H 2618	2,500
Robeson County Church and Community Center, Inc	H 2618	12,000
Robeson County Parks and Recreation	H 2618	3,000
Robeson County Recreation and Park Commission	H 2526	3,000
Robeson Little Theatre, Inc.	H 2618	1,000
Rockford Preservation Society	H 2522	2,500
Rockingham Council on Mental Retardation, Inc.	H 2612	3,000
Rockingham County Sheriff's Department	S 1810	3,000
Rockingham County Fire Marshall's Radio & Tower	S 1810	5,000
Rockingham County Health Department	S 1813	2,000
Rockingham County Council on Aging, Inc.	H 2544	10,000
Rockingham County Historical Society, Inc.	H 2394	5,000
Rockingham County Public Library	H 2394	5,000
Rocky Mount Art Center	S 1789	4,000
Rocky Mount Public Library Association, Inc.	H 2586	5,000
Rocky Mount Senior Citizens Center	S 1858	1,000
Rocky Mount Ywca	S 1806	10,000
Rolesville Fire Department	S 1817	1,500
Roxboro-Person County Rescue Squad, Inc.	H 2642	3,000
Rural Community Network Resource Center	H 2458	2,000
Rural Day Care Assn. of Northeastern N. C.	S 1726	2,500
Rutherford County Industrial Development	H 2449	5,000
Rutherford County Arts Council	H 2405	5,000
Rutherford County Arts Council, Inc.	S 1719	5,000
Rutherford County Library, Inc.	S 1719	5,000
S.A.F.E in Lenoir County, Inc.	H 2382	1,000
S.A.F.E. in Lenoir County	H 2594	2,500
S.E. Cumberland Co. Rural Community Assoc. Inc.	H 2505	2,000
Safeway for All People Inc.	S 1855	750
Salvation Army	S 1844	2,000
Sampson Community Theater, Inc.	S 1785	2,000
Sampson County Clement Civic Center	H 2578	2,000
Sampson County Adult Day Care Program	H 2578	2,000
Sampson County Alumni Assoc.	H 2578	2,000
Sampson Countyunion Booster Club	H 2578	2,000
Sampson County Board of Education	S 1784	10,000
Sampson County Board of Education	S 1784	2,000
Sampson County Fire Departments	H 2565	12,000
Sampson County Community Theatre, Inc.	H 2578	2,000
Sandhills Art Council	S 1861	5,000
Sandhills Community Action Center	S 1814	3,000
Sandhills Hospice	S 1814	2,000
Scarborough Nursery School, Inc.	H 2507	2,000
Schiele Museum of Natural History & Planetary	S 1719	20,000
Scotland County Arts Council	H 2618	1,500
Scotland County Board of Education	S 1792	1,150
Scotland County Boxing Club, Inc.	H 2618	1,000
Scotland County Literacy Council, Inc.	H 2552	3,000
Scotland County Literacy Council, Inc.	H 2618	2,000
Scurlock Community Organization, Inc.	H 2618	2,000
Seven Lakes Rescue Squad, Inc.	S 1788	2,000
Seven Springs Area Rescue Squad	S 1831	1,000
Seven Springs Area Rescue Squad, Inc.	H 2637	1,500
Shalom Homes, Inc.	H 2644	2,000
Shelley School Child Development Center	H 2458	1,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Shelley School Child Development Center	H 2500	1,000
Shelley School Child Development Center	S 1849	2,500
Shelley School Development Center	H 2587	2,000
Shelter Home of Cleveland County, Inc.	H 2629	5,000
Shelter Home of Cleveland County, Inc.	S 1734	5,000
Shepherd's Table Soup Kitchen	S 1849	2,500
Shepherd's Table Soup Kitchen, Inc.	H 2500	1,000
Shepherd's Table Soup Kitchen, Inc.	H 2587	1,500
Shepherd's Table Soup Kitchen, Inc.	H 2608	1,000
Shepherd's Table Soup Kitchen, Inc.	H 2615	1,000
Shepherd's Table Soup Kitchen, Inc.	S 1736	2,000
Shepherd's Table Soup Kitchen, Inc.	S 1740	2,000
Sheppard Memorial Library	S 1855	500
Sheriff of New Hanover County	H 2647	3,500
Shiele Museum of Natural Hist. and Planetarium	S 1766	15,000
Shine Rescue Squad	S 1831	1,000
Smiles of Roanoke Rapids, Inc.	S 1806	5,000
Snow Camp Historical Drama Society, Inc	H 2612	15,000
Snow Camp Historical Drama Society, Inc.	H 2541	2,500
Snow Hill Rescue	S 1831	1,000
South Brunswick Islands Chamber of Commerce	H 2540	2,000
South Brunswick Islands Chamber of Commerce	S 1781	2,000
South Eastern Sickle Cell Association, Inc.	H 2647	1,700
South Edgecombe Rural Fire Department	S 1860	3,000
South Granville Rescue Squad	S 1835	5,000
South Point Life Saving Crew, Inc.	H 2472	8,000
Southeast Greensboro Council on Crime & Delin.	S 1802	14,000
Southeastern Cumberland Co. Rural Comm. Asso In	H 2584	2,000
Southeastern Cumberland Co. Rural Comm. Assoc.	H 2582	1,500
Southeastern Cumberland Co. Rural Comm. Assoc.	S 1701	5,000
Southeastern Cumberland Co. Rural Comm. Assoc.	H 2557	2,500
Southeastern N. C. Radio Reading Service, Inc.	S 1571	24,000
Southeastern Sickle Cell Association	S 1844	1,500
Southern Halifax Human Deve. Council, Inc.	H 2638	1,500
Southport Rescue Squad	S 1864	1,000
Southside School Alumni Association	S 1729	5,000
Spring Lake Community Center Foundation, Inc.	H 2557	5,000
Spring Lake Community Center Foundation, Inc.	H 2582	5,000
Spring Lake Lifeline Center, Inc.	H 2582	2,500
Sr. Citizens of Pender County, N.C.	S 1843	1,000
St. Augustine's College	H 2509	4,000
St. Mark's Center, Inc.	H 2460	3,000
Stanly County Senior Citizens' Center	H 2505	5,000
Statesville City Board of Education	H 2411	20,000
Stedman Volunteer Fire Dept., Inc.	H 2574	1,000
Stokes County Senior Citizens' Transportation	H 2612	2,000
Stokes County Friends of Youth	S 1813	2,500
Stokes County Arts Council, Inc.	S 1793	5,000
Stony Point Volunteer Fire Department	S 1697	25,000
Sugar and Spice Day/Night Care for the Elderly	H 2582	1,000
Surry County Recyclable Drop-Off Program	H 2596	11,800
Surry County Arts Council	H 2626	2,500
Surry County Friends of Youth	S 1813	5,000
Swannanoa Valley Child Care Council, Inc.	S 1815	2,000
Swannanoa Valley Christian Ministry, Inc.	S 1815	3,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Tabor City Chamber of Commerce	S 1781	10,000
Tabor City Committee of 100, Inc.	H 2515	15,000
Tabor City Committee of 100, Inc.	S 1782	25,000
Tammy Lynn Memorial Foundation, Inc.	H 2500	1,000
Tammy Lynn Memorial Foundation, Inc.	H 2615	2,000
Tammy Lynn Memorial Foundation, Inc./	H 2458	1,000
Tar River Choral & Orchestral Society, Inc.	S 1789	7,500
Tarboro Community Outreach, Inc.	H 2217	18,000
Tarboro Community Outreach, Inc.	S 1858	3,250
Tarradiddle Players	H 2271	1,000
Tarradiddle Players	H 2460	1,000
The Arts Council of Fayette./Cumber. County, Inc	H 2505	3,000
The Arts Council of Fayetteville/Cumberland Co.	H 2571	3,000
The Arts Council, Inc.	H 2455	5,000
The Arts Council, Inc.	H 2636	1,500
The Arts Council, Inc.	S 1703	25,000
The Arts Journal	H 2645	4,000
The Asheville Symphony Society	S 1815	1,000
The Bell House, Inc.	H 2179	5,000
The Bethlehem Center of Charlotte, Inc.	H 2495	2,000
The Bethlehem Center of Charlotte, Inc.	H 2644	2,000
The Big Ivy Historical Society	H 2645	3,000
The Big Ivy Historical Society	S 1815	3,000
The Buncombe County Board of Education	H 2645	5,000
The Charlotte Shakespeare Company	H 2460	1,000
The Charlotte Shakespeare Company	H 2495	2,000
The Children's Theater of Charlotte, Inc.	H 2408	10,000
The City of Asheville Belle Chere Festival	H 2645	1,500
The City of Brevard Swimming Pool	H 2645	10,000
The City of Mebane Arts Center	H 2612	5,000
The Cranberrian Corporation	S 1666	25,000
The Eden Preservation Society, Inc.	H 2569	5,000
The Foothills Arts Council Inc.	S 1793	2,500
The Gallery Theater, Inc.	H 2547	3,000
The Gallery Theatre, Inc.	S 1725	4,000
The Garner Senior Center, Inc.	H 2431	10,000
The Gethsemane Enrichment Program, Inc.	H 2644	3,000
The Greater Piedmont Teen Challenge	H 2237	5,000
The Greenville Area Pres. Assoc.	H 2508	500
The Harrellsville Vol. Fire Department	S 1700	3,000
The Health Adventure, Inc.	H 2645	10,000
The Hendersonville Symphony Orchestra	S 1820	1,000
The Historic Preser. Found. of N.C., Inc.	S 1785	10,000
The Kitzito Projects, Incorporated	H 2509	5,000
The Knightdale Volunteer Fire Department, Inc.	H 2615	1,500
The Litle Theatre of Winston-Salem, Inc.	S 1703	6,000
The Little Theater of Winston-Salem, Inc.	H 2455	4,000
The Malcolm Blue Historical Society	S 1861	1,000
The Murfreesboro Historical Association, Inc.	H 2499	3,000
The N.C. Fourth of July Festival	H 2540	2,000
The North Carolina Black Repertory Company, Inc.	H 2636	4,000
The North Carolina Rhododendron Festival, Inc.	H 2176	5,000
The North Carolina Theatre	H 2500	5,000
The Opportunity Corp. of Madison/Buncombe Co.	H 2645	3,000
The Outdoor Theatre Fund Charitable Trust	H 2320	4,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
The Pelican Players	H 2382	2,000
The Pelican Players of Oriental	H 2594	1,500
The Person County Council on Aging	H 2600	2,000
The Person County Council on Aging	H 2642	1,000
The Person County Council on Aging	H 2624	3,000
The Piedmont Opera Theater, Inc.	S 1703	6,000
The Planned Parenthood of Greater Charlotte, Inc	S 1756	5,000
The Prison & Jail Project, Inc.	H 2510	3,000
The Prison & Jail Project, Inc.	S 1835	10,000
The Relative Inc. of Charlotte	S 1756	5,000
The Relatives, Inc.	H 2621	1,000
The Relatives, Inc.	H 2644	2,000
The Samaritan Colony, Incorporated	H 2501	14,000
The Surry County Historical Society, Inc.	S 1793	5,000
The Swannanoa Valley Child Care Council, Inc.	H 2645	3,000
The Swannanoa Valley Christian Ministry, Inc.	H 2645	3,000
The Town of Black Mountain	H 2645	1,500
The Transylvania County Historical Society, Inc	H 2645	3,000
The Western N. C. Lions Club, Inc.	H 2645	3,000
The Women's Center of Raleigh	S 1741	3,000
The Women's Center of Raleigh	S 1849	5,500
The Women's Center of Raleigh	S 1736	4,000
The Young Men's Christian Assoc. of Char. & Mec	H 2621	2,400
Thomas Hackney Braswell Memorial Library	S 1789	2,500
Timberlake Volunteer Fire Department	H 2642	3,000
Town of Angier Capital Improvements	H 2606	5,000
Town of Angier Depot Square	H 2634	2,000
Town of Ayden Recreation Dept.	H 2508	1,500
Town of Ayden Library/Little League	H 2595	1,500
Town of Ayden Recreation Dept.	S 1855	2,000
Town of Bear Grass Municipal Improvements	S 1855	750
Town of Belhaven Museum	S 1850	8,000
Town of Belvoir Fire Department	H 2508	1,000
Town of Benson Municipal Building Auditorium	S 1836	10,000
Town of Bethel Fire Dept/Library	H 2547	2,500
Town of Bethel Recreation Department	S 1859	1,000
Town of Bethel Senior Citizens' Center	S 1859	1,000
Town of Bethel VFD & Rescue Squad	S 1860	2,000
Town of Black Mountain Sourwood Festival	S 1815	1,000
Town of Blowing Rock Centennial Celebration	H 2626	2,000
Town of Boone Restoration of Jones House	H 2522	3,000
Town of Burgaw Fire Department	S 1843	2,500
Town of Cary Child Development Center	H 2608	3,000
Town of Cary Page-Walker Hotel	H 2615	3,000
Town of Castalia Capital Needs	H 2219	7,000
Town of Catawba Historical Association, Inc.	S 1636	10,000
Town of Chadbourn Strawberry Festival	S 1781	2,000
Town of Clarkton Dixie Youth Program	H 2635	2,000
Town of Cramerton Community Center	S 1763	5,000
Town of Creswell Community Bldg.	H 2419	4,000
Town of Dallas Beautification	S 1719	5,000
Town of Danbury Library	H 2522	5,000
Town of Davidson Hot Meals Program	H 2284	10,000
Town of Dobson Community Building	S 1811	1,000
Town of Dublin Civic Center Project	S 1781	1,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Town of East Arcadia Cultural Arts/Community Center	S 1780	25,000
Town of Elizabethtown Revitalization Program	H 2635	2,000
Town of Elkin Recreation Program	S 1811	5,000
Town of Enfield Peanut Festival	H 2638	1,000
Town of Erwin Capital Improvements	H 2606	5,000
Town of Erwin Capital Improvements	H 2634	2,000
Town of Erwin Recreation Center	S 1715	1,000
Town of Erwin Recreation Center	S 1741	1,000
Town of Everetts Town Hall	H 2547	1,500
Town of Fair Bluff Watermelon Festival	H 2514	1,500
Town of Fair Bluff Watermelon Festival	S 1781	2,000
Town of Fairmont Tourist Center/Museum	H 2526	3,000
Town of Fairmont Depot Renovations	H 2552	2,000
Town of Farmville Senior Citizens' Center	H 2508	500
Town of Farmville Dogwood Festival	H 2508	500
Town of Farmville Library/Recreation/Other	H 2595	1,500
Town of Farmville Dogwood Festival	S 1821	2,000
Town of Farmville Senior Citizens' Center	S 1858	2,000
Town of Franklinton Senior Citizens' Services	S 1816	1,000
Town of Fuquay Varina Recreational Activities	S 1715	3,500
Town of Fuquay-Varina Recreation/Ed/Programs	H 2615	4,000
Town of Fuquay-Varina Athletic Field	S 1741	2,500
Town of Fuquay-Varina Baseball Facility	S 1849	4,500
Town of Garland Senior Center	H 2578	1,000
Town of Garner Senior Citizens Home	H 2615	2,000
Town of Garner Senior Citizen Center	S 1739	2,000
Town of Garner Historic Depot	S 1848	3,000
Town of Gastonia Ervin Center	S 1763	5,000
Town of Gibson Downtown Revitalization	H 2552	3,000
Town of Grifton Depot Renovations	H 2508	1,500
Town of Grifton Depot/Sr. Citizens Center	H 2595	1,500
Town of Grifton Railroad Depot, Sr. Citizens, Improve.	S 1855	31,500
Town of Grimesland School Athletic Field	H 2595	1,000
Town of Haw River Recreation Park	S 1819	20,000
Town of Hertford Revitalization Program	H 2516	5,000
Town of Highlands Scottish Tartans Society	H 2452	5,000
Town of Hillsborough Burwell School Improvements	S 1861	1,000
Town of Holden Beach Festival By the Sea	H 2540	1,000
Town of Jamesville	S 1855	750
Town of Knightdale Recreation Programs	H 2615	1,500
Town of Lilesville's July 4th Celebration	H 2392	500
Town of Lillington Capital Improvements	H 2634	3,000
Town of Lillington Senior and Youth Activities	S 1736	1,000
Town of Lillington Senior and Youth Activities	S 1741	1,000
Town of Littleton Civic/Sr. Citizens' Club	H 2600	2,000
Town of Littleton Sr. Citizens' Club	H 2624	2,000
Town of Littleton Civic/Sr. Citizens' Club	H 2638	1,500
Town of Littleton Senior Citizens Programs	S 1806	4,500
Town of Louisburg Senior Citizens' Center	S 1575	35,000
Town of Madison Town Hall	S 1811	10,000
Town of Maxton Downtown Development	H 2526	5,000
Town of Mayodan Water and Sewer System	S 1811	10,000
Town of Morrisville Recreation Facility	H 2608	2,000
Town of Mount Olive Smith St. Community Center	H 2637	5,000
Town of Mount Olive Rescue Squad	H 2637	1,500

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Town of Mount Olive Rescue Squad	S 1831	1,000
Town of Nashville Cooley Library	H 2586	2,500
Town of Oak City Beautification Project	S 1724	2,000
Town of Parkton Recreation Center	S 1729	5,000
Town of Parmele Senior Citizens' Community Center	S 1858	500
Town of Pembroke Library Capital Needs	S 1742	50,000
Town of Pikeville Recreation Park	H 2637	4,000
Town of Pikeville Recreation Program	S 1830	2,500
Town of Pilot Mountain Recyclable Study	H 2596	5,000
Town of Pilot Mountain Centennial History	H 2596	2,000
Town of Pittsboro Water System Improv.	S 1796	500
Town of Raynham Town Hall Renovations	H 2552	2,000
Town of Red Oak Community Center	H 2218	5,000
Town of Reidsville Police Department	S 1810	5,000
Town of Robbins Public Park	S 1796	6,000
Town of Robersonville Senior Citizens' Center	S 1859	1,000
Town of Rolesville Recreation Program	H 2458	2,000
Town of Ronda Public Works	H 2289	10,000
Town of Roper Capital Needs	S 1850	15,000
Town of Roseboro Library	H 2578	2,000
Town of Roseboro Library	S 1836	10,000
Town of Rowland Centennial Celebration	H 2552	5,000
Town of Rowland V.F.W. Post 9158 Community Center	S 1729	5,000
Town of Rutherford College Memorial Park	H 2320	4,000
Town of Salemburg Beautification Program	H 2578	1,000
Town of Salemburg Improvements	S 1836	1,000
Town of Scotland Neck Auditorium	H 2638	1,500
Town of Scotland Neckschool Auditorium Renovation	S 1724	3,000
Town of Siler City Water System Improv.	S 1796	500
Town of Southport Fourth of July Festival	S 1781	1,000
Town of Spring Lake Senior Citizens' Center	H 2505	2,000
Town of Spring Lake Senior Citizens' Center	H 2557	2,500
Town of Spring Lake Senior Citizens' Center	H 2584	2,000
Town of Spring Lake Law Enforcement Equipment	H 2584	2,000
Town of St. Pauls Community Building	S 1729	5,000
Town of Stanley C.D. Rescue Squad	H 2472	8,000
Town of Stedman Emergency Generator	H 2505	3,500
Town of Stedman Equipment/Facilities	H 2575	1,000
Town of Stedman Town Hall	H 2584	2,000
Town of Stoneville Water Lines	S 1811	10,000
Town of Swansboro Little League	H 2456	1,125
Town of Tarboro Senior Citizens' Center	S 1858	1,000
Town of Tarboro Chamber of Commerce	S 1859	1,000
Town of Turkey Beautification Program	H 2578	1,000
Town of Wagram Downtown Development	H 2526	3,000
Town of Wake Forest Senior Citizens' Facility	H 2458	3,000
Town of Wake Forest Senior Citizens' Center's Funds	S 1816	2,000
Town of Wendell Senior Citizens' Facility	H 2458	3,000
Town of Wendell Senior Citizens' Center's Funds	S 1816	2,000
Town of White Lake Police Dept.	H 2635	1,500
Town of Winterville Comm. Center/Historical Soc.	H 2508	1,500
Town of Winterville Comm. Center/Recreation	H 2595	1,000
Town of Winterville Rec. Dept. Arts Society	S 1854	2,000
Town of Winterville Rescue Squad	S 1855	2,000
Town of Winton Fire Department	H 2499	3,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Town of Zebulon Recreation Park	H 2458	3,000
Transylvania Youth Association, Inc.	H 2645	5,000
Tri-County Industries, Inc. of Rocky Mount	S 1858	1,000
Turning Point, Inc.	S 1792	10,000
Tyrrell County 4-H Bus	H 2516	2,500
Tyrrell County Drug/Substance Abuse Program	H 2516	4,000
Tyrrell County Athletic Field	H 2516	5,000
Tyrrell County Athletic Booster Club	S 1850	5,000
Tyrrell County 4-H Leaders Organization	S 1850	2,000
Tyrrell County 4-H Bus in Columbia	S 1850	2,000
Uhwarrie Volunteer Fire Department, Inc.	H 2435	1,500
Unaka Center, Inc.	S 1731	7,500
Unaka Volunteer Fire Department, Inc.	H 2452	5,000
Union Co. Historical Society	S 1827	10,000
Union County Ellen Fitzgerald Sr. Citizens Center	H 2505	5,000
United Arts and Science Council	S 1764	5,000
United Arts Council of Greensboro	S 1709	24,000
United Cerebral Palsy of N.C., Inc.	H 2595	500
United Cerebral Palsy of North Carolina	S 1855	250
United Health Services for Alcohol & Drug Abuse	H 2657	5,000
United Negro College Fund	S 1683	3,000
United Negro College Fund, Inc.	H 2636	7,500
United Negro College Funds	H 2599	5,500
United Tri-County Senior Citizens Corp., Inc.	H 2382	3,000
United Way of Gaston County	S 1714	5,000
University Botanical Gardens At Asheville	H 2645	3,000
Valleytown Cultural Arts and Hist. Society, Inc	H 2452	5,000
Vanceboro Community Organization, Inc.	H 2382	2,000
Vanceboro Community Organization, Inc.	H 2594	1,000
Village of Simpson Municipal Bldg. Fund	H 2508	500
Village of Simpson Civic Improvements	H 2595	500
Village of Simpson Municipal Improvements	S 1855	500
Volunteer Fire Dept. of Bethany, Inc.	H 2574	1,000
Waccamaw Volunteer Fire Department	S 1864	2,000
Wade Community Fire Dept., Inc.	H 2574	1,000
Wagner Foundation	H 2419	4,000
Wake Co. Asoc. for Retarded Citizens, Inc.	S 1740	1,000
Wake County Arts Council, Inc.	H 2500	1,000
Wake County Assoc. for Retarded Citizens, Inc.	H 2500	2,000
Wake County Association for Retarded Citizens	S 1849	1,500
Wake County Opportunities, Inc.	H 2622	3,000
Wake Enterprises, Inc.	H 2500	2,000
Wake Enterprises, Inc.	S 1816	1,000
Walnut Cove Public Library	H 2596	2,500
Walstonburg Fire & Rescue Squad	S 1831	1,000
Warren County Memorial Library	H 2638	500
Warrenton Rural Voluntary Fire Assoc., Inc.	H 2638	500
Washington Chamber of Commerce	S 1855	3,000
Washington City Board of Education	H 2419	4,000
Washington County Livestock Arena	H 2419	2,000
Washington County Historical Records	H 2516	3,000
Washington County 4-H Livestock Barn	H 2516	4,000
Washington County Livestock Barn Construction	S 1850	4,000
Washington County School Libraries	S 1850	5,000
Washington County Fire Department	S 1850	5,000

SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Watauga Co. Arts Council, Inc.	H 2626	5,000
Watauga County Hospice	H 2522	3,000
Watauga County Cove Creek Senior Center	H 2522	5,000
Watauga County Library	H 2626	5,000
Watauga County Training Volunteer Firemen	H 2626	5,000
Watauga County Historical Society	H 2522	2,000
Wayne Action Group for Economic Solvency, Inc.	H 2637	5,000
Wayne County Veterans Monument	H 2637	3,000
Wayne County Board of Education	H 2637	7,000
Wayne County Board of Education	S 1771	2,500
Wayne County Boys Club, Inc.	S 1830	2,000
Wayne County Boys' Club, Inc.	H 2637	5,000
Wayne County Firemen's Association, Inc.	H 2637	7,500
Wayne County Firemen's Association, Inc.	S 1831	2,500
Wayne County Historical Association	H 2637	4,000
Wayne County Historical Association	S 1771	2,500
Wayne County Livestock Development Assoc., Inc.	S 1771	3,000
Wayne County Livestock Development Assoc. Inc.	H 2637	7,000
Wayne County Veterans Council, Inc.	S 1830	5,000
Welcome Middle School Library	S 1855	500
West Edgecombe Rural Fire Department	S 1860	1,500
Western Carolina Rescue Mission, Inc.	H 2645	2,000
Western Carolina Rescue Mission, Inc.	S 1815	1,000
Western N. C. Creative Arts Hall of Fame	H 2645	3,000
Western N.C. Creative Arts Hall of Fame	S 1815	2,000
Western North Carolina Lions Club, Inc.	S 1815	5,000
Western North Carolina Public Radio - Wcqs-Fm	S 1815	11,000
Western North Carolina Public Radio, Inc.	H 2452	5,000
Western North Carolina Public Radio, Inc.	H 2645	5,000
Western North Carolina Public Radio, Inc.	S 1747	5,000
Western North Carolina Reading Service	H 2645	3,000
White-Marsh-Welches Creek Vol. Fire Dept.	S 1864	1,500
Whittsett Community Club	S 1804	4,000
Wilder's Grove Youth Center	S 1849	3,000
Wilkes County Airport Water and Sewer Serv.	H 2384	15,000
Wilkes Day Care Association, Inc.	S 1670	14,000
William Penn Foundation	S 1804	4,000
William Penn Foundation of Guilford County	S 1709	3,000
Wilson Arts Council	S 1821	1,000
Wilson Community Improvement Association, Inc.	H 2509	7,000
Wilson County Community Theatre	S 1821	10,000
Winecoff VFD	S 1690	2,000
Winston-Salem Business & Technology Center, Inc.	S 1678	10,000
Winston-Salem Delta Fine Arts, Inc.	H 2636	5,000
Winston-Salem Delta Fine Arts, Inc.	S 1703	5,000
Winston-Salem Foundation, Inc.	H 2468	30,000
Winston-Salem Symphony Association, Inc.	H 2455	4,000
Winston-Salem Symphony Association, Inc.	S 1703	10,000
Winston-Salem/For. Co. Coun. on the Stat of Wom	H 2636	5,000
Winston-Salem/Forsyth Co. Council Stat./Women	S 1683	7,000
Winston-Salem/Nat. Assoc. Advance. Colored Peo.	S 1683	2,000
Winterville Historical & Arts Society	H 2595	500
Winterville Rescue Squad	H 2508	1,000
Woman's Club of Dunn, Inc.	H 2634	3,000
Women's Center of Raleigh	H 2458	1,000



SECTION TITLE-1988 Session	ORIGINAL BILL NUMBER	1988-89 APPROPRIATION
Women's Center of Raleigh	H 2587	1,500
Wrightsboro Volunteer Fire Department	H 2540	2,000
Yadkin Valley Economic Dev. District, Inc.	S 1623	25,000
Yahweh Center, Inc.	H 2647	1,500
Yancey County Rescue Squad	H 2469	2,600
Yancey County Emergency Medical Services	H 2469	5,400
Yancey County Ems & Rescue Squad	S 1732	3,000
Yancey History Association	H 2486	7,000
Yancey History Association	S 1659	10,000
YMCA Development Fund	H 2594	2,000
YMCA of Cary	H 2608	5,000
YMCA of Charlotte Mccrorey Branch	S 1756	5,000
YMI Cultural Center	S 1815	5,000
YMI Cultural Center, Inc.	H 2645	6,000
Young Artists Opera Theatre	S 1709	2,500
Young Men Christian Association of Raleigh, Inc	H 2615	1,000
Young Men's Christ. Assoc. of Char. & Mecklen.	H 2644	2,000
Young Men's Christ. Assoc. of W.S. & For. Co.	H 2636	5,000
Young Men's Christian Association	S 1683	3,000
Young Men's Christian Association of Greensboro	H 2599	5,000
Young Men's Christian Association of Ral., Inc.	H 2622	4,500
Young Women's Christ. Assoc. of W.S./ & For.Co.	H 2636	4,500
Young Women's Christ. Assoc. of Wilmington	H 2633	2,500
Young Women's Christian Assoc. of Green.NC Inc	H 2599	3,000
Young Women's Christian Assoc.Of Rocky Mount, NC	H 2586	2,500
Young Women's Christian Association	H 2446	3,000
Young Women's Christian Association	H 2458	1,000
Young Women's Christian Association	S 1683	5,000
Youngsville Fire Department	S 1817	1,500
Youth Assistance Program of Cleveland County	S 1714	5,000
Youth Services, Inc.	H 2599	5,000
Zebulon Fire Department	S 1817	1,500
Total		\$6,037,700



**REVENUE  
BILLS**

BRITISH  
LIBRARY

**SCHOOL FACILITIES FINANCE ACT OF 1987**  
**(INCLUDING INVENTORY TAX REPEAL)**

HOUSE BILL 1155 (CHAPTER 662)  
HOUSE BILL 1142 (CHAPTER 813)  
SENATE BILL 1645 (CHAPTER 1041)

*EXPLANATION OF REVENUE-GENERATION PROVISIONS:*

- (1) Lowers threshold for requirement that employers remit withheld personal income taxes monthly (instead of quarterly) from \$3,000 of taxes withheld monthly to \$500, effective for taxes withheld on or after January 1, 1988.
- (2) Raises state corporate income tax rate from 6% to 7%, effective beginning with the 1987 tax year.
- (3) Eliminates 3% discount for merchants' collecting the state and local sales taxes, effective for sales made on or after August 1, 1987.
- (4) Additional General Fund investment income will be generated by items (1)-(3).

*EXPLANATION OF REVENUE-DISPOSITION PROVISIONS:*

- (1) Earmarks to Public School Building Capital Fund during the first year (1987-88) the full amount of the additional revenue from the increase in the corporate income tax. In future years, the Fund would receive an amount equal to one-half of the corporate tax increase, less \$10 million.
- (2) Earmarks to Critical School Facility Needs Fund during the first year (1987-88) the additional revenue other than the corporate tax increase. In future years, the Fund would receive \$10 million from the corporate tax increase.
- (3) Replaces 40% state income tax credit for property taxes paid on manufacturing inventories and 100% credit for taxes paid on poultry and livestock with a full exemption, effective January 1, 1988 (Poultry and livestock not held for resale becomes exempt on January 1, 1989). Provides full state reimbursement for each local unit's revenue loss for 1988-89 (poultry and livestock loss not reimbursed until 1989-90), based on claims submitted by each unit. Reimbursement in future years is frozen at first year amount.
- (4) Increases 20% property tax exemption for wholesale and retail inventories to full exemption, effective January 1, 1988. Provides reimbursement to local units for revenue loss from the following sources:
  - (a) a flow-through of the additional local sales tax revenue from the elimination of the merchants' discount;
  - (b) a direct reimbursement of \$39 million, distributed to each county area on a per capita basis (allocated within the county on the basis of property tax levy), frozen in future years at the amount for the first year; and
  - (c) an allocation from a "hold-harmless" pool to each local unit based on amount by which county-area revenue loss from the increase in the exemption exceeds the sum of the reimbursement from items (a) and (b), with allocation in future years frozen at first year amount.

*FISCAL IMPACT:*

See next page.

**FISCAL IMPACT OF SCHOOL FACILITIES FINANCE ACT OF 1987  
(INCLUDING INVENTORY TAX REPEAL)**

**STATE GENERAL FUND FISCAL SUMMARY**

(\$ Million)

REVENUE GENERATION

	Fiscal Year										
	<u>87-88</u>	<u>88-89</u>	<u>89-90</u>	<u>90-91</u>	<u>91-92</u>	<u>92-93</u>	<u>93-94</u>	<u>94-95</u>	<u>95-96</u>	<u>96-97</u>	<u>Total</u>
Corporate tax increase	\$126.0*	\$102.6	\$110.8	\$119.7	\$129.2	\$139.6	\$150.8	\$162.8	\$175.8	\$189.9	\$1,407.2
Elimination of merchants' discount	35.3	45.8	49.5	53.4	57.7	62.3	67.3	72.7	78.5	84.8	607.2
Withholding acceleration	55.5	-	-	-	-	-	-	-	-	-	55.5
Investment income	5.6	4.3	4.8	5.3	5.8	6.4	7.0	7.7	8.5	9.3	64.7
<b>Total Revenues</b>	<b>\$222.4</b>	<b>\$152.7</b>	<b>\$165.1</b>	<b>\$178.4</b>	<b>\$192.7</b>	<b>\$208.3</b>	<b>\$225.0</b>	<b>\$243.2</b>	<b>\$262.8</b>	<b>\$284.0</b>	<b>\$2,134.6</b>

REVENUE DISPOSITION

Manufacturing inventory tax:											
Local reimbursement	-	\$103.9	\$106.9**	\$106.9	\$106.9	\$106.9	\$106.9	\$106.9	\$106.9	\$106.9	\$959.1
Less: Cost of current 40% credit	-	41.2	43.7	46.3	49.1	52.0	55.1	58.4	61.9	65.7	473.4
Net additional impact	-	\$62.7	\$63.2	\$60.6	\$57.8	\$54.9	\$51.8	\$48.5	\$45.0	\$41.2	\$485.7
Wholesale/Retail Inventory Tax:											
Direct local reimbursement	-	\$39.0	\$39.0	\$39.0	\$39.0	\$39.0	\$39.0	\$39.0	\$39.0	\$39.0	\$351.0
Hold-Harmless pool	-	6.7	30.1	30.1	30.1	30.1	30.1	30.1	30.1	30.1	247.5
Net additional impact	-	\$45.7	\$69.1	\$69.1	\$69.1	\$69.1	\$69.1	\$69.1	\$69.1	\$69.1	\$598.5
Public School Building Capital Fund	\$79.9	\$63.5	\$45.4	\$49.8	\$54.6	\$59.8	\$65.4	\$71.4	\$77.9	\$85.0	\$652.7
Critical School Facility Needs Fund	95.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	185.5
<b>Total School Facilities Aid</b>	<b>\$175.4</b>	<b>\$73.5</b>	<b>\$55.4</b>	<b>\$59.8</b>	<b>\$64.6</b>	<b>\$69.8</b>	<b>\$75.4</b>	<b>\$81.4</b>	<b>\$87.9</b>	<b>\$95.0</b>	<b>\$838.2</b>
<b>Total Disposition</b>	<b>\$175.4</b>	<b>\$181.9</b>	<b>\$187.7</b>	<b>\$189.5</b>	<b>\$191.5</b>	<b>\$193.8</b>	<b>\$196.3</b>	<b>\$199.0</b>	<b>\$202.0</b>	<b>\$203.5</b>	<b>\$1,922.4</b>

\* includes \$31.0 million windfall resulting from Jan. 1, 1987 effective date.

\*\* beginning with 1989-90, a reimbursement for poultry and livestock is included.

**FISCAL IMPACT OF SCHOOL FACILITIES FINANCE ACT OF 1987  
(INCLUDING INVENTORY TAX REPEAL)**

**LOCAL GOVERNMENT FISCAL SUMMARY**

	(\$ Million)										
	Fiscal Year										
	<u>87-88</u>	<u>88-89</u>	<u>89-90</u>	<u>90-91</u>	<u>91-92</u>	<u>92-93</u>	<u>93-94</u>	<u>94-95</u>	<u>95-96</u>	<u>96-97</u>	<u>Total</u>
<b>School facilities assistance:</b>											
Public School Building Capital Fund	\$79.9	\$63.5	\$45.4	\$49.8	\$54.6	\$59.8	\$65.4	\$71.4	\$77.9	\$85.0	\$652.7
Critical School Facility Needs Fund	95.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	185.5
<b>Total assistance</b>	<b>\$175.4</b>	<b>\$73.5</b>	<b>\$55.4</b>	<b>\$59.8</b>	<b>\$64.6</b>	<b>\$69.8</b>	<b>\$75.4</b>	<b>\$81.4</b>	<b>\$87.9</b>	<b>\$95.0</b>	<b>\$838.2</b>
<b>Manufacturing inventory tax:</b>											
Cost of exemption	-	\$105.9	\$113.2	\$120.0	\$127.2	\$134.8	\$142.9	\$151.5	\$160.6	\$170.2	\$1,226.3
Local Reimbursement	-	103.9	106.9	106.9	106.9	106.9	106.9	106.9	106.9	106.9	800.1
<b>Net loss on manufacturing tax</b>	<b>-</b>	<b>\$2.0</b>	<b>\$6.3</b>	<b>\$13.1</b>	<b>\$20.3</b>	<b>\$27.9</b>	<b>\$36.0</b>	<b>\$44.6</b>	<b>\$53.7</b>	<b>\$63.3</b>	<b>\$267.2</b>
<b>Wholesale/retail inventory tax:</b>											
Cost of increased exemption	-	\$65.4	\$69.3	\$73.5	\$77.9	\$82.6	\$87.5	\$92.8	\$98.3	\$104.2	\$751.5
Merchant's discount repeal	-	26.5	28.6	30.9	33.4	36.1	38.9	42.1	45.4	49.0	330.9
Direct reimbursement	-	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	351.0
Hold-harmless pool**	-	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1	243.9
<b>Net Gain on wholesale/retail tax</b>	<b>-</b>	<b>\$27.2</b>	<b>\$25.4</b>	<b>\$23.5</b>	<b>\$21.6</b>	<b>\$19.6</b>	<b>\$17.5</b>	<b>\$15.4</b>	<b>\$13.2</b>	<b>\$10.9</b>	<b>\$174.3</b>

\* The \$20.4 million of additional 1987-88 local revenue from the elimination of the merchants' discount is earmarked to cover the 1988-89 cost of the hold-harmless pool. In future years, the hold-harmless pool is funded from additional state revenues under the bill.

\*\* Each local unit faced with a net loss on the increased wholesale/retail exemption (after consideration of merchants' discount and direct reimbursement) will be able to draw down the amount of the net loss from a pool created from the additional tax revenue.

## SB 944 (Liquor Tax Bill)

(Chapter 832 of 1987 Session Laws)

### EXPLANATION OF BILL:

#### (1) Local sales tax

Under the local sales taxes the vendor is not liable for the local sales tax in cases where the buyer does not "take delivery" in the county in which the vendor makes the sale. In such situations, the purchaser is liable for a use tax (applies in cases where a sales tax has not been collected).

*In some out-of-county delivery transactions* the merchant, as a matter of convenience to the customer, collects a local sales or use tax and the appropriate county gets credit for the 1% point-of-origin tax. In many cases however, *neither a sales tax or a use tax is collected*. Unless the user is easily identifiable, the Department of Revenue does not pick up the transaction.

*The bill eliminates the local use tax in out-of-county delivery situations and establish a local sales tax liability*. To compensate for the shift of sales tax revenue between counties (from the conversion of the use tax credited to the recipient county to a sales tax credited to the county of origin), the bill provides that the sales tax revenue allocated by the Department of Revenue be multiplied by a "hold-harmless" factor for each county. The effect of this calculation is to *ensure that each county and city unit would receive the same 2.1% increase in local sales tax revenue*.

#### (2) Liquor tax increase

Under current law there is a state excise tax on the sale of distilled spirits through local ABC stores of 22 1/2% of an amount that is slightly less than retail price. The state tax goes unrestricted into the General Fund.

*The bill increases the state excise tax from 22 1/2% to 28%, with all of the additional proceeds going unrestricted to the State General Fund.*

#### (3) Bailment surcharge/ABC funding

Under prior law all proceeds derived from bailment charges and bailment surcharges (charges imposed for warehouse storage and the shipment from the state warehouse to each local board) were deposited in a special fund in the State Treasurer's office. By law, the level of the surcharges were required to cover the operating expenses of the ABC commission, the Alcohol Law Enforcement Division (ALE) of the Department of Crime Control and Public Safety, and the retirement of bonds issued for the construction of ABC offices and warehouses.

*The bill eliminated the provision that the bailment surcharge cover the operating costs of the ALE Division. Under a special provision in one of the appropriations bills, the Division becomes the responsibility of the State General Fund.*

#### (4) Legislative intent

The bill expresses the *intent of the General Assembly* that:

- (a) the *additional local sales tax revenue for local government fund the additional law enforcement retirement benefits* enacted during the 1986 Session of the General Assembly;
- (b) a *select committee of legislators study* the impact on local government revenue and the costs of Department of Revenue of *consolidation of the state and local sales and use taxes*; and
- (c) if the *state and local sales tax is consolidated*, local units would receive 5/8 of liquor tax increase.

#### Effective Date:

Sales of liquor occurring on or after October 1, 1987. The change in the local-option sales tax system would be effective beginning March 1, 1988.



*Fiscal Effect:*

(1) Would affect the *State General Fund* as follows:

	1987-88	1988-89
Excise Tax Revenue	\$ 8.6	\$15.5
Cost of ALE Division	<u>3.6</u>	<u>5.3</u>
Net Change	\$ 5.0	\$10.2

- (2) Would increase *local* sales tax revenue by \$4.3 million (collection basis) during 1987-88 and \$18.5 million for 1988-89 (each local unit should receive 2.1% more revenue).
- (3) If the *sales tax consolidation option* was adopted, the additional local sales tax revenue would be \$23.4 million (\$18.5 million plus \$4.9 million of savings in collection costs) and the liquor excise tax share would be \$9.7 million, for a total of \$33.1 million of additional local revenue.

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## INSURANCE PREMIUMS TAX RE-WRITE-1987 Session

SENATE BILL 685 (Chapter 814)

### LEGISLATIVE HISTORY:

(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.

(3) The 1986 General Assembly restructured the tax by:

- (a) establishing a *uniform premium tax rate* of 1.75% (2.50% for workers' compensation);
- (b) requiring 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 (previous requirement applied only to companies chartered in states that required North Carolina companies to remit quarterly);
- (c) requiring the tax on *annuities* to be assessed as premiums are paid ("*up-front*") instead of when the proceeds distributed;
- (d) allowing a tax credit for up to 50% of retaliatory taxes paid to other states;
- (e) authorizing 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; and
- (f) requiring the *total repeal* of the *premium tax system*, effective *January 1, 1988*.

The legislation contained language that indicated that the new system would not be revenue-neutral (as compared to the old system and that the intent of the General Assembly was for future modifications to be revenue-neutral).

### 1987 Legislation:

(1) Effective for the 1988 and 1989 tax years, the bill:

- (a) continues a *uniform premium tax rate* of 1.75% (2.50% for Workers' Compensation);
- (b) levies a *mandatory retaliatory tax*, computed on the basis of aggregate premium taxes, effective for the 1987 tax year (would be subject to the quarterly payment system now in effect for the base tax);
- (c) *increases* the tax rate on *Blue Cross* from .33% to .50% effective July 1, 1988;
- (d) increases amount of premium taxes that are required to be paid quarterly during the tax year from 75% to 90%, *effective for the 1989 tax year*;
- (e) requires premium taxes on *Blue Cross* to be subject to the quarterly payment system now in effect for other premium taxes, effective beginning with the 1989 tax year;
- (f) eliminates the 50% tax credit for retaliatory taxes paid to other states, effective for the 1987 tax year;
- (g) *reverts the taxation of annuities to the pre-1986 system*, effective with the 1988 tax year; and
- (h) eliminates the tax credit for distressed lines of insurance, effective beginning with the 1987 tax year.

(2) *Beginning with the 1990 tax year, the complete premium tax system is repealed.* This action implies an intent for the 1989 General Assembly to review the entire system. The bill has language that indicates that the system is not revenue-neutral, as compared to the pre-1986 system and that the intent of the General Assembly is for the system to be revenue-neutral.

*Fiscal Effect:*

The impact on the General Fund tax revenue, when compared to the pre-1986 system ("revenue neutrality") is as follows:

	87-88	88-89	89-90	90-91
Permanent Loss	-\$ 3.7	-\$15.4	-\$9.4	-\$7.5
Windfall	<u>35.9</u>	<u>16.8</u>	<u>-</u>	<u>-</u>
Net Change	+\$32.2	+\$ 1.4	-\$9.4	-\$7.5

**OTHER GENERAL FUND REVENUE BILLS:-1987 Session**

<u>BILL</u>	<u>SESSION LAWS CHAPTER</u>	<u>EXPLANATION</u>	<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
				<u>1987-88</u>	<u>1988-89</u>
HB 9	615	Increases penalty for late payment of inheritance tax from 5% to 10%.	Aug. 1, 1987	Negligible	
HB 24	778	Updates the North Carolina code to correspond with the Internal Revenue Code as of Jan. 1, 1987	Aug. 12, 1987	+\$25,000,000	+\$25,000,000
HB 25	554	Conforms state privilege license tax on firearms dealers to federal firearms law.	Oct. 1, 1987	+\$85,000	+\$85,000
HB 27	708	Requires flea market vendors to obtain an annual privilege license of \$25 and requires that fleamarket operators maintain a list of participating vendors.	July 1, 1988	+\$100,000	+\$100,000
HB 166	709	Creates matching fund for purchase of equipment by rural fire depts. from addition of 1/3 of 1% to current gross premiums tax of 1% on fire and lightning insurance.	Taxable years beginning on or after Jan. 1, 1987	+\$1,000,000	+\$1,150,000
HB 462	299	Makes a technical amendment to the revenue laws.	June 8, 1987	None	
HB 605	557	Replaces 3.22% public utility franchise tax and state sales tax on gross receipts from intrastate toll services with 6.50% state sales tax and eliminates corporation franchise tax for companies providing such services.	Jan. 1, 1989	Negligible	
SB 17	190	Eliminates seasonal business privilege licenses, requiring all businesses to obtain annual licenses.	June 1, 1987	+\$3,600	+\$3,600
SB 19	18	Permits alcoholic beverage licensees required to furnish a bond to pledge government bonds as collateral.	Mar. 18, 1987	None	
SB 20	27	Eliminates requirement that a nonresident retail or wholesale merchant register with the Dept. of Revenue for sales tax purposes.	Mar. 26, 1987	None	

1987 SESSION

<u>BILL</u>	<u>SESSION LAWS CHAPTER</u>	<u>EXPLANATION</u>	<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
				<u>1987-88</u>	<u>1988-89</u>
SB 21	89	Requires corporations to include in State taxable income the amount of all credits claimed against the income tax.	Taxable years beginning on or after Jan. 1, 1987	+\$100,000	+\$100,000
SB 26	213	Clarifies privilege license tax on peddlers, itinerant merchants and flea market operators.	July 1, 1987	None	
SB 113	568	Provides a state income tax credit of \$2,800 (\$700/yr. for 4 years) to employers who create jobs in severely distressed counties.	Taxable years beginning on or after Jan. 1, 1988	None	-\$3,000,000
SB 162	836	Provides that receipts from the tax on wine manufactured in North Carolina be used to promote the grape industry.	August 1, 1987	-47,500	-57,000
SB 217	852	Authorizes tax credits for certain business investments and authorizes the creation of North Carolina Capital Resource Corporations.	August 14, 1987 with exception of tax credit applicable to tax years beginning Jan. 1, 1988	None	-\$12,000,000
SB 337	548	Provides a procedure for the registration of inheritance and property tax waivers.	July 3, 1987	Unable to determine	
SB 417	804	Makes technical and clarifying amendments to the revenue laws and allows deductions of dividends from out-of-state holding companies having significant income attributable to North Carolina	Aug. 13, 1987 except dividend deduction effective for taxable years beginning Jan. 1, 1987	-\$1,500,000	Unable to determine
SB 484	854	Exempts coin-operated laundries from sales tax and amends definition of sales price for determining sales tax due on items sold in vending machines.	Vending Machine Provision-7/1/89 Coin Operated Laundry Provision-7/1/88		-\$770,000 (in 1989-90)
SB 752		Exempts Foreign Sales Corporations from State corporate income tax to same extent allowable under Federal Law	Jan. 1, 1988 Dec. 30, 1991	Unable to determine	
SB 853	800	Exempts agricultural equipment used directly in the commercial production of livestock from State sales tax.	Sept. 1, 1987	-\$200,000	-\$215,000

1987 SESSION

<u>BILL</u>	<u>SESSION LAWS CHAPTER</u>	<u>EXPLANATION</u>	<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
				<u>1987-88</u>	<u>1988-89</u>
SB 1241		Modifies the ethanol distillery tax credit to include 20% of the costs of construction with an annual cap of \$5 million for all credits claimed.	Taxable years beginning on or after Jan. 1, 1988	None	\$5,000,000





## HIGHWAY FUND REVENUE BILLS-1987 Session

<u>BILL</u>	<u>SESSION LAWS CHAPTER</u>	<u>EXPLANATION</u>	<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
				<u>1987-88</u>	<u>1988-89</u>
HB 207	240	Provides special license plates for active members of the Coast Guard Auxiliary	10-1-87	Negligible	
HB 290	252	Allows personalized plates for commercial vehicles weighing more than 5,000 lbs.	6-2-87	Negligible	
HB 370	608	Exempts "implements of husbandry" from requirements for motor vehicle registration	7-13-87	(\$ 11,000)	(\$11,000)
HB 463	315	Ties motor fuels tax credit to tax levied at the time credit is claimed	7-1-87	Negligible	
HB 622	545	Provides special license plates for Clerks of Superior Court	10-1-87	Negligible	
HB 988	584	Creates a relief fund for rescue squad workers by dedicating a 5-cent increase in safety inspection fees for this purpose	Fees raised Sept. 1, 1987, and Fund established Oct. 1, 1987	\$265,000	\$265,000
SB 394	378	Provides special license plates for survivors of Pearl Harbor	10-1-87	Negligible	

## LOCAL GOVERNMENT REVENUE BILLS-1987 Session

<u>BILL</u>	<u>SESSION LAWS</u>		<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
	<u>CHAPTER</u>	<u>EXPLANATION</u>		<u>1987-88</u>	<u>1988-89</u>
HB 17	295	Amends statutes concerning notice of adoption of schedules of value under real property revaluation to conform with requirements of due process, clarifies procedure for adopting and giving notice of schedules of present-use value, and eliminates duplicative or incorrect provisions concerning property tax appeals.	Jan. 1, 1988	None	
HB 34	45	Changes the name of "tax supervisor" to "assessor" under the property tax law and other statutes.	April 3, 1987	None	
HB 87	46	Establishes requirements that municipal assessors meet the same qualifications as county assessors.	April 3, 1987	None	
HB 108	127	Extends from 3 years to 5 years time allowed for filing a suit and requesting a property tax refund.	July 1, 1987 and applies to taxes levied on or after Jan. 1, 1982	Negligible	
HB 113	661	Authorizes governing body of any taxing unit to allow tax collector to disregard overpayments or underpayments of \$1 or less.	July 23, 1987	Negligible	
HB 144	724	Exempts property held for sale for burial purposes from property taxes.	Jan. 1, 1988	Reduces revenue by \$100,000 - 250,000 per year.	
HB 204	93	Makes technical corrections to property tax statutes governing collection of property taxes.	April 24, 1982	None	
HB 216	743	Raises auto property tax penalty by establishing a \$200 additional payment to current 10% penalty for each year that a motor vehicle is not listed.	Tax years beginning on or after Jan. 1, 1988	Unknown	

1987 SESSION

<u>BILL</u>	<u>SESSION LAWS CHAPTER</u>	<u>EXPLANATION</u>	<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
				<u>1987-88</u>	<u>1988-89</u>
HB 318	356	Creates a special property tax classification consisting of property owned by certain nonprofit homes for the aged, sick, or infirm and exempts them from property taxes.	Tax years beginning on or after Jan. 1, 1987. Also applies to contested tax proceedings not fully determined as of June 12, 1987	Reduces tax revenue by \$600,000 annually.	
HB 403	130	Provides that real and personal property owned by a nonprofit homeowners' association shall be included in appraisals of property owned by the members of the association.	Jan. 1, 1988	Negligible	
HB 507	805	Clarifies law concerning local regulation of placement of manufactured homes and makes it clear that such homes are treated as real property for property tax purpose.	Jan. 1, 1988	Unknown	
HB 1194	655	Clarifies the appraisal of real property in nonreappraisal years.	Jan. 1, 1988	None	
SB 5	16	Requires tax assessor to make annual report to governing body of taking unit prior to collection of taxes for current fiscal year.	Mar. 16, 1987	None	
SB 23	43	Deletes references in the property tax statutes to the obsolete position of "list taker".	April 2, 1987	None	
SB 45	440	Facilitates the exchange of information by the Department of Revenue and local tax officials	June 22, 1987	None	
SB 162	836	Provides that receipts from tax on wine manufactured in N.C. be used to promote grape industry.	Aug. 1, 1987	-38,300	-46,800
SB 221	450	Increases interest rate applicable to property tax foreclosures from 6% to 8% and permits collection of administrative costs incurred in these foreclosures.	July 1, 1987	Negligible	

1987 SESSION

<u>BILL</u>	<u>SESSION LAWS CHAPTER</u>	<u>EXPLANATION</u>	<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
				<u>1987-88</u>	<u>1988-89</u>
SB 222	698	Makes technical corrections to the property tax statutes concerning appraisal at use value.	July 30, 1987	None	
SB 417	804	Allows deduction from intangibles tax for dividends of out-of-state holding companies having significant income attributable to N.C.	taxable years beginning Jan. 1, 1987	-\$,500,000	unable to determine
SB 852	777	Makes technical corrections to the property tax statutes concerning listing and amends the permit fee charged to taxicab drivers.	Aug. 12, 1987	None	
SB 861	680	Permits a taxpayer to file a late application for property tax exemption or exclusion for listed property and requires that application for property tax exemption be made to the State by owners of property assessed by the State.	Jan. 1, 1988	Negligible	

**1988 GENERAL FUND REVENUE BILLS**

<u>BILL</u>	<u>EXPLANATION</u>	<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
			<u>1988-89</u>	<u>1989-90</u>
HB 2372	(1) Amends formula by which multi-state corporations are required to apportion nationwide taxable income to North Carolina by use of three equal-weighted factors measuring the relative share of business activity in state. The new law weights the sales factor at twice the weight of the payroll and property factors.	1989 income year	-\$10,000,000	-\$24,000,000
	(2) Increases amount of estimated corporate income tax payments required to be made during income year from 80% to 90%.	Income years beginning on or after 6/25/88	+20,000,000 or more	+800,000
HB 2227	Expands 1987 capital investment tax credit to allow a personal and corporate income tax credit of 25% of the amount invested in a North Carolina "Enterprise Corporation" (business domiciled in North Carolina, with annual gross income of less than \$40 million and located in a rural area). The credit is limited to \$750,000, or tax liability, whichever is less (five-year carry-forward).	1988 income year	-	-
HB 2430	Requires out-of-state vendor who regularly advertises and ships into state, but who has no other physical presence in state, to collect and remit state and local sales tax.	Sales occurring on or after 1/1/89	None	Potential of \$24 million annually to state and \$16 million to local units

1988 SESSION

<u>BILL</u>	<u>EXPLANATION</u>	<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
			<u>1988-89</u>	<u>1989-90</u>
HB 2389	Requires corporations electing Subchapter S filing option under federal income tax law to use same option for state income tax purposes.	Income years beginning on or after 7/1/90	None	None
SB 1645	(1) Restructures hold harmless provision of 1987 legislation reimbursing local government units for cost of repealing property tax on wholesale/retail inventories in order to ensure that no unit has a net loss.	Upon Rat.	-2,700,000	-2,700,000
	(2) Reimburses counties and cities, beginning with 1989-90 fiscal year, for impact of 1987 legislation eliminating property tax on poultry and livestock held for resale.	Upon Rat.	None	-2,000,000
	(3) Eliminates property tax on remaining poultry and livestock and reimburses counties and cities for loss.	1/1/89	None	-1,000,000
HB 1144	Raises penalties for violation of state tax laws	Offenses committed on or after 10/1/88	Undeter. increase	Undeter. increase
HB 2186	Extends sales tax exemption for insulin to non-prescription sales	Sales occurring on or after 8/1/88	-145,000 (State) -96,500 (Local)	-188,000 (State) -125,000 (Local)
HB 142	Increases personal income exclusion for civil service and military retirement pay from \$3,000 to \$4,000.	1989 income year	None	-4,900,000
HB 2648	Closes loophole whereby spouse with low or moderate income receives \$15-25 income tax credit even though other spouse has substantial income	1988 income year	Undeter. increase	Undeter. increase

1988 SESSION

<u>BILL</u>	<u>EXPLANATION</u>	<u>EFFECTIVE DATE</u>	<u>FISCAL EFFECT</u>	
			<u>1988-89</u>	<u>1989-90</u>
SB 1601	Eliminates \$800 state income tax dependency exemption from being claimed by taxpayer for person who is not a relative	1988 income year	+2,000,000	+2,100,000
HB 2376	Allows an additional \$1,100 state income tax exemption for taxpayers or dependents who have muscular dystrophy	1988 income year	Insign. reduction	Insign. reduction
HB 2429	Allows an additional \$1,100 state income tax exemption for taxpayers or dependents with transplanted organs or tissues and who are required to take immunosuppressant drugs	1988 income year	Insign. reduction	Insign. reduction
HB 2170	Expands additional \$1,100 state income tax exemption for amputees to include above-the-ankle amputations	1988 income year	Insign. reduction	Insign. reduction





# APPENDIX



## SUMMARY OF GENERAL FUND REVENUE

FISCAL YEAR	INCOME TAX	SALES & USE TAX	OTHER TAXES	TOTAL TAX REVENUE	INCOME FROM TREASURER'S INVESTMENTS	CAPITAL IMPROVEMENT REVERSIONS	FEDERAL REVENUE SHARING, ANTI-RECESSION	OTHER SOURCES	TOTAL NON-TAX REVENUES	TOTAL GENERAL FUND REVENUE
1965-66	252,736,461	188,246,243	114,432,692	555,415,396	10,322,713	1,933,444		5,577,906	17,834,063	573,249,459
1966-67	284,807,547	201,641,570	118,755,843	605,204,960	12,337,612			6,166,907	18,504,519	623,709,479
1967-68	311,192,821	216,173,811	125,115,960	652,482,592	19,266,180			7,450,156	26,716,336	679,198,928
1968-69	350,145,307	239,525,769	149,839,452	739,510,528	20,284,196	5,402,564		10,868,448	36,555,208	776,065,736
1969-70	380,063,453	264,350,605	197,300,010	841,714,068	22,624,169	26,621		14,185,176	36,835,966	878,550,034
1970-71	413,596,745	285,893,056	221,954,891	921,444,692	29,369,118	1,669,214		15,153,132	46,191,464	967,636,156
1971-72	483,850,778	324,824,018	243,224,906	1,051,899,702	24,325,582	456,116		17,227,781	42,009,479	1,093,909,181
1972-73	566,308,449	368,746,184	278,942,411	1,213,997,044	26,816,266	437,465		18,165,044	45,418,775	1,259,415,819
1973-74	653,067,805	409,393,909	295,723,754	1,358,185,468	53,574,504	542,199		17,462,292	71,578,995	1,429,764,463
1974-75	715,401,376	423,006,813	312,775,911	1,451,184,100	73,317,870	1,657,696		17,937,386	92,912,952	1,544,097,052
1975-76	760,478,534	464,756,311	346,610,609	1,571,845,454	48,641,750	4,268,324	48,779,830	23,322,372	125,012,276	1,696,857,730
1976-77	985,489,725	510,295,335	374,181,698	1,869,966,758	43,165,147	446,798	50,954,604	38,995,330	133,561,879	2,003,528,637
1977-78	1,076,941,120	578,960,737	404,579,891	2,060,481,748	44,086,759	620,014	38,516,731	29,632,663	112,856,167	2,173,337,915
1978-79	1,248,931,187	646,729,888	441,557,070	2,337,218,145	59,238,926	1,125,090	30,284,051	32,713,242	123,361,309	2,460,579,454
1979-80	1,471,139,203	691,902,227	476,172,559	2,639,213,989	110,401,212	1,133,957	56,911,047	34,510,606	202,956,822	2,842,170,811
1980-81	1,583,321,118	737,098,123	525,534,207	2,845,953,448	108,546,785	4,950,481	28,391,897	35,969,822	177,858,985	3,023,812,433
1981-82	1,726,818,176	777,449,131	573,445,530	3,077,712,837	115,633,898	1,179,609	262,514	34,751,994	151,828,015	3,229,540,852
1982-83	1,856,624,375	823,400,004	599,000,464	3,279,024,843	88,017,324	1,427,224	0	35,373,362	124,817,910	3,403,842,753
1983-84	2,152,810,530	998,987,392	662,579,681	3,814,377,603	96,291,399	52,777	39,433	46,556,300	142,939,909	3,957,317,512
1984-85	2,513,419,114	1,155,845,141	667,457,999	4,336,722,254	131,037,254	177,208	1,456,544	57,701,411	190,372,417	4,527,094,671
1985-86	2,717,424,128	1,380,409,070	596,687,652	4,694,520,850	151,004,316	317,813	0	65,027,037	216,349,166	4,910,870,016
1986-87	3,129,406,895	1,451,612,941	599,542,284	5,180,562,118	139,317,588	5,870,818	0	66,326,174	211,514,580	5,392,076,698
1987-88	3,312,804,849	1,555,266,971	683,217,053	5,551,288,873	166,899,926	2,342,734	0	83,995,809	253,238,469	5,804,527,342

## SUMMARY ANALYSIS OF GENERAL FUND REVENUES AND EXPENDITURES

FISCAL YEAR	GENERAL FUND REVENUES			GENERAL FUND EXPENDITURES (OPERATING & CAPITAL)			NET EFFECT ON CREDIT BALANCE
	AUTHORIZED	ACTUAL	OVER COLLECTIONS	AUTHORIZED	ACTUAL	UNEXPENDED APPROPRIATIONS	
1965-66	525,413,698	573,249,459	47,835,761	590,527,181	558,762,459	31,764,722	79,600,483
1966-67	546,680,483	623,709,479	77,028,996	591,139,328	565,195,417	25,943,911	102,972,907
1967-68	659,050,000	679,198,928	20,148,928	792,154,382	756,349,426	35,804,956	55,953,884
1968-69	695,238,000	776,065,736	80,827,736	744,733,486	718,259,774	26,473,712	107,301,448
1969-70	842,900,000	878,550,034	35,650,034	970,106,887	912,993,508	57,113,379	92,763,413
1970-71	937,200,000	967,636,156	30,436,156	981,127,808	939,311,030	41,816,778	72,252,934
1971-72	1,044,665,000	1,093,909,181	49,244,181	1,152,034,499	1,096,244,272	55,790,227	105,034,408
1972-73	1,133,820,000	1,259,415,819	125,595,819	1,187,443,130	1,139,500,643	47,942,487	173,538,306
1973-74	1,353,751,000	1,429,764,463	76,013,463	1,607,316,853	1,519,864,088	87,452,765	163,466,228
1974-75	1,575,620,000	1,544,097,052	(31,522,948)	1,734,583,009	1,663,868,968	70,714,041	39,191,093
1975-76	1,731,272,735	1,696,857,730	(34,415,005)	1,780,179,097	1,693,959,910	86,219,187	51,804,182
1976-77	1,958,039,633	2,003,528,637	45,489,004	1,991,946,543	1,919,809,634	72,136,909	117,625,913
1977-78	2,103,704,000	2,173,337,915	69,633,915	2,198,289,024	2,135,899,750	62,389,274	132,023,189
1978-79	2,393,087,774	2,460,579,454	67,491,680	2,545,789,913	2,452,111,660	93,678,253	161,169,933
1979-80	2,685,893,722	2,842,170,811	156,277,089	2,845,381,200	2,744,651,008	100,730,192	257,007,281
1980-81	2,966,580,876	3,023,812,433*	57,231,557	3,255,104,769	3,154,154,198	100,950,571	158,182,128
1981-82	3,280,400,000	3,229,540,852	(50,859,148)	3,435,685,366	3,275,619,875	160,065,491	109,206,343
1982-83	3,518,600,000	3,403,842,753	(114,757,247)	3,626,915,248	3,440,694,342	186,220,906	71,463,659
1983-84	3,800,850,000	3,957,317,512	156,467,512	3,872,591,165	3,775,487,080	97,104,085	253,571,597
1984-85	4,278,061,800	4,527,094,671	249,032,871	4,532,103,411	4,400,523,529	131,579,882	380,612,753
1985-86	4,794,423,700	4,910,870,016	116,446,316	5,130,563,978	4,971,858,475	158,705,503	275,151,819
1986-87	5,215,865,791	5,392,076,698	176,210,907	5,531,345,878	5,349,003,039	182,342,839	358,553,746
1987-88	5,616,052,823	5,804,527,342	188,474,519	5,978,265,764	5,773,774,884	204,490,880	392,965,399

\* Does not include \$57.2 million in Federal Revenue Sharing

## SUMMARY OF GENERAL FUND APPROPRIATION REVERSIONS

(Carry forwards are the transfer of appropriation from the first fiscal year to the second fiscal year of the biennium)

FISCAL YEAR	CURRENT YEAR		PLUS CARRY FORWARD	TOTAL	EXPENDITURES	UNEXPENDED	LESS CARRY FORWARD	NET REVERSIONS
	OPERATING	CAPITAL						
1965-66	548,887,603	41,639,578	0	590,527,181	558,762,459	31,764,722	10,573,247	21,191,475
1966-67	580,566,081	0	10,573,247	591,139,328	565,195,417	25,943,911	0	25,943,911
1967-68	679,797,594	112,356,788	0	792,154,382	756,349,426	35,804,956	9,118,376	26,686,580
1968-69	735,615,110	0	9,118,376	744,733,486	718,259,774	26,473,712	0	26,473,712
1969-70	894,518,284	75,588,603	0	970,106,887	912,993,508	57,113,379	18,348,925	38,764,454
1970-71	962,778,883	0	18,348,925	981,127,808	939,311,030	41,816,778	0	41,816,778
1971-72	1,087,143,307	64,891,192	0	1,152,034,499	1,096,244,272	55,790,227	13,853,736	41,936,491
1972-73	1,173,589,394	0	13,853,736	1,187,443,130	1,139,500,643	47,942,487	0	47,942,487
1973-74	1,520,694,407	86,622,446	0	1,607,316,853	1,519,864,088	87,452,765	0	87,452,765
1974-75	1,698,417,672	36,165,337	0	1,734,583,009	1,663,868,968	70,714,041	0	70,714,041
1975-76	1,756,230,449	23,948,648	0	1,780,179,097	1,693,959,910	86,219,187	18,570,953	67,648,234
1976-77	1,944,405,653	28,969,937	18,570,953	1,991,946,543	1,919,809,634	72,136,909	0	72,136,909
1977-78	2,193,540,024	4,749,000	0	2,198,289,024	2,135,899,750	62,389,274	134,310	62,254,964
1978-79	2,451,876,785	93,778,818	134,310	2,545,789,913	2,452,111,660	93,678,253	0	93,678,253
1979-80	2,761,002,481	84,378,719	0	2,845,381,200	2,744,651,008	100,730,192	10,013,647	90,716,545
1980-81	3,140,949,832	104,141,290	10,013,647	3,255,104,769	3,154,154,198	100,950,571	0	100,950,571
1981-82	3,404,824,224	30,861,142	0	3,435,685,366	3,275,619,875	160,065,491	3,129,320	156,936,171
1982-83	3,558,013,570	65,772,358	3,129,320	3,626,915,248	3,440,694,342	186,220,906	0	186,220,906
1983-84	3,812,808,921	59,782,244	0	3,872,591,165	3,775,487,080	97,104,085	15,027,077	82,077,008
1984-85	4,304,541,096	212,535,238	15,027,077	4,532,103,411	4,400,523,529	131,579,882	0	131,579,882
1985-86	4,877,060,744	253,503,234	0	5,130,563,978	4,971,858,475	158,705,503	0	158,705,503
1986-87	5,233,678,633	297,667,245	0	5,531,345,878	5,349,003,039	182,342,839	0	182,342,839
1987-88	5,805,245,729	173,020,035	0	5,978,265,764	5,773,774,884	204,490,880	0	204,490,880

**GENERAL FUND EXPENDITURES  
(MILLIONS)**

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
1980-81	2,990.0	60.1	104.1	3,154.2
1981-82	3,183.0	61.7	30.9	3,275.6
1982-83	3,300.1	74.8	65.7	3,440.6
1983-84	3,636.6	79.1	59.8	3,775.5
1984-85	4,112.0	76.0	212.5	4,400.5
1985-86	4,645.0	73.4	253.5	4,971.9
1986-87	4,987.7	63.6	297.7	5,349.0
1987-88	5,526.9	73.9	173.0	5,773.8

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

## GENERAL FUND REVERSIONS

<u>Year</u>	<u>Net Reversions (Millions)</u>	<u>% of Operating Expenditures</u>
1965-66	\$21.2	3.6
1966-67	25.9	4.4
1967-68	26.7	3.4
1968-69	26.5	3.6
1969-70	38.8	4.0
1970-71	41.8	4.3
1971-72	41.9	3.6
1972-73	47.9	4.0
1973-74	87.5	5.4
1974-75	70.7	4.1
1975-76	67.6	3.8
1976-77	72.1	3.6
1977-78	62.2	2.8
1978-79	93.7	3.7
1979-80	90.7	3.2
1980-81	100.9	3.1
1981-82	157.0	4.6
1982-83	186.2	5.1
1983-84	82.1	2.2
1984-85	131.6	3.1
1985-86	152.6	3.2
1986-87	182.3	3.5
1987-88	204.5	3.5

**GENERAL FUND CREDIT BALANCE  
(MILLIONS)**

<u>Fiscal Year</u>	<u>General Fund Balance-July 1</u>	<u>General Fund Revenue</u>	<u>General Fund Expenditures</u>	<u>General Fund Balance-June 30</u>
1965-66	\$99.7	\$573.2	\$558.7	\$114.2
1966-67	114.2	623.7	565.2	172.7
1967-68	172.7	679.2	756.4	95.5
1968-69	95.5	776.1	718.3	153.3
1969-70	153.3	878.6	913.0	118.9
1970-71	118.9	967.6	939.3	147.2
1971-72	147.2	1,093.9	1,096.2	144.9
1972-73	144.9	1,259.4	1,139.5	264.8
1973-74	264.8	1,429.8	1,519.9	174.7
1974-75	174.7	1,544.1	1,663.9	54.9
1975-76	54.9	1,696.9	1,694.0	57.8
1976-77	57.8	2,003.5	1,919.8	141.5
1977-78	141.5	2,173.3	2,135.8	179.0
1978-79	179.0	2,460.6	2,452.2	187.4
1979-80	187.4	2,842.2	2,744.6	285.0
1980-81	285.0	3,023.8	3,154.2	154.6
1981-82	154.6	3,229.5	3,275.6	108.5
1982-83	108.5	3,403.8	3,440.6	71.7
1983-84	71.7	3,957.3	3,775.5	253.5
1984-85	253.5	4,527.1	4,400.5	380.1
1985-86	380.1	4,910.9	4,971.9	319.1
1986-87	319.1	5,392.1	5,349.0	362.2
1987-88	362.2	5,804.5	5,773.8	392.9



**GENERAL FUND OPERATING EXPENDITURES  
BY DEPARTMENT/FUNCTIONS OF GOVERNMENT**

FISCAL YEAR	CURRENT OPERATING EXPENSE	DEBT SERVICE EXPENSE	PUBLIC SCHOOLS	UNIVERSITY SYSTEM	COMMUNITY COLLEGES SYSTEM	DEPARTMENT OF HUMAN RESOURCES	JUDICIAL DEPARTMENT	DEPARTMENT OF CORRECTION	ALL OTHER DEPARTMENTS	TRANSFER TO HIGHWAY FUND
1965-66	517,110,881	11,905,291	305,140,902	66,241,100	11,411,657	68,773,133	2,492,262	19,697,099	31,449,437	
1966-67	565,195,417	16,114,637	324,216,229	73,013,092	18,697,812	74,427,423	3,976,730	20,417,630	34,331,864	
1967-68	643,992,638	17,517,958	366,024,522	88,272,493	18,310,803	82,250,834	5,769,435	23,858,998	41,987,595	
1968-69	718,259,774	17,780,947	400,822,976	104,894,567	31,282,412	89,041,553	12,463,890	25,446,821	36,526,608	
1969-70	837,404,905	17,774,223	450,688,435	122,252,656	39,689,410	106,632,807	18,830,659	30,658,825	50,877,890	
1970-71	939,311,030	17,757,503	496,905,842	138,608,501	43,642,139	122,069,070	22,056,549	35,074,124	63,197,302	
1971-72	1,031,353,080	18,171,391	527,938,182	148,864,864	55,954,999	148,919,439	26,333,117	40,872,066	64,299,022	
1972-73	1,139,500,643	21,355,238	569,792,945	166,208,535	60,636,067	168,819,831	28,926,414	45,542,237	78,219,376	
1973-74	1,433,241,642	45,897,043	702,789,400	207,225,420	92,458,946	198,201,121	34,037,147	56,488,912	96,143,653	
1974-75	1,627,703,631	(98,264)	772,145,444	267,090,160	106,413,517	246,757,184	39,385,118	70,743,705	125,266,767	
1975-76	1,670,011,262	30,130,770	792,213,250	249,604,282	99,816,634	274,169,121	40,988,613	66,428,299	116,660,293	
1976-77	1,890,839,697	39,693,952	888,449,745	289,972,146	110,824,929	313,022,287	45,565,044	73,566,297	129,745,297	
1977-78	2,131,150,750	48,771,987	988,189,540	337,633,079	113,168,528	351,655,302	54,340,430	91,140,983	146,250,901	
1978-79	2,358,332,842	49,569,523	1,092,015,308	379,305,638	133,975,021	372,632,422	62,230,026	102,025,973	166,578,931	
1979-80	2,660,272,288	53,795,956	1,230,099,473	414,751,963	145,243,264	429,814,253	71,077,496	120,052,369	195,437,514	
1980-81	3,050,012,908	60,044,412	1,390,907,313	487,919,423	169,011,630	488,201,903	81,229,801	141,575,912	231,122,514	
1981-82	3,244,758,733	61,723,326	1,477,036,604	534,143,560	185,809,489	501,927,937	88,506,852	151,194,947	244,416,018	
1982-83	3,374,921,984	74,763,426	1,455,408,320	560,438,959	191,749,633	547,208,474	91,114,984	167,419,485	286,818,703	
1983-84	3,715,704,836	79,050,866	1,615,216,290	615,765,535	226,494,819	584,128,657	108,968,044	186,536,133	273,744,492	25,800,000
1984-85	4,187,988,291	75,954,416	1,854,957,593	714,513,120	257,230,807	629,977,924	119,319,546	208,505,200	327,529,685	
1985-86	4,718,355,241	73,358,416	2,156,921,328	793,114,439	277,815,320	707,151,818	131,506,102	226,241,439	352,246,379	
1986-87	5,051,335,794	63,572,699	2,293,921,501	853,232,567	299,359,220	771,114,680	143,311,248	245,627,559	381,196,320	
1987-88	5,600,754,849	73,800,147	2,571,179,747	936,874,299	317,666,440	824,077,048	157,700,249	268,139,442	451,317,477	

**GENERAL FUND APPROPRIATIONS FOR CAPITAL IMPROVEMENTS**  
(includes Revenue Sharing Funds)

	Total Direct Appropriation	University	Community Colleges	Correction	Human Resources	State Ports	Repair and Renovation Reserve	Clean Water Program	Other
1965-67	42,139,578	25,233,600	1,943,578	851,000	8,144,000	1,752,500	--	--	4,214,900
1967-69	112,356,788	65,839,600	1,367,813	4,200,000	20,830,000	4,490,000	--	--	15,629,375
1969-71	75,588,603	36,508,921	--	500,000	14,936,582	--	--	--	23,643,100
1971-73	64,891,192	24,885,500	3,420,000	691,000	16,176,572	--	--	--	19,718,120
1973-74	191,822,446	81,246,000	25,418,187	5,649,000	25,834,434	8,295,000	--	--	45,379,825
1974-75	93,365,337	11,571,000	10,000,000	19,810,100	4,259,887	3,800,000	--	--	43,924,350
1975-76	28,662,437	11,360,500	--	6,000,000	5,421,112	--	--	--	16,723,051
1976-77	45,096,295	26,402,500	1,600,000	40,000	7,839,420	--	--	--	9,214,375
1977-78	31,332,626	9,540,000	1,000,000	4,750,000	3,575,000	2,265,000	--	--	10,202,626
1978-79	126,008,818	49,751,700	1,000,000	45,700,000	8,735,000	815,000	--	--	20,007,118
1979-80	84,378,719	59,195,800	2,616,838	4,500,000	4,916,500	2,700,000	--	--	10,449,581
1980-81	103,807,712	53,536,000	4,024,820	21,300,000	3,095,000	4,800,000	--	--	17,051,892
1981-82	30,005,727	7,309,903	175,000	970,000	4,747,000	--	--	--	16,803,824
1982-83	65,772,358	47,458,936	125,000	8,700,000	5,018,000	--	--	--	4,470,422
1983-84	59,782,244	35,815,440	255,000	--	200,000	--	15,000,000	--	8,511,804
1984-85	212,535,238	107,817,200	26,395,700	50,000	1,420,000	--	60,000,000	--	16,852,338
1985-86	253,504,234	64,636,900	21,374,500	11,704,300	5,764,600	--	34,000,000	60,000,000	56,023,934
1986-87	297,667,245	86,993,750	34,376,600	30,400,138	11,666,223	--	34,000,000	60,000,000	40,230,534
1987-88	164,920,035	63,168,200	25,888,125	2,265,000	4,510,563	19,900,000	7,038,200	5,700,000	36,449,947
1987-88 Rev.	173,170,035	63,168,200	25,888,125	2,265,000	4,510,563	19,900,000	15,288,200	5,700,000	36,449,947
1988-89	258,659,030	94,798,900	29,521,726	18,965,391	6,388,300	16,000,000	2,184,300	25,800,000	65,000,413

## CAPITAL IMPROVEMENTS

### LEGISLATIVE BOND ISSUES

	TOTAL	UNIVERSITY	COMMUNITY COLLEGES	CORRECTION	STATE PORTS	OTHER
1961-63	\$ 6,216,000	\$ 3,173,000	\$ --	\$ --	\$ --	\$ 3,043,000
1963-65	21,985,000	19,158,000	--	--	--	2,827,000
1965-67	17,982,000	10,727,500	2,540,000	--	2,724,500	1,990,000
1971-73	45,996,500	32,923,000	--	2,875,000	--	6,913,500
1988-89	25,000,000	--	--	--	--	25,000,000

### VOTE OF THE PEOPLE BOND ISSUES

	UNIVERSITY	CLEAN WATER PROGRAM	PUBLIC SCHOOL FACILITIES
1972	--	\$150,000,000	\$ --
1973	--	--	300,000,000
1975	43,250,000	--	--
1977	--	230,000,000	--



**GENERAL FUND APPROPRIATIONS  
EXPENDITURES AND REVERSIONS  
FISCAL YEAR 1987-88**

DEPARTMENTS	CERTIFIED APPROPRIATIONS	TRANSFER AMONG CODES	CONTINGENCY AND EMERGENCY	ADJUSTED APPROPRIATION	APPROPRIATION EXPENDITURE	NET REVERSION	% OF REVERSION TO NET APPROPRIATION
Administration	\$ 44,833,276	\$ 1,574,667	\$350,000	\$ 46,757,943	\$ 44,616,831	\$ 2,141,112	4.58%
Agriculture	33,816,024	1,594,994	--	35,411,018	32,420,464	2,990,554	8.45
Auditor	12,285,844	318,086	--	12,603,930	11,959,773	644,157	5.11
Bd. of Elections	1,177,512	11,238	--	1,188,750	1,118,295	70,455	5.93
Commerce	58,139,971	823,022	--	58,962,993	56,818,346	2,144,647	3.64
Comm. Colleges	310,769,471	15,526,823	--	326,296,294	317,666,441	8,629,853	2.64
Correction	262,522,914	11,726,423	--	274,249,337	268,139,442	6,109,895	2.23
Crime Control	22,906,777	749,482	151,071	23,807,330	22,763,563	1,043,767	4.38
Cultural Resources	35,862,082	894,498	28,608	36,785,188	35,865,895	919,293	2.50
General Assembly	14,990,242	224,747	--	15,214,989	15,214,894	95	--
Governor's Office	35,558,734	368,317	228,219	36,155,270	35,927,309	227,961	0.63
Human Resources	855,129,949	19,163,766	100,000	874,393,715	824,077,048	50,316,667	5.75
Insurance	11,299,959	482,739	20,000	11,802,698	10,506,189	1,296,509	10.98
Judicial	151,814,551	6,781,584	--	158,596,135	157,700,249	895,886	0.56
Justice	42,027,189	1,853,863	--	43,881,052	42,608,573	1,272,479	2.90
Labor	6,626,328	324,378	--	6,950,706	5,994,503	956,203	13.76
Lt. Governor	712,503	28,773	--	741,276	709,690	31,586	4.26
Natural Resources	69,469,690	2,658,183	69,679	72,197,552	68,444,587	3,752,965	5.20
Office of Administrative Hearings	1,883,791	79,188	--	1,962,979	1,882,057	80,922	4.12
Public Schools	2,508,572,144	130,650,514	15,000	2,639,237,658	2,571,179,747	68,057,911	2.58
Revenue	40,488,256	1,831,037	--	42,319,293	40,668,951	1,650,342	3.90
Secretary of State	2,633,872	191,515	--	2,825,387	2,570,106	255,281	9.04
Transportation	5,261,571	--	--	5,261,571	5,261,571	--	--
Treasurer	4,157,684	132,494	--	4,290,178	3,967,137	323,041	7.53
University of NC	937,225,768	43,520,724	--	980,746,492	936,874,299	43,872,193	4.47
<b>Sub-Total Operations</b>	<b>5,470,166,102</b>	<b>241,511,055</b>	<b>962,577</b>	<b>5,712,639,734</b>	<b>5,514,955,960</b>	<b>197,683,774</b>	<b>3.46</b>

DEPARTMENTS	CERTIFIED APPROPRIATIONS	TRANSFER AMONG CODES	CONTINGENCY AND EMERGENCY	ADJUSTED APPROPRIATION	APPROPRIATION EXPENDITURE	NET REVERSION	% OF REVERSION TO NET APPROPRIATION
<b>Reserves and Transfers:</b>							
Contingency and Emergency	1,125,000	--	(962,577)	162,423	--	162,423	--
Salary Increases	198,600,000	(198,598,352)	--	1,648	--	1,648	--
Salary Adjustments	500,000	( 149,283)	--	350,717	--	350,717	--
Hospitalization	47,000,000	( 41,399,632)	--	5,600,368	--	5,600,368	--
Electronic Data Processing	500,000	( 499,990)	--	10	--	10	--
Benefits - Part-Time Employees	875,000	( 312,540)	--	562,460	--	562,460	--
Other Reserve	50,000	( 50,000)	--	--	--	--	--
Telephone Equipment	500,000	( 500,000)	--	--	--	--	--
Super Computer	12,000,000	( 1,258)	--	11,998,742	11,998,742	--	--
Debt Service	73,929,627	--	--	73,929,627	73,800,147	129,480	.18
<b>Total Current Operations(a)</b>	<b>5,805,245,729</b>	<b>(241,511,055)</b>	<b>(962,577)</b>	<b>5,805,245,729</b>	<b>5,600,754,849</b>	<b>204,490,880</b>	<b>3.52</b>
<b>Capital Improvements(a)</b>	<b>173,020,035</b>	<b>--</b>	<b>--</b>	<b>173,020,035</b>	<b>173,020,035</b>	<b>--</b>	<b>--</b>
<b>Grand Total</b>	<b>5,978,265,764</b>	<b>--</b>	<b>--</b>	<b>5,978,265,764</b>	<b>5,773,774,884</b>	<b>204,490,880</b>	<b>--</b>

(a) Office of State Budget certified \$150,000 Repairs/Renovations, Kellogg Center in Current Operations, rather than Capital Improvements. Consequently, tables may differ in the distribution between Capital and Current Operations.

## ANALYSIS OF HIGHWAY FUND CREDIT BALANCE

Fiscal Year Ending	Total Credit Balance	Unallotted Federal Apportionment	State Funds to Match Unallotted Federal Apportionment	Debt Service Reserve	State Aid to Municipalities	Reserve for App. in excess of Est. Revenue	Reserve for Capital Improvements	Other Reserves	Unobligated State Funds
June 30, 1966	70,695,831	17,914,950	1,789,693	41,927,990	70,194	2,940,678	797,787	1,055,156	4,199,383
June 30, 1967	95,801,359	32,348,864	963,629	49,245,138	103,622	6,004,782	252,880	3,245,969	3,636,475
June 30, 1968	94,551,559	31,000,014	5,776,421	39,733,769	172,474	2,438,934	1,977,514	2,124,626	11,327,807
June 30, 1969	117,625,614	56,619,942	11,031,289	29,022,623	233,715	10,997,104	1,078,295	1,331,879	7,310,767
June 30, 1970	135,774,602	71,644,811	23,864,481	14,716,636	382,103	7,164,187	168,596	10,324,219	7,509,569
June 30, 1971	195,536,055	109,057,442	39,271,756	17,686,910	--	19,254,251	23,773	3,100,831	7,141,092
June 30, 1972	188,779,104	109,189,994	22,021,556	13,280,191	--	9,543,864	1,047,452	13,690,689	20,005,358
June 30, 1973	114,913,151	34,618,955	29,349,512	17,830,354	872,975	15,918,675	300,216	16,022,464	--
June 30, 1974	110,948,079	42,201,530	24,232,936	23,534,039	1,815,159	--	904,357	18,260,058	--
June 30, 1975	154,354,274	109,374,447	9,456,768	29,592,945	--	1,980,000	50,631	3,899,483	--
June 30, 1976	97,630,990	54,685,918	18,393,818	10,259,592	1,407,039	--	338,838	12,545,785	--
June 30, 1977	165,871,313	116,902,003	28,343,025	9,308,299	--	--	169,781	11,148,205	--
June 30, 1978	102,572,111	49,531,115	22,623,866	8,535,047	748,597	16,913,424	514,000	3,706,062	--
June 30, 1979	119,413,440	68,005,045	15,697,657	8,654,661	915,817	25,783,667	4,785	351,808	--
June 30, 1980	111,931,935	86,281,048	4,077,341	13,330,965	--	6,058,868	282	2,183,431	--
June 30, 1981	166,831,612	121,092,037	5,755,803	15,666,478	715,049	6,000,000	129,377	17,472,868	--
June 30, 1982	222,765,690	151,882,562	10,444,620	29,097,610	1,734,995	6,290,825	129,435	23,185,643	--
June 30, 1983	322,775,260	243,897,778	2,530,585	23,229,018	--	33,295,074	227,499	19,595,306	--
June 30, 1984	294,791,859	169,351,310	9,259,446	19,571,638	201,754	60,378,892	121,270	35,907,549	--
June 30, 1985	307,217,183	220,073,681	7,492,222	17,081,936	607,441	44,524,472	1,771	17,435,660	--
June 30, 1986	292,276,876	232,873,457	10,145,410	15,594,116	--	9,372,657	5,921	24,285,315	--
June 30, 1987	313,210,073	258,360,001	11,725,420	--	964,260	18,672,299	4,151	23,483,942	--

## HIGHWAY FUND TOTAL REVENUES

Fiscal Year	State Revenues				Fund Trans- actions	Other Revenues					Total Revenues
	Gasoline Fee & Taxes	Motor Vehicle Fees	Treasurer's Investment & Other	Total State Sources		Federal Aid: Parti- pation	Property Owners Parti- pation	Cities/Towns Parti- pation	General Fund Appropri- tion	CETA, Other Grants	
1965-66	137,191,887	46,693,292	3,728,860	187,614,039	--	62,397,557	752,472	876,726	--	--	251,640,794
1966-67	146,696,742	48,996,368	5,861,605	201,554,715	--	60,380,359	591,612	1,083,215	--	--	263,609,901
1967-68	153,418,183	51,570,742	9,441,489	214,430,414	--	60,242,608	864,438	1,064,202	--	--	276,601,662
1968-69	165,052,135	55,074,748	10,801,082	230,927,965	--	92,454,194	932,013	4,154,009	--	--	328,468,181
1969-70	221,006,638	70,816,024	13,229,540	305,052,202	--	91,268,874	728,805	2,073,216	--	--	399,123,097
1970-71	234,510,662	76,258,896	16,162,501	326,932,059	--	114,796,766	885,525	2,082,070	--	--	444,696,420
1971-72	254,132,758	81,575,756	12,779,548	348,488,062	--	112,244,978	1,162,277	2,838,115	--	--	464,733,432
1972-73	273,227,046	88,041,994	11,146,171	372,415,211	--	14,775,521	957,253	1,528,335	--	--	389,676,320
1973-74	277,234,826	88,584,097	18,586,978	384,405,901	--	106,195,392	669,075	589,977	1,000,000	--	492,860,345
1974-75	274,267,514	86,561,074	24,107,635	384,936,223	--	277,879,207	739,184	3,687,960	4,008,863	1,003,791	672,255,228
1975-76	287,426,080	105,769,432	12,272,491	405,468,003	27,493,500a	51,670,805	900,140	2,847,515	1,400,000	3,756,661	493,536,624
1976-77	299,215,297	105,312,358	12,092,764	416,620,419	11,128,154a	254,355,185	2,897,157	2,158,089	2,810,000	2,206,359	692,175,363
1977-78	312,933,353	113,130,174	10,176,047	436,239,574	7,978,000a	159,672,361	3,865,226	1,009,919	2,560,000	1,836,096	613,161,176
1978-79	323,723,184	119,552,349	21,829,827	465,105,360	6,251,978a	218,736,265	1,928,624	2,293,915	2,510,000	1,598,018	698,424,160
1979-80	304,843,782	124,738,116	18,045,213	447,627,111	--	231,581,748	1,321,966	1,083,892	4,940,000	2,309,457	688,864,174
1980-81	292,056,146	128,960,916	14,087,716	435,104,778	12,700,000b	209,129,349	1,704,255	1,787,321	4,940,000	1,569,910	666,935,613
1981-82	381,685,198	150,032,401	23,041,042	554,758,641	(8,941,586)b	175,017,292	1,737,857	826,961	4,940,000	1,629,093	729,968,258
1982-83	389,532,812	159,401,343	29,278,999	578,213,154	(1,500,000)b	275,540,777	1,304,924	2,890,113	4,621,287	1,324,134	862,394,389
1983-84	412,504,536	198,928,826	30,511,378	641,944,740	25,800,000c	228,195,420	2,091,474	6,373,510	4,840,000	8,767,812	918,012,956
1984-85	422,949,574	211,192,609	33,631,591	667,773,774	4,600,000d	365,474,355	2,293,180	3,611,806	4,840,000	5,085,289	1,053,678,404
1985-86	439,668,444	218,590,914	26,604,973	684,864,331	--	316,143,239	2,289,886	3,843,419	5,100,000	4,650,170	1,016,891,045
1986-87	570,562,055	232,032,414	27,249,046	829,843,515	--	333,769,591	3,586,090	11,082,423	6,145,000	6,379,885	1,190,806,504

a Debt Service Reserve

b Cash Flow of \$11.2m adjusted by cancellation of liability to equipment fund

c Transfer from General Fund

d Transfer from Equipment Fund



## EXPENDITURES ON CONDITION OF HIGHWAY FUND STATEMENT BY SOURCE

	Total All Sources	Highway Fund				Other Funds	Distribution of Other Funds					
		Highway Related Programs	Capital Improvement	Debt Service Statutory	Total		Grants & Federal Aid	Cities/Towns	Property Owners	General Fund	CETA	General Participation Misc.
1965-66	271,448,122	182,683,058	3,480,644	--	186,163,701	85,284,421	83,655,222	876,727	752,472	--	--	--
1966-67	238,504,373	190,338,192	544,908	--	190,883,100	47,621,273	45,946,445	1,083,215	591,613	--	--	--
1967-68	277,851,462	211,711,398	2,619,967	--	214,331,365	63,520,097	61,591,458	1,064,201	864,438	--	--	--
1968-69	305,394,126	232,574,619	899,218	--	233,473,837	71,920,289	66,834,267	4,154,009	932,013	--	--	--
1969-70	380,974,109	299,938,385	1,989,699	--	301,928,084	79,046,025	76,244,005	2,073,215	728,805	--	--	--
1970-71	384,934,967	304,412,014	171,222	--	304,583,236	80,351,731	77,384,135	2,082,070	885,526	--	--	--
1971-72	471,490,383	352,178,043	3,199,252	--	355,377,565	116,112,818	112,112,426	2,838,115	1,162,277	--	--	--
1972-73	463,542,273	370,962,388	747,736	--	371,710,125	91,832,148	89,346,560	1,528,335	957,253	--	--	--
1973-74	496,825,414	392,546,994	3,406,553	--	395,953,547	100,871,867	98,612,818	589,977	669,072	1,000,000	--	--
1974-75	628,849,033	407,339,020	1,363,925	--	408,702,945	220,146,088	210,706,290	3,687,961	739,961	4,008,863	1,003,791	--
1975-76	550,259,908	405,905,035	1,597,763	27,493,500	434,996,298	115,263,610	106,359,294	2,847,515	900,140	1,400,000	3,160,077	596,584
1976-77	623,935,040	410,370,396	225,744	11,128,154	421,724,294	202,210,746	192,139,140	2,158,089	2,897,158	2,810,000	1,413,441	792,918
1977-78	676,460,378	430,886,506	1,281,381	7,978,000	440,145,887	236,314,491	227,043,249	1,009,920	3,865,226	2,560,000	1,112,804	723,292
1978-79	681,582,831	464,714,870	2,023,091	6,251,978	472,989,939	208,592,892	200,262,335	2,293,915	1,808,894	2,525,900	369,372	1,332,476
1979-80	696,345,679	470,672,834	2,711,785	--	473,384,618	222,961,060	213,343,904	1,083,892	1,321,966	4,940,000	480,539	1,790,759
1980-81	612,035,936	424,897,257	2,965,326	--	427,862,583	184,173,353	174,280,201	1,787,321	1,704,255	4,940,000	(66,437)	1,528,013
1981-82	674,034,180	519,434,760	1,199,943	--	520,634,703	153,399,477	144,679,026	826,962	1,630,165	4,940,000	--	1,323,326
1982-83	762,384,819	563,681,055	5,082,936	--	568,763,991	193,620,828	184,695,546	2,890,113	1,259,733	4,621,287	--	154,149
1983-84	945,996,357	616,874,410	4,537,830	--	621,412,240	324,584,117	304,344,052	6,373,510	1,903,756	3,512,284	--	8,450,513
1984-85	1,041,253,080	698,490,252	12,933,573	--	711,423,825	329,829,255	312,603,816	3,611,807	2,303,394	5,361,647	--	5,948,592
1985-86	1,031,831,352	709,494,191	3,107,423	--	712,601,614	319,229,738	302,975,878	3,843,420	2,402,839	4,989,846	--	5,017,755
1986-87	1,169,873,307	824,024,176	9,563,020	--	833,587,196	345,849,131	319,408,096	11,069,423	3,702,947	5,266,083	--	6,402,582



**AVERAGE SALARY OF EMPLOYEES SUBJECT  
TO THE PERSONNEL ACT**

<u>Year</u>	<u>Average Salary</u>
1966-67	\$ 4,995
1968-69	5,707
1970-71	6,748
1972-73	7,680
1973-74	8,249
1974-75	9,013
1975-76	9,092
1976-77	9,431
1977-78	11,060
1978-79	11,756
1979-80	12,677
1980-81	14,233
1981-82	15,329
1982-83	15,329
1983-84	16,026
1984-85	17,587
1985-86	18,742
1986-87	20,290
1987-88	21,305
1988-89	22,272

- 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.*

## LEGISLATIVE INCREASES

Year	State Employees	Teachers
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	-0-	-0-
1976-77	4% + \$300 (average 7.2%)	4% + \$300 (average 6.8%)
1977-78	6.5%	6.5%
1978-79	6%	6%
1979-80	5% + (\$200 one-time bonus payment)	5% + (\$200 one-time bonus payment)
1980-81	10%	10% + (Salary schedule changed = 2% to 10% added to each step of salary range)
1981-82	5% (effective 1/1/82)	5% (effective 1/1/82)
1982-83a	-0-	-0-
1983-84a	5%	5%
1984-85a	10%	10% + 4.8% salary classification adjustment
1985-86b	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%
1987-88	5%	5%
1988-89	4.5%	4.5%

a Salary increment program frozen

b Conditional upon continuous employment for one year

**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 Increase Granted	
1976-77	13.91	1.73
1977-78	15.79	1.84
1978-79	17.44	2.01
1979-80	18.86	2.13
1980-81	21.29	2.26
1981-82	25.14a	2.51a
1982-83	No Increase Granted	
1983-84	25.97	2.57
1984-85	27.60	2.70
1985-86	32.10	2.50
1986-87	36.45	2.66
1987-88	40.84b	2.72
1988-89	45.40	2.93

- (a) Figure reflects annual cost, even though the increase was not effective until January 1, 1982.
- (b) Figure does not reflect adjustment to offset anticipated savings from the tax sheltering of Employee Health Benefits from Social Security tax.

## PERMANENT STATE POSITIONS

Year	Public Schools	Other General Fund	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
1980-81	89,886	61,616	151,502	15,258	14,181	180,941
1981-82	88,978	61,795	150,773	14,818	14,042	179,633
1982-83	88,241	63,210	151,451	14,246	13,443	179,140
1983-84	88,366	63,795	152,161	14,201	13,658	180,020
1984-85	90,123	65,001	155,124	14,627	13,839	183,590
1985-86	93,459	65,915	159,374	14,984	13,980	188,338
1986-87	94,973	68,079	163,052	14,744	13,887	191,683
1987-88	98,333	70,246	168,579	14,819	13,703	197,101
1988-89	101,559	70,843	172,402	14,234	14,420	201,056

\*Data not available.

**SUMMARY OF PERMANENT POSITIONS  
BY DEPARTMENT  
JULY 1, 1988**

DEPARTMENT/OFFICE	GENERAL FUND	HIGHWAY FUND	RECEIPTS-SUPPORTED	TOTAL POSITIONS
Administration	805.1	--	462.6	1267.7
Agriculture	1014.6	70	329.8	1414.4
Board of Governors	23,726.3	--	6395.7	30,122
Commerce	444	--	1962.6	2406.6
Community Colleges	227.9	--	23	250.9
Correction	9788	--	257	10,045
Crime Control and Public Safety	532	1541	64	2137
Cultural Resources	600.8	--	53.5	654.3
General Assembly	113	--	--	113
Governor's Office	82	--	44	126
Human Resources	14,882.9	12.6	2956.8	17,852.3
Insurance	260.8	--	80.6	341.4
Judicial	4042.6	--	50.8	4093.4
Justice	882	--	79.5	961.5
Labor	176.8	--	130.5	307.3
Lt. Governor's Office	11	--	--	11
Misc. Boards & Commissions	--	--	56	56
Natural Resources & Community Development	1642.5	--	954.5	2597
Office of Administrative Hearings	37	--	--	37
Administrative Rules Review	4	--	--	4
Office of State Budget & Management	64	--	1	65
Revenue	1035.5	35	15	1085.5
Science and Math High School	76.5	--	1	77.5
Secretary of State	90	--	--	90
State Auditor	145.1	--	9.9	155
State Board of Education	737.8	--	272.1	1009.9
State Board of Elections	6	--	--	6
State Controller	92	--	--	92
State Treasurer	72	--	159.5	231.5
Transportation	--	12,575.5	60.0	12,635.5
Subtotal	61,592.2	14,234.1	14,419.4	90,245.7
Community Colleges	9251	--	--	9251
Public School System	101,559	--	--	101,559
Grand Total	172,402.2	14,234.1	14,419.4	201,055.7







