



Overview:

Fiscal and Budgetary Actions

North Carolina General Assembly
1993 SESSION AND 1994 SESSIONS

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

Raleigh, N. C.

FISCAL RESEARCH DIVISION
Legislative Office Building
Raleigh, North Carolina 27603-5925
Telephone: (919) 733-4910

THOMAS L. COVINGTON, DIRECTOR

DEPARTMENTS/COVERAGE

Budget Development
Governmental Operations
Appropriations Bills Coordination
Capital Budgeting/Planning
State Lands/Buildings

Salaries/Benefits/Retirement System

General Government
Licensing Boards
State Auditor
Secretary of State
Department of Revenue
Department of Administration
Cultural Resources
Lieutenant Governor
Governor's Office
General Assembly
Department of Insurance
Treasurer
Board of Elections
Office of Administrative Hearings
Administrative Rules Review Commission

Justice and Public Safety
Crime Control and Public Safety
Department of Justice
Department of Correction
Judicial Department

Human Resources
Department of Human Resources

ANALYSTS

Linda Powell
Janice Wheeler

Sam Byrd
Stanley Moore

Lynn Muchmore
Evan Rodewald

Jim Mills
Carolyn Wyland
Charles Perusse

Nina Yeager
Carol Shaw
Gregory Berns
Karen Hammonds-Blanks

FISCAL RESEARCH DIVISION (Continued)

Natural and Economic Resources

Department of Agriculture
Department of Economic
and Community Development
Department of Environment, Health,
and Natural Resources
Department of Labor

Beth Christensen
Michele Nelson
Mona Moon

Department of Transportation

Richard Bostic

Education

Department of Public Education
Department of Community Colleges
University Board of Governors

Jim Johnson
Charlotte Todd
Jim Newlin

Economy and Taxation

Revenue Estimates
Finance Committees
Revenue Laws Study Committee
Fiscal Trends Commission

Dave Crotts
Ruth Sappie
Sabra Faires
Warren Plonk

Statistical Analyst

Gayle Basnight

Support Staff

Agnes Perry
Debora Bridgers
Cynthia Ely

TABLE OF CONTENTS

INTRODUCTION	1
GLOSSARY	3
THE TOTAL BUDGET	
Summary of the Budget, 1993-95 Biennium	7
Earmarking of the Year-End General Fund Credit Balance	9
Condition of General Fund	10
Budget Reform Compliance Checklist	12
THE ECONOMY AND REVENUES	
Economic Outlook and General Fund Revenues	17
General Fund Revenues	19
Highway Fund — 1993-94	20
Highway Fund Revenues	22
Highway Trust Fund	23
Highway Trust Fund Revenues	24
FEDERAL BLOCK GRANT PROGRAMS	
History	27
How the Money Will Be Spent in North Carolina	29
Changes to the Medicaid Program	32
LEGISLATIVE ACTIONS: GENERAL FUND APPROPRIATIONS	
General Fund Appropriations — Continuation Budget	37
General Fund Appropriations — 1993-94 and 1994 Special Session	42
General Fund Appropriations — 1994-95	46
General Fund Appropriations — 1994-95 (1993 Session)	49
1994 Special Crime Session	52
1994 Session	56
Major Initiatives	57
EDUCATION	
Community Colleges	65
Public Education	73
University of North Carolina	94
GENERAL GOVERNMENT	
Administration	111
Office of Administrative Hearings	120
Administrative Rules Review Commission	122
Cultural Resources	123
General Assembly	130
Governor's Office	
Office of the Governor	134
Housing Finance Agency	137
Office of State Budget and Management	138
Office of State Planning	144
Insurance	145
Lieutenant Governor	149
Revenue	151

GENERAL GOVERNMENT (Continued)

Secretary of State	155
State Auditor	158
State Board of Elections	161
State Controller	164
State Treasurer	167

HUMAN RESOURCES 173

JUSTICE AND PUBLIC SAFETY

Correction	213
Crime Control and Public Safety — General Fund	225
— Highway Fund — Highway Patrol	230
Judicial	238
Justice	246

NATURAL AND ECONOMIC RESOURCES

Agriculture	257
Commerce	264
Commerce	264
Microelectronics	277
Biotechnology	280
Rural Economic Development Center	282
Environment, Health, and Natural Resources	286
Labor	307
Statewide Reserves —Office of State Budget and Management	313
Debt Service	316

LEGISLATIVE ACTIONS: HIGHWAY FUND APPROPRIATIONS

Department of Transportation - Operations	321
---	-----

SALARIES AND BENEFITS

Salary Changes for Employees Supported by the State	349
Benefit Changes for State and Local Personnel	368
Retirement and Pension Changes for State and Local Personnel	372
State Employee Health Benefit Changes	378

CAPITAL IMPROVEMENTS

Capital Improvements (Excluding Bonds)	383
Prison Bond Appropriations	404
Education, Clean Water, and Parks Bond Act of 1993	405

REVENUE BILLS

General Fund Revenue Bills	415
Highway Fund/Highway Trust Fund Revenue Bills	422
Local Government Revenue Bills	425
Fee Increases for General Fund Agencies	429

APPENDIX

Summary of Appropriations - General Fund and Highway Fund	441
Bills Included in SB 26 (Chapter 561) — 1993 Session	443
Bills Included in SB 27 (Chapter 321) — 1993 Session	447
Bills Included in SB 14 — 1993 Session	455
Bills Included in SB 1505 (Chapter 769) — 1994 Session	456
Total State Budget by Source of Funds	468
Condition of General Fund	469
Summary of General Fund Revenue	471

APPENDIX (Continued)

Summary of General Fund Appropriations	473
General Fund Appropriations	475
Summary of Changes by 1994 Session	477
State General Fund Operations Appropriations for Public Schools, Community Colleges, and Higher Education	480
General Fund Operating Expenditures by Department/Functions of Government	482
Reversions and Percent of Adjusted Appropriations.	484
Distribution of 1993-94 Reserves	486
Local Government Tax Aid — Historical Data	491
Local Growth Money Issue	492
Permanent State Positions	494
Summary of Permanent Positions by Department.	495
Across-the-Board Salary Cost for Each 1% Increase	496
Legislative Increases	497
Average Salary of Employees Subject to the Personnel Act	499
Critical School Facility Needs Fund.	500
School Facilities Finance Act of 1987.	501
Capital Improvements Legislative Bond Issues	502
Public Education — Low Wealth and Small County Supplemental Funding	505
Additional Public Education Funding - 1994 Special Session, 1994 Session.	513

GLOSSARY

Adjusted Appropriation: Contains the total of the certified appropriation, reserve allocations, and other transfers (i.e. as authorized by legislative authority) including Contingency and Emergency.

Anti-Recession Funds: Program instituted by the Federal Government.

Beginning/Ending Balance Or Credit Balance: The funds available at the beginning or end of the fiscal year based upon revenue collections and expenditures.

Capital Improvements: One-time appropriations for specific capital projects (new construction, renovations, repairs and land purchases).

Carry Forward: Funds appropriated, but unspent in the first fiscal year of a biennium — which by authorized budget revision — are brought forward for expenditure in the second fiscal year of the same biennium. Starting with the 1985-86 fiscal year, the practice of journalizing these entries between fiscal years of a biennium were discontinued. Funds have since been carried forward between years and biennia by check.

Certified Appropriation: Total state monies appropriated by the General Assembly.

Contingency and Emergency (C&E) Funds: The Appropriation to provide for any purpose authorized by law for which no specific appropriation is made or for which inadvertently an insufficient appropriation has been made. Allocations from this Fund must be approved by the Council of State upon recommendation by the Director of the Budget (Governor).

Current Operations: Cost associated with the daily activity of programs supported by the State, such as salaries, utilities, and travel.

Entitlements: Payment or benefit granted by law to individuals or political subdivisions (i.e. cities, counties, local districts).

Federal Funds: Funds appropriated by the U. S. Congress and administered by Federal agencies for support of programs at the state or local level. Federal funds are received through block grants, entitlement programs and specific ("categorical") grants.

Federal Revenue Sharing: Program instituted by the Federal Government in 1972-73 and discontinued in 1982-83 to assist state/local governments.

General Fund: The tax and nontax revenue collected by the State of North Carolina and deposited with the State treasurer for appropriation by the General Assembly to support the operations and capital construction needs of state departments and institutions. General Fund tax revenue includes sales and use tax, individual income tax, corporate income tax and franchise tax. General Fund nontax revenue includes court fees and income from the State Treasurer's investment of excess General Fund dollars belonging to the state.

Highway Fund: The tax and nontax revenue collected by the State of North Carolina and deposited with the State Treasurer for appropriation by the General Assembly to support the operations and capital construction needs of the Department of Transportation, including the Division of Motor Vehicles and the Highway Patrol Division of the Department of Crime Control and Public Safety. Highway Fund tax revenue includes licenses and fees relating to the operation of motor vehicles and the motor fuel tax. Highway Fund nontax revenue includes income from the State Treasurer's investments of Highway Fund dollars.

GLOSSARY (Continued)

Local Government Transfers: Reimbursements for "holding harmless" local governments due to the Tax Reduction Act of 1985; and, Shared-Revenues resulting from changes in accounting methodology for state-local shared revenues from intangibles, franchise, and beverage taxes.

Negative Reserve: An authorized reduction to the total program needs for a specific purpose, i.e., management flexibility or inflationary cost adjustments, without identifying the specific line-items affected. The agency/department must identify savings or excess in budgeted line-items needs and transfer this excess to offset the negative reserve appropriation.

Other Receipts: The funds received by state departments and institutions for services performed, such as patient receipts in hospitals; tuition fees in the universities and community colleges, or as fines for violations of state regulations.

Rainy Day Fund: One-time appropriation of \$141 million for the 1990-91 fiscal year. Appropriation equaled the funds deposited to the credit of the General Fund due to an accounting methodology change approved by the 1990 Session to improve the financial reports of the State.

Reversions: Unspent appropriations returned to the General Fund or Highway Fund (as applicable) at the end of each fiscal year.

Reversions (net): Unspent appropriations returned to the General Fund adjusted for carry forward from the first to the second fiscal year of a biennium. Practice of carry forwards by journalizing has been discontinued.

Special Funds: Accounts which have no state monies directly appropriated to them and whose cash balances do not revert at the end of each fiscal period. (Wildlife Resources)

Tax Reimbursements: State revenues disbursed to local governments as reimbursements due to state mandated tax relief measures which has a financial impact on locals. These measures include (1) property tax on business inventories; (2) property tax homestead exemption; (3) sales tax on food stamp purchases; and, (4) intangibles tax on money on deposit and certain accounts receivables.

Tax Sharing: Revenues collected by the State and shared with local governments — intangibles, beverages, and franchise taxes.

Total Availability: Sum of beginning credit balance and revenue collections for a fiscal period.

Total State Budget: Total dollar requirements for North Carolina State government departments and institutions, excluding inter/intra-agency departmental transfers and expenditures.

Transfers Among Codes: Allocations from reserve accounts (university institutional programs, salary increase, hospitalization - medical insurance, etc.) or program transfers from one department to another based upon enabling legislation.

THE TOTAL BUDGET

SUMMARY OF THE BUDGET 1993-95 BIENNIUM

(IN MILLIONS)

	1993 SESSION		1994 SESSIONS	
	1993-94	1994-95	1993-94 Revised	1994-95 Revised
TOTAL BUDGET (Includes Operating and Capital Appropriations, General Fund, Highway Fund, Federal Funds, Prison Bonds, Fees, Departmental Receipts, etc.)	\$16,714.8	\$16,538.9	\$16,741.6	\$17,969.9
GENERAL FUND				
Operating	8,674.1	8,779.5	8,675.5	9,595.5
Local Governments Shared Revenues/ Reimbursements	236.8	236.8	236.8	236.8
Pay Day Restoration	214.2	—	214.2	120.0
Savings Reserve	—	—	—	66.7
Capital Improvements - Appropriations	109.0	—	135.4	189.4
Capital Improvements - Repair/ Renovations Reserve	57.0	—	57.0	60.0
TOTAL	9,291.1	9,016.3	9,317.9	10,268.4
PRISON BONDS	87.5	—	87.5	—
HIGHWAY FUND	975.6	951.7	975.6	999.7 *
HIGHWAY TRUST FUND*	387.7 *	409.4 *	387.7*	481.2 *
FEDERAL FUNDS	4,516.4	4,727.5	4,516.4	4,639.9
DEPARTMENTAL RECEIPTS (tuition fees {University, Community College}, patient fees, licenses, fines, other dedicated receipts)	1,456.5	1,434.0	1,456.5	1,580.7

*Does not include Transfer to General Fund.

**SUMMARY OF THE BUDGET
1993-95 BIENNIUM**

	(IN MILLIONS)		
	1993 SESSION		
	1993-94	1994-95	1994-95 Revised
GENERAL FUND TAX REVENUES	\$8,238.8	\$8,775.6	\$9,090.5
% Increase			
Economic Base *	6.2	6.5	6.6 **
Real Economic Growth	2.7	3.0	3.0
Inflation	3.5	3.5	3.6

* Actual collections adjusted for tax law changes and other special factors.

** Growth over actual 1993-94 collections.

**COMPARISON OF COLLECTIONS, % OF INCREASE
OVER PREVIOUS YEAR**

	<i>Actual</i>	<i>Economic Base*</i>
1986-87	10.4%	9.0%
1987-88	7.2	10.2
1988-89	6.8	8.8
1989-90	13.8	5.6
1990-91	4.9	-1.3
1991-92	9.7	5.3
1992-93	6.1	7.0
1993-94	8.0	9.1

* Actual collections adjusted for tax law changes and other special factors.

	1993-94	1994-95	1994-95 Revised
HIGHWAY FUND REVENUES	\$944.6	\$961.3	\$979.3
% Increase	0.3%	1.8%	.03%

EARMARKING OF THE YEAR-END GENERAL FUND CREDIT BALANCE

SAVINGS RESERVE

Budget Reform legislation enacted by the 1991 Session of the General Assembly required, beginning with the 1992-93 fiscal year, that one-fourth of the year end General Fund credit balance be appropriated to a Savings Reserve Account until the account reached five percent of the preceding year's General Fund operating budget. This legislation was amended by the 1992 Session to allow the State Controller to earmark one-fourth of this sum to the Savings Reserve Account, beginning with the 1991-92 year end General Fund credit balance

The General Assembly has also made direct appropriations to this Account. During 1993-94, \$121 million of these funds were used to return the June 30th, 1994 payroll for state/community college employees back to the fiscal year of encumbrance.

History of Saving Reserve Account is as shown:

	<u>Direct Appropriation</u>	<u>Earmarked Year-End Credit Balance</u>	<u>Use of Funds</u>	<u>Cumulative Balance</u>
1991-92	\$.4	\$41.2	—	\$41.6
1992-93	—	134.3	—	175.9a
1993-94	—	155.7	(121.0)	210.6
1994-95	66.7	*	—	277.3

*Funds will be earmarked at fiscal year end.

^A Sec. 83 of Senate Bill 27, Chapter 321 allows the appropriation of \$10,602,697 from the Savings Reserve Account for 1993-94 to East Carolina University School of Medicine for hospital teaching costs, if the State Medicaid Plan Amendment affecting Pitt County Memorial Hospital reimbursement at full cost due to its status as a primary affiliated teaching hospital of a state-operated medical school is not approved by the Health Care Financing Agency. This action was not necessary however.

PERMANENT RESERVE FOR REPAIRS/RENOVATIONS

Budget Reform legislation also required the Office of State Budget and Management to recommend to the 1993 General Assembly a method to establish a permanent reserve for repairs and renovations of state buildings. The recommendation proposed was that one-fourth of the unreserved (after Savings Reserve allocation has been made) year-end General Fund credit balance — or 1.5% of the replacement value of General Fund facilities — whichever lower, be reserved annually by the State Controller for the Repairs and Renovations Reserve Account. General Statutes 143-15.2 and 143-15.3A, and 143.11 were rewritten to establish, fund, and direct the use of these criteria to determine Reserve allocations.

At the end of 1992-93, \$57 million was earmarked for appropriation in 1993-94 for this purpose. At the close of 1993-94, \$60 million was earmarked for 1994-95 as appropriations to this Reserve.

The unreserved credit balance to begin the 1994-95 fiscal year is \$407 million after the above earmarking. At the end of 1993-94, this amount was \$346 million.

CONDITION OF GENERAL FUND
(Excludes Earmarked Repair/Renovations Reserve
(in Millions)

	1993 SESSION				1994 SESSION**		
	1993-94		1994-95		1994-95		
	Recurring	Non-Recurring	Total	Total*	Recurring	Non-Recurring	Total
UNRESERVED CREDIT BALANCE BEGINNING JULY 1	\$ —	\$346.0	\$346.0	\$ —	\$ —	\$407.0	\$407.0
REVENUE							
Tax Revenue	8,238.8	—	8,238.8	8,775.5	\$9,090.6	—	9,090.6
Non-Tax Revenue	249.3	103.8 ^a	353.1	270.1	288.2	303.9 ^b	592.1
Highway Trust Fund Transfer	170.0	—	170.0	170.0	170.0	—	170.0
Highway Fund Transfer	9.9	—	9.9	10.3	10.3	—	10.3
Transfer from Savings Reserve	—	121.0	121.0	—	—	—	—
TOTAL AVAILABILITY	\$8,668.0	\$570.8	\$9,238.8	\$9,225.9	\$9,559.1	\$710.9	\$10,270.0
RESERVE FOR TAX RELIEF	—	—	—	—	(\$28.1)	—	(\$28.1)
NET AVAILABILITY	—	—	—	—	\$9,531.0	\$710.9	\$10,241.9
APPROPRIATIONS							
Current Operations —							
Departments	8,216.7	219.7	8,436.4	8,578.2	8,773.4	223.7	8,997.1
Salary Increase Compensation	106.5	34.2	140.7	111.0	397.3	35.4	432.7
Payroll Restoration to June 30	—	214.2	214.2	—	—	120.0	120.0
Savings Reserve	—	—	—	—	—	66.7	66.7
Other Reserves (net)	1.2	3.5	4.7	1.2	4.0	47.0	51.0
Debt Service	92.3	—	92.3	89.1	114.8	—	114.8
Capital Improvements	—	109.0	109.0	—	—	189.4	189.4
Local Government	236.8	—	236.8	236.8	236.8	—	236.8
TOTAL APPROPRIATIONS	\$8,653.5	\$580.6	\$9,234.1	\$9,016.3	\$9,526.3	\$682.2	\$10,208.5
UNAPPROPRIATED BALANCE	\$14.5	(\$9.8)	\$4.7	\$209.6	\$4.7	\$28.7	\$33.4

- a Includes \$93.2 in Disproportionate Share Revenues
- b Includes Reserved 1993-94 Disproportionate Share Revenues not budgeted for expenditure and \$94.0 million in anticipated collections for 1994-95.
- * Recurring only; non-recurring availability will be generated through unexpended
- ** Includes Special Session actions

BUDGET REFORM COMPLIANCE CHECKLIST

SPENDING LIMITATION

BUDGET REFORM PROVISION

Limits the size of General Fund Operating Budget to 7% of the income of state residents ("State Personal Income").

COMPLIANCE

The final authorized General Fund Budget for recurring items in the 1994-95 fiscal year equals 6.6% of estimated State Personal Income (6.8% if one-time items are included). Spending growth has been limited since 1991 by a combination of conservative revenue estimates and ensuring that one-time sources of money are used only for nonrecurring spending.

RAINY-DAY FUND/BUDGET RESERVES

BUDGET REFORM PROVISION

Requires that 25% of the year-end credit balance ("surplus") be earmarked for the state's rainy-day fund.

COMPLIANCE

At the end of 1993-94 another \$157 million went into the fund, raising the total from \$54 million at the end of 1992-93 to \$211 million. In addition, the final budget for 1994-95 appropriates \$66 million to the fund. Thus, the total in the fund as of August, 1994 is \$277 million. The only reason the fund is not larger is that \$334 million of surplus funds have been used to move the pay date for teachers and state employees back to the dates prior to the 1990-91 budget crisis, thereby cleaning up the state's books. Had these monies been put in the rainy-day fund, the fund would be equal to \$611 million.

SECOND-YEAR BUDGET GROWTH

BUDGET REFORM PROVISION

Requires that at the time the General Assembly approves the budget for the first year of a biennium, no salary increases or other major spending commitments be made for the second year. This provides an opportunity for the General Assembly to revise the economic outlook when it comes into session the next year.

COMPLIANCE

The 1993 General Assembly left \$210 million of 1994-95 spending availability on the table.

PUBLICATION OF REVENUE ESTIMATES

BUDGET REFORM PROVISION

Revenue availability estimates must be included in the budget bills.

BUDGET REFORM COMPLIANCE CHECKLIST (Continued)

COMPLIANCE

The estimates have been included in every budget document since 1991.

PERFORMANCE BUDGETING

BUDGET REFORM PROVISION

The 1991 budget reform package created the Government Performance Audit Commission. One of the strong recommendations of GPAC was the use of performance budgeting.

COMPLIANCE

Preliminary work in developing a performance budget system has been underway for over a year. The conference report spells out clearly the major components of the new system by:

1. Requiring the Director of the Budget to establish and implement a strategic planning process for State government. This process shall include statewide goals, performance measures, and performance review of state agencies.
2. Requiring the Director of the Budget to work with state agencies in preparing a comprehensive long-term operations plan for each agency.
3. Requiring the Director of the Budget to develop a system of performance measures and performance review of major programs as part of the budget process.

REVENUE ESTIMATES

BUDGET REFORM PROVISION

The intent was to use a consensus estimating process that would result in conservative estimates reflecting the philosophy in use prior to the 1989-91 budget crisis.

COMPLIANCE

For 1991-92, the first year of budget reform, North Carolina was one of a handful of states not experiencing another revenue shortfall. For 1992-93, collections came in 2.6 percentage points ahead of schedule. In 1993-94, a strong recovery in retail sales, combined with the cautious stance taken in dealing with the unanticipated 1992-93 surplus, led to collection growth that was 14.1 percentage points ahead of schedule. For 1994-95, the consensus estimate of total General Fund revenues is based on a 6.6% state economic growth assumption. This compares to the 7.0-8.5% range of bank and university economists in the state and the actual 8.6% growth for 1993-94.

The conservative estimates have been the key to restoring the state's depleted cash balances. On March 31, 1991, the General Fund balance was a negative \$230 million. This forced the state to delay tax refunds, pay suppliers late, delete capital projects, borrow from the Highway Fund and the Unemployment Insurance Fund, and cut local aid. As of May 31, 1994, unreserved cash balance was a positive \$716 million. This is a turnaround of almost \$1 billion in just three years.

BUDGET REFORM COMPLIANCE CHECKLIST (Continued)

REPAIR/RENOVATION RESERVE

BUDGET REFORM PROVISION

Required the the creation of a permanent mechanism to fund the repair and maintenance of state facilities.

COMPLIANCE

In 1992 the General Assembly adopted a rule specifying that the lesser of 1/4 of each year's unreserved credit balance, or 1.5% of replacement value of state buildings, be earmarked for these needs. On June 30 a total of \$60 million will be earmarked. Last year, \$57.0 million was allocated to this fund.

LONG-TERM FISCAL NOTES

BUDGET REFORM PROVISION

Requires the use of five-year fiscal estimates for regular fiscal notes (including incarceration legislation) and budget analyses and 20-year notes for proposed state buildings.

COMPLIANCE

Long-term fiscal notes have become standard practice on the legislative side of the street. A special provision in the conference report requires state agencies to begin providing 5-year fiscal impact estimates for legislation proposed by the agency. The report also formalizes the annual review of the results of the General Fund Financial Model (10-year projection of revenues and expenditures). Finally, a special legislative commission (Fiscal Trends Commission) meets each year to identify future economic and demographic trends that will affect future budgets and the conference report requires a similar analysis by executive branch.

RECURRING/NONRECURRING ITEMS

BUDGET REFORM PROVISION

Prohibits use of one-time revenues or one-time spending reductions to fund recurring items in the budget.

COMPLIANCE

In addition to distinguishing between recurring and nonrecurring items in the revenue and spending base, the authorized budget:

1. Treats Medicaid disproportionate share monies as non-recurring.
2. Allocates the ending credit balance for the prior year to the rainy-day fund, the repair and renovations account, and one-time spending items.

ECONOMY AND REVENUES

ECONOMIC OUTLOOK AND GENERAL FUND REVENUES

1993-94 EXPERIENCE

The General Fund revenue estimate for 1993-94 conformed to the intent of the 1991 budget reform package of restoring budget integrity by reverting to the conservative revenue-estimating philosophy used prior to the 1989-91 budget crisis.

The result is that General Fund revenues came in \$330 million (4.1%) above the budget estimate:

	(\$ Million) Budgeted	(\$ Million) Actual	(\$ Million) Difference
Tax	\$8,239.1	\$8,516.8	+ \$277.7
Non-Tax	259.9	312.4	+ 57.5
Total	<u>\$8,499.0</u>	<u>\$8,829.2</u>	<u>+ \$330.2</u>

This performance is typical of a year of real economic recovery, coupled with a conservative estimate. In fact, during the first year of recovery from the 1981-82 recession, the revenue surplus was 3.9%

A large part of the excess was due to sharp rise in retail sales. The budget estimate was based on 4.5% sales tax growth. Actual collections came in at 9.8%, accounting for \$108 million of total overcollections. The primary reason for the conservatism in the original budget estimate was the sluggish performance of the tax during the first two years of the economic recovery.

Another economic factor was stronger-than-expected employment growth. The budget estimate was based on a 2.5% rate of increase. In fact, job growth during the period amounted to 3.7%, leading to \$77 million of extra revenue. This increase took place in spite of continued downsizing by major corporations and highlights the importance of small employers to this recovery.

A third factor had to do with forecast risk. At the time the 1993-94 budget was being finalized an extra \$75-100 million of revenue collections for 1992-93 had come in from high-income taxpayers pushing some of their future year income into 1992 to avoid the Clinton tax increase. A good example was the exercise of stock options by corporate executives.

The income-shifting added uncertainty to the 1993-94 forecast as it was impossible to know how much of the accelerated income in 1992 was "borrowed" from 1993, versus other years. Relying on a similar experience back in 1987, it was conservatively assumed that almost all of the borrowing came from 1993.

When the year was over, income tax payments due April 15 were \$52 million more than anticipated. Part of the excess was due to the conservative assumption and part due to a sharp increase in small business profitability.

The final major factor was \$33 million of extra funds from investment income. The large build-up of cash balances during the year was due not only to the revenue overcollections, but \$314.2 million of reversions.

ECONOMIC OUTLOOK AND GENERAL FUND REVENUES (Continued)

OUTLOOK FOR 1994-95

The 1994-95 estimates are a consensus between the Office of State Budget and Management and the Fiscal Research Division. The estimates continue to reflect the spirit of budget reform.

At the time the forecasts were finalized, the nation's economy had experienced three years of economic recovery. The weakness of the first two years meant that consumers still had some pent-up demands. At the same time, the Federal Reserve Board had pushed up short-term interest rates from 3% to 4 1/4% and long-term rates had risen almost two percentage points, adding risk to the outlook.

The position taken in the consensus estimate reflects a modest slowing of economic growth, similar to that experienced in the mid-1960's and mid-1980's.

	% Change	
	1993-94 Actual	1994-95 Projected
U.S. INDICATORS		
Real Economic Growth	+ 4.0	+ 2.4
Inflation	+ 2.5	+ 3.3
Retail Sales	+ 7.6	+ 4.9
Corporate Profits	+ 11.6	+ 5.2
Housing Starts	+ 7.5	+ 3.0
Auto Sales	+ 5.9	+ 2.4
Short-Term Interest Rates (Actual Rate)	3.4%	5.0%
Long-Term Interest Rates (Actual Rate)	6.6%	7.4%

NORTH CAROLINA DATA

Personal Income	+ 7.0	+ 6.6
Employment	+ 3.7	+ 2.3
Average Hourly Earnings - Manufacturing	+ 3.5	+ 4.3
Retail Sales	+ 9.8	+ 7.2
Housing Starts	+ 16.4	- 6.1
Car Sales	+ 11.8	+ 4.8

GENERAL FUND REVENUES
(\$ MILLION)

	1993-94	1994-95	% of
	Actual	Budgeted	Total
TAX:			
Personal Income	\$4,254.4	\$4,592.5	50.5%
Sales & Use	2,579.2	2,761.2	30.3
Corporate Income	487.8	511.0	5.6 *
Franchise	439.3	471.1	5.7
Insurance	219.4	220.0	2.4
Alcoholic Beverage	161.1	158.6	1.7
Intangibles	127.3	117.3	1.3
Inheritance	106.5	115.0	1.3
Soft Drink	36.5	37.2	.4
License	37.9	38.9	.4
Tobacco Products	37.9	36.8	.4
Deed Stamp	15.6	16.1	.2
Gift	13.1	13.7	.2
Other	0.9	1.1	.2
TOTAL - TAX	\$8,516.9	\$9,090.5	100%
NON-TAX:			
Investment Income	\$118.2	\$116.0	
Judicial Department	80.6	83.1	
Insurance Department	29.4	31.1	
Other	84.1	58.0	
TOTAL - NON-TAX	\$312.4	\$288.2	
TOTAL REVENUES	\$8,829.1	\$9,378.7	
% INCREASE	8.8%	6.2%	

* The amount shown is the net figure after subtracting out \$252.5 million of earmarking for school facilities assistance and local tax reimbursements. Prior to earmarking, the corporate tax generates 8.2% of General Fund tax revenue.

THE HIGHWAY FUND

FY 1993-94 EXPERIENCE

Actual Highway Fund collections in FY 1993-94 were \$979.8 million, compared to certified revenues of \$944.6 million. Revenues in excess of the forecast were \$36.1 million.

The overcollections came primarily from motor fuel tax revenues, which account for 70% of all Highway Fund revenues. Actual fuel tax collections were far ahead of projections because, at the time the 1993-94 forecast was prepared, considerable uncertainty remained over consumer confidence and the length of time expected until fuel consumption returned to pre-recession levels.

Revenues from motor vehicle-related fees were \$4.4 million below projections. An anticipated surplus in truck registration fees, due to a 1993 increase in property-hauling vehicle registration fees, was offset by unanticipated shortfalls in penalty income from overweight trucks, drivers license fees, and registration fees on all other vehicles.

Investment income from short-term investments of Highway Fund collections was \$1.9 million ahead of projections for FY 1993-94.

	(In Millions)		
	<u>Actual</u>	<u>Projected</u>	<u>Difference</u>
Motor Fuel Taxes	\$678.6	\$640.0	\$38.6
License & Fees	\$283.7	\$288.1	(\$4.4)
Investment Income	\$18.4	\$16.5	\$1.9
TOTAL HIGHWAY FUND	\$980.7	\$944.6	\$36.1

Looking back at historical experience during recessions and recoveries and their impact on State fuel consumption, it appears that the final stage of the recovery from the 1991 recession played itself out in FY 1993-94. Consumer expenditures on transportation fuel are sensitive to the health of the economy and, since the early seventies when detailed data was first available, business cycle patterns are evident in State fuel usage. Significant contractions and expansions in year-over-year growth rates occurred during the recessionary periods of 1974, the early 1980's, and 1991, ranging between positive and negative growth rates of 5 percent. A one percent increment in fuel consumption equates to \$8.5 million in state fuel tax revenues.

These patterns cause considerable fluctuation in Highway Fund revenues from year to year. Fuel tax revenues are the major source of income to the Highway Fund, and any growth in the Fund (in the absence of tax and fee increases) must come from fuel taxes. Motor vehicle licenses and fees, the other major source of revenue, are driven by population growth, which the State Budget Office expects to be under 1 percent through the year 2000. A one percent increment in fee revenues equates to \$2.8 million annually.

FY 1994-95 FORECAST

Highway Fund revenues for FY 1994-95 are projected at \$979.3 million, a decrease of 0.05% from the previous fiscal year. Fuel tax revenues are expected to drop by 1.3%. Although motor fuel consumption and resulting tax collections exceeded expectations in the last fiscal year, North Carolina's variable fuel tax rate dropped as of July 1, 1994, from 22.0 cents per gallon to 21.3 cents per gallon, a 3.2% decline in the tax rate. The combination of the rising consumption rate and the declining tax rate produces a net decline in fuel tax revenues.

Total license and fee collections are projected at \$293.0 million, a 2.5% increase over FY 1993-94. The five-year driver license program, effective January 1, 1995, will generate over \$4 million in additional revenue in the first year of the program. Driver's license fees have not been increased; the new fee is \$2.50 per year, compared to the four-year fee of \$10. The increased revenues will be generated during the transition phase as licenses are issued for variable terms of three to eight years in length.

Investment Income is projected at \$17.5 million, a 5% decrease from FY 1993-94 actual collections of \$18.4 million.

HIGHWAY FUND REVENUES

	1993-94 Actual	1994-95 Authorized
MOTOR FUELS TAX:		
Gasoline Tax	\$666,034,435	\$657,100,000
Gasoline Inspection Tax	10,744,894	11,000,000
Highway Use Registration Fee	815,625	700,000
TOTAL MOTOR FUELS TAX	\$677,594,954	\$668,800,000
 LICENSES AND FEES:		
Motor Vehicle Registration	\$162,732,361	\$165,200,000
International Registration Plan	36,401,744	37,000,000
Title and Registration Fees	9,484,817	11,200,000
Lien Recording Fees	76,860	70,000
Driver Licenses	52,290,433	55,600,000
Revocation and Restoration	8,673,487	8,830,000
Equipment Inspection Fees	5,908,534	6,000,000
Dealers & Manufacturers Licenses	896,400	1,200,000
Overweight/Size Permits	1,349,973	1,300,000
Motor Carrier Safety	512,451	600,000
TOTAL LICENSES AND FEES	\$278,327,060	\$287,000,000
 OTHER STATE REVENUE:		
Penalties	\$5,337,078	\$5,500,000
Miscellaneous	96,511	500,000
Investment Income	\$18,441,730	\$17,500,000
 TOTAL HIGHWAY FUND REVENUE	\$979,797,333	\$979,300,000

THE HIGHWAY TRUST FUND

FY 1993-94 EXPERIENCE

Total Highway Trust Fund collections for FY 1993-94 were \$642.7 million, compared to projections of \$557.7 million. Overcollections in the Trust Fund equaled \$85.0 million. Netting out the \$170 million transfer to the General Fund, \$472.7 million was available for Trust Fund projects.

Highway use tax overcollections accounted for \$58.8 million of the \$85.4 million, or 70% of the overage. Most economists attribute 1993's very strong demand for automobiles to a concept they call pent-up demand, a condition created by the 1991 recession. Pent-up demand occurs when consumer confidence levels rise as the economy climbs out of a recession. Consumers make major purchases they postponed during the recessionary trough as the economy improves and uncertainty about the future dissipates. When this occurs, state revenues associated with these purchases accelerate significantly within a short window of time. When pent-up demand is satisfied, sales return to long-term average trend expectations.

This means the current spurt in highway use tax collections will not continue indefinitely. Combined with recent Federal Reserve Board actions taken to raise interest rates, these two dampening effects will slow the rate of vehicle sales in the near term. A special study done by the DRI forecasting service used by the State Budget Office found that "consumer sentiment toward car buying should peak this spring (1994), and past relationships between confidence plans and sales suggest that the auto market has less than six months of growth after this peak thereafter, decaying sentiment will probably combine with rising interest rates to cut sales."

FY 1994-95 FORECAST

Total authorized Highway Trust Fund revenues for FY 1994-95 are \$651.2 million. This includes the first year of a transfer of funds from the Highway Fund to the Highway Trust Fund as mandated in the 1989 legislation that created the Highway Trust Fund. The amount to be transferred in this fiscal year is \$9.6 million. In subsequent years, that figure will increase until it reaches \$38 million in FY 1997-98. This transfer represents new revenue availability in the Highway Fund as the 1977 bond issue is retired, equal to the annual difference between the debt service schedule and \$38 million, the debt service amount in the FY 1989-90 budget.

Netting out the \$170 million transfer to the General Fund, the Department of Transportation will have the use of \$481.2 million for construction projects. This is a 1.3% increase over last year's actual collections. The drop in the fuel tax rate and the expected slowdown in vehicle sales are the major reasons for the slow growth forecast for the Trust Fund in FY 1994-95 fiscal year.

HIGHWAY TRUST FUND REVENUES

	1993-94 Actual	1994-95 Authorized
TAXES AND FEES:		
Motor Fuels Tax	\$222,011,480	\$219,000,000
Motor Vehicle Use Tax	330,473,709	333,000,000
Title Fees:		
Certification of Title	\$56,908,904	\$55,600,000
Miscellaneous	8,548,719	8,700,000
Lien Recording Fees	2,682,036	2,800,000
TOTAL TAXES AND FEES	\$620,624,848	\$619,100,000
Investment Income	\$22,112,967	\$22,500,000
Total Tax and Nontax Revenue	\$643,093,812	\$641,600,000
Transfer from Highway Fund	\$642,737,815	\$9,600,000
TOTAL HIGHWAY TRUST FUND REVENUE	\$642,737,815	\$651,200,000
TRANSFER TO GENERAL FUND	\$170,000,000	\$170,000,000
NET REVENUES TO		
DEPARTMENT OF TRANSPORTATION	\$472,737,815	\$481,200,000

FEDERAL BLOCK GRANTS

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 allowed the Administration 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

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.

BLOCK GRANT FOR THE PREVENTION AND TREATMENT OF SUBSTANCE ABUSE

The ADAMHA Reorganization Act of 1992 (P.L. 102-321) split the Alcohol, Drug, and Mental Health Services Block Grant (ADMBG) creating the new Block Grant for the Prevention and Treatment of Substance Abuse. The PTSABG provides federal financial assistance to states for the provision of prevention and treatment of alcohol and drug abuse.

MENTAL HEALTH SERVICES BLOCK GRANT

The MHBG provides federal financial assistance to states for the provision of community based services for the mentally ill. Services provided through the use of the block grant must be those described in the State's Plan in accordance with Federal P.L. 102-321. These services include outpatient, day treatment, psychosocial rehabilitation, emergency services, residential services, etc.

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 children with developmental disabilities.

FEDERAL BLOCK GRANT PROGRAM (1993 Actions, Continued)

PREVENTIVE HEALTH SERVICES BLOCK GRANT

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

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.

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.

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.

COMMUNITY DEVELOPMENT BLOCK GRANT

This is a federally funded program that provides for economic development, neighborhood revitalization and housing programs for low income people.

CHILD CARE AND DEVELOPMENT BLOCK GRANT

In 1990 Congress passed a comprehensive child care package, which was passed as part of the Omnibus Budget Reconciliation Act (OBRA), P.L. 101-508. A major piece of the child care package included a Child Care and Development Block Grant. The new block grant has been authorized by Congress for three years, and provides federal funds for child care services to low-income families and for activities to improve the availability and quality of child care.

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

1993-94

DEPARTMENT OF HUMAN RESOURCES:

DIVISION OF MENTAL HEALTH, MENTAL RETARDATION, AND SUBSTANCE ABUSE SERVICES

Social Services Block Grant	\$ 5,519,178
Mental Health Services Block Grant	6,111,035
Block Grant for the Prevention and Treatment of Substance Abuse	26,764,532

OFFICE OF ECONOMIC OPPORTUNITY

Social Services Block Grant	\$197,421
Community Services Block Grant	10,117,136

DIVISION OF SOCIAL SERVICES

Low Income Energy Block Grant	\$24,497,376
Social Services Block Grant	43,511,601

DIVISION OF FACILITY SERVICES

Preventive Health Services Block Grant	\$452,375
Social Services Block Grant	12,495,474
Child Care Development Block Grant	22,989,785

DIVISION OF AGING

Social Services Block Grant	\$1,983,740
-----------------------------	-------------

DIVISION OF YOUTH SERVICES

Social Services Block Grant	\$1,052,674
-----------------------------	-------------

DIVISION OF BLIND SERVICES

Social Services Block Grant	\$3,205,711
-----------------------------	-------------

OFFICE OF THE SECRETARY

Social Services Block Grant	\$55,458
-----------------------------	----------

STATE ADMINISTRATION

Social Services Block Grant	\$3,473,529
-----------------------------	-------------

FEDERAL BLOCK GRANT PROGRAM (1993 Actions, Continued)

1993-94

DEPARTMENT OF ADMINISTRATION:

Preventive Health Block Grant	\$91,269
Low Income Energy Block Grant	33,022

**DEPARTMENT OF ENVIRONMENT, HEALTH,
AND NATURAL RESOURCES:**

Preventive Health Services Block Grant	\$3,585,678
Maternal and Child Health Block Grant	18,830,668
Social Services Block Grant	2,801,929

DEPARTMENT OF COMMERCE:

Job Training Partnership Act	\$35,316,871
Community Development Block Grant	40,657,000
Low Income Energy Block Grant	2,100,000

.....
1994 ACTIONS
.....

1994-95

DEPARTMENT OF HUMAN RESOURCES:

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

Social Services Block Grant	\$5,524,186
Mental Health Services Block Grant	6,111,035
Block Grant for Prevention and Treatment of Substance Abuse	27,119,762

OFFICE OF ECONOMIC OPPORTUNITY

Social Services Block Grant	49,954
Community Services Block Grant	10,506,440

DIVISION OF SOCIAL SERVICES

Low Income Energy Block Grant	25,760,189
Social Services Block Grant	42,804,829

DIVISION OF FACILITY SERVICES

Preventive Health Services Block Grant	452,375
Social Services Block Grant	343,341

DIVISION OF CHILD DEVELOPMENT

Child Care Development Block Grant	24,574,707
Social Services	12,306,366

FEDERAL BLOCK GRANT PROGRAM (1994 Actions, Continued)

1994-95

DIVISION OF SERVICES FOR THE DEAF AND THE HARD OF HEARING

Social Services 31,611

DIVISION OF AGING

Social Services Block Grant 1,985,234

DIVISION OF YOUTH SERVICES

Social Services Block Grant 1,052,674

DIVISION OF BLIND SERVICES

Social Services Block Grant 3,205,711

OFFICE OF THE SECRETARY

Social Services Block Grant 55,458

STATE ADMINISTRATION

Social Services Block Grant 3,473,524

DEPARTMENT OF ADMINISTRATION:

Social Services	45,270
Preventive Health Block Grant	183,632
Low Income Energy Block Grant	33,022

**DEPARTMENT OF ENVIRONMENT, HEALTH,
AND NATURAL RESOURCES:**

Preventive Health Services Block Grant	5,074,633
Maternal and Child Health Block Grant	18,352,051
Social Services Block Grant	2,739,223

DEPARTMENT OF COMMERCE:

Job Training Partnership Act	53,841,243
Community Development Block Grant	49,869,000
Low Income Energy Block Grant	2,100,000

CHANGES TO THE MEDICAID PROGRAM

Expenditures for the Medicaid Program totaled \$2.84 billion in FY 1992-93, an increase of 15% over FY 1991-92 spending.

This year's growth in Medicaid expenditures was due to growth in long term care services, the success of the BABYLOVE program, and growth in caseloads for the Aid to Families With Dependent Children program during a period of slow economic recovery.

The General Assembly increased total requirements for the Medicaid Program to \$3.5 billion in FY 1993-94 and FY 1994-95 and appropriated \$860.5 million and \$1 billion for the program in FY 1993-94 and FY 1994-95 respectively.

During its deliberations on the proposed budget, the General Assembly adopted General Fund reductions totaling \$33 million in FY 1993-94 and \$35.8 million in FY 1994-95. These reductions represent cuts in inflationary increases for medical care providers, savings associated with the success of the Carolina Access Program, and modifications to reimbursement policy for Intermediate Care for the Mentally Retarded.

In addition, the General Assembly appropriated funds for the following expansion items:

- o Funds to support payment for parenting education for families with children under the age of three.
- o Funds for a toll free Medicaid Hot Line for families who have questions regarding services for children and referral to providers who accept Medicaid.
- o Funds for the planning and design of an eligibility system that will support expanded coverage for children, persons over age 65 and the disabled in the event expansions are funded by the General Assembly.

DISPROPORTIONATE SHARE FUNDS

Disproportionate Share (DSH) Funds are Medicaid payments made to health care providers who deliver services to large numbers of uninsured patients. DSH payments to health care providers are made in addition to payments for services rendered to Medicaid eligible patients. Congress originally authorized the payments as a funding mechanism to offset the cost of uncompensated care for health care providers, particularly hospitals, thereby assuring access to health care for the uninsured.

Current federal law (HR 3595) permits states to draw federal funds up to a maximum allotment which is established by the federal Health Care Financing Agency (HCFA). The law allows states to match federal funds for DSH payments with direct appropriations or with funds appropriated to a governmental unit for the delivery of health care to the uninsured. States are required to obtain approval of their state plan for drawing DSH payments from the Health Care Financing Agency (HCFA).

North Carolina's Plan uses general funds appropriated to the state's four psychiatric hospitals (Dix, Broughton, Cherry and Umstead) as the non-federal match with which the state will draw disproportionate share payments. HCFA approved North Carolina's Plan effective October 1, 1993. DSH payments to the State totaled a net gain of \$159 million in federal funds for FY 1992-93.

CHANGES TO THE MEDICAID PROGRAM (1993 Actions, Continued)

For FY 1993-94, the states gain from DSH payments to the Department of Human Resources is expected to total \$207.4 million in federal revenue. Section 21.3 of Chapter 321 of the 1993 Session Laws stipulates that appropriations to the Medicaid program which become available due to federal Disproportionate Share receipts will be deposited into the General Fund as non tax revenue for appropriation by the General Assembly.

1994 ACTIONS

General Fund expenditures for the Medicaid Program totaled \$788.5 million in FY 1993-94, an increase of 12.5% over FY 1992-93. For the first time in several years, the rate of growth in program spending slowed due to lower than anticipated increases in utilization and inflation. With the hope that this trend will continue, the General Assembly reduced the FY 1994-95 budget to reflect a more moderate rate of growth in expenditures. In addition, the following program expansions were enacted:

- o **Expansion for Elderly and Disabled:** Effective January 1, 1995, all Supplemental Security Income (SSI) eligibles will be automatically eligible for Medicaid coverage. With this expansion, North Carolina's Medicaid program terminates its status as a "209(b) state".
- o **Coverage for Children Ages 11 to 19:** Effective July 1, 1994, children age 11 to 19 with family incomes under 100% of the federal poverty guidelines are eligible for coverage.
- o **Coverage for Adoptive Children with Special Needs:** Effective October 1, 1994, children with special or rehabilitative needs are eligible regardless of the adoptive family's income.

General Fund appropriations for the program total \$939.6 million for FY 1994-95, a net reduction in budgeted appropriations of \$70.0 million.

DSH payments to the State totaled a net gain of \$298.2 million in federal funds for FY 1993-94. For FY 1994-95, the State's gain from DSH payments to the Department of Human Resources is expected to total \$94.0 million in federal revenue. Section 21.3 of Chapter 321 of the 1993 Session Laws stipulates that appropriations to the Medicaid program, which become available due to federal Disproportionate Share receipts, will be deposited into the General Fund as non- tax revenue for appropriation by the General Assembly.

LEGISLATIVE ACTIONS:
GENERAL FUND APPROPRIATIONS

GENERAL FUND APPROPRIATIONS CONTINUATION BUDGET

CONTINUATION BUDGET — GOVERNOR'S RECOMMENDATIONS

In mid-February, Governor James B. Hunt submitted his 1993-95 budget recommendations to the General Assembly. The proposed continuation budget totaled \$8.448 billion and \$8.726 billion respectively each to be reduced by \$100 million by implementing Government Performance Audit Committee recommendations and agency efficiency reductions. Major changes in the recommended budget were as follows:

	(In Millions)	
	1993-94	1994-95
Full Funding of Salary Related Items/ Annualization of Positions	\$48.3	\$50.9
Correction — Inmate Medical Services from Consultants and through Contracts	3.6	4.2
Judicial System — Annualization of Positions, Legislatively Required Automatic Increases for Assistant/Deputy Clerks	2.8	4.9
Supplies — Inflationary Adjustments	4.5	8.4
Utilities — Inflationary Adjustments	1.7	7.9
Data Processing Services	1.0	1.0
Correction — Outside Housing of Inmates in Local Jails	2.6	4.3
Motor Vehicle Replacement	5.1	3.0
Other Equipment	(2.1)	(2.3)
One-Time Appropriations (Includes \$5 Million Equipment and Books for Community Colleges)	(27.8)	(27.8)
Reserve for Operation of New Facilities (Correction \$31.6 Million/\$59.6 Million)	46.0	79.8
UNC Overhead Receipts — Further Phase-Out of Receipts Contribution to the General Fund	2.6	5.2
Public Schools:		
Average Daily Membership (ADM) — Increase from 1,104,682 to 1,119,870 to 1,141,800	31.3	82.6
Senate Bill 2	(29.5)	(29.5)
Exceptional Children — Increase in Funded Headcount	4.7	8.5
Average Teacher Salaries (Based upon 3rd Pay Period)	(4.7)	(4.9)
Aid to Families with Dependent Children (AFDC) Payments — Utilization Increase and Federal Financial Participation (FFP) Decrease	5.4	9.3
Rest Homes — Utilization Increase	1.7	2.7
Child Day Care Services (Federal Family Support Act) — Utilization Increase	21.0	31.0

GENERAL FUND APPROPRIATIONS (Continued)

Medicaid:	1993-94	1994-95
Inflation and Utilization Increase in Assistance Payments	144.3	295.2
One-Time Donations Made by Private Hospitals in 1992-93*	65.6	65.6
Jordan-Adams — Inflationary Increases for Local Programs	1.6	3.2
Reduce Reserve for savings by reducing positions vacated by retirement by 30%	9.5	9.5
Net all other	(5.4)	(0.8)
TOTAL	\$333.8	\$611.9

* Under a federally allowed program which expired September 30, 1992, private hospitals in North Carolina "donated" funds to the Medicaid program. These funds were used to match federal funds in order to make additional disproportionately payments to those hospitals which served a disproportional high number of indigents. A portion of the funds (\$65 million) was used as State funds to balance the 1992-93 Medicaid budget. The "donation" provision is no longer allowed and State funds are recommended in the Continuation budget to replace them.

CONTINUATION BUDGET — LEGISLATIVE ACTIONS

Legislative actions to the continuation budget reflect changes summarized as follows:

Increases:	1993-94	1994-95
1. Average daily membership increase above level funded in Governor's recommendation - to 1,125,028 to 1,148,930	\$11.1	\$15.3
2. Restore salary reduction made during 1992-93 for teaching, library and leadership positions of the University System (30% cut for positions vacated by retirement).	2.8	2.8
3. Revenue — Increased collection fees and additional position(s)	—	.1
Subtotal — Increases	\$13.9	\$18.2
Reductions:		
1. Departmental Receipt Increases Offsetting Appropriations Needs	(31.6)	(22.6)
2. Program/Position Reductions	(99.9)	(115.6)
Subtotal - Reductions	(131.5)	(138.2)
NET DECREASE	(\$117.6)	(\$120.0)

GENERAL FUND APPROPRIATIONS (Continued)

These changes are itemized by department in this Section. The revised continuation budget for 1993-94 totaled \$8.330 billion, an increase of \$216 million over the 1992-93 authorized appropriation of \$8.114 billion. Year 1994-95 totaled \$8.606 billion or \$492 million more than 1992-93.

EXPANSION BUDGET — GOVERNOR'S RECOMMENDATIONS

(In Millions)				
1993-94		1994-95		
	Recurring	Non-Recurring	Recurring	Non-Recurring
1. Salary Increase/Teacher Salary Schedule/Bonus	\$112.6	\$34.2	\$117.1	—
2. Differentiated Pay	—	38.8	—	\$38.8
3. Basic Education Program	30.0	—	30.0	—
4. School Bus Replacements	—	24.3	—	26.4
5. Textbook Purchases	—	5.7	5.9	—
6. Exceptional Children	5.6	—	5.6	—
7. Work Force Preparedness	7.7	8.4	37.0	13.4
8. Community College Enrollment Increase (Net)	9.6	—	22.0	—
9. University Tuition Increase	(8.3)	—	(17.3)	—
10. University Enrollment Increases/Schedule of Priorities	8.1	22.0	16.8	15.3
11. State Accounting System	—	5.0	—	5.0
12. Early Childhood Education and Development Initiatives	20.0	—	40.0	—
13. Child Protective Services	1.0	—	1.0	—
14. Day Care Staff Ratios	2.8	—	2.8	—
15. Day Care Income Eligibility	1.8	—	1.8	—
16. Monitoring Compliance Staff	.3	—	.7	—
17. Quality Day Care Incentives	1.4	—	1.4	—
18. Teacher Education and Compensation Helps	1.0	—	1.0	—
19. Rural Health/Primary Care	2.2	—	2.2	—
20. JOBS Program	1.3	—	1.3	—
21. Rest Home Rate Increase	4.8	—	4.8	—
22. Mental Health Study Commission/Coalition 2001	6.0	—	9.0	—
23. Willie M	2.4	—	18.3	—
24. Thomas S	11.8	—	18.3	—
25. Boot Camps	1.7	—	3.8	—
26. Inmate Construction Program	3.4	3.9	3.3	.2
27. Industrial Recruitment Competitive Fund	—	5.0	—	10.0
28. Industrial Development Fund	—	2.0	—	2.0
29. Travel and Tourism	—	1.5	1.5	—

GENERAL FUND APPROPRIATIONS (Continued)

	1993-94		1994-95	
	Recurring	Non-Recurring	Recurring	Non-Recurring
30. Center for Community Self-Help	—	2.0	—	2.0
31. Immunization for All Children	5.0	—	10.9	—
32. Debt Service (Prison Bonds)	8.8	—	8.6	—
33. Reserve for Local Government	<u>21.7</u>	<u>—</u>	<u>30.6</u>	<u>—</u>
34. Rural Economic Dev. Act	—	2.8	—	—
35. Investment Manufacturing Technology Match	—	1.0	—	—
36. Industrial Equipment and Training and Economic Development	—	15.8	—	—
37. Reserve for Education Technology	—	20.0	—	—
38. Housing Trust Fund	—	1.0	—	—
Capital Projects	—	146.9	—	—
All Other	45.4	20.1	55.6	42.8
TOTAL RECOMMENDATIONS	\$308.1	\$360.3	\$420.8	\$155.9

EXPANSION BUDGET — LEGISLATIVE ACTIONS

The General Assembly made two decisions which dramatically impacted the second year's recommendations: (1) No non-recurring items were to be funded; and, (2) No new expansion of programs or salary increases were to be approved.

Listed below are programs as approved for the 1993-95 biennium.

	1993-94		1994-95
	Recurring	Non-Recurring	Recurring
1. Salary Increase/Teacher Salary Schedule/Bonus	\$112.1	34.2	\$116.5
2. Differentiated Pay	—	38.8	38.8
3. Basic Education Program	10.0	—	10.0
4. School Bus Replacements	—	24.0	—
5. Textbook Purchases	5.7	—	5.9
6. Exceptional Children	4.6	1.0	4.6
7. Work Force Preparedness	8.5	8.4	8.5
8. Community College Enrollment Increase (Net)	7.7	—	7.7
9. University Tuition Increase	(9.9)	—	(20.9)
10. University Enrollment Increases/ Schedule of Priorities	36.7	10.8	47.4
11. State Accounting System	—	4.2	—
12. Early Childhood Education and Development Initiatives	15.3	4.7	27.6

GENERAL FUND APPROPRIATIONS (Continued)

	1993-94		1994-95
	Recurring	Non-Recurring	Recurring
13. Child Protective Services	2.0	—	2.0
14. Day Care Staff Ratios	1.4	—	2.2
15. Day Care Income Eligibility	—	—	—
16. Monitoring Compliance Staff	.3	—	.4
17. Quality Day Care Incentives	—	—	—
18. Teacher Education and Compensation Helps	—	1.0	—
19. Rural Health/Primary Care	2.2	—	2.2
20. JOBS Program	2.9	—	6.7
21. Rest Home Rate Increase	4.8	—	4.8
22. Mental Health Study Commission/ Coalition 2001	9.3	1.6	10.8
23. Willie M	2.1	.3	4.5
24. Thomas S	10.8	—	16.2
25. Boot Camps	.8	.4	2.8
26. Inmate Construction Program	1.5	1.2	1.7
27. Industrial Recruitment Competitive Fund	—	5.0	—
28. Industrial Development Fund	—	1.0	—
29. Travel and Tourism	.5	.7	.5
30. Center for Community Self-Help	—	2.5	—
31. Immunization for All Children	3.2	.3	7.2
32. Debt Service (Prison Bonds)	8.8	—	8.6
33. Reserve for Local Government	—	—	—
34. Rural Economic Development Act	—	2.8	—
35. Investment Manufacturing Technology Match	—	1.0	—
36. Industrial Recruitment — Restricted Reserve for Automobile Manufacturing Company Relocation	—	35.0	—
37. Education Technology Equipment for Libraries	—	5.0	—
38. Housing Trust Fund	—	2.5	—
39. Pay Day Restoration	—	214.2	—
40. Low Wealth/Small Schools	13.0	—	13.0
41. Child Fatality Prevention	.1	—	.1
42. Infant Mortality	1.2	1.4	1.7
43. PL 99-457 Early Intervention	6.1	—	6.7
44. Cancer Control Program	1.6	—	1.8
45. Regional (3) Economic Development Commission	1.8	—	3.8
46. Global TransPark Development Zone	—	7.5	—
47. Bond Election Expense	—	1.0	—
48. Health Care Initiatives	2.0	3.5	2.0
49. Juvenile Sex Offenders Treatment	.5	—	.5
50. Safe School Grants	2.5	—	2.5
51. Court Personnel	8.7	.6	10.9
Capital Improvements	—	109.0	—
All Others	44.2	57.0	50.5
TOTAL EXPANSION/NON-RECURRING	\$323.0	\$580.6	\$410.2

GENERAL FUND APPROPRIATIONS — 1993-94

	1993-94 CONTINUATION SENATE BILL 27	1993-94 REDUCTIONS & TRANSFERS SENATE BILL 27	1993-94 EXPANSION SENATE BILL 27	1993-94 NON—RECURRING SENATE BILL 26	1993-94 TOTAL
EDUCATION					
Board of Governors	\$1,184,069,864	(\$27,309,806)	\$42,465,813	\$2,495,000	\$1,201,720,871
Community Colleges	393,630,457	(5,822,353)	24,989,837	—	412,797,941
Public Education	3,445,213,790	(1,736,386)	113,989,220	6,245,565	3,563,712,189
TOTAL —EDUCATION	\$5,022,914,111	(\$34,868,545)	\$181,444,870	\$8,740,565	\$5,178,231,001
HUMAN RESOURCES	\$1,686,618,219	(\$53,626,682)	\$71,468,233	\$7,000,000	\$1,711,459,770
JUSTICE & PUBLIC SAFETY					
Judicial	\$232,428,819	(\$352,800)	\$15,846,835	\$35,000	\$247,957,854
Correction	565,579,166	(11,785,921)	4,954,435	—	558,747,680
Justice	53,540,802	(1,751,786)	2,263,118	545,000	54,597,134
Crime Control & Public Safety	26,860,503	(703,639)	3,363,802	—	29,520,666
TOTAL — JUSTICE & PUBLIC SAFETY	\$878,409,290	(\$14,594,146)	\$26,428,190	\$580,000	\$890,823,334
NATURAL AND ECONOMIC RESOURCES					
Labor	\$12,705,854	(\$397,682)	\$1,467,643	\$750,000	\$14,525,815
Agriculture	42,614,251	(1,008,857)	1,407,267	1,396,000	44,408,661
Commerce	27,135,913	(1,132,884)	13,080,949	3,925,000	43,008,978
MCNC	16,000,000	(320,000)	—	6,618,000	22,298,000
Biotechnology Reserve	7,157,547	(143,151)	—	2,000,000	9,014,396
Rural Economic Development	1,500,000	(30,000)	—	7,575,000	9,045,000
EHNR	198,874,660	(3,820,984)	12,269,989	951,000	208,274,665
TOTAL — NATURAL AND ECONOMIC RESOURCES	\$305,988,225	(\$6,853,558)	\$28,225,848	\$23,215,000	\$350,575,515

	1993-94 CONTINUATION SENATE BILL 27	1993-94 REDUCTIONS & TRANSFERS SENATE BILL 27	1993-94 EXPANSION SENATE BILL 27	1993-94 NON-RECURRING SENATE BILL 26	1993-94 TOTAL
DEPARTMENT OF TRANSPORTATION					
Aid to Railroads	\$100,000	(\$3,695)	—	—	\$96,305
Aeronautics	10,783,237	(2,266,666)	—	—	8,516,571
Global TransPark	—	—	—	7,500,000	7,500,000
TOTAL — DEPARTMENT OF TRANSPORTATION	\$10,883,237	(\$2,270,361)	—	\$7,500,000	\$16,112,876
GENERAL GOVERNMENT					
Administration	\$53,249,273	(\$2,802,827)	\$855,000	\$1,420,433	\$52,721,879
Cultural Resources	41,400,998	(715,912)	1,670,545	2,600,000	44,955,631
General Assembly	21,385,599	(250,000)	100,000	3,745,601	24,981,200
Office of the Governor	4,475,772	(114,639)	1,230,000	37,500,000	43,091,133
Office State Budget & Management	3,405,824	(93,842)	—	2,160,000	5,471,982
Office of State Planning	1,537,714	(20,991)	63,396	—	1,580,119
Insurance	14,114,720	(666,000)	191,420	—	13,640,140
Lieutenant Governor	551,423	(18,421)	65,000	—	598,002
Administrative Hearings	1,950,197	(20,958)	—	—	1,929,239
Revenue	55,043,269	(1,198,774)	3,409,800	—	57,254,295
Rules Review Commission	263,792	(5,276)	—	—	258,516
Secretary of State	4,962,766	(202,318)	117,702	350,000	5,228,150
Auditor	7,393,837	(116,441)	1,124,181	—	8,401,577
Controller	6,681,992	(626,561)	350,000	4,200,000	10,605,431
Board of Elections	545,539	—	—	1,000,000	1,545,539
State Treasurer	5,492,873	(259,490)	634,306	—	5,867,689
Special Contributions	5,437,248	—	—	—	5,437,248
TOTAL — GENERAL GOVERNMENT	\$227,892,836	(\$7,112,450)	\$9,811,350	\$52,976,034	\$283,567,770
RESERVES					
Contingency and Emergency	\$1,125,000	—	—	—	\$1,125,000
Salary Adjustment	500,000	—	—	—	500,000
Salary Increases	—	—	\$112,052,142	—	112,052,142
Compensation Bonus	—	—	34,244,460	—	34,244,460
Lowest Paid Employee	1,400,724	—	—	—	1,400,724
Reserve for Bloodborne Pathogens	2,000,000	(1,000,000)	—	—	1,000,000

	1993-94 CONTINUATION SENATE BILL 27	1993-94 REDUCTIONS & TRANSFERS SENATE BILL 27	1993-94 EXPANSION SENATE BILL 27	1993-94 NON-RECURRING SENATE BILL 26	1993-94 TOTAL
RESERVES (Continued)					
Reserve Retiree 30% Reduction	(\$10,000,000)	\$2,752,702	—	—	(\$7,247,298)
Wage Floor — Lowest Paid Employees	—	—	135,500	—	135,500
Reserve — Health Care Initiatives	—	—	5,500,000	—	5,500,000
Reserve — Public Schools'	—	—	—	—	—
Employees' Sick Leave Bank	—	—	1,000,000	—	1,000,000
Retirement Rate Change	—	—	1,316,400	—	1,316,400
TOTAL — RESERVES	(\$4,974,276)	\$1,752,702	\$154,248,502	—	\$151,026,928
Debt Service	\$83,501,058	—	\$8,762,500	—	\$92,263,558
Reserve for Restoration of Pay Dates — June 1994	—	—	\$214,200,000	—	\$214,200,000
TOTAL CURRENT OPERATIONS	\$8,211,232,700	(\$117,573,040)	\$694,589,493	\$100,011,599	\$8,888,260,752
LOCAL GOVERNMENT TAX					
REIMBURSEMENT	\$236,824,154	—	—	—	\$236,824,154
CAPITAL IMPROVEMENTS	—	—	—	\$109,012,790	\$109,012,790
GRAND TOTAL	\$8,448,056,854	(\$117,573,040)	\$694,589,493	\$209,024,389	\$9,234,097,696

SENATE BILL 150 (CHAPTER 24)

	RECURRING	NON-RECURRING	TOTAL
1994 SPECIAL SESSION:			
Current Operations:			
General Assembly	—	\$45,000	\$45,000

1994 SPECIAL SESSION (Continued)

	RECURRING	NON-RECURRING	TOTAL
Judicial	—	30,000	30,000
Governor's Office	—	100,000	100,000
Human Resources	\$125,000	150,000	275,000
Capital Improvements	—	26,358,914	26,358,914
TOTAL SPECIAL SESSION	\$125,000	\$26,683,914	\$26,808,914
REVISED GRAND TOTAL			\$9,260,906,610

GENERAL FUND APPROPRIATIONS — 1994-95

	1994-95 CONTINUATION SENATE BILL 27	1994-95 REDUCTIONS & TRANSFERS SENATE BILL 27	1994-95 EXPANSION SENATE BILL 27	1994-95 TOTAL
EDUCATION				
Board of Governors	\$1,193,945,658	(\$26,113,646)	31,746,741	\$1,199,578,753
Community Colleges	393,646,998	(5,822,353)	16,589,837	404,414,482
Public Education	<u>3,501,014,053</u>	<u>(6,382,425)</u>	<u>83,891,800</u>	<u>3,578,523,428</u>
TOTAL EDUCATION	\$5,088,606,709	(\$38,318,424)	\$132,228,378	\$5,182,516,663
 HUMAN RESOURCES	 \$1,854,653,994	 (\$49,597,192)	 \$92,518,000	 \$1,897,574,802
 JUSTICE & PUBLIC SAFETY				
Judicial	\$235,112,520	(\$352,800)	\$15,956,390	\$250,716,110
Correction	602,236,033	(17,147,201)	5,489,763	590,578,595
Justice	52,038,131	231,709	2,087,244	54,357,084
Crime Control & Public Safety	<u>26,836,975</u>	<u>(578,332)</u>	<u>1,188,577</u>	<u>27,447,220</u>
TOTAL — JUSTICE & PUBLIC SAFETY	\$916,223,659	(\$17,846,624)	\$24,721,974	\$923,099,009
 NATURAL AND ECONOMIC RESOURCES				
Labor	\$12,714,621	(\$397,770)	\$1,513,435	\$13,830,286
Agriculture	42,803,376	(1,140,114)	1,289,977	42,953,239
Commerce	<u>27,160,918</u>	<u>(1,134,410)</u>	<u>5,887,315</u>	<u>31,913,823</u>

	1994-95 CONTINUATION SENATE BILL 27	1994-95 REDUCTIONS & TRANSFERS SENATE BILL 27	1994-95 EXPANSION SENATE BILL 27	1994-95 TOTAL
MCNC	16,000,000	(320,000)	—	15,680,000
Biotechnology Reserve	7,157,547	(143,151)	—	7,014,396
Rural Economic Development	1,500,000	(30,000)	—	1,470,000
EHNR	<u>202,809,288</u>	<u>(2,811,224)</u>	<u>15,471,426</u>	<u>215,469,490</u>
TOTAL — NATURAL AND ECONOMIC RESOURCES	\$310,145,750	(\$5,976,669)	\$24,162,153	\$328,331,234
 DEPARTMENT OF TRANSPORTATION				
Aid to Railroads	\$100,000	—	—	\$100,000
Aeronautics	10,783,237	(1,766,666)	—	9,016,571
Air Cargo	—	—	—	—
TOTAL — DEPARTMENT OF TRANSPORTATION	\$10,883,237	(\$1,766,666)	—	\$9,116,571
 GENERAL GOVERNMENT				
Administration	\$54,119,528	(\$2,599,528)	\$1,010,060	\$52,530,060
Cultural Resources	42,086,042	(1,056,817)	1,670,545	42,699,770
General Assembly	24,982,877	(250,000)	—	24,732,877
Office of the Governor	4,495,442	(115,033)	1,480,000	5,860,409
Office State Budget & Management	3,530,825	(96,342)	—	3,434,483
Office of State Planning	1,538,034	(20,997)	87,196	1,604,233
Insurance	14,130,127	(1,366,000)	234,012	12,998,139
Lieutenant Governor	553,302	(18,459)	65,000	599,843
Administrative Hearings	1,954,545	(21,045)	—	1,933,500
Revenue	55,103,203	(1,499,032)	310,000	53,914,171
Rules Review Commission	263,871	(5,278)	—	258,593
Secretary of State	4,925,984	(201,583)	113,500	4,837,901
Auditor	7,430,882	(116,441)	531,260	7,845,701
Controller	6,687,578	(626,561)	350,000	6,411,017

	1994-95 CONTINUATION SENATE BILL 27	1994-95 REDUCTIONS & TRANSFERS SENATE BILL 27	1994-95 EXPANSION SENATE BILL 27	1994-95 TOTAL
Board of Elections	545,885	—	—	545,885
State Treasurer	5,498,735	(259,899)	1,105,918	6,344,754
Special Contribution	5,437,248	—	—	5,437,248
TOTAL —GENERAL GOVERNMENT	\$233,284,108	(\$8,253,015)	\$6,957,491	\$231,988,584
RESERVES				
Contingency and Emergency	\$1,125,000	—	—	\$1,125,000
Salary Adjustment	500,000	—	—	500,000
Salary Increases	—	—	\$116,549,560	116,549,560
Compensation Bonus	—	—	—	—
Lowest Paid Employee	1,400,724	—	—	1,400,724
Reserve for Bloodborne Pathogens	2,000,000	(1,000,000)	—	1,000,000
Reserve Retiree 30% Reduction	(10,000,000)	2,752,702	—	(7,247,298)
Wage Floor — Lowest Paid Employees	—	—	135,500	135,500
Reserve - Health Care Initiatives	—	—	2,000,000	2,000,000
Reserve - Public Schools' Employees'				
Sick Leave Bank	—	—	1,000,000	1,000,000
Retirement Rate Change	—	—	1,316,400	1,316,400
TOTAL —RESERVES	(\$4,974,276)	\$1,752,702	\$121,001,460	\$117,779,886
Debt Service	\$80,516,283	—	\$8,597,500	\$89,113,783
Reserve for Restoration of Pay Dates — June 1994	—	—	—	—
TOTAL CURRENT OPERATIONS	\$8,489,339,464	(\$120,005,888)	\$410,186,956	\$8,779,520,532
LOCAL GOVERNMENT TAX REIMBURSEMENT	\$236,824,154	—	—	\$236,824,154
GRAND TOTAL	\$8,726,163,618	(\$120,005,888)	\$410,186,956	\$9,016,344,686

GENERAL FUND APPROPRIATIONS - 1994-95

	1993 Session	Crime Session	May Session		Total Authorizations
			Reductions	Increases	
EDUCATION					
Board of Governors	\$1,199,578,753	-	\$(21,195,629)	\$43,526,081	\$1,221,909,205
Community Colleges	404,414,482	-	(9,115,633)	31,887,799	427,186,648
Public Education	3,578,523,428	40,237,120	(69,449,476)	136,901,986	3,686,213,058
TOTAL EDUCATION	\$5,182,516,663	\$40,237,120	\$(99,760,738)	\$212,315,866	\$5,335,308,911
HUMAN RESOURCES	\$1,897,574,802	\$25,943,799	\$(108,927,613)	\$109,237,357	\$1,923,828,345
JUSTICE & PUBLIC SAFETY					
Judicial	\$250,716,110	\$5,036,258	\$(2,015,561)	\$11,894,938	\$265,631,745
Correction	590,578,595	113,113,932	(10,440,949)	3,623,043	696,874,621
Justice	54,357,084	3,696,900	(536,954)	1,691,286	59,208,316
Crime Control & Public Safety	27,447,220	4,130,000	(206,369)	2,513,883	33,884,734
TOTAL JUSTICE & PUBLIC SAFETY	\$923,099,009	\$125,977,090	\$(13,199,833)	\$19,723,150	\$1,055,599,416
NATURAL AND ECONOMIC RESOURCES					
Labor	\$13,830,286	-	\$(188,049)	\$1,720,237	\$15,362,474
Agriculture	42,953,239	-	(411,348)	2,912,114	45,454,005
Commerce	31,913,823	-	(522,491)	25,518,526	56,909,858
MCNC	15,680,000	-	-	3,900,000	19,580,000
Biotechnology	7,014,396	-	-	2,000,000	9,014,396
Rural Economic Development	1,470,000	-	-	7,775,000	9,245,000
Technological Dev. Authority	-	-	-	1,250,000	1,250,000
Housing Finance	-	-	-	5,150,000	5,150,000
Env./Health/Natural Resources	215,469,490	-	(6,909,030)	18,237,448	226,797,908
TOTAL NATURAL & ECONOMIC RESOURCES	\$328,331,234	-	\$(8,030,918)	\$68,463,325	\$388,763,641

	1993 Session	Crime Session	May Session		Total Authorizations
			Reductions	Increases	
DEPARTMENT OF TRANSPORTATION					
Aid to Railroads	\$100,000	-	-	-	\$100,000
Aeronautics	9,016,571	-	-	-	9,016,571
Air Cargo	-	-	-	-	-
TOTAL DEPARTMENT OF TRANSPORTATION	\$9,116,571	-	-	-	\$9,116,571
GENERAL GOVERNMENT					
Administration	\$52,530,060	-	\$(1,309,494)	\$1,759,817	\$52,980,383
Cultural Resources	42,699,770	-	(210,314)	4,565,241	47,054,697
General Assembly	24,732,877	65,000	-	7,141,250	31,939,127
Office of the Governor	5,860,409	-	(22,107)	217,085	6,055,387
Office of State Budget & Management	3,434,483	-	(56,253)	93,342	3,471,572
Special Appropriations	-	930,000	-	7,397,500	8,327,500
Office of State Planning	1,604,233	-	-	184,536	1,788,769
Insurance	12,998,139	-	(120,000)	1,266,791	14,144,930
Lieutenant Governor	599,843	-	-	-	599,843
Administrative Hearings	1,933,500	-	-	-	1,933,500
Revenue	53,914,171	-	(357,326)	10,558,294	64,115,139
Rules Review Commission	258,593	-	-	-	258,593
Secretary of State	4,837,901	-	(63,319)	229,931	5,004,513
Auditor	7,845,701	-	(6,400)	1,088,896	8,928,197
Controller	6,411,017	-	(554,163)	14,903,007	20,759,861
Board of Elections	545,885	-	(23,280)	1,976,921	2,499,526
State Treasurer	6,344,754	-	(71,910)	635,000	6,907,844
Special Contribution - Pensions	5,437,248	-	-	2,200,000	7,637,248
TOTAL GENERAL GOVERNMENT	\$231,988,584	\$995,000	\$(2,794,566)	\$54,217,611	\$284,406,629

	1993 Session	Crime Session	May Session		Total Authorizations
			Reductions	Increases	
RESERVES					
Contingency and Emergency	\$1,125,000	-	-	-	\$1,125,000
Salary Adjustment	500,000	-	-	500,000	1,000,000
Salary Increases	116,549,560	-	(2,213,278)	282,926,584	397,262,866
Compensation Bonus	-	-	-	35,421,158	35,421,158
Lowest Paid Employee	1,400,724	-	-	-	1,400,724
Reserve for Bloodborne Pathogens	1,000,000	-	-	1,000,000	2,000,000
Reserve Retiree 30% Reduction	(7,247,298)	-	(16,318)	-	(7,263,616)
Wage Floor - Lowest Paid Employees	135,500	-	-	-	135,500
Reserve - Health Care Initiatives	2,000,000	-	-	-	2,000,000
Reserve - Public Schools' Employees'					
Sick Leave Bank	1,000,000	-	-	-	1,000,000
Education Technology	-	-	-	42,000,000	42,000,000
Match Statewide Programs	-	-	-	3,000,000	3,000,000
Subsistence Increase	-	-	-	1,600,000	1,600,000
Voter Registration	-	-	-	1,000,000	1,000,000
Tort Claims	-	-	-	400,000	400,000
Day Care Provider Record Check	-	-	-	250,000	250,000
Retirement Rate	1,316,400	-	-	-	1,316,400
TOTAL RESERVES	\$117,779,886	-	\$(2,229,596)	\$368,097,742	\$483,648,032
Debt Service	\$89,113,783	-	-	\$25,723,695	\$114,837,478
TOTAL CURRENT OPERATIONS	\$8,779,520,532	\$193,153,009	\$(234,943,264)	\$857,778,746	\$9,595,509,023
Reserve for Restoration of Pay Dates - June 1995	-	-	-	\$120,000,000	\$120,000,000
LOCAL GOVERNMENT TAX REIMBURSEMENT	\$236,824,154	-	-	-	\$236,824,154
Savings Reserve	-	-	-	66,700,000	66,700,000
CAPITAL IMPROVEMENTS	-	\$36,625,400	-	\$152,766,050	\$189,391,450
GRAND TOTAL	\$9,016,344,686	\$229,778,409	\$(234,943,264)	\$1,197,244,796	\$10,208,424,627

THE 1994 SPECIAL CRIME SESSION

Lawmakers returned to Raleigh on February 8, 1994 for a seven week session to take appropriate actions to combat crime.

LEGISLATIVE ACTION

Punishment:

The General Assembly passed three bills with life sentences: for first-degree murderers; for brutal rapists; and, for three-time violent felons. A "life without parole" sentence allows lifers, after 25 served years, a right to a hearing for possible release. This review is mandated every two years thereafter.

Youthful offenders of ages 14 and 15 who have committed violent crimes will not automatically be tried as adults and locked up in adult prisons if convicted. Judges will continue to decide whether to try a child as a juvenile or an adult. This law was amended to include 13 year old youthful offenders also.

Felons who possess or use a gun while committing a serious crime will receive an extra five years on their sentence. Legislation barring felons from owning or possessing guns failed to pass as did mandatory gun registration and licensing.

Budget:

Governor Hunt's Crime Fighting Plan budget proposals were approved as shown below:

	1993-94	1994-95	Total
I. KEEP DANGEROUS CRIMINALS BEHIND BARS LONGER AND MAKE PUNISHMENT A REAL DETERRENT			
1. <u>Increase Prison Capacity</u>			
a. Build 1,040 New Beds	\$21,483,914	\$15,500,000	\$36,983,914
b. Lease County Jail Space	—	8,358,000	8,358,000
c. House 1,000 Prisoners in Out-of-State Facilities	—	24,972,000	24,972,000
d. Reserve to Allow for Contracting for 500 Beds for Drug and Alcohol Users	—	5,173,000	5,173,000
e. Drug Alcohol Recovery Treatment - DART	1,425,000	1,200,000	2,625,000
f. Use Existing Space More Efficiently	—	1,639,500	1,639,500
II. DEVELOP A NEW APPROACH TO JUVENILE CRIME			
1. <u>Deter Children from Becoming Criminals</u>			
a. Grants to "Save Our Students" Pilot projects	—	5,000,000	5,000,000
b. Finance Family Resource Center Grant Program	—	2,055,000	2,055,000
c. Build Wilderness Camps to Help Youngsters Turn Their Lives Around	750,000	2,566,000	3,316,000

THE 1994 SPECIAL CRIME SESSION (Continued)

	1993-94	1994-95	Total
d. Build New Boot Camp for Youthful Offenders	1,100,000	1,516,666	2,616,000
e. Expand Mentor Training Program Programs for Coaches	—	534,000	534,000
f. Expand the Governor's One on One Program	—	1,150,000	1,150,000
g. Evaluate State Training Schools and Community-Based Alternative Program	150,000	—	150,000
2. <u>Tougher Punishment for Young Criminals</u>			
a. Reserve for Detention Center Beds	1,600,000	—	1,600,000
b. Expand Training School Beds Staff	—	7,279,419	7,279,419
III. MAKE THE CRIMINAL JUSTICE SYSTEM WORK BETTER			
1. <u>Put Victims First</u>			
a. Victims Compensation Funds	—	3,800,000	3,800,000
b. Victims Assistance Network Grant	—	150,000	150,000
2. <u>Speed Up the Process and Eliminate Loopholes</u>			
a. Set Up Statewide Criminal Justice Information System	100,000	930,000	1,030,000
3. <u>Deal More Effectively with Drug and Alcohol Offenders</u>			
a. Reserve to establish Drug Treatment for First-Time Offenders	—	800,000	800,000
TOTAL	\$26,608,914	\$82,623,585	\$109,232,499

ITEMS SET BY THE 1993 GENERAL ASSEMBLY:

	1993-94	1994-95	Total
I. STRUCTURED SENTENCING, Effective October 1, 1994			
a. Judicial	—	\$4,161,258	\$4,161,258
b. Treatment Alternatives to Street Crime Program	—	1,359,380	1,359,380
c. Correction	—	20,939,488	20,939,488
d. Crime Control	—	180,000	180,000
CRIMINAL JUSTICE PARTNERSHIP ACT, effective April 1, 1995	—	3,250,000	3,250,000
II. OPERATING COSTS FOR NEW FACILITIES			
a. \$87.5 million prison bond construction	—	27,226,662	27,226,662

THE 1994 SPECIAL CRIME SESSION (Continued)

	1993-94	1994-95	Total
b. Reserve for facilities listed below	—	672,652	672,652
III. CONSTRUCTION OF PLANNED FACILITIES			
a. Eastern Processing Center	—	21,006,000	21,006,000
b. Marion addition	—	5,358,900	5,358,900
c. Consolidation of five prison units	—	10,260,500	10,260,500
Subtotal	—	94,414,840	94,414,840
IV. INTERVENTION/PREVENTION			
a. Public Education:			
1. Low Wealth School Systems: supplemental funding	—	10,000,000	10,000,000
2. Local program to assist children at risk of school failure	—	18,237,120	18,237,120
3. Intervention/Prevention Grant Program as designed by local units choice	—	12,000,000	12,000,000
b. Human Resources			
1. Outcome-Based Enhancement of the Community-based Alternatives Program	—	5,000,000	5,000,000
V. OTHER ITEMS:			
a. Studies/Oversight			
1. Joint Legislative Correction Oversight Committee	—	25,000	25,000
2. Farm Camp Programs	25,000	—	25,000
3. Welfare Reform	20,000	40,000	60,000
b. Police Information Network access for District Attorneys	30,000	—	30,000
c. Legal staff within the Justice Department to be assigned to the Department of Correction	—	225,208	225,208
d. Automated Fingerprint Identification System upgrade	—	3,471,692	3,471,692
e. Family Preservation Services	—	500,000	500,000
f. Alternatives to Detention Program established	125,000	500,000	625,000
g. Substance Abuse Programs established in each of five prisons located near urban areas	—	1,545,345	1,545,345
h. Post-Boot Camp program for up to 180 probationers	—	452,619	452,619
i. Pilot programs for treatment of parolees and probationers with substance abuse problems	—	583,000	583,000

THE 1994 SPECIAL CRIME SESSION (Continued)

	1993-94	1994-95	Total
j. Greater After Prison Support Program	—	85,000	85,000
k. "Teen Court" Program Reserve	—	75,000	75,000
TOTAL	\$26,808,914	\$229,778,409	\$256,587,323
NON-RECURRING —OPERATING	\$325,000	\$24,886,165	
—CAPITAL	\$26,358,914	\$36,625,400	
RECURRING	\$125,000	\$168,266,844	

1994 SESSION

The net General Fund budget authorizations as approved during the 1994 Session for 1994-95 are increased by \$962.3 million. Major changes are as follows:

	(in Millions)
Teacher Paydate Restoration	\$120.0
Savings Reserve Appropriation	66.7
Capital Outlay	152.8
Debt Service Requirements Related to \$740 Million Bonds	25.7
Salary Increases/Bonuses	354.6
Differentiated Pay/Non-Certified Personnel	10.4
Low Wealth/Small Schools	10.0
School Bus Replacements	22.6
University, and Community Colleges Enrollment/ Public Schools Average Daily Membership Adjustments	(26.9)
Public Schools — Average Salary Adjustment Based upon Payroll Experience	(16.0)
Education Technology Reserve	42.0
Basic Education Program	46.6
School Bus Drivers/Substitute Teachers Pay Increase	6.9
Medicaid/AFDC Growth Projections Adjusted	(86.8)
Medicaid Coverage for Elderly, Blind, and Disabled Effective January 1, 1995	20.0
Rest Home Rate Increase — 4%	4.8
Subsidized Child Day Care Supplement	5.1
Vacant Positions Deletion	(9.6)
Mental Health Study Commission/Coalition 2001	16.5
Smart Start Expansion to 12 More Counties	19.1
Willie M/Thomas S	13.7
Information Highway Grants	7.0
Foster Care/Adoption Assistance Monthly Rate Increase (Graduated)	3.5
Emergency Assistance Program Supplement to Extend Availability Year-Round	2.4
Voter Registration — Grants to Counties and Computerization	2.5

MAJOR INITIATIVES

EARLY CHILDHOOD PROGRAMS

Local Public-Private Partnerships — The 1993 Session provided support for twelve early childhood pilot projects. This initiative proposes that local public-private partnerships develop plans to provide high quality day care to every child who needs it. The State is to provide increased subsidies for day care centers and to encourage them to upgrade their programs. When fully implemented statewide, this program is estimated to cost from \$200 million to \$250 million annually.

The 1994 Session provided for the addition of twelve counties and added for projected growth in the number of children in each county for the initial twelve projects.

1993-94	\$20,000,000
1994-95 (1993 Session)	\$27,640,000
1994-95 (1994 Session)	\$19,123,782

Day Care Staff-Infants/Toddlers Ratios — Ratios for day care staff to child are lowered to provide one staff person for every five infants; one for every six one-year old; and, one for every ten two-year olds.

1993-94	\$1,400,000
1994-95	\$2,216,293

Child Day Care Credit Expansion — Beginning in January 1994 parents making \$40,000 or less will be entitled to an expanded tax credit for child day care.

1994-95	\$4,000,000
---------	-------------

Immunization — Staff positions and funds to purchase pharmaceuticals were approved in efforts to fully immunize all of North Carolina's children. The program includes an eight-year phase-in of recommended dose of Measles, Mumps, Rubella (MMR) vaccine for children.

1993-94	\$3,500,000
1994-95	\$7,200,000

At-Risk Child Care Matching Funds — Support to allow the State to receive all entitlements for this purpose at the current federal financial participation rate.

1993-94	\$126,000
1994-95	186,200

Monitoring Compliance Staff — Adds staff to monitor and provide technical assistance to child day care centers and homes.

1993-94	\$300,000
1994-95	\$438,672

TEACH Funds — Provide support for the Teacher Education and Compensation Helps Early Childhood Project to allow child day care teachers to seek continuing education.

1993-94 (1993 Session)	\$1,000,000
1994-95 (1994 Session)	\$1,000,000

MAJOR INITIATIVES (Continued)

HEALTH CARE

Caring Program for Children — State funds, together with corporate grants of \$360,000 will allow this statewide, non-profit program to provide health insurance for children of "working poor" families — those who earn too much to qualify for Medicaid but not enough to afford medical insurance. For \$264 a year per child, the program pays for immunizations, office visits, diagnostic testing, outpatient surgery and emergency care. These funds will cover approximately 2,200 of the estimated 168,000 children not receiving care.

1993-94	\$500,000
1994-95	\$500,000

Cancer Control Fund — The 1993 Session doubled this fund, money set aside for poor working people who are believed to have cancer but can't afford to be diagnosed or who are known to have cancer but can't afford treatment. This will allow approximately 12,000 people to be served, compared to 5,600 people served in 1992-93. The additional support will change the guidelines to include incomes up to 100 percent of the federal poverty level - about \$14,350 for a family of four or \$9,430 for a family of two. Of those who meet the income requirements, only those who have been diagnosed for - or already have - cancers with high rates of survival receive the funds.

1993-94	\$1,450,000
1994-95	\$1,645,000

Health Care Reform Bill —

- (1) **New Health Planning Commission** — Established a new health planning commission headed by the Governor to study proposals for universal health care that would provide insurance for every State resident, including a managed competition, a plan which would operate through a system of community-based health organizations funded by the State.
- (2) **Small Employers' Insurance** — This law also encourages small businesses to join alliances (regional cooperatives) to increase their bargaining power when negotiating for employee health care insurance. A State board will authorize the alliances and regulate the health plans.
- (3) **Uniform Claim Form** — The Department of Insurance is required to develop a uniform claim form to be used by all health providers.
- (4) **Antitrust Protection** — The bill also provides antitrust protection to hospitals that work with other hospitals and health-care providers to reduce costs and avoid duplication of services.
- (5) **Primary Care Doctors** — Each of the State's four medical schools are required to develop plans to turn out more primary care doctors rather than specialists.

1993-94	\$5,500,000
1994-95	\$2,000,000

Nursing and Rest Homes — Under a new law the State will be allowed to hire temporary managers to correct problems at homes for the elderly and disabled.

MAJOR INITIATIVES (Continued)

Physician Referrals — Under a new law, doctors are barred from referring patients to labs or diagnostic centers in which they have a financial interest.

Certificate of Need Limited — The State must now decide which hospitals in a given area may purchase medical equipment and establish services based on need regardless of its associated costs. Prior to this change, any hospital was free to buy equipment and set up services without State permission as long as they could do it for less than \$2 million.

Illegal to Obstruct Access to Health Clinics — Effective October 1993, it will be a misdemeanor to block access to a health care facility in a manner that deprives or delays a person from obtaining or providing health care. Penalties increase with successive violations; a third offense is a felony.

ECONOMIC DEVELOPMENT

Automotive Technology Center — Echoing the pioneer economic development efforts in the 1950s which created the Research Triangle Park, Governor Hunt proposed a "Center for Advanced Automotive Technology", visioned to be a combined research center and campus offering training in auto design, manufacturing, testing, marketing and service. Specifically, this facility and its state-of-the-art equipment, including a telecommunications network to link the Center to training locations throughout the State, was presented as an incentive to lure Mercedes-Benz to the State. Mercedes plans to build a \$300 million facility within the U.S. boundaries. The facility will employ about 1,500 people to manufacture approximately 60,000 vehicles annually. Legislative approval for the financial incentive includes restrictions stating that no funds can be expended until the Governor receives a written, binding agreement from a major automobile manufacturing company to build a plant in North Carolina.

1993-94	\$35,000,000
---------	--------------

These funds reverted to General Fund at the end of fiscal year 1993-94; Mercedes chose Alabama as site for plant.

Global TransPark Development Zones — Program to assist local areas surrounding the Global TransPark air cargo facility in Lenoir County to develop infrastructure.

1993-94 (1993 Session)	\$7,500,000	General Fund
------------------------	-------------	--------------

In addition, the Highway Fund is to support continuing cost for promotion and administrative cost of the Authority.

1993-94 (1993 Session)	\$750,000
1994-95 (1993 Session)	\$750,000

The 1994 Session added support for an environmental impact statement and other selected projects.

1994-95 (1994 Session)	\$2,870,000
------------------------	-------------

MAJOR INITIATIVES (Continued)

Regional Economic Development Commissions — The 1993 Session authorized three regional commissions for the most economically distressed areas in the State at a cost of \$.6 million in 1993-94 and \$1.25 million in 1994-95 for each.

- (a) The Western Commission covers Buncombe, Cherokee, Clay, Cleveland, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Polk, Rutherford, Swain, Transylvania, and Yancey Counties.
- (b) The northeast region covers Beaufort, Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Hyde, Martin, Northampton, Pasquotank, Perquimans, Tyrrell, and Washington Counties.
- (c) The southeast region covers Bladen, Brunswick, Columbus, Cumberland, Hoke, New Hanover, Pender, Richmond, Robeson, Sampson, and Scotland Counties.

The role of each Commission is to develop a plan to promote its area to an industry that may wish to locate within the State in order to directly or indirectly benefit from employment gains.

The 1994 Session added two commissions and directed the Department of Commerce to assign each non-participating county as of July 1, 1994 to a new regional commission, an existing commission or one of the commissions established in 1993. Language was also adopted to allow the Department of Commerce to reassign counties to commissions. The North Carolina Global TransPark Development zone was declared a commission also, but is prohibited from receiving funds authorized here since it has received other appropriations for its activities and promotion.

1993-94 (1993 Session)	\$1,800,000
1994-95 (1993 Session)	\$3,750,000
1994-95 (1994 Session)	\$2,100,000

Unemployment Insurance Rates Reduction — Because of surplus funds, the unemployment insurance rate was reduced by 30%.

Tax Reduction	\$171 Million
---------------	---------------

Local Bonds to Finance Infrastructure for Industry — In November 1993, voters will be able to support a constitutional amendment that will allow cities and towns to sell bonds to finance infrastructure improvements needed for new industry. Increased property taxes paid by the business would be used to pay off the bonds. (Proposal was defeated by the majority of voters.)

Jobs Tax Credit Expanded — Seventeen more counties will be able to offer a jobs tax credit as an incentive for businesses to locate there. Presently only 33 of the State's most economically distressed counties have this option. Companies that add a minimum of nine new jobs get a \$2,800 per-job credit on their State income taxes.

Industrial Development Loan and/or Grant Fund Doubled — Companies that renovate existing facilities in the State's 50 most distressed counties can receive a grant or loan equal to \$2,400 for each new job created, or a maximum of \$250,000 — up from \$1,200 per job previously.

MAJOR INITIATIVES (Continued)

Industrial Recruitment Fund — Established a reserve to be used to lure companies to North Carolina. These funds can be used for moving costs, infrastructure and installing telecommunications equipment.

1993-94 (1993 Session) \$5,000,000

1994-95 (1994 Session) \$7,000,000

Start-up of an "Electronic Information Highway" — This system will link businesses, schools, and other groups through a statewide telecommunications network.

1993-94 \$4,100,000

The 1994 Session directed that this appropriation revert to the General Fund, but provided support for one-time grants, not to exceed \$100,000 per site to qualified State or local governmental entities who establish Information Highway sites as approved by the Information Highway Grants Advisory Council.

Workforce Preparedness — Funds are to be used for the purposes of promoting competitive salary levels for training personnel, to provide necessary books and equipment for job training and academic instruction and to provide child care for qualifying students who are seeking to enhance their skills.

1993-94 (1993 Session) \$16,900,000

1994-95 (1993 Session) \$8,500,000

1994-95 (1994 Session) \$31,426,058

Specialized Technology Centers — Manufacturing industries are to be assisted by specialized technology centers.

1993-94 \$200,000

1994-95 \$200,000

London Air Route — The General Assembly provided from the Highway Fund a reserve to help American Airlines obtain a route to London out of Raleigh-Durham International. This set aside allows RDU to be a player in competition for the route while Durham city and county, Raleigh, and Wake County are trying to put together a package of monetary contributions.

1993-94 \$5,000,000

Microelectronics Center — Support to launch joint projects between the State and corporations such as MCI. (The Reserve of \$1.0 million for MCI project was not expended during 1993-94; it reverted to the General Fund.)

1993-94 \$2,000,000

MAJOR INITIATIVES (Continued)

STRUCTURED SENTENCING ACT

Effective Date January 1995 — This proposal establishes a grid that judges will use to determine sentences for offenders. The grid ranks crimes according to severity and offenders by their prior records. This Act, with one exception will eliminate parole. The exception, in the case of a life sentence, a judge will have the discretion of ordering life without parole or life with the opportunity for parole after 25 years.

Theoretically, the system is designed to incarcerate more violent criminals while sentencing more people convicted of misdemeanors to alternative forms of punishment.

A judge will impose both minimum and maximum sentences. The offender will be able to earn time off the maximum but could serve no less than the minimum.

Annual Cost Estimate \$30 Million

The 1994 Special Session changed the effective date of this legislation to October 1, 1994 and appropriated \$26.6 million for 1994-95 fiscal year for its implementation. The Criminal Justice Partnership Act, effective April 1, 1995, was funded \$3.3 million.

SCHOOL TECHNOLOGY

School Technology — To begin the advancement of learning and instructional management technology into the public school system, a reserve was created. Funds are to be spent in accordance with legislation to be enacted by the 1995 General Assembly.

1994-95	\$42,000,000
---------	--------------

EDUCATION

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 700,000 different individuals each year.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$393,630,457	\$393,646,998
Continuation Budget Changes:		
1. State Board Reserve — Reduce the State Board of Community College's reserve fund for innovative and pilot projects by 10%.	(100,000)	(100,000)
2. Department of Community Colleges Vacant Positions — Eliminate 3 vacant positions in the Department. Positions eliminated are: <ul style="list-style-type: none">- Education Consultant II- Office Assistant III- Extension Educ. Training Specialist IV	(106,876)	(106,876)
3. Community Services Block Grant — Reduce the Block Grant by one-half. The programs offered by this fund are hobby and leisure courses, not related to job training skills. About 40% of those enrolled are senior citizens who take these courses free of charge. Others are charged a fee that varies by college. The other program offered by this fund is the Visiting Artist program. Approximately \$500,000 was spent for that purpose during the 1991-92 fiscal year.	(1,952,298)	(1,952,298)

DEPARTMENT OF COMMUNITY COLLEGES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
4. Other Departmental Savings —		
(a) Data processing savings	(\$40,000)	(\$40,000)
(b) Inventory reduction	(400)	(400)
5. Administrative Cuts — Reduce the formula allotment for senior administrators and administrators of programs from a ratio per 110 FTE to one based on every 125 FTE. (It would cut less than 30 equivalent positions statewide.)	(1,563,777)	(1,563,777)
6. Prison Education Profit Cuts — Community Colleges receive funds for teaching prisoners if they are on the rolls at the 20% point of the class. Many of them are transferred to other prisons after the start of classes, but the colleges still receive FTE for them for the entire course. If they were paid only for the actual hours taught, there would be substantial savings every year.	(1,000,000)	(1,000,000)
TRANSFER:		
1. Transfer Sheltered Workshop Funds from Community Colleges to the Department of Human Resources	(1,059,002)	(1,059,002)
TOTAL BASE BUDGET REDUCTIONS	(\$5,822,353)	(\$5,822,353)
REVISED CONTINUATION BUDGET	\$387,808,104	\$387,824,645

.....

EXPANSION BUDGET

1. Enrollment Increases — Fully funds the enrollment increases of 3,485 FTE during the 1992 fiscal year.	\$7,689,837	\$7,689,837
2. Hospital Nursing Diploma Program — Subsidy for five hospital-based nurse training programs.	200,000	200,000
3. Specialized Technology Centers for Manufacturing — Funds for specialized technology centers to assist manufacturing industries.	200,000	200,000

DEPARTMENT OF COMMUNITY COLLEGES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
4. Workforce Preparedness - Child Care Grants — To provide child care grants to community colleges.	\$1,500,000	\$1,500,000
5. Workforce Preparedness - Competitive Salary Levels — To provide additional faculty salary funds.	6,000,000	6,000,000
6. Workforce Preparedness - Counselor Positions — To fund additional counselor positions.	1,000,000	1,000,000
7. Workforce Preparedness - Equipment and Books — To provide additional funds for equipment and books. (\$6.2 million - equipment 2.2 million - books)	8,400,000 NR	—
NON-RECURRING EXPANSION	\$8,400,000	—
RECURRING EXPANSION	\$16,589,837	\$16,589,837
TOTAL EXPANSION BUDGET	\$24,989,837	\$16,589,837
TOTAL OPERATING BUDGET	\$412,797,941	\$404,414,482

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

- Section 102** **Course Repetition Policy —** Limits the number of times a person may take a community college occupational extension course to twice without paying the full per student cost. It allows an exemption for students repeating courses necessitated by licensure or recertification requirements.
- Section 103** **Audit Policies —** Tightens up the policies used by community college program auditors to ensure better compliance with State and federal laws and regulations. In addition, it imposes a 25% penalty on audit exceptions.
- Section 104** **Community College In-Plant Training —** Approves the program restrictions adopted by the State Board in order to bring the in-plant training program in line with legislative intent. It also allows overhead charges to be increased from 15% to 25%. In addition, it requires the State Board to make a written finding that each in-plant training program is operating with the public interest predominating over the private interest of the company.
- Section 105** **Prison Education —** Changes the method of counting full-time equivalent students (FTE) in the prison system to a contact hour basis and requires the State Board to develop a plan for the delivery of appropriate education in correctional facilities.

DEPARTMENT OF COMMUNITY COLLEGES (1993 Actions, Continued)

- Section 106** **Huskins Program** — Requires the State Board to have a study made of all Huskins bill courses taught at high schools to determine if there is any duplication in vocational, technical, or advance placement courses. In addition, the Board shall assure that all Huskins bill courses are actually college level work.
- Section 107** **Community College Sheltered Workshop Funds Transferred** — Directs DHR to allocate funds transferred to those sheltered workshops that received funds from community colleges in the fall of 1992. It also provides that community colleges may offer only compensatory education and literacy programs in sheltered workshops.
- Section 108** **Remediation Measures** — Directs the State Board of Community Colleges to study the issue of tests and proficiency levels for placing students in developmental courses.
- Section 109** **Community College Accountability Measures** — Requires the State Board to establish standards for institutional performance on certain accountability measures and to follow-up on colleges that fall below the standards. In addition, it requires the Board to direct colleges to create an accountability measurement that will provide data on graduate placement rates and employer, graduate and early leaver's satisfaction with the college's training programs.
- Section 110** **Maintenance of Plant** — Codifies the policy on maintenance of plant that provides funds to colleges whose out-of-county student headcount served on the main campus exceeds 50% of the total student headcount.
- Section 111** **Operating Appropriations/Not Used For Recreation Extension** — Requires all recreation programs to be offered on a self-supporting basis.
- Section 112** **Full-Time Equivalent Teaching Positions/Community Colleges** — Allows the faculty-student ratio for curriculum programs to be determined by the funds available in the appropriations bill and sets the occupational extension ratio at 1 to 23.
- Section 113** **Books and Equipment Appropriations/Revert After One Year** — Allows community colleges two years to spend their books and equipment funds.
- Section 114** **Tech Prep Implementation** — Requires the Department of Public Instruction and the Department of Community Colleges to each provide \$50,000 each fiscal year to the Tech prep Leadership Development Center at Richmond Community College.
- Section 115** **Community College Faculty Salaries** — Requires each community college to pay its full-time curriculum faculty an average salary equal to the amount appropriated for the curriculum instructional unit value. The amount in the budget for that unit value for 1993-94 is \$34,262. It also allows the State Board of Community Colleges to grant exemptions to those colleges that are unable to meet this requirement if they provide sound educational reasons for non-compliance.

DEPARTMENT OF COMMUNITY COLLEGES (1993 Actions, Continued)

Section 116 **Hosiery Technology Center Funds** — Allocates \$50,000 of the funds appropriated for specialized technology centers to be used for a Hosiery Technology program to provide assistance to hosiery manufacturers in the State.

Sections 117-120 **GPAC/Community Colleges** — Implements many of the GPAC recommendations for Community Colleges:

- o Directs the State Board to develop a tuition and fee policy that keeps these expenses to less than 20% of the per capita student funding;
- o States that the goal of the General Assembly is to increase per student funding as money is available;
- o Directs the State Board to develop a program-based funding system; adopt guidelines for multi-campus and off-campus centers; and study the structure of the system based on a regional review of program needs to eliminate unnecessary duplication.
- o Requires the Board to develop a plan for a Challenge Grant Scholarship Fund.

Section 124 **Proration of FTE Reimbursements/Minimum Class Size Study** — Directs the State Board to develop a plan to prorate the FTE earnings to colleges based on their respective costs when they operate a joint program or when one college offers a program on another college's campus.

It also requires the Board to study the issue of minimum class size.

Section 124.1 **Assistance to Hospital Nursing/Fund Distribution** — Sets out the method of allocation for the hospital-based diploma nursing funds.

Section 124.2 **Student Census Date** — Changes the student census date for reporting FTE hours from the 20% point to the 30% of the class.

SENATE BILL 26 (Chapter 561)

Section 50 **Certain Refugees State Residents for Community College Tuition Purposes Continued** - Allows persons designated as refugees to continue their classification as residents for tuition purposes at community colleges. It deletes the original sunset provision in the law.

Section 51 **Books and Equipment Appropriations/Changes in Specifications Regarding Reverting** - Allows community colleges five years rather than two to spend their equipment appropriations. In addition, it prohibits the transfer of equipment funds for other purposes.

1994 ACTIONS

		1994-95 General Fund
TOTAL OPERATING BUDGET —1993		\$404,414,482
1. Work Force Preparedness:		
A. Competitive Salary Levels for Curriculum Faculty — These funds would provide an average additional 4% salary increase to curriculum faculty to recruit and retain a core of outstanding faculty at competitive salary levels.	\$8,402,860	
B. Equipment — Funds to purchase equipment at all 58 community colleges.	10,800,000	NR
C. Books — Funds for book purchases at all community colleges to help meet accreditation requirements.	2,200,000	NR
D. Complete the Human Resource Development Program (HRD) — Currently 44 of the 58 community colleges have an HRD program. These funds will provide a program at the remaining 14 colleges. The program assists public assistance recipients with skills that help them get jobs and reduce public assistance costs.	1,408,554	
E. Specialized Technology Centers — Funds to expand the Center for Applied Textile Technology (\$300,000) and enhance the training at the six regional law enforcement training centers (\$242,885).	542,885	
F. Instructional Support — The State Board of Colleges has identified a need for additional counseling and support personnel, including career development specialists, academic advisors, financial aid specialists, placement directors, employment counselors, disabled services directors, and clerical support.	6,016,047	
G. Literacy Education — These dollars will fund full-time literacy instructors, workplace literacy sites and family literacy programs.	1,552,712	
H. Child Care Grants — Funds are made available to assist students who are in need of child care services in order to complete their community college education. Studies show a much higher retention rate for students who have child care available.	500,000	
2. Enrollment Decline — Revised enrollment figures indicate a decline in full-time equivalent students for the community college system.	(8,964,210)	

DEPARTMENT OF COMMUNITY COLLEGES (1994 Actions, Continued)

	1994-95 General Fund	
3. Complete Small Business Centers — Funds to establish small business centers at the five community colleges without them: Bladen CC, Pamlico CC, Montgomery CC, Tri-County CC (in Murphy), and Fayetteville TCC (10 months).	231,241	
4. Department of Community Colleges 1% Cut — (Included in Governor's budget)	(87,265)	
7. Trustee Education Funds — Provides funds for local trustee education.(HB 1840)	25,000	
8. Cape Fear Community College — Burn Pit cleanup (HB 1800).	100,000	NR
9. Wilson Tech — Oil cleanup (HB 1714)	108,500	NR
10. Delete two staff positions and their related benefits (part of \$10.0 million vacant positions reduction)	(64,158)	(-2)
NET CHANGE	\$22,772,166	
TOTAL OPERATING BUDGET	\$427,186,648	

.....

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

- Section 18** **Program Regionalism** — Makes the legislative intent clear on the need for more program regionalism instead of duplication. It puts the burden of proof on colleges requesting new programs to show why they can't be done on a regional basis.
- Section 18.1** **Continuing Budget Concept** — The State Board, the GPAC, and the General Assembly have asked for more budget stability for community colleges to help stop the FTE chase. This provision will combine stability with an FTE component and requires program cost-based budgeting for all future FTE requests.
- Section 18.2** **State Board Reserve Funds** — Requires the State Board to fund the additional costs for central library book cataloging out of Board Reserve funds and allows the Board also to use these funds for leadership development programs.
- Section 18.4** **Prison Classes** — Codifies the special provision you adopted last session to only pay for the inmates the community colleges actually teach.

COMMUNITY COLLEGE SPECIAL PROVISIONS (1994 Actions, Continued)

In addition, it closes a loophole colleges have been using to get around last year's special provision by preventing them from putting inmates in a class for the last week or just a day or two of a class. It will enhance the educational soundness of prison classes.

Section 18.5

Community Colleges Behind Walls — Requires the State Board to develop a plan to create some comprehensive community colleges in the prison system just to educate and train inmates.

Section 18.6

Competitive Salary Levels for Curriculum Faculty —

- (1) Requires all community colleges that have average curriculum faculty salaries below the systemwide average to use the 4% across-the-board money and the additional 4% salary funds to increase full-time curriculum faculty salaries by 8%.
- (2) It also requires the State Board to develop policies for the use of salary funds to provide as near as practical for a systemwide faculty salary of 102% of the unit value in the funding formula.
- (3) It prohibits colleges that pay their curriculum faculty less than the systemwide average salary from transferring money into administrative costs.

Section (b) requires the State Board to submit all local community college faculty salary schedules to the 1995 General Assembly.

Section 18.7

Establish Grants for Visiting Artists' Program

Earmarks 5% (\$95,820) of the Community Services Block Grant Program for competitive grants for Visiting Artists in local Community Colleges.

PUBLIC EDUCATION

STATUTORY AUTHORITY: General Statutes, Chapter 115C

The State Board of Education consists of 13-members (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.

The major duties of the board 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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$3,445,213,790	\$3,501,014,053
Continuation Budget Changes:		
1. DPI Reorganization — Reorganize DPI and reduce positions. Reduction of 86 positions over the biennium. 57 General Fund supported positions.	(763,366)	(1,781,186)
2. Rent Savings — Savings from moving offices from rental space into the new education building.	(58,251)	(58,251)
3. Contracts — Reduce Contracts and Grants.	(67,562)	(67,562)
4. Inservice Training — Reduce inservice Training.	(35,418)	(35,418)
5. Teacher Fellows Commission — Reduce balance in Trust Fund for Teaching Fellows Program. Balance was created by repayments of loans. This action does not reduce the number of scholarships available each year.	(700,000)	(500,000)
6. Prospective Teacher Scholarship Loan Program — Reduce balance in Trust Fund from repayments. This action does not reduce the number of scholarships available each year.	(17,040)	(17,040)
7. SIPS Charges — Reduce data processing charges by 30%.	(300,000)	(300,000)
8. Inventory Reductions — Reduce inventories in the Department of Public Instruction.	(17,500)	(17,500)
9. Pupil Transportation — Reduce funds appropriated for pupil transportation program based on current fuel prices.	(2,500,000)	(2,500,000)

PUBLIC EDUCATION (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
10. Career Development — Continue phase-down of funds. Reduce to 5% in FY 1994-95. Only the following systems receive funds under this budget item: Burlington, Alexander, Buncombe, Burke, Chowan, Tarboro, Greene, Roanoke Rapids, Harnett, Haywood, Mecklenburg, Montgomery, New Hanover, Orange, Perquimans, Salisbury-Rowan. All other systems are eligible to participate in the 2% distribution of differentiated pay funds, if those funds are provided in the expansion budget.	—	(7,836,901)
11. Stipend - Recruiting Office — Eliminate the allotment of \$300 per high school. If this function is necessary, teachers could choose to make this a part of their differentiated pay plan at the high school.	(124,398)	(124,398)
12. ADM Adjustment — Fund additional public school enrollment, beyond the average daily membership increases provided in the Governor's recommended continuation budget.	11,064,190	15,250,246
13. Average Salaries — Recalculation of average salaries for public schools based on the December 1992 payroll. The Governor's recommended budget was based on earlier payroll calculations.	(8,217,041)	(8,394,415)
TOTAL BASE BUDGET REDUCTIONS	(\$1,736,386)	(\$6,382,425)
REVISED CONTINUATION BUDGET	\$3,443,477,404	\$3,494,631,628

EXPANSION BUDGET

Department of Public Instruction

- | | | |
|--|-------------|-------------|
| 1. Testing — Additional funds to complete implementation of the End-of-Course End-of-Grade Testing Program. | \$1,789,760 | \$1,789,760 |
|--|-------------|-------------|

Public School Fund

- | | | | |
|---|------------|----|------------|
| 2. Differentiated Pay — Provide differentiated pay for employees in the public schools. Participation in differentiated pay is based on the local school improvement plan. | 38,827,392 | NR | 38,827,392 |
|---|------------|----|------------|

PUBLIC EDUCATION (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
3. Teacher Longevity - Increase support at rates established by the teacher salary schedule. This does not change the rate, but rather fully funds longevity at current budget projections.	\$7,000,000	\$7,000,000
4. Basic Education Program — Increase counselors, social workers, and other instructional support personnel to help reduce violence in the public schools.	10,000,000	10,000,000
5. Low-Wealth School System — Provide additional supplemental funding to low wealth school systems. Funding formula was modified by the 1993 General Assembly.	9,000,000	9,000,000
6. Small School Systems — Provide additional supplemental funding for small county school systems.	4,000,000	4,000,000
7. Exceptional Children — Increase funding amounts for both handicapped and academically gifted students. Add \$1 million in non-recurring funds to those systems with handicapped children over the 12.5% cap.	4,583,598 <u>1,000,000</u> NR 5,583,598	4,583,598
8. Textbook Purchase — Increase funding for textbooks to \$28 per student in grades 1-12, and \$28 per student in kindergarten.	5,732,985	5,901,050
9. Supplies and Materials — Increase funding for supplies, materials, and equipment.	2,500,000 NR	—
10. Safe School Grants — Provide funds for safe school grants to assist local schools in reducing school violence.	2,500,000	2,500,000
11. Tech Prep — Increase Tech Prep funding. State and \$3 million in federal funds will provide for expansion of this program in the current biennium.	100,000	100,000
12. Governor's Schools — Increase funding for the Governor's Schools.	100,000	100,000
13. Mobile Preschool Pilot Program — Establishes pilot mobile preschool program in McDowell County.	50,000 NR	—
14. Parent-as-Teachers — Establishes pilot parent-as-teacher program in two school districts, Wake and Rutherford County.	100,000 NR	—

PUBLIC EDUCATION (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
15. Task Force on Teacher Staff Development — Funds the task force established under Section 141 of the 1993 Appropriations Act.	\$300,000 NR	—
16. Staff Development Fund — Provides additional funds for staff development in all school systems.	2,000,000 NR	—
17. Model Teacher Consortium — Add Bertie County to the existing consortium in northeastern North Carolina.	15,000	15,000
18. School Buses — Funds for school bus replacements. This funding plus the funds in the continuation budget are designed to return the state to its normal replacement cycle on school buses.	24,015,485 NR	—
19. School Technology Commission — Funds the commission to study the use of technology in the public schools. This Commission is established under Section 135 of the 1993 Appropriations Act.	300,000 NR	—
20. Public School Forum — Support for additional administrative costs associated with the Teaching Fellows Program.	75,000	75,000
21. Advanced Placement Tests — Funds pilot program on advancement placement tests. Requires one-to-one local match.	550,000 NR	—
22. Cued Speech Center of Wake County — Funds for transition services.	95,000 NR	—
23. Small School Supplemental Funding — Hold harmless Jackson and Ashe Counties for FY 1993-94 only.	600,565 NR	—
24. Library Technology Funds — Funds to improve the technology in public school libraries.	5,000,000 NR	—
NON-RECURRING EXPANSION	\$75,338,442	—
RECURRING EXPANSION	\$44,896,343	\$83,891,800
TOTAL EXPANSION BUDGET	\$120,234,785	\$83,891,800
TOTAL OPERATING BUDGET	\$3,563,712,189	\$3,578,523,428

PUBLIC EDUCATION (1993 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS — 1993

SENATE BILL 27 (Chapter 321)

- Section 125** **Freshman Performance Reports Made Available To Parents of High School Students** — Rewrites G.S. 115C-12(18)c to require local boards of education to provide parents and the general public with freshman performance data provided by institutions of high education.
- Section 126** **Career Development Funds: 1994-95 Reduction** — Reduces funding for school systems receiving career development funds to 5% of certified payroll in FY 1994-95. For the FY 1993-94 school year these systems will receive funding at 7% of the certified payroll. Provides that the intent of the General Assembly is that employees not receive less in salary and bonus in FY 1994-95 than they receive in FY 1993-94.
- Section 127** **Teacher Salary Schedules** — Revises the teacher salary schedule by increasing the beginning salary of the first year teacher with a bachelor's degree to \$20,002 per 10 month school year, and adjusting all the remaining steps on the schedule. The schedule as in previous years is based on years of experience and degrees, with 2% between each step. Longevity payments remain at 1% of base salary for teachers with between 10-14 years of state service; 1.5% for 15-19 years; 2% for 20-24 years; 2.5% for 25 years and above. Increases the payments for advanced degrees to \$126 per month for a six year degree, and \$256 per month for a doctoral degree.
- Section 128** **Teacher Recruitment Statutes Repealed** — Repeals the statutes dealing with the Office of Teacher Recruitment.
- Section 129** **Allocation of Funds for Merged Career Development Pilot Projects** — Provides for funding allocation following the merger of a career ladder and non-career ladder school system. The merged system receives a share of both Career Development and differentiated pay funds following the merger. For FY 1993-94 this section applies in only Rowan and Edgecombe counties.
- Section 130** **Reorganization of the Department of Public Instruction** — Provides the Superintendent of Public Instruction with the authority to reorganize the department and reduces the budget by 57 state funded positions.
- Section 131** **Continue Model Teacher Consortium** — Adds Bertie County to the model teacher consortium established in Northeastern North Carolina by the 1991 General Assembly.
- Section 132** **School-Based Administrator Salaries** — Establishes a salary schedule for school-based administrators, principals and assistant principals.
- The entry level salary for assistant principals is 3% higher than the graduate level teacher with four years of experience. There is approximately 2% between each step of the salary schedule. As the teacher salary schedule increases in future years, the assistant principal's salary schedule will increase maintaining this same relationship.

PUBLIC EDUCATION (1993 Actions, Continued)

An assistant principal is placed on the schedule based on their total number of years of experience as a certified public school employee. The beginning salary for an assistant principal under the new schedule, when it is fully implemented will be \$23,710 for a 10 month contract and \$28,452 for a 12 month contract.

Placement of the principal salary schedule is based upon three factors. The number of state funded teachers and assistant principals supervised by the principal; the total years of experience as a certified public school employee; and an additional step for each three years of experience as a principal.

In FY 1993-94 initial placement for principals and assistant principals on the schedule is governed by the following rules. If placement would result in less than a 1% increase, the increase will be at least 1%. If placement would result in an increase of greater than 3%, the individual will be placed on the highest grade and step where the salary is not greater than 3%. Additional salary increases that result from promotions during the FY 1993-94 will be limited to a maximum of 3%.

Principals who are moved from a larger to a smaller school are moved on the schedule, as if they had spent their entire career in the smaller school. If the move is to a larger school the same rule applies.

Out-of-state principals who move to North Carolina are assigned to the new schedule based on separate rules set out in this section.

Principals and assistant principals will continue to receive \$126 per month for a six year degree and \$253 per month for a doctoral degree.

Longevity pay for principals remains the same as provided to all state employees, other than teachers.

This section also eliminates the provision in state law that require that superintendents be paid at least 1% more than the highest state paid principal. Superintendents previously receiving these payments will continue, as long as they meet the criteria established under the original statute.

The section also provides that the Joint Legislative Education Oversight Committee may consider and recommend salary schedules for the other school administrators.

Section 133

Salaries for Noncertified Public School Employees — Requires that by the 1995-96 school year local boards of education place state-allotted office support personnel, teacher assistants, and custodial personnel on the salary schedule adopted by the State Board of Education. The average salary paid to each category must equal the state allotted amount. The average salary paid in FY 1993-94 in each category must be 2% higher than the average salary paid in that category during FY 1992-93. The State Board of Education must report on the implementation of this provision to the General Assembly in 1994 and 1995.

PUBLIC EDUCATION (1993 Actions, Continued)

Section 134 **Exceptional Children Funds** — Establishes the allocation of funds for exceptional children for FY 1993-94 in the following manner. Academically gifted \$641.26 per child for 3.9% of the FY 1992-93 average daily membership, regardless of the number of gifted children identified. The total number of children for which funds are allocated are 43,114.

Handicapped children will receive \$1,923.79 per child for the lesser of the number identified or 12.5% of average daily membership. The maximum number of children for which funds are allocated are 125,316. Each system that is above the 12.5% cap will receive an additional \$418.76 per child in nonrecurring funds to be used for non recurring expenditures on behalf of handicapped children.

The recurring funding for gifted and handicapped will also be increased by the funds from the salary increase reserve. **When these funds are added to the expansion funds, the total per child allocation for academically gifted will be \$652.18 and for the handicapped, \$1,956.52.**

The State Board of Education is required to study the funding for handicapped and gifted children and report to the Commission on Children with Special Needs and the education appropriations subcommittees of House and Senate by March 15, 1994.

Section 134.1 **School Counselor Funds** — Establishes the requirement that the \$10 million in funds for instructional support personnel be used first for counselors, then for social workers and other instructional support personnel to help reduce school violence.

Section 135 **School Technology Commission Created** — Creates the Commission on School Technology located administratively in the Department of Public Instruction, but the commission will exercise its powers independently of the department. The Commission is composed of 16 members, including four appointed by the Speaker of the House and four by the President Pro Tempore of the Senate. The Cochairmen of the commission come from the appointees of the House and Senate. For the FY 1993-94 fiscal year only one member of the House and one member of the Senate shall be appointed to the commission. The commission shall prepare a requirements analysis on the use of learning and instructional management technologies in the public schools. The Commission shall submit a progress report to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee by March 15, 1994 and a final report by May 15, 1994 on the plan that it develops. Funds in the amount of \$300,000 for FY 1993-94 were appropriated for the operation of the commission.

Section 136 **Low Performing Units** — Requires the State Board of Education to use up to \$1,200,000 in funds appropriated as Aid to Local School Administrative Units to provide staff development activities and technical assistance to school systems identified as low performing or on warning status. School systems that fall into these two categories

PUBLIC EDUCATION (1993 Actions, Continued)

must use both low wealth supplemental and small school system funding to implement their approved plan for improving student performance and dropout prevention.

Section 137

Mobile Preschool Pilot Program — Funds a mobile preschool pilot program in McDowell County for FY 1993-94, and requires a report to the General Assembly on the program by March 1, 1995.

Section 138

Supplemental Funding in Low-Wealth Counties/Small School System Supplemental Funding — Establishes a new formula to allocate the \$18,000,000 in Low Wealth Supplemental Funding appropriated. New formula is based on three weighted components: the county's revenue base per student (40%); the per capita income of the county (50%); and an adjustment for property tax density (10%). When these three components are added together, if a county is below the state average then it is eligible for Low Wealth Supplemental Funding.

The effort that a county must make to qualify for funding was also changed in by this provision. A county may now receive 100% funding by having an effective tax rate at greater than the state average, or by having an appropriation per student that is greater than what would be expected given the county's wealth. The remaining eligible counties receive proportional funding as a percentage of what they actually appropriate versus what they could appropriate given their county revenues.

The amount that a county would receive if the allocation formula were funded at 100% is calculated by comparing the state average appropriation per pupil with what a county could appropriate given their overall wealth. An eligible county receives a pro rata share based on the total that the General Assembly actually appropriates. Appendix Table, Page 323, provides an example of how the formula is calculated and the amounts that each county will receive in FY 1993-94.

The formula for supplemental funding for small schools was reenacted with only minor changes over the FY 1992-93 formula. This change provided two additional teachers to those extremely small counties that have a density of less than four students per square mile. Appendix Table, Page 331, provides the amounts that each county will receive in FY 1993-94.

Section 139

Safe Schools — Provides \$2.5 million for each year of the biennium as competitive grants to school systems for innovative programs that make schools safe for students and employees. Grants may be made to a single school system or groups of systems in amounts ranging from \$50,000 to \$100,000. Grant recipients must be selected prior to January 1, 1994. The State Board of Education must report on the use of these funds to the Joint Legislative Oversight Committee prior to March 15, 1994 and January 15, 1995.

This section also adds a provision to the General Statutes requiring the State Board of Education to monitor and compile an annual report on acts of violence in the public schools.

PUBLIC EDUCATION (1993 Actions, Continued)

Another statutory change requires the State Board to develop a list of conflict resolution and mediation models for use in the public schools.

- Section 140** **Parents-as-Teachers Programs** — Establishes two Parents as Teachers Pilot Programs, one in Wake County school district and the other in the Rutherford County school district. Funds are provided only for FY 1993-94. Both systems must report to the State Board of Education and the General Assembly prior to March 1, 1995.
- Section 141** **Teacher Academy/Task Force on Teacher Staff Development** — Creates within the Department of Public Instruction a 20 member Task Force on Teacher Staff Development. The purpose of the task force is to develop a Teacher Academy Plan that includes a statewide network of comprehensive professional development for teachers in school leadership and subject matter areas. The Task Force must report on its plan to the Joint Legislative Education Oversight Committee by March 1, 1994. Funds are appropriated for the operation of the commission, and for the department to begin implementation of the teacher academy program. Authorization for the task force expires July 1, 1995.
- Section 142** **Expand NCCAT Services** — Appropriates \$200,000 for each year of the biennium to expand the professional development programs offered by the North Carolina Center for the Advancement of Teaching. The provision also provides the authorization for five pilot projects to assist local schools in dealing with professional development problems identified by school based committees.
- Section 143** **Staff Development Funds** — Provides an additional \$2 million in nonrecurring funds for staff development held outside of the regular 200-day school calendar. This section establishes a limit of \$10 per hour for the stipend, with a maximum of \$60 per day.
- Section 144** **Scotland County School Pay Date Changed** — Allows Scotland County to establish the fifteenth day of each month as the payday for all 10 months employees paid on a monthly basis.
- Section 145** **Brunswick County School Pay Date Changed** — Allows Brunswick County to establish the fifteenth day of the month as the a payday for all 10 month teachers and all 10 month employees of the school system.
- Section 144.1** **Study of GPAC Recommendations Regarding Reorganization of State Education Agencies** — The Joint Legislative Commission on Governmental Operations may review the GPAC recommendations on the reorganization of state education agencies.
- Section 144.2** **Local School Improvement Plans** — Makes a number of changes in the Performance Based Accountability Program to include: Parents on local advisory boards shall not be school employees and shall reflect the racial and socioeconomic composition of the school district; teachers on the advisory shall be selected by secret ballot; and closer alignment of systemwide and building level staff development plans.

PUBLIC EDUCATION (1993 Actions, Continued)

Principals are required to notify all affected building level personnel of the amounts available for differentiated pay, and at the end of the fiscal year provide a report to the same personnel on the disbursement of these funds.

If the local school board makes available to individual schools staff development funds, these funds must be spent in accordance with the building level improvement plan. Principals must also report on the availability and the disbursement of staff development funds.

Adds six additional members to the Site Based Management Task Force. Appointment source is identified in the provision.

Section 143.3

Driver Education Study — Requires the Legislative Research Commission to study the driver education program offered in the public schools. Study will include the efficiency of the program's operation; impact of offering driver education outside of the regular school day; the overall cost of the program; and a five year projection estimate of the program cost.

SENATE BILL 26 (Chapter 561)

Section 52

Small School System Formula/Hold Harmless Provision — Allocates funds to Jackson and Ashe Counties under the small school system supplemental funding formula as a one year hold harmless against the loss of the funds. Establishes a legislative finding that the Department of Revenue did not provide the information to the Department of Public Instruction in sufficient time to allow notification of these school systems of the impending loss of funds. Expresses legislative intent to provide these hold harmless funds for FY 1993-94 only.

Section 53

New Hanover County Pay Dates Changed — Allows New Hanover County to establish the 15th day of each month as the payday for all 10 month teachers and teacher assistants.

Section 54

Payment of Career Development Bonuses — Allows payment of bonuses in former Career Development Pilot Projects to take place on a monthly basis. Previous statute required that the bonuses be paid no more frequently than quarterly.

Section 55

CPR Instruction — Requires the State Board of Education to study and report to the Joint Legislative Education Oversight Committee on the requirements of local boards of education to provide for the teaching of cardiopulmonary (CPR) resuscitation and the Heimlich maneuver. Report must be submitted prior to May 1, 1994.

Section 56

Differentiated Pay Funds/Reversion — Alters the date that differentiated pay funds must revert to the state. Differentiated pay funds allocated for bonuses will remain available until November 30 of the subsequent fiscal year. Differentiated pay funds used for staff development will revert on August 31 of the subsequent fiscal year. If the

PUBLIC EDUCATION (1993 Actions, Continued)

local school improvement plan calls for bonuses that are not paid because of a failure to meet local goals to be used for staff development, then these funds remain available until November 30 of the subsequent fiscal year.

- Section 57** **Noncertified School Employee Study** — Provides that the Joint Legislative Education Oversight Committee may study the employment, training, evaluation, and dismissal of noncertified employees. The committee may report its findings to the 1994 session of the General Assembly.
- Section 58** **Teacher Training Task Force** — Makes certain changes in the membership of the Teacher Training Task Force established by the 1991 General Assembly. These changes include adding four teachers currently employed in the North Carolina public schools. Provides \$10,000 to complete the work of the task force. The task force submits its final report to the Joint Legislative Education Oversight Committee by April 1, 1994.
- Section 59** **Public School Library Technology Funds** — Provides \$5,000,000 to enhance the availability of technology to public school libraries. Funds are allocated to local school districts based on average daily membership.
- Section 60** **North Carolina Future Farmers of America Funds** — Appropriates \$300,000 to the North Carolina Future Farmers of America Foundation, Inc. for the North Carolina Future Farmers of America Center for development, repairs, and renovations. Requires a one-to-one match.
- Section 61** **Flexibility in Reorganizing Department of Public Instruction Positions** — Allows the Superintendent of Public Instruction to transfer state and federal funds between the Department of Public Instruction and Aid to Local School Administrative Units so as to improve organizational performance within the department. The transfers must be approved by the State Board of Education and the Director of the Budget, and are subject to the conditions of federal laws and grants.
- Section 62** **Advanced Placement Pilot Program/Matching Funds** — Provides funds to improve advanced placement programs in North Carolina public schools. Funds require a local match at a one-to-one ratio.
- Section 63** **Payroll Deduction Clarification Continued** — Provides that authorization for employees to have association dues withheld from their checks each payroll period will continue until revoked by the employee.

PUBLIC EDUCATION (1994 Actions)

1994 SPECIAL SESSION

	1993-94 General Fund	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$3,563,712,189	\$3,578,523,428
State Aid to Local School Administrative Units		
1. Low Wealth School Systems' Supplemental Funding, in accordance with Section 138 of Chapter 321 of the 1993 Session Laws	\$—	\$10,000,000
2. Local Programs to Assist Children at Risk of School Failure	—	18,237,120
3. Intervention/Prevention Grant Program	—	12,000,000
	<hr/>	<hr/>
SUPPLEMENTAL INCREASES - RECURRING	\$ —	\$40,237,120
REVISED OPERATING BUDGET	\$3,563,712,189	\$3,618,760,548

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS —
1994 SPECIAL SESSION**

SENATE BILL 150 (Chapter 24)

Section 42

School-Based Program Grants — Establishes the school based Intervention/Prevention Grant Program for North Carolina school children. Under this program, grants are made to local school systems for innovative programs that target juvenile crime by enhancing education attainment and providing a safe and secure learning environment. The State Board of Education makes the grant awards after considering the recommendations of the State Superintendent of Public Instruction, the geographic location and the demographic profile of the school district, and the incidence of juvenile crime.

Grant awards will be made by the State Board of Education prior to July 15, 1994 for programs that will operate from the beginning of the 1994-95 school year, and by October 1, 1994 for those programs that begin after the 1994-95 school year.

\$12,000,000 was appropriated for Intervention/Prevention Grants

PUBLIC EDUCATION (1994 Special Session Actions, Continued)

The State Board of Education is required to report on the implementation of this program prior to February 1, 1995 and on October 1, 1995 and annually thereafter.

Section 43

Local Programs to Assist Children at Risk of School Failure — Appropriates \$18,237,120 to local school systems to implement locally designed initiatives to provide services to students at risk of school failure and to the student's families. These funds are allocated to local school systems on the basis of average daily membership, with a minimum of one position allotted per local school system. These funds are to be used for instructional support personnel other than library media specialists.

The State Board of Education may grant waivers to convert these positions to teacher positions under conditions established by this provision.

The State Board of Education is required to make a preliminary report on these programs in November, 1994 and in February of 1995.

1994 SESSION

**1994-95
General
Fund**

**TOTAL OPERATING BUDGET — 1993 SESSION
AND SPECIAL SESSION**

\$3,618,760,548

1. **National Board for Professional Teaching Standards —**
 - (a) Pay the NBPTS certification exam fee (\$975) for North Carolina teachers who elect to seek certification. Also provide for up to three days of paid leave for teachers who participate in the process in FY 1994-95. \$200,000
 - (b) 4% salary bonus. This percentage is equivalent to two steps on the teacher salary schedule for individuals who have already taken the exam in FY 1994-95 and received national certification. 300,000 NR
2. **Teacher Academy —** Provide funding for the North Carolina Teacher Academy beginning in FY 1994-95. Training sessions will be provided with these funds in July and August of 1994 and June of 1995. 3,800,000
- 2a. Support for a one-time increase in the slots for all sessions during FY 1994-95. 375,000 NR
3. **Low Wealth Supplemental Funding —** Increase amount of low wealth supplemental funding for FY 94-95. Total funding FY 1994-95 under this proposal would now be \$35,000,000. 7,000,000

PUBLIC EDUCATION (1994 Actions, Continued)

		1994-95 General Fund	
4.	Small School Supplemental Funding — Increase funding for small school supplemental funding for FY 1994-95. Total funding for FY 1994-95 under this proposal would be \$14,000,000.	3,000,000	
5.	Basic Education Program Funding		
(a)	Provide teachers and teacher assistants to reduce class size in kindergarten (493 teachers, 493 teacher assistants). Allotment ratio of 1:23	26,320,319	
(b)	Fund school psychologists, social workers, and guidance counselors in grades K-8. (268 positions)	10,000,000	
(c)	Textbooks - Increase appropriation so as to restore textbook funding to 1985 purchasing power. This completes funding of textbooks for the Basic Education Program.	9,536,119	NR
(d)	BEP positions adjusted for small city school systems below 3,000 average daily membership	750,000	
TOTAL —BASIC EDUCATION PROGRAM		\$46,606,438	
6.	Willie M. Program — Provide funding for educational services to additional Willie M. Class members.	531,037	
7.	Instructional Supplies and Materials — Provide additional funding for instructional supplies and materials in local school systems.	3,650,000	NR
8.	School Bus Replacement — Funding to continue replacing school buses on a 13 year schedule.	22,630,288	NR
9.	Education Technology — Continuation funding for the Education Technology Commission.	100,000	NR
10.	Differentiated Pay/Noncertified Personnel		
(a)	Provides funding for differentiated pay for non-certified personnel in all schools, including Career Development System. Legislation to allow participation of non-certified personnel in differentiated pay plans was passed by the 1993 session of the General Assembly.	10,408,950	NR
(b)	Move differentiated pay funding from recurring to non-recurring	(38,827,392)	
		38,827,392	NR

PUBLIC EDUCATION (1994 Actions, Continued)

	1994-95 General Fund
(c) Add differentiated pay funding from non-recurring funds	19,400,000
(d) Move Career Development funding from recurring to non-recurring	(8,176,938)
	8,176,938 NR
11. Average Salary Adjustment — Adjust average budgeted salaries to conform with actual salaries as of December, 1994.	(15,997,461)
12. Average Daily Membership Adjustment	(6,329,472)
13. Fund Pilot CHIPS Program — Fund pilot CHIPS Program in Hertford County to improve the instructional program in the county school system. (SB 1589/HB 1665)	335,000
14. Litigation Reserve	150,000 NR
15. Exceptional Children	
(a) Appropriate \$418.76 per child for 2,252 handicapped children in school systems that are above the 12.5% funding cap.	943,048 NR
(b) Increased funding because of additional children in the April, 1994 headcount of exceptional children.	1,229,472
16. Cued Speech, Inc. — Continue funding at 1993-94 level (HB 1627):	95,000 NR
17. Substitute Teacher Pay — Increase of \$5 per day for each classification.	3,398,815
18. Bus Drivers — Increase in average hourly wage rate	3,500,000
19. Study of School Lunch Data — Study of reduced and free school lunch data to determine its validity as a measure of family income.	50,000 NR
20. Teach American Ethics — Funding to implement program in the public schools.	25,000 NR
21. Tort Claim Changes — Increase tort claim limit.	600,000
22. Administrative Allotment Adjustment — Adjust administrative allotment for three city systems of less than 2,000 average daily membership.	130,000
23. Academic Support Program — Pilot program for middle school and high school age students who are involved with the court system.	117,000

PUBLIC EDUCATION (1994 Actions, Continued)

	1994-95 General Fund	
24. McSmiles Program — Continue program at FY 1993-94 level (HB 1832).	50,000	NR
25. Parents as Teachers Program — Funding for pilot program in Wake and Rutherford Counties for FY 1994-95.	100,000	NR
26. Delete three vacant positions and their related support	(118,213)	
NET CHANGE	\$67,452,510	
TOTAL OPERATING BUDGET	\$3,686,213,058^a	

^a In addition, listed under statewide reserves are \$42.0 million in a School Technology Reserve which is to be expended in accordance with legislation to be enacted by the 1995 General Assembly and \$120.0 million to restore the teachers' twelfth pay period to the fiscal year in which it is encumbered.

PUBLIC EDUCATION (1994 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 19 Non-Certified Employee Salaries — Modifies provision G.S. 115C-12(16) dealing with the salaries of noncertified personnel.

Requires that by the end of the third payroll period of the FY 1995-96 that local boards of education shall place state allotted office support personnel, teacher assistants, and custodial personnel on the salary schedule adopted by the State Board of Education so that the average salary paid for these positions is at the state allotment level. A local board is deemed in compliance with this law if the average salary is within 95% of the state allotment by the third payroll period of FY 1995-96 and within 98% in each subsequent fiscal year.

For the FY 1994-95 the basis of allotment for custodians was established at \$1,209 a month for each position, plus any salary increase established by the General Assembly.

Section 19.1 Transportation Management Information System Management Funds — Allocates \$510,000 in transportation funds to continue the Transportation Management Information System. These funds will become a part of the continuation budget for the FY 1995-97 biennium.

Section 19.2 Outcome-Based Education Funds — Allocates \$100,000 in Outcome Based Education funds to provide technical assistance, evaluate programs, and implement the program.

Section 19.3 Developmental Day Care Center Grants-in-Aid — Establishes legislative intent to appropriate these funds directly to the Department of Public Instruction in the FY 1995-97 biennium.

Section 19.4 Administration of Intervention/Prevention Grant Program — Authorizes the use of up to \$200,000 in Intervention/Prevention Grant funds to the Department of Public Instruction to implement the program.

Section 19.5 Limited English Proficiency — Amends G.S. 115C-81C to allow local boards of education to authorize teaching in a foreign language to comply with federal law.

Requires the State Board of Education to study the issues concerning the teaching of students with limited English proficiency. The State Board is required to report to the Joint Legislative Oversight Committee no later than December 1, 1994.

PUBLIC EDUCATION (1994 Actions, Continued)

Authorizes the State Board of Education to utilize no more than \$1,000,000 in funds from State Aid to Local School Administrative Units to provide services to students with limited English proficiency in FY 1994-95.

Section 19.5A

Exceptional Children Funds — Establishes the amounts that each local school district will receive in FY 1994-95 for handicapped and academically gifted students. These amounts will be further increased by the legislative salary increases.

- o Handicapped \$1956.52 up to a cap of 12.5% of the average daily membership of a school district.
- o \$418.76 in nonrecurring funds for each handicapped child above the 12.5% cap.
- o \$652.17 per child based on 3.9% of the average daily membership of a school district.

Requires the State Board of Education to provide its final recommendations on modifications to the special education law and formulas by January 1, 1995.

Authorizes the State Board of Education to expend up to \$550,000 from State Aid to Local School Administrative units to continue support for the Advanced Placement Program in public schools.

Section 19.6

Teacher Salary Schedules — See pages 362 and 363.

Section 19.7

School-Based Administrators Salaries — See pages 360 through 362.

Section 19.9

Report on Teachers Leaving the Profession — Amends G.S. 115C-12 to establish an annual report on teachers leaving the profession. Information will be reported by local boards of education in a standard format adopted by the State Board of Education.

Section 19.10

Task Force on Vocational and Technical Education — Establishes a 16 member task force to study vocational education in North Carolina. The Governor and the Superintendent of Public Instruction appoint the Cochairmen from the membership of the task force. The task force is authorized to hire outside consultants, and will make a final report to the General Assembly by March 1, 1996.

Section 19.11

Teacher Academy Funds — Appropriates \$3.8 million for the teacher academy program for FY 1994-95, and \$375,000 in nonrecurring funds for sessions of the academy in June of FY 1994-95. Also requires the Task Force on Teacher Staff Development to evaluate the Teacher Academy Plan and to determine how it might fit into an overall comprehensive plan of staff development. The final plan shall be submitted to the General Assembly no later than January 15, 1994.

Section 19.12

Statistics on Students Eligible for Free and Prices Lunch — Appropriates \$50,000 to the Department of Public Instruction to compile and analyze the free and reduced price lunches to determine the validity of this data as a measure of family income.

PUBLIC EDUCATION (1994 Actions, Continued)

Section 19.13 **Substitute Teacher Pay** — Increases substitute teacher pay by five dollars per day in each of the following categories:

	<u>Current \$ per Day</u>	<u>New Rate \$ per Day</u>
Certified teacher	\$52	\$57
Not certified, but with effective teacher training	\$45	\$50
Not certified, no effective teacher training	\$35	\$40

Section 19.17 **Basic Education Program Funds** — Appropriates the following amounts for the Basic Education Program in FY 1994-95

School social workers, counselors, psychologists grades K-8	\$10,000,000
Class size reduction in kindergarten	\$26,320,319
Textbook funds	\$9,536,119

Requires local school systems to comply with the Basic Education Programs staffing in grades K-8 for school psychologists, counselors, and social workers.

Sections 19.18 -

19.22 **Dare School Pay Date, Scotland School Pay Date, Repeal Cleveland Pay Date, Watauga School Pay Date, Caldwell School Pay Date** — All of these sections deal with changes in local school pay dates that are set by law.

Section 19.23 **Cued Speech Funds** — Appropriates \$95,000 as a grant-in-aid to the Cued Speech Center of Wake County for transition services. The Department of Public Instruction is required to evaluate the use of these funds and report the results to the Commission on Children with Special Needs before October 1, 1995.

Section 19.24 **Allocations of Basic Education Program Funds for Small City School School Systems** — Requires the State Board of Education in its allocation formulas for the Basic Education Program to round all fractions to the next whole position for each city system under 3,000 average daily membership.

Section 19.25 **School Administrator Allotment Formulas** — Requires the State Board of Education to modify the allotment formula for school administrators so that the base allotment is the same for all local school administrative units. The remainder of the school administrator allotment is on the basis of average daily membership.

PUBLIC EDUCATION (1994 Actions, Continued)

Section 19.26

School Technology Plans/Funds — Requires the School Technology Commission to propose a School Technology Plan for improving student performance in the public schools. This provision defines the elements of the state plan, the approval process for the state plan, and the development and approval process for the required local school system technology plans.

The section establishes the State School Technology Fund as a non-reverting fund for the use of local school systems.

Appropriates \$42 million to the State School Technology Fund to be distributed in accordance with subsequent legislation to be enacted by the General Assembly in 1995.

Section 19.27

Career Development Pilot/Site Based Management — Requires the State Board of Education to require local school administrative units that are receiving career development funds to modify their plans in FY 1995-96 so that the cost equals 3% of the certified payroll. Establishes legislative intent that teachers receiving these funds not make less in FY 1995-96 than during FY 1993-94.

Extends the terms of the current members of the Task Force on Site-Based Management until September 1, 1996.

Section 19.28

Funds for the National Board for Professional Teaching Standards — Authorizes state to pay the participation fee for teachers taking the National Board for Professional Teaching Standards, for up three days of approved paid leave to prepare for the certification. If a teacher does not complete the certification process or does not teach in North Carolina for one year after completing the certification the fee must be repaid.

Teachers achieving certification will receive an annual bonus of 4% of the teacher's state paid salary, if that teacher has taught in North Carolina for three years prior to certification. For teachers receiving certification in FY 1994-95 the bonus shall be paid immediately, and for teachers achieving certification after FY 1994-95 the bonus shall be paid annually at the end of each year that the teacher teaches full time in the North Carolina schools.

The State Board of Education is required to study other incentive options for teachers achieving National Board certification and the cost of those incentives. The State Board is also required to study the impact of certification on student performance. The Board will make its initial report to the Joint Legislative Education Oversight Committee in December of 1994 and a final report on the impact on student performance in January of 1997.

Section 19.29

Academic and Support Program for Court-Involved Youth — Appropriated funds for a two-year academic and support program operated by Duke University, N.C. Central University, Durham County schools, the Durham Companions, and the Durham Educational Network for court-involved middle school and high school students.

PUBLIC EDUCATION (1994 Actions, Continued)

- Section 19.30** **School Bus Driver/Salary Range** — Establishes the salary range for bus drivers at a pay grade 51 and provides additional funds for salary increases for bus drivers. See pages 362 and 363 for additional information. Requires that bus drivers in each school system be paid an average of \$8.00 per hour.
- Section 29.31** **School Leadership Training Funds** — Requires that the State Board of Education allocate \$500,000 to continue support for the school leadership training program.
- Section 19.32** **Low-Wealth and Small School Supplemental Funding Changes** — Establishes a new definition for nonsupplanting of low wealth and small school supplemental funding by local governments. This definition applies to both the low wealth and small school supplemental funding formulas. Counties that supplant funds may lose funding in future years under rules to be adopted by the State Board of Education.
- Provision also modifies the formula for Small School Supplemental Funding by increasing the number of teaching positions that qualifying counties receive.
- Section 19.33** **Clarification of the North Carolina High School Athletic Association Under the State Tort Claims Act** — Makes the N.C. High School Athletic Association Inc. a state agency for the purposes of the tort claim act.
- Section 19.34** **Differentiated Pay** — Establishes the amount of differentiated pay available for certified and noncertified personnel in FY 1994-95. Certified personnel \$19.4 million and noncertified personnel \$10.4 million. Funds for noncertified personnel are available to all school systems.
- Allows local boards of education to modify the differentiated pay plan to fit within these funds for FY 1994-95.

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 16 constituent institutions.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$1,184,069,864	\$1,193,945,658
Continuation Budget Changes:		
1. Across-the-board reduction of 0.59% except for AHEC	(6,481,337)	(6,533,454)
2. Budget overhead receipts at latest estimates	(858,065)	(859,066)
3. Eliminate motor vehicle purchases	(257,980) NR	—
4. Budget more realistic receipts for summer schools	(600,000)	(600,000)
5. UNC-General Administration Budget increase in overhead receipts	(275,000)	(400,000)
6. Nurse Scholars Program: Reduce funding one year due to fund balance	(500,000) NR	-
7. Aid to Private Medical Schools: Hold to 1992-93 actual use	(262,000)	(383,000)
8. Reduce pilot shellfish enhancement project to level requested	—	(103,927)
9. Reduce funding for endowment for Center for Alcohol Studies	(150,000)	(150,000)
10. Eliminate Reserve for WUNC-FM building because funding for public radio on UNC campuses was eliminated 1991-93	(7,821)	(55,442)
11. Reduce other Reserves for new facilities due to delays in estimated completion dates	(488,452) NR	51,785
12. Realign AHEC budget. Shift 1% of funds in Health Sciences Support budget on campus to 4 primary care residencies \$60,000 (each year)	—	—

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
13. ECU Medical School - Hospital Teaching Costs —		
(a) Teaching Hospital Costs — Change State Medicaid Plan to reimburse Pitt Hospital for full costs for all Medicaid patients, in exchange for elimination of State reimbursement for bad debts, residents, and unreimbursed Medicaid costs for non-Pitt County patients. Counties pay at regular Medicaid rate.	(\$15,929,151)	(\$17,080,542)
Less State Match for Medicaid	5,420,994	5,865,713
Net Savings	(\$10,508,157)	(\$11,214,829)
(b) Funds to continue support for residents at Pitt County Memorial Hospital.		
Requirements	10,000	10,000
Less Receipts	(10,000)	(10,000)
Appropriations	-0-	-0-
14. UNC Hospitals — Reduce appropriation due to change in Medicaid reimbursement for full costs.	(1,500,000)	NR
TOTAL BASE BUDGET REDUCTIONS	(\$21,888,812)	(\$20,247,933)
TRANSFER:		
1. Transfer funds to Department of Human Resources from ECU Medical School budget for State match for additional Medicaid payments to Pitt County Memorial Hospital.	(5,420,994)	(5,865,713)
TOTAL BASE BUDGET REDUCTIONS	(\$27,309,806)	(\$26,113,646)
RECURRING	(\$24,563,374)	(\$26,113,646)
NON-RECURRING	(\$2,746,432)	—
PLUS TRANSFERS	(\$5,420,994)	(\$5,865,713)
REVISED CONTINUATION BUDGET	\$1,156,760,058	\$1,167,832,012

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
EXPANSION BUDGET		
1. Enrollment and Schedule of Priorities -		
(a) Funds for schedule	\$47,498,197	\$47,449,834
	36,703,874 R	47,449,834 R
	10,794,323 NR	
(b) <u>Tuition Increase</u>		
In-State: 3% first year;		
3.3% second year		
<u>Out-of-State: 6.5% each year</u>	<u>(9,944,127)</u>	<u>(20,882,836)</u>
Subtotal: Schedule of Priorities:		
General Fund	37,554,070	26,566,998
	26,759,747 R	26,566,998 R
	10,794,323 NR	
2. Aid to Students Attending Private Colleges —		
Funds grants at authorized levels	1,055,000	1,055,000
3. Education Leadership Task Force		
(a) Principal Fellows	198,000	1,190,000
(b) School Leadership Academy	15,000 NR	—
(c) School Administrators Training Program		
Reforms	122,000	101,000
(d) School Administrators Professional		
Standards Board	<u>150,000</u>	<u>250,000</u>
Subtotal	\$470,000 R	\$1,541,000 R
	\$15,000 NR	
4. N. C. State		
a. <u>Non-Wovens Cooperative Research Center</u>		
Funds to match National Science Foundation		
grant for textile research	250,000 NR	—
b. <u>Pulp and Paper</u>		
(\$300,000 each year from overhead receipts)	—	—
c. <u>Furniture Manufacturing and Management Center</u>		
(\$500,000 each year from overhead receipts)	—	—
d. <u>Seafood Enhancement Pilot Project</u>	8,000 NR	—
e. <u>Study Alternative Sewage Disposal Systems</u>	50,000 NR	—

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1993 Actions, Continued)

		1993-94 General Fund	1994-95 General Fund
f.	NCSU/Textbooks — Funds for preparation and publication of social studies textbooks for grades 4-7 (HB 676/SB 662)	\$204,000	\$174,000
5.	N.C. A&T State —		
a.	Matching funds for Transportation Institute to match federal grant of \$1 million (HB 662)	250,000 NR	—
b.	Agricultural Research and Extension Development (HB 660)	500,000 NR	—
c.	Support for Applied Manufacturing and Education Center	3,500,000 NR Non-Add *	—
6.	N.C. School of Science and Mathematics		
(a)	Funds for salary schedule	125,000	125,000
(b)	Funds for campus security	70,743	70,743
7.	Agricultural Programs		
(a)	Research staff for Tidewater Research Station (HB 65)	500,000	500,000
(b)	Funds for 4-H Youth Development program for camp operation (HB 422)	250,000 NR	—
(c)	Conifer Integrated Pest Management (HB 1277)	64,000	64,000
(d)	Seafood Laboratory Funds (HB 259/SB 420)	125,000	125,000
(e)	Study abatement of swine farm odors (HB 1159/SB 926)	85,000 NR	—
(f)	Turfgrass research (HB 1170)	250,000 NR	—
8.	UNC at Chapel Hill —		
(a)	Project TEACCH (HB 333)	150,000	150,000
(b)	Support of Bicentennial Observance	250,000 NR	—
(c)	Infectious Disease Control Program for Training (SB 827)	75,000 NR	—
9.	Mountain Aquaculture (HB 119/SB 156/SB 1005)	200,000	200,000
10.	Nurse Anesthetists (HB 438)	50,000	50,000

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
11. Diabetes Program (HB 1349)	\$225,000	\$225,000
12. Learning Link (HB 1308/SB 1127)	100,000	100,000
13. Teacher Academy —		
(a) N. C. Center for the Advancement of Teaching for training trainers (HB 557)	200,000	200,000
14. Educational Consortia —		
(a) Fund 4 additional campuses (Appalachian State, East Carolina, N.C. Central, and UNC-Charlotte) (HB 1441/SB 1110)	600,000	600,000
(b) One-time support for educational consortium at UNC-Chapel Hill	150,000 NR	—
15. Freshman Scholars Program at Fayetteville State, N.C. A&T State, N.C. Central, Pembroke, Winston-Salem State	1,000,000 NR	—
16. Teacher Training Task Force (HB 255/ SB 449)	10,000 NR	—
17. Fayetteville State — Process Leadership Program Training Funds (HB 1246/SB 1120)	50,000 NR	—
18. UNC Board — Planning grant for Chinqua-Penn Plantation reopening (HB 846/ SB 858)	75,000 NR	—
19. Winston-Salem State — State support for cooperative effort to establish research parks in Winston-Salem area	3,026,000 NR Non-Add *	—
TOTAL RECURRING EXPANSION	\$30,898,490	\$31,746,741
TOTAL NON-RECURRING EXPANSION	\$14,062,323	—
TOTAL EXPANSION	\$44,960,813	\$31,746,741
TOTAL OPERATING BUDGET	\$1,201,720,871	\$1,199,578,753

* Non-Add: Certified as capital improvements

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1993 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILL — 1993

SENATE BILL 27 (Chapter 321)

- Section 75** **UNC Academic Provisions** - Exempts teaching faculty positions from budget cuts due to retirements.
- Section 76** **Inventory** - Directs review of management of disposable inventory as recommended by Government Performance Audit Committee.
- Section 77** **Computer Network Management** - Board of Governors must review plans for computer network for potential integration into statewide network as recommended by Government Performance Audit Committee.
- Section 78** **Wake Forest and Duke Medical School Assistance/Funding Formula** - Outlines the amount of funds to be granted to each school per student. Requires all medical schools to prepare plans to help encourage more North Carolina residents to enter primary care disciplines. Charges Board of Governors to help provide more primary care residencies, and to monitor progress toward increasing the proportion of medical school graduates entering primary care.
- Section 80** **Aid to Private Colleges/Procedures** - Sets limits on aid to students attending private colleges at \$1,150 for Legislative Tuition Grants and \$450 for need-based contractual scholarship program. Transfers administration of need-based program from UNC-General Administration to State Education Assistance Authority.
- Section 81** **N.C. State/Competitive Industry** - Appropriates funds from overhead receipts for Furniture Manufacturing and Management Center (\$500,000 each year) and Pulp and Paper Program (\$300,000) each year.
- Section 82** **New Degree Programs** - Directs Board of Governors to spend at least \$1.4 million each year for new degree programs already approved.
- Section 83** **East Carolina University Medical School/Hospital Teaching Costs** - Contingency appropriation for reimbursements to Pitt County Memorial Hospital should planned changes in State Medicaid plan be disapproved by federal agency.
- Section 84** **Allied Health Personnel Study/AHEC** - Directs Area Health Education Centers Director to recommend how to increase graduates from allied health programs at UNC and community colleges.
- Section 85** **Principal Fellows Program** - Creates program of scholarships of \$20,000 per year for two years for participants in school administrator training programs. Fellows to be selected by Commission established in this section.
- Section 86** **School Leadership Academy** - Creates Joint Committee of Board of Governors and State Board of Education to study creation of School Leadership Academy for ongoing training of school administrators.
- Section 87** **ECU Medical School Receipts** - Directs disposition of three types of receipts at East Carolina School of Medicine.

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1993 Actions, Continued)

Section 89

UNC Graduation Rates/Undergraduate Teaching -

- (a) Requires UNC Board of Governors to require all UNC campuses to set goals to have all full-time undergraduates taking at least 15 credit hours per semester.
- (b) Directs UNC Board to develop plan for charging higher tuition to students taking more than 110% of required credit hours for graduation.
- (c) Directs UNC Board to allocate \$250,000 each year from non-state funds for faculty teaching awards.
- (d) Any funds from expansion budget allocated for Distinguished Professors Endowments must be for endowed chairs recognizing excellence in undergraduate teaching.
- (e) No funds from enrollment increase allocations may be used for research or public service activities.
- (f) Private colleges must report number of years students are using Legislative Tuition Grants.

**Section 90-93,
96-101.3**

Allocate funds from UNC Expansion Reserve for the following purposes:

Section	Purpose	1993-94	1994-95
90	Agricultural Tidewater Resource Station	\$500,000	\$500,000
91	Libraries and Library Network	\$11,084,000	\$2,605,677
92	Public Television Pre-Educational Program	43,472	43,472
93	Funding Levels at 7 Campuses	1,000,000	1,000,000
96	Mountain Aquaculture Programs	200,000	200,000
97	Diabetes Program at UNC-CH School of Medicine	225,000	225,000
98	Nurse Anesthetist Training	50,000	50,000
99	Seafood Laboratory at Morehead City	125,000	125,000
100	Learning Link (Computer-based interactive system) for public schools	100,000	100,000
101	N.C. Central School of Law	800,000	800,000
101.1	Salaries for Teaching Faculty	7,100,000	7,100,000
101.2	Educational consortia at 4 campuses	600,000	600,000
101.3	AHEC Rural and Primary Care Training Programs	2,100,000	2,100,000

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1993 Actions, Continued)

- Section 94** **UNC Hunger Study** - Allocates \$50,000 from UNC-CH overhead receipts for childhood hunger study in North Carolina by School of Public Health.
- Section 95** **Christmas Tree Production** - Requires N.C. State to continue previous level of technical assistance to Christmas tree growers.
- Section 101.4** **Cytotechnology Scholarships** - Clarifies that students studying for positions in field of cytotechnology are eligible for scholarship loans under existing program.
- Section 101.5** **University of North Carolina Education Study/Funds** - Creates Legislative Study Commission to review undergraduate education, university funding, and quality of university education. Allocates \$100,000 for work of the Commission.

SENATE BILL 26 (Chapter 561)

- Section 43** **UNC-CH Educational Consortium** — Adds UNC at Chapel Hill to list of schools receiving funds.
- Section 44** **UNC Educational Consortia** — Requires reports from all campuses receiving funds for these purposes, including assessment of educational improvements by May 15, 1994.
- Section 45** **Swine Farm Odor Abatement Study** — Directs N.C. State Agricultural Research Service to study abatement of odors from swine farms and impact of these farms on water supplies.
- Section 46** **Freshman Scholars Program** — Allocates \$200,000 each to 5 campuses (Fayetteville State, N.C. A&T State, N.C. Central, Pembroke State and Winston-Salem State) as one-time funding. Purpose is to provide incentives for high school students to strive to attend college by guaranteeing tuition, fees and cost of books for freshman year.
- Section 47** **Engineering Graduate Research Center Funds** — Allows up to \$1,500,000 already appropriated for this facility to be used immediately for equipment purchases for the facility.
- Section 48** **UNC-Asheville Land Funds** — States that \$2,000,000 in funds for land acquisition for this campus are for future growth.
- Section 49** **N.C. A&T State Applied Manufacturing Center** — Limits use of State funds appropriated (\$3,500,000) to facility owned and controlled by the campus. No funds are to be expended prior to presentation of plans to Joint Legislative Commission on governmental Operations.

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS

1994 ACTIONS

			1994 General Fund
TOTAL OPERATING BUDGET — 1993			\$1,199,578,753
1. Enrollment Changes —			
(a) Reduce funding for 94-95 enrollment based on revised projections			(\$11,806,778)
(b) Equalize credit hour funding for Appalachian State summer school			<u>171,946</u>
Net Enrollment Changes			(\$11,634,832)
2. UNC Schedule of Priorities — Funds for schedule items (Library network and acquisitions) computing, new degree programs, other items)			
		8,016,909	R
		<u>8,614,869</u>	NR
Total — Schedule of Priorities		\$16,631,778	
3. Agricultural Programs —			
(a) Funds for expansion of agricultural research and extension programs at N.C. State		800,000	
		200,000	NR
(b) Develop Agricultural and Aquacultural Export Market Development Center at N.C. State Research Station near Global TransPark Facility		720,000	NR
(c) Provide state funds to enhance agricultural research and extension programs at N.C. A&T State (SB 1446)		450,000	
(d) Funds to add a faculty position in small horticultural crops specializing in strawberries at N.C. State (HB 1534)		100,000	
(e) Funds to add a faculty position in soil science at N.C. State. Position will be located at the Tidewater Research Station (HB 1601)		100,000	
(f) Funds to provide Extension Service support for the meat goat industry (HB 2062)		200,000	
(g) Fund specialist position for Mountain Conifer industry to be located at Fletcher, NC (HB 1617)		70,000	
4. N.C. School of Science and Math — Initiate a distance learning outreach effort		350,000	

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1994 Actions, Continued)

	1994-95 General Fund	
5. Incentive Scholarship Program for Native Americans — Creates new scholarship program and combines with American Indian Legislative Scholarship Grants (HB 1603)	390,000	
6. Minority Presence Grants — Additional funds to provide eligibility for other minority groups	150,000	
7. Continuation Budget Adjustments		
a. ECU Receipts: Budget projected medical school receipts	(180,000)	
b. UNC-C: Building reserve for operation of Friday Building	57,988	
c. Pembroke State: Reserve for operation of new Administration Building	39,281	
d. N.C. Arboretum: Reserve for new facilities operations	250,000	
e. UNC-CH: Reduce reserve for operation of Social Work building due to delay in completion date	(161,642)	NR
f. Fayetteville State: Additional funds for increase in military tuition waivers	100,000	
g. Overhead Receipts: Budget General Fund portion of new estimate	(497,889)	
h. Reduction in Operating Budgets: Reduce funds based on Governor's 1% SPA position cut	(3,555,227)	
i. UNC-CH: Additional operating support for Smith Center	400,000	NR
8. Aid to Students Attending Private Colleges — Increase Legislative Tuition Grant from \$1,150 to \$1,250 annually and increase the need-based Contractual Scholarship Program from \$450 to \$550 per full-time equivalent student	4,000,000	
9. UNC-CH Educational Consortium — Fund on a par with seven other consortium programs (SB 1427/HB 1586)	150,000	
10. Center for Gerontology — Provide program planning funds for inter-institutional center	50,000	NR
11. Infection Control — Provide funds to enable UNC-CH School of Medicine to provide technical assistance and training to health care facilities (HB 1611/SB 1306)	75,000	NR
12. Salary Increase — 2.0% average salary increase for teaching faculty to assure competitiveness	10,704,438	
12a. Competitive Industries — (SB 1593/HB 1856) Provides funds for:		
Nonwovens Textile Center - \$300,000		
Pulp and Paper Technology - \$360,000		
Furniture Manufacturing - \$500,000		
Agricultural Education - \$200,000	1,360,000	

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1994 Actions, Continued)

	1994-95 General Fund	
13. Study of Fisheries Resources and Management Structure — Provide funds for the Sea Grant Program to study fisheries resources and management	225,000	NR
14. Chinqua-Penn Plantation Reserve for renovations and operations (SB 1376/HB 1593)	181,650	NR
15. UNC-Charlotte — Ben Craig Center	150,000	NR
16. School of the Arts — Multi-Media Imaging Technology Institute	500,000	NR
17. Winston-Salem State University — Piedmont Triad Engineering and Research Center Grant	500,000	NR
18. Nurse Scholars Program/Nurse Education Scholarship Loan Program — Provide one clerical position to the State Education Assistance Authority to help administer these programs	24,000	
19. Legislator's Summer Leadership School — Add \$25,000 each to programs at Western Carolina and East Carolina which serve rural youth each summer (HB 1924)	50,000	
20. Summer Ventures Program — Supplement budgets for math and science program for high school students on six campuses	150,000	
21. N.C. State University — Agricultural Extension — Betsy Jeff Penn 4-H Camp Improvements	25,000	NR
22. Legislative College Opportunity Act Scholarships — Funds to experiment with guaranteeing freshmen tuition and fees to public school students who might not be expected to attend college	800,000	NR
23. Faculty Development and Research Fund — Funds to help retain top faculty on UNC campuses	1,000,000	NR
24. N.C. Central University — Institute for the Study of Minority Issues. Funds are for the work of the Institute.	150,000	NR
25. Social Workers Education Loan Fund — Educational loans for social work students for future employment in local departments of social services (HB 1327)	150,000	
26. N.C. A&T State — Research relating to lithium ion rechargeable secondary batteries (HB 1757).	300,000	NR
27. N.C. School of the Arts — Film Production Technology Program	1,800,000	NR

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1994 Actions, Continued)

	1994-95 General Fund
28. Delete 185 positions and their related support (part of \$10.0 million in vacant position reduction).	(4,994,093)
NET CHANGE	\$22,330,452
TOTAL OPERATING BUDGET	\$1,221,909,250

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILL - 1994

SENATE BILL 1505 (Chapter 769)

Section 17	Aid to Students Attending Private Colleges/Procedures — Increases the Legislative Tuition Grant awards from \$1,150 to \$1,250 per full-time undergraduate student, and increases the need-based scholarship funding from \$450 per full-time equivalent (FTE) student to \$550 per FTE, with funds being allocated to each college.
Section 17.1	Agricultural Programs — Allocates \$450,000 of State funds for agricultural research and extension programs at N.C. A&T State. Requires N.C. A&T State and N.C. State to create a joint committee to coordinate agricultural efforts.
Section 17.2	Nurse Anesthetist Training Funds — Clarifies 1993 provision allocating funds to Raleigh School of Nurse Anesthesia.
Section 17.3	Incentive Scholarship program for Native Americans — Creates new scholarship program for Native Americans to attend UNC Institutions. Sets up scholarships of \$3,000 and directs that current, smaller scholarship program be combined with this new initiative.
Section 17.3A	Minority Presence Grants Eligibility — Directs UNC Board to broaden the number of groups eligible for these grants.
Section 17.4	Agricultural and Aquacultural Export Market Development Funds — Directs use of \$720,000 to be used at Cunningham Farm for this purpose.
Section 17.5	UNC-CH Smith Center Funds — Allocates \$400,000 for operation of the Smith Center; recommends that Governor include similar amount in the 1995-97 budget recommendations.
Section 17.6	UNC Management Flexibility — (a) Changes reporting requirements for UNC Board of Governors from quarterly to annual basis;

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1994 Actions, Continued)

- (b) Increases the level of purchasing that can be done by participating campuses without formal bids from \$25,000 to \$35,000;
- (c) Makes technical correction to conform with 1994 changes in the Executive Budget Act; and,
- (d) Provides for adjustment of 1994-95 required reversion rates by 50% of funding reductions for each campus in vacant position elimination by 1994 Session.
- (e) The legislation was made permanent by Chapter 591 (Section 10), 1994 Session Laws.

Section 17.7 **Sea Grant College Program for Fisheries Oceanography Study** — Allocates \$225,000 to Sea Grant Program to study fisheries resource and management structures; makes technical amendment for implementation of moratorium on commercial fishing licenses.

Section 17.8 **NCSU Competitive Industries Funds** — Allocates \$1.36 million for four purposes at N.C. State:

- (1) \$200,000 to Agriculture to administer agricultural education;
- (2) \$500,000 for support of the furniture industry;
- (3) \$360,000 for pulp and paper technology development; and,
- (4) \$300,000 for the Nonwovens Cooperative Research Center of the Textile School.

Section 17.9 **Teaching Improvement Funds** — Directs UNC Board to allocate \$3.66 million to seven campuses where the student:faculty ratio is greater than 16 to 1. Funds are used for additional faculty to reduce the ratio to no more than 16 to 1.

Section 17.10 **UNC Tuition Surcharge Exception** — 1993 legislation directed UNC to establish a 25% tuition surcharge for students who take more than 110% of the credit hours needed to complete their degree. The purpose is to encourage students to graduate in four years. This section amends this legislation to exempt students who take more than the required credit hours in a normal four-year period from the surcharge.

Section 17.11 **Nursing Scholars Program** — Makes three substantive changes to the law governing this merit scholarship program.

- (1) Allows award of scholarships for master's study for half-time students (was only for full-time study);
- (2) Allows the creation of scholarships to be set aside for licensed practical nurses who wish to become registered nurses in an effort to bolster the number of minorities who are registered nurses; and,
- (3) Allows service repayment to be completed more quickly or by part-time employment in geographic or nursing specialty shortage areas.

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1994 Actions, Continued)

- Section 17.12** **Soil Science Faculty Position** — Directs that \$100,000 in new funds for soil science faculty be located at Tidewater Research and Extension Center in Plymouth.
- Section 17.13** **Mountain Conifer Funds** — Directs that \$70,000 in new funds be used for a position to assist Christmas tree growers and be located at the Mountain Horticultural Crops Research Station at Fletcher.
- Section 17.14** **UNC/Legislative College Opportunity Act Pilot Program** — Allocates \$50,000 in non-reverting funds to each UNC campus to recruit students who might not anticipate attending college. Directs UNC Board to develop program guidelines and to monitor the success of students who enter through this program. Funds will be used to pay some portion of college costs.
- Section 17.15** **Campus Stores Open to Students at All Campuses** — Clarifies Umstead Act to make it clear that UNC students from one campus may make purchases at campus stores on any UNC campus.
- Section 17.16** **Social Workers Education Loan Fund** — Creates new scholarship loan program to attract trained social workers to public child welfare employment. Provides for undergraduate and graduate loans for study in social work to be repaid by service in a public welfare agency where workers are needed. Loans are \$4,000 per year for undergraduates and \$5,000 per year for graduates.
- Section 17.17** **ASU Convocation Center** — Allows the use of up to \$3.5 million of funds appropriated for the Convocation Center at Appalachian State University to be used for planning, design, and site development. The language is necessary because the appropriation is not sufficient to build the facility.
- Section 17.18** **North Carolina School of the Arts Film School** — Directs that \$1.8 million in non-recurring funds be used for equipment and facility costs for a course of study in film production technology at Caswell County Satellite of Piedmont Community College.
- Section 37** **ECU Medical School Funds** — Appropriates \$5,054,665 from special fund account from Medicare reimbursement receipts for 3 projects at the East Carolina School of Medicine:
- (1) \$2,300,000 to construct a medical waste incinerator;
 - (2) \$1,574,000 for purchase of a linear accelerator; and,
 - (3) \$1,180,665 for renovation of clinic facilities.
- Section 37.1** **4-H Youth Development Center Funds** — Directs that \$500,000 appropriation is to be used for planning and construction of a 4-H Center, and the funds are to be matched by \$1 in non-state funds for every \$1 of state funds.
- Section 37.2** **UNC-G University Center Funds** — Directs that \$5 million appropriation for UNC-Greensboro is to be used for purchase of land (\$3.6 million) and for a traffic and safety project (\$1.4 million).

UNIVERSITY OF NORTH CAROLINA - BOARD OF GOVERNORS (1994 Actions, Continued)

Section 37.3

North Carolina Agricultural and Technical State University Funds
— Allows N.C. A&T State to use \$450,000 of a 1993-94 capital appropriation for the Applied Manufacturing and Education Center for planning, development, and one-time initial costs of the Center, upon presentation of a plan to the Joint Legislative Commission on Governmental Operations.

GENERAL GOVERNMENT

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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$53,249,273	\$54,119,528
Continuation Budget Changes:		
1. Reduce line-items to effect GPAC recommendation to reduce supply inventories by 30% over 3 years:		
Office of the Secretary	(2,089)	(2,089)
State Property Office	(300)	(300)
State Construction	(500)	(500)
Facility Management	(35,340)	(35,340)
Purchase and Contract	(300)	(300)
Veterans Affairs — Administration	(271)	(271)
Subtotal	<u>(38,800)</u>	<u>(38,800)</u>
2. Budget equipment reserve transfer as a receipt:		
Facility Management	(72,673)	—
Landscape Services	(40,117)	—
Purchase and Contract	(23,000)	—
North Carolina Aquariums	(38,460)	—
Veterans Affairs — Administration	(7,006)	—
Subtotal	<u>(181,256)</u>	<u>—</u>
3. State Personnel — Reflect savings due to 30% cut in SIPS rates.	(80,000)	(80,000)
4. Reduce salary reserve:		
Facility Management	(21,729)	(21,729)
5. Adjust non-critical positions to first step of pay grade:		
Office of the Secretary	(5,741)	(5,741)
Office of Fiscal Management	(3,282)	(3,282)
State Construction	(13,823)	(13,823)
Office of State Personnel	(\$29,690)	(\$29,690)
Facility Management	(29,772)	(29,772)

DEPARTMENT OF ADMINISTRATION (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Landscape Services	(\$864)	(\$864)
Purchase and Contract	(2,832)	(2,832)
Veterans Affairs — Administration	(20,628)	(20,628)
Low-Level Radioactive Waste Management Authority	(1,309)	(1,309)
Subtotal	(107,941)	(107,941)
6. Reduce line-item expenditures, including position deletions where noted, as proposed by the Department as the Governor's efficiency reductions:		
Office of the Secretary	(27,528)	(27,586)
Office of Financial Management	(16,988)	(17,024)
Department of Administration — Personnel Positions	(8,654) (-.25)	(8,654) (-.25)
Executive and Organizational Development	(750)	(750)
Agency for Public Telecommunications	(13,572)	(13,600)
Office of State Personnel Positions	(121,706) (-2.0)	(121,706) (-2.0)
State Construction Positions	(54,138) (-1.0)	(54,138) (-1.0)
State Property Office Positions	(18,268) (-1.0)	(18,276) (-1.0)
Facility Management	(352,306)	(368,889)
Landscape Services	(16,342)	(16,346)
James Knox Polk Building	(1,612)	(1,624)
Purchase and Contract	(80,879)	(81,020)
State Surplus Property	(6,975)	(6,980)
General Services — Administration	(4,856)	(4,869)
State Capital Police Positions	(37,298) (-2.0)	(37,298) (-2.0)
Council on the Status of Women	(9,893)	(9,893)
Rape Crisis Program	(11,616)	(11,616)
Human Relations Commission	(13,042)	(13,042)
Youth Involvement	(8,612)	(8,612)
Governor's Advocacy Council	(2,500)	(2,500)
Veterans Affairs — Administration Positions	(46,750) (-1.0)	(46,750) (-1.0)
Domestic Violence	(23,247)	(23,247)
Juvenile Law Study Commission	(160)	(160)
Board of Ethics	(888)	(888)
Governor's Advocacy Council — Disabilities	(10,747)	(10,300)
Students Against Driving Drunk	(2,652)	(2,666)
Commission on Indian Affairs	(7,828)	(7,834)
Board of Science and Technology	(14,621)	(14,630)
Low-Level Radioactive Waste Management	(14,310)	(14,338)
Subtotal — Savings	(928,738)	(945,236)
— Positions	(-7.25)	(-7.25)

DEPARTMENT OF ADMINISTRATION (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
7. Increase underbudgeted receipts:		
Facility Management	(\$8,000)	(\$8,000)
James Knox Polk Building	(40,368)	(40,368)
8. Reduce other services:		
Office of the Secretary	(38,220)	(38,220)
Office of Fiscal Management	(10,000)	(10,000)
9. DOA Personnel Office — Reduce office furniture and equipment.	(500)	(500)
10. Executive and Organization Development — Eliminate General Fund support for program.	(36,780)	(36,780)
11. Information Services — Reduce unemployment compensation, supplies and data processing services.	(5,975)	(5,975)
12. State Construction — Reduce data processing services and communications.	(8,720)	(8,720)
13. State Property Office — Reduce repairs and maintenance (\$2,000) and other fixed charges (\$400).	(2,400)	(2,400)
14. State Building Commission — Reduce other contracted services.	(5,200)	(5,200)
15. Facility Management —		
(a) Reduce utilities to reflect revised needs based upon continued vacancies in Old Education and Revenue Buildings.	(271,602)	(261,602)
(b) Reduce supplies (other and vehicle operating) and service/maintenance contracts.	(57,600)	(57,600)
16. Purchase and Contract — Reduce data processing and equipment.	(39,000)	(23,000)
17. State Surplus Property —		
(a) Reduce contracted services and office furniture and equipment.	(11,075)	(11,070)
(b) Charge an assessment to user agencies to support program.	(330,722)	(331,018)
18. General Services Administration — Reduce unemployment compensation and office furniture/equipment	(5,604)	(7,104)

DEPARTMENT OF ADMINISTRATION (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
19. Office of Marine Affairs — Effect GPAC recommendation to eliminate program.	(\$167,961) (-3.0)	(\$169,541) (-3.0)
20. North Carolina Aquariums —		
(a) Reduce office furniture.	(5,000)	(2,000)
(b) Defer purchases of data processing equipment and software.	(24,628)	(10,272)
21. Governor's Advocacy Council - Children and Youth — Reduce travel (\$2,000), printing and binding (\$3,000), and workers' compensation (\$86).	(5,086)	(5,086)
22. Veterans Affairs - Administration — Reduce temporary pay and unemployment compensation, workers' compensation and other operating expenditures.	(17,756)	(15,785)
23. Domestic Violence — Reduce service/maintenance contracts (\$578) and other fixed charges (\$945).	(1,523)	(1,523)
24. Board of Ethics — Reduce supplies (\$100), travel (\$200), and communications (\$659).	(959)	(959)
25. Governor's Advocacy Council - Disabilities — Reduce temporary pay, printing and binding, repairs, advertising and other fixed charges.	(4,923)	(5,110)
26. Students Against Driving Drunk — Reduce non-salary line-items.	(3,500)	(3,500)
27. Commission on Indian Affairs — Reduce unemployment compensation and non-salary line-items.	(10,117)	(10,117)
28. Board of Science and Technology — Reduce overtime and temporary pay and non-salary line-items.	(25,007)	(24,998)
29. N.C. Low-Level Radioactive Waste Management Authority — Reduce non-salary line-items.	(125,884)	(129,156)
CONTINUATION BUDGET CHANGES	(\$2,802,827)	(\$2,599,528)
POSITION CHANGES	(-10.25)	(-10.25)
REVISED CONTINUATION BUDGET	\$50,446,446	\$51,520,000

DEPARTMENT OF ADMINISTRATION (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
EXPANSION BUDGET		
1. State Personnel Study — Review current practices and policies, addressing issues of equity, flexible compensation, and family-supportive programs.	\$25,000 NR	—
2. Employee Survey — Establish ongoing survey to track morale, attitudes, and perceptions of state workforce.	5,000	5,000
3. North Carolina Aquariums — Provide for increased maintenance and enhanced education services at the three aquariums.	450,000	450,000
4. Veterans Cemetery — Provide support to open cemetery at Ft. Bragg.	—	240,060 (4)
5. Martin Luther King, Jr. Commission — Provide staff and support for the establishment of this commission.	75,000 (1/2)	75,000 (1/2)
6. Surplus Property — Computer equipment upgrade.	60,000 NR	—
7. State Building Commission — Increase operating budget to defray additional meeting costs.	15,000	15,000
8. Facilities Condition Assessment — Add one three person team in the Office of State Construction to evaluate repair and renovation needs.	225,000 (3)	225,000 (3)
9. Domestic Violence Grants — Adds funds to accommodate new program grantees.	95,433	—
10. Displaced Homemakers — Establishes pilot project for displaced homemakers.	375,000 NR	—
11. State Government Disparity Study — Funds study of participation by minority owned and women owned businesses in State purchasing and contracting activity.	950,000 NR	—
EXPANSION RECURRING	\$770,000 (3.5)	\$1,010,060 (7.5)
EXPANSION NON-RECURRING	\$1,505,433	—
TOTAL EXPANSION BUDGET	\$2,275,433 (3.5)	\$1,010,060 (7.5)
TOTAL OPERATING BUDGET	\$52,721,879	\$52,530,060

DEPARTMENT OF ADMINISTRATION (1993 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1993

SENATE BILL 27 (Chapter 321)

- Section 27** **State Capitol Restoration** — Permits the Department of Administration to prequalify bidders for restoration projects at the Capitol.
- Section 28** **Office of Marine Affairs' Transfer to the Department of Environment, Health, and Natural Resources** — Transfers the Office of Marine Affairs and the State aquariums from the Department of Administration to the Department of Environment, Health, and Natural Resources.
- Section 29** **Department of Administration Employee Training** — Requires that \$3,000 of the funds appropriated to the Division of Information Services be used to support employee training.
- Section 30** **Allocation of Rape Crisis Center Funds** — Sets guidelines for administration of Rape Crisis funds.
- Section 31** **Domestic Violence Center Funds** — Sets guidelines for administration of Domestic Violence funds.
- Section 32** **Parking Revenues** — Allows the use of parking receipts to subsidize vanpools and transit passes.
- Section 32.1** **Martin Luther King, Jr. Commission Funds** — Requires that at least two-thirds of funds appropriated to the Martin Luther King, Jr. Commission be used for program development and support.

SENATE BILL 26 (Chapter 561)

- Section 29** **Evaluation of Design and Contract Work for Community College** — Changes powers and duties of the State Building Commission.
- Section 30** **Domestic Violence Center Funds** — Changes date establishing eligibility for Domestic Violence Program grantees from July 1, 1990 to July 1, 1993.
- Section 31** **State Veterans Home** — Requires that funds appropriated for State Veterans Home be used to construct a facility of at least 150 beds and declares legislative intent to make no further appropriations for operations or capital improvements.
- Section 32** **Legislative Review Required for Certain Conveyances of State Land** — Changes statutes governing acquisition and disposal of State property.

DEPARTMENT OF ADMINISTRATION (1993 Actions, Continued)

- Section 33** **Indian Cultural Center Funds** — Prescribes use of funds for purchase of land; changes lease requirements affecting the Indian Cultural Center.
- Section 34** **Old Education and Old Revenue Building Renovation Report** — Requires that the Office of State Construction shall report to the Joint Legislative Commission on Governmental Operations regarding expenditure of planning funds for building renovation.

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET —1993	\$52,530,060
State Construction Office	
1. (a) Add five positions to handle increased activity related to Bond Funded projects	\$397,303 (5)
(b) Add an Energy Specialist position	72,429 (1)
State Property Office	
2. Add staff to handle increased activity related to Bond funded projects	144,450 (4)
Facilities Management	
3. (a) Adjust budgeted 1994-95 electricity based upon current year's expenditure level	(491,210)
(b) Savings in janitorial services by changing from five-day building maintenance contracts to skip-day contracts for most buildings in government complex	(450,000)
Department-wide:	
4. Governor's 1% Cut — Eliminate eight positions; reduce janitorial supplies, electricity costs.	(290,374) (-8)
Displaced Homemakers	
5. Continue support for grants funded in 1993-94 as non-recurring	375,000

DEPARTMENT OF ADMINISTRATION (1994 Actions, Continued)

	1994-95 General Fund
Domestic Violence Program	
6. Continue support for grants funded in 1993-94 as non-recurring	95,433
Rape Crisis Program	
7. Increase community services grants	341,200
State Personnel	
8. Fund four positions, <u>including</u> three positions recommended by GPAC	\$180,407 62,545 NR (4)
Auxiliary Services	
9. Shift director's support from appropriations to receipts	(77,910)
Office of ADA Coordinator	
10. Create new office	91,050 (1)
NET CHANGE	<hr/> \$450,323 (7)
TOTAL OPERATING BUDGET	\$52,980,383

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 11	Domestic Violence Center Funds Transferred — Provides that grants from appropriated funds to local domestic violence programs shall be administered under N.C.G.S. 50B-9, the statute that governs administration of grants to local programs from the Marriage License surcharge.
Section 11.4	State Veterans Home — Restates a previous special provision declaring the intent of the General Assembly that the State veterans Home be self-supporting from fees, charges, and reimbursements.
Section 11.5	Renovations of the Old Revenue and Old Education Buildings — Requires that renovation of the old Revenue and Education buildings be managed so as to facilitate early occupancy.

DEPARTMENT OF ADMINISTRATION (1994 Actions, Continued)

Section 11.6 **Day Care Facility Task Force** — Requires the Department of Administration to develop a day care facility. Creates a task force to advise the Secretary.

Section 11.7 **Upgrade Satellite and Microwave Uplink** — Allows the Department of Administration to carry forward funds previously appropriated for communication systems upgrade.

OFFICE OF ADMINISTRATIVE HEARINGS

STATUTORY AUTHORITY: General Statutes, Chapter 7A, Article 60

The 1985 General Assembly created this office to provide independent hearing officers to preside at contested cases, to investigate and resolve discrimination cases in State employment, and to receive, edit, codify, and public notices of rulemaking and the administrative rules themselves.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$1,950,197	\$1,954,545
Continuation Budget Changes:		
1. Reduce salary reserve.	(3,954)	(3,954)
2. Reduce various line-items as proposed by the Department as the Governor's efficiency reductions.	(17,004)	(17,091)
CONTINUATION BUDGET CHANGES	(\$20,958)	(\$21,045)
REVISED CONTINUATION BUDGET	\$1,929,239	\$1,933,500

NO EXPANSION

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$1,933,500

No Changes

OFFICE OF ADMINISTRATIVE HEARINGS (1994 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1504 (Chapter 777)

Section 2 Reduce Publication Costs to the State/Authorize Publication of the North Carolina Administrative Code by Contract with Private Business — Grants the Codifier of Rules authority to authorize and license the private indexing, marketing, sales, reproduction, and distribution of the Administrative Code.

ADMINISTRATIVE RULES REVIEW COMMISSION

STATUTORY AUTHORITY: General Statutes, Chapter 143B, Article 1, Part 3

Previously under the Office of Administrative Hearings, this 8 member Commission was given independent status in 1988. The Commission's 4 person staff is charged with reviewing new rule filings to see if they conform to the following standards: (1) are within the authority delegated to the agency by the General Assembly; (2) are clear and unambiguous; and, (3) are reasonably necessary to enable the agency to perform functions assigned by statute. The Commission is also evaluating the existing rules in the North Carolina Administrative Code.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$263,792	\$263,871
Continuation Budget Changes:		
1. Adjust various line items as proposed by the Department as the Governor's efficiency reductions.	(5,276)	(5,278)
Revised Continuation Budget	\$258,516	\$258,593

NO EXPANSION

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$258,593

No Changes

DEPARTMENT OF CULTURAL RESOURCES

STATUTORY AUTHORITY: General Statutes, Chapter 143-B, Article 2

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 museum, art resources, and libraries. An important function of the Department is the administration and awarding of funds appropriated for grants-in-aid.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$41,400,998	\$42,086,042

Continuation Budget Changes:

1. Reduce line-items to effect GPAC recommendation to reduce supply inventory by 30% over 3 years:

Office of the Secretary	(100)	(100)
Administrative Services	(30)	(30)
Archives and History — Administration	(400)	(400)
State Historic Sites	(19,772)	(19,772)
Tryon Palace	(340)	(340)
Archaeology and Historic Preservation	(200)	(200)
Museum of History	(2,000)	(2,000)
Museum of Art	(990)	(700)
North Carolina Arts Council	(700)	(700)
North Carolina Symphony	(20)	(20)
State Library — Technical Services	(400)	(400)
State Library — Services to Blind, Handicapped and Institutions	(770)	(770)
Services to Public Libraries	(100)	(100)
Subtotal	(25,822)	(25,822)

2. Reduce salary reserve:

Office of the Secretary	(4,758)	(4,758)
Archives and History — Administration	(2,836)	(2,836)
Subtotal	(7,594)	(7,594)

2. Reduce line-item expenditures including position deletions as proposed by the Department as the Governor's efficiency reductions:

Archives and History — Administration	(12,000)	(12,000)
Historical Publications	(12,918)	(13,468)
Archives and Records	(48,440)	(47,136)
Positions	(-2.0)	(-2.0)
State Historic Sites	(67,658)	(80,732)
Tryon Palace Restoration Complex	(11,302)	(11,784)

DEPARTMENT OF CULTURAL RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Archaeology and Historic Preservation	(\$23,604)	(\$21,202)
Museum of History	(31,480)	(31,480)
Eastern Office	(3,230)	(3,366)
Western Office	(6,458)	(6,734)
Museum of Art	(27,261)	(27,878)
North Carolina Arts Council	(19,898)	(19,898)
State Library — Administration	(3,500)	(2,500)
State Library — Information Services	(15,120)	(15,120)
State Library — Technical Services	(15,340)	(15,340)
State Library — Services to Blind, Handicapped, and Institutions	(14,625)	(14,625)
Reserve — History Museum	(11,037)	(16,365)
Subtotal — Savings	(323,871)	(339,628)
— Positions	(-2.0)	(-2.0)
4. Shift motor vehicles operations to Motor Fleet Management Administrative Services:		
Administrative Services	—	(14,500)
Archives and Records	(13,025)	—
State Historic Sites	(30,000)	(80,000)
Tryon Palace Restoration	(10,000)	—
Archaeology and Historic Preservation	(22,000)	—
Museum of History	—	(28,500)
State Library — Services to Blind, Handicapped and Institutions	—	(9,500)
Subtotal	(75,025)	(132,500)
5. Reduce non-critical positions to first step of salary grade:		
Museum of History	(11,200)	(11,200)
North Carolina Arts Council	(635)	(635)
Services to Public Libraries	(6,201)	(6,201)
Subtotal	(18,036)	(18,036)
6. Civilianize guard positions:		
Archives and Records	—	(1,891)
Museum of Art	—	(10,713)
Subtotal	—	(12,604)
7. Historical Publications — Increase underbudgeted receipts.	(6,000)	(6,000)
8. Reduce various operating expenditure line-items:		
Office of the Secretary	(1,442)	(1,442)
Administrative Services	(1,788)	(1,788)
Public Affairs	(1,890)	(1,890)
Archives and History — Administration	(1,000)	(1,000)

DEPARTMENT OF CULTURAL RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Archives and Records	(\$4,750)	(\$4,750)
Tryon Palace Restoration	(17,745)	(17,745)
Archaeology and Historic Preservation	(2,250)	(2,250)
Museum of History	(20,189)	(20,189)
Eastern Office	(555)	(555)
North Carolina Arts Council	(1,100)	(1,100)
State Library — Administration	(18,701)	(17,901)
State Library — Technical Assistance	(1,000)	(1,000)
State Library — Services to Blind, Handicapped and Institutions	(500)	(500)
Subtotal	(72,910)	(72,110)
9. Unconditional Grants — Eliminate program of grants to Confederate Museum (\$200), Confederate Cemetery (\$350), and Moore's Creek Battleground (\$468).	(1,018)	(1,018)
10. Reserve — History Museum (to accommodate delayed opening and shift expansion items out of continuation budget).	(48,700)	(144,306)
11. Reserve — Historic Sites (to correspond with projected site operations and shift expansion items out of continuation budget).	(68,677)	(179,524)
12. Reserve — Art Museum (to shift operating expansion to expansion budget).	(68,259)	(117,675)
CONTINUATION BUDGET CHANGES	(\$715,912)	(1,056,817)
POSITION CHANGES	(-2)	(-2)
REVISED CONTINUATION BUDGET	\$40,685,086	\$41,029,225

.....

EXPANSION BUDGET

1. Electronic Records Program — Extend current records management activity to include electronic records.	\$100,000 (2)	\$100,000 (3)
2. N.C. Symphony — Increase grant to North Carolina Symphony.	650,000	650,000
3. North Carolina Arts Council/Education Outreach — Provide funding for education outreach; increase Grassroots Art program.	600,000 (2)	600,000 (2)

DEPARTMENT OF CULTURAL RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
4. Aid to Libraries — Add support for grants to local libraries.	\$250,000	\$250,000
5. Somerset Place — Add staff at Somerset Place historic site.	70,545 (2)	70,545 (2)
6. Reserve for Grants to Local Historical and Cultural Organizations — Adds grants support to Arts Council program and funds grants program for historical organizations.	2,000,000 NR	—
7. Andrew Jackson Memorial — Provides grant to non-profit support organization for operations and maintenance.	100,000 NR	
8. Lost Colony Matching Funds — Provides funds for Lost Colony outdoor drama.	500,000 NR	
EXPANSION RECURRING	\$1,670,545 (6)	\$1,670,545 (7)
EXPANSION NON-RECURRING	\$2,600,000	—
TOTAL EXPANSION BUDGET	\$4,357,933 (6)	\$1,670,545 (7)
TOTAL OPERATING BUDGET	\$44,955,631	\$42,699,770

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

- Section 33** **Repeal Restriction on Grassroots Arts Program** — Deletes provision of Chapter 1008, 1977 Session Laws that prohibits the use of State-appropriated Grassroots Arts funds to pay for personnel positions.
- Section 34** **Cultural Resources Security Officers** —Requires that job responsibilities of Department of Cultural Resources security officers be redefined so law enforcement certification requirement no longer applies and that positions be removed from the Law Enforcement Retirement System.
- Section 35** **Department of Cultural Resources Vehicles** — Transfers all passenger-carrying vehicles from the Department of Cultural Resources to the Division of Motor Fleet Management on or before December 31, 1993.

DEPARTMENT OF CULTURAL RESOURCES (1993 Actions, Continued)

- Section 37** **North Carolina Symphony Funds** — Requires the Symphony to expand programming into economically depressed rural counties and low-wealth school districts, and provides for a reduction in performance fees.
- Section 38** **State Aid to Public Libraries Funds** — Allows local units to reduce library budgets without loss of State grant aid when the reduction is part of overall cutback caused by local economic conditions and fiscal constraints.

SENATE BILL 26 (Chapter 561)

- Section 35** **Museum of the Albemarle** — Explains appropriation for the Museum of the Albemarle; provides that funds may be used for land purchase.
- Section 36** **Local Historical Organization Grants** — Establishes competitive grant-in-aid program for local historical organizations, requires administrative guidelines, and sets grant maximum at \$50,000.
- Section 37** **Local Cultural Organizations** — Allocates \$1,000,000 to the General Support Program of the North Carolina Arts Council.
- Section 38** **Somerset Place Funds/Memorial** — Allocates \$2,000 to provide an appropriate memorial at Somerset Place.

1994 ACTIONS

	1994-95 General Fund	
TOTAL OPERATING BUDGET — 1993	\$42,699,770	
1. Adjust travel and motor vehicles supplies related to the shift of vehicles to Motor Fleet Management		
(a) Travel increase	250,000	
(b) Offsetting reductions in vehicle ownership expenses	(68,700)	
Net	181,300	
2. Grants for local historic, cultural and artistic organizations	4,000,000	NR
3. Archives and Records — Funds for staff to improve record services for local governments and defunct schools	222,108	
	(5)	
4. Roanoke Island Commission — Support for activities	15,000	
5. Historic Sites — Reserve for the development of Kerr Scott Farm	67,500	NR
6. Amphitheater — Funds to provide operating costs (partial year)	10,633	
	(1)	

DEPARTMENT OF CULTURAL RESOURCES (1994 Actions, Continued)

	1994 General Fund
8. <u>Reduce Line Items</u> — To offset restoration of Governor's 1% cut	(\$72,969) (-.5)
9. Delete three vacant positions and their support (part of \$10.0 million in vacant positions reduction)	(68,645) (-3)
NET CHANGE	\$4,354,927 (2.5)
TOTAL OPERATING BUDGET	\$47,054,697

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1504 (Chapter 777)

Section 7 **First Flight Centennial Commission** — Establishes First Flight Centennial Commission to plan activities commemorating the Wright brothers first successful powered flight.

SENATE BILL 1505 (Chapter 769)

Section 12 **Cultural Resources Fund Reallocation** — Reallocates \$700,000 previously allocated for Museum of History exhibit design and construction to other projects.

Section 12.1 **Art in State Buildings Administrative Costs** — Raises the threshold defining projects to which the 1/2% art funding set-aside applies from \$500,000 to \$1,000,000. Increases the overhead percentage going to the Department of Cultural Resources.

Section 12.2 **Tryon's Palace Artifacts** — Allows the Tryon Palace Commission to retain receipts from the sale of artifacts for acquisition of other artifacts.

Section 12.3 **Cultural Resources May Sell Artifacts** — Permits the sale of artifacts by the Division of Archives and History and deposit of sale proceeds in the History Artifact Fund for use in the purchase of other artifacts.

Section 12.4 **Cultural Resources Security Officers** — Requires the Department of Administration and the Department of Cultural Resources to prepare a plan transferring sworn law enforcement officers from the Museum of Art to Capitol Police and recommending alternative measures to assure Art Museum security.

DEPARTMENT OF CULTURAL RESOURCES (1994 Actions, Continued)

- Section 12.5** **Creation of Roanoke Island Commission** — Creates the Roanoke Island Commission; provides for the appointment of members; and, defines powers and duties.
- Section 36** **African-American Tourism Committee** — Requires the Secretary of Cultural Resources to establish an advisory committee to study and make recommendations to increase awareness of North Carolina's role in the civil rights movement and better recognize the value of African-American accomplishments as travel and tourism attractions.
- Section 36.1** **Local Historical Organization Grants** — Directs the administration of funds appropriated to the Department for aid to local historical organizations. Establishes maximum grant amount at \$100,000.
- Section 36.2** **Local Cultural and Artistic Organizations** — Directs the administration of funds appropriated to the Department for aid to local cultural and artistic organizations. Establishes maximum grant amount at \$100,000.
- Section 36.3** **Art Museum Amphitheater** — Increases authorized spending for the Art Museum Amphitheater to \$2.0 million, none of which may come from State funds.

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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$21,385,599	\$24,982,877
Continuation Budget Changes:		
1. Reduce operating budget by 1%.	(250,000)	(250,000)
Revised Continuation Budget	\$21,135,599	\$24,732,877

EXPANSION BUDGET

1. Study Commission on Status of Education at University of North Carolina — Fund			
Study Commission activities.	\$100,000	NR	—
2. Legislative Studies — Provides funding for legislative study commissions.	500,000	NR	—
3. Reserve Increase — Increases reserve funds.	2,000,000	NR	—
4. Courts Commission — Provides for operating expenses of Courts Commission.	54,438	NR	—
5. Swine Study — Funds partial cost of swine industry odor study.	15,000	NR	—
6. Economic Incentives Study — Funds analysis of economic incentives used to attract new industry.	100,000	NR	—

GENERAL ASSEMBLY (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
7. GPAC Reserve — Provides funds to begin implementation of several GPAC recommendations including performance budgeting and personnel reclassification.	\$1,076,163 NR	—
TOTAL EXPANSION BUDGET —NON-RECURRING	\$3,845,601	—
TOTAL OPERATING BUDGET	\$24,981,200	\$24,732,877

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1993

SENATE BILL 27 (Chapter 321)

Section 22 **Budget Practices Study Commission** — Creates an independent study commission to evaluate the effectiveness of the Executive Budget Act; requires report to 1994 Session.

SENATE BILL 26 (Chapter 561)

Section 20 **GPAC Recommendations** — Provides that G.S. 143-16.3 shall not apply to proposals implementing recommendations of the Government Performance Audit Committee.

Section 21 **Fiscal Note Requirement Amended** — Requires estimate of space costs in fiscal notes on new programs.

Section 103 **Study on Economic Incentives to Lure Industry** — Creates Legislative Study Commission to study the use of economic incentives to lure industry to the State; requires report to General Assembly by April 15, 1994.

GENERAL ASSEMBLY

1994 SPECIAL SESSION

	1993-94 General Fund	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993 SESSION AND 1994 SPECIAL SESSION	\$24,981,200	\$24,732,877
1. Create the Joint Legislative Corrections Oversight Committee	—	25,000 NR
2. Create the Legislative Study Commission on Farm Camp Programs	\$25,000 NR	—
3. Create a Legislative Study on Welfare Reform	20,000 NR	40,000 NR
REVISED OPERATING BUDGET	\$25,026,200	\$24,797,877

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — SPECIAL SESSION	\$24,797,877
1. Employer Match — Support for Increased retirement benefits	776,250
2. Reserves	
(a) Contract for Insurance Department audit	75,000 NR
(b) Seafood and Aquaculture Steering Committee	25,000 NR
(c) Study Commissions	100,000 NR
(d) Legislative Services Commission	2,000,000
(e) Equipment and Furniture	3,550,000 NR
(f) Court Commission	10,000 NR
(g) Subsistence Increase:	
House	207,083
Senate	147,917
(h) Fund Health Planning Commission	250,000 NR
NET CHANGE	\$7,141,250
TOTAL OPERATING BUDGET	\$31,939,127

GENERAL ASSEMBLY (1994 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

- Section 9** **Financial Audit of the Department of Insurance** — Provides that the General Assembly shall contract for an independent audit of the Department of Insurance to be completed by January 15, 1995, and allocates \$75,000 for that purpose.
- Section 9.2** **LRC Study Corporate Annual Report Filing Requirements and the Business License Information Office** — Permits the Legislative Research Commission to study the requirements that corporations file an annual report with the Secretary of State. Also permits the Commission to study the Secretary of State's Business License Information Office and its master application system. Allocates \$25,000 to conduct the study.
- Section 9.3** **Study Alternative Methods to Fund Firemen's and Rescue Squad Worker's Pension Funds** — Establishes a Study Commission to study alternative means to increase funding for the Firemen's Pension Fund and the Rescue Squad Worker's Pension Fund. Allocates \$20,000 for the study.
- Section 9.4** **Public School Finance Study** — Authorizes the Legislative Research Commission to study federal, State, and local sources of funding for public school programs and facilities.

OFFICE OF THE GOVERNOR

STATUTORY AUTHORITY: Article III, Section 5, North Carolina Constitution

This agency consists of the following two major administrative units:

- **Governor's Office** — An 8-person staff assists the Governor in his deliberations on legal, policy, and administrative matters. Staff are assigned to offices in Washington, D.C., Asheville, New Bern, and to the Executive Residence in Raleigh. Each month, the Office of Citizen's Affairs handles thousands of calls, letters and visits intended for the Governor.
- **Office of State Budget and Management** — This office authors the biennial budget, monitors federal funds, makes revenue and expenditure projections, does annual population estimates, and evaluates agency operations for cost effectiveness.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$4,475,772	\$4,495,442
Continuation Budget Changes:		
1. Reduce various line-items including supplies, travel, equipment, printing, and others as proposed by the Department as the Governor's efficiency reductions:		
Administration	(57,205)	(57,599)
Dues to National Organizations	(3,000)	(3,000)
Western Governor's Office	(2,672)	(2,672)
Office of Citizen Affairs	(11,128)	(11,128)
Office of Local Government Advocacy	(3,191)	(3,191)
Division of Non-Public Education	(3,647)	(3,647)
Raleigh Executive Residence	(9,040)	(9,040)
Subtotal	<u>(89,883)</u>	<u>(90,277)</u>
2. Extend further reductions to various line-items:		
Administration	(1,600)	(1,600)
Western Governor's Office	(6,779)	(6,779)
Office of Citizen Affairs	(10,775)	(10,775)
Division of Non-Public Education	(4,602)	(4,602)
Western Executive Residence	1,000	(1,000)
Subtotal	<u>(24,756)</u>	<u>(24,756)</u>
CONTINUATION BUDGET CHANGES	(\$114,639)	(\$115,033)
REVISED CONTINUATION BUDGET	\$4,361,133	\$4,380,409

OFFICE OF THE GOVERNOR (1993 Actions, Continued)

- Section 39.2** **Cities in Schools Funds** — Requires that \$150,000 of the \$200,000 appropriation for Cities in Schools be matched with non-state funds.
- Section 39.3** **North Carolina Education Standards and Accountability Commission** — Amends Chapter 117 of the 1993 Session Laws.

SENATE BILL 26 (Chapter 561)

- Section 27** **Automobile Manufacturing Facility Funds** — Directs that \$35,000,000 appropriated to the Office of the Governor for industrial recruitment of a major automobile manufacturing firm be placed in a restricted reserve account and specifies a number of conditions for access to and expenditure of these funds.
- Section 28** **Governor's Office Economic Initiatives** — Exempts the Total Quality Management Program, the Governor's Executive Institute, and the Economic Development Institute from provisions of G.S. 143-16.3.

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET —1993	\$5,860,409
1. State Match — Support to match federal funds from the Federal Corporation for National and Community Services	\$17,085
2. Closing of Military Bases — Funds to monitor efforts to close bases in North Carolina	
(a) Personal Services	\$110,164
(b) Consultant Fees	65,836
(c) Other Expenses	24,000
3. Governor's 1% Reduction	(22,107)
NET CHANGE	\$194,978 (3)
TOTAL OPERATING BUDGET	\$6,055,387

OFFICE OF THE GOVERNOR (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
EXPANSION BUDGET		
1. Workforce Preparedness — Establish an office to coordinate workforce preparedness activities.	\$200,000	\$200,000
2. Ombudsman — Establish an office to provide communications between Governor and State employees.	80,000 (1)	80,000 (1)
3. Cities in Schools — Contribute State funds to non-profit organization that addresses needs of high-risk youth.	200,000	200,000
4. Standards Commission — Funds for the Education Standards and Accountability Commission.	500,000	500,000
5. Center for World Languages and Cultures — Create a Center to provide foreign language training.	250,000	500,000
6. Automobile Manufacturing — Establishes restricted reserve to be used to attract new automobile manufacturing facility. (Funds reverted to General Fund at close of 1993-94 fiscal year)	35,000,000 NR	—
EXPANSION RECURRING	\$1,230,000	\$1,480,000
EXPANSION NON-RECURRING	\$35,000,000	—
TOTAL EXPANSION BUDGET	\$36,230,000 (1)	\$1,480,000 (1)
TOTAL OPERATING BUDGET	\$40,591,133	\$5,860,409

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

- Section 39** **Council of Government Funds** — Specifies conditions for distribution of grants to Councils of Government.
- Section 39.1** **World Language Center Funds** — Sets forth match conditions attending appropriation for the World Language Center; expresses legislative intent that Center shall become self-supporting.

OFFICE OF THE GOVERNOR —
HOUSING FINANCE AGENCY

1994 ACTIONS

	1994-95 General Fund
1. Increasing Housing Trust Fund — Additional funds for the Housing Trust Fund .	4,000,000 NR
2. HOME Program — The Federal Home Investment Partnership Program provides the state with funds for a variety of affordable housing activities. These funds are matched by state funds on a 25% basis. Projected federal funds for 1994-95 should be \$13.8 million requiring a match of \$3.45 million. The available match funding is only \$2.3 million, therefore, this additional \$1.15 million will provide adequate state matching funds.	1,150,000 NR
TOTAL EXPANSION —NON-RECURRING	\$5,150,000

OFFICE OF STATE BUDGET AND MANAGEMENT

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$3,405,824	\$3,530,825
Continuation Budget Changes:		
1. Reduce salary reserve.	(24,439)	(24,439)
2. Reduce non-critical vacant position to first step of salary grade.	(1,287)	(1,287)
3. Reduce various expenditure line-items as proposed by the Department as the Governor's efficiency reductions.	(68,116)	(70,616)
CONTINUATION BUDGET CHANGES	(\$93,842)	(\$96,342)
REVISED CONTINUATION BUDGET	\$3,311,982	\$3,434,483

OFFICE OF STATE BUDGET AND MANAGEMENT (1993 Actions, Continued)

	1993-94 General Fund		1994-95 General Fund
EXPANSION BUDGET			
1. Science and Math Alliance — Provides State matching funds for ongoing NSF project.	\$800,000	NR	—
2. Adoption Resources Center — Grant to Children's Home Society for adoption program targeting hard-to-place children.	500,000	NR	—
3. Future Farmers of America — Funds development, repairs, and renovations at Future Farmers of America Center.	300,000	NR	—
4. Piedmont Triad Regional Water Authority — Grant to purchase land for regional water supply.	500,000	NR	—
5. Child Protective Services — Grant for equipment purchase.	60,000	NR	—
6. Housing Trust Fund — Adds funds to support loan program.	2,500,000	NR	—
	<hr/>		<hr/>
EXPANSION NON-RECURRING	\$4,660,000		—
TOTAL OPERATING BUDGET	\$4,660,000		—
SPECIAL APPROPRIATIONS			
TOTAL OPERATING BUDGET — 1993	\$4,660,000		—

.....
1994 SPECIAL SESSION

1. Reserve for study and development of a statewide Criminal Justice Information Network (CJIN)	\$100,000	NR	\$930,000	NR
	<hr/>		<hr/>	
TOTAL OPERATING BUDGET	\$4,760,000		\$930,000	

OFFICE OF STATE BUDGET AND MANAGEMENT (1993 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

Section 17.1 **Repairs/Renovation Reserve Created** — Amends G.S. 143-15.3A to create a Repairs and Renovations Reserve Account; transfers to that account one-fourth of year-end General Fund credit balance; specifies uses.

SENATE BILL 26 (Chapter 561)

Section 22 **Expenditure of Funds from Reserve for Repairs and Renovations** — Specifies conditions governing expenditures from Repairs and Renovations reserve; requires reports to the Joint Legislative Commission on Governmental Operations.

Section 22.1 **Renovation of Butler Hall at Elizabeth City State University** — Requires that funds from the Repairs and Renovations Reserve be expended at Elizabeth City State University.

Section 23 **Local Water/Sewer Funds** — Sets forth conditions governing the distribution of water and sewer grant funds.

Section 24 **Reserve for GPAC Recommendations** — Specifies uses to which funds appropriated to the General Assembly as a Reserve for GPAC recommendations may be put.

Section 25 **Contingency Fund for Bond Election Expenses Only** — Provides that funds appropriated to the Contingency and Emergency Fund in Senate Bill 27 can be used only to reimburse counties for the expense of a statewide bond referendum.

Section 26 **Unobligated Balance of Certain Funds Transferred** — Provides that unobligated balances accruing under G.S. 143-23.2 shall be deposited as a non-tax revenue.

Section 60 **North Carolina Future Farmers of America Funds** — Sets conditions, including match requirement, on appropriation to Future Farmers of America.

Section 75 **Repair and Renovation Funds** — Allocates \$5,000,000 from the Repair and Renovation Reserve to the Department of Correction for facilities repair and renovation.

OFFICE OF STATE BUDGET AND MANAGEMENT

1994 ACTIONS

	1994-95 General Fund	
TOTAL OPERATING BUDGET — 1993 SESSION AND 1994 SPECIAL SESSION	\$930,000	
SPECIAL APPROPRIATIONS		
Special Grants		
1. Lenoir County Arts Center (SB 1599) — Completion of a new Arts Center/Civic Center. Locals have raised \$1.2 million for project.	\$200,000	NR
2. Old Salem	150,000	NR
3. Richmond County — Leak Street Education Center (SB 1396/HB 1677) Funds for renovation of facility for use as a facility to help at-risk children through counseling, job interview training, and computer training, provided that State funds are matched on the basis of \$1.00 of non-state funds for every \$1.00.	87,500	NR
4. Randleman Dam Development	1,000,000	NR
5. National Institute for Statistical Sciences	250,000	NR
6. Graveyard of the Atlantic	800,000	NR
7. World Language Center (SB 1329) — Planning funds which may be used for concept development, concept refinement, preliminary specifications and drawings, development of complete and comprehensive plan and specifications, and preliminary infrastructure development.	500,000	NR
8. Montgomery County — Haltiwanger Retreat Center (SB 1341/ HB 1679) Construction of an additional building.	150,000	NR
9. Battery Dump Cleanup — Matching Funds Highway U.S. 601	35,000	NR
10. Chatham/Wake/Richmond Counties — Grant of \$100,000 each for expenses incurred as part of their participation in the licensing of the LLRW facility. (Grant increased to \$250,000 each, \$50,000 added for Northampton County as reimbursement for prior year's litigation.	800,000	NR
11. North Carolina Hall of Honor Foundation — Grant (HB 1805/SB 1337)	100,000	NR
12. N.C. Future Farmers of America Center, Inc. — Grant-in-aid for repairs and development to be matched by local funds on a dollar-for-dollar basis (HB 1564)	250,000	NR

OFFICE OF STATE BUDGET AND MANAGEMENT (1994 Actions, Continued)

	1994-95 General Fund	
13. Greensboro Sports Commission, Inc. — Funds to support the B.A.S.S. Masters (HB 1738)	150,000	NR
14. Myrover-Reese Fellowship Home, Cumberland County — Grant for construction of a regional half-way house for women (HB 1771).	\$125,000	NR
15. Discovery Place — (SB 1368) Grant to be matched on the basis of three local dollars for one State dollar.	2,600,000	NR
16. Topsail Beach Economic Development Council — (HB 1848)	200,000	NR
NET CHANGE	\$7,397,500	
TOTAL OPERATING BUDGET	\$8,327,500	

1994 ACTIONS

	1994-95 General Fund	
TOTAL OPERATING BUDGET	\$3,434,483	
1. Continue GPAC Performance Budgeting positions	\$93,342	(2)
2. Governor's 1% Cut — Delete position to be identified	(56,253)	(-1)
NET CHANGE	\$37,089	(1)
TOTAL OPERATING BUDGET — 1993	\$3,471,572	

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 8.3 **Criminal Justice Information Network Funds** — Requires that the Criminal Justice Information Network Study Committee report to the Joint Legislative Commission on Governmental Operations before expending funds for consulting services.

OFFICE OF STATE BUDGET AND MANAGEMENT (1994 Actions, Continued)

- Section 8.4** **State Grant-in-Aid Catalog** — Requires the Office of State Budget and Management and the Office of State Planning to compile a catalog of State grants-in-aid.
- Section 11.1** **GPAC/Budget Reform: Strategic Plans, Performance-based Budgeting, Long-range Financial Model** — Revises the Executive Budget Act to require integration of the planning and budgeting processes, preparation and presentation of performance measures, submission of a performance-based budget, and use of the General Fund long-term financial model in legislative budget deliberations.
- Section 13** **Report to Auditor on Transfers between Objects and Items** — Requires that the Director of the Budget report certain budget revisions to the State Auditor, and that the Auditor's review of those revisions be provided to the Joint Legislative Commission on Governmental Operations.
- Section 34** **Richmond Educational Center Funds** — Requires that funds appropriated to Richmond County for Leak Street Education Center renovation be matched one-for-one with non-State funds.
- Section 34.1** **World Language Center Funds** — Specifies that appropriation made to the World Language Center is to be used for planning.
- Section 34.3** **Discovery Place/Capital Funds** — Requires that funds allocated for capital costs at Discovery Place in Charlotte shall be matched on a basis of three dollars non-State for each dollar of State appropriation.
- Section 35** **Expenditure of Funds from Reserve for Repair and Renovations** — Re-establishes formula governing the distribution of funds from the Repair and Renovations Reserve

OFFICE OF STATE PLANNING

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$1,537,714	\$1,538,034
Continuation Budget Changes:		
1. Reduce salary reserve.	(7,423)	(7,423)
2. Reduce various expenditure line-items (postage, data processing, and printing) as proposed by the Department as the Governor's efficiency reductions.	(13,568)	(13,574)
CONTINUATION BUDGET CHANGES	(\$20,991)	(\$20,997)
REVISED CONTINUATION BUDGET	\$1,516,723	\$1,517,037

EXPANSION BUDGET

1. Replace ARC Funds — Replace federal funds now used to support staff in Office of State Planning.	\$63,396	\$87,196
TOTAL OPERATING BUDGET	\$1,580,119	\$1,604,233

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$1,604,233
1. Continue GPAC Performance Budgeting positions	\$184,536 (4)
TOTAL OPERATING BUDGET	\$1,788,769 (4)

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 policyholders 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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$14,114,720	\$14,130,127
Continuation Budget Changes:		
1. Administration — Reduce supplies and travel line-items by \$5,000 each.	(10,000)	(10,000)
2. Medical Database Commission — Reduce travel by \$4,000 each year and data processing.	(37,000)	(43,586)
3. Company Services —		
(a) Eliminate fifteen receipt-supported vacant positions (\$676,468)	— (-15.0)	— (-15.0)
(b) Eliminate one vacant appropriation supported position.	(34,137) (-1.0)	(34,137) (-1.0)
(c) Reduce budgeted increases for travel (\$17,390), communications (\$2,000), and equipment (\$6,000).	(25,390)	(25,390)
4. Agent Services — Reduce contracted temporary services (\$15,000) and office furniture (\$2,000).	(17,000)	(17,000)
5. Consumer Services — Reduce communication and data processing by \$15,000 each.	(30,000)	(30,000)
6. Field Services —		
(a) Eliminate four vacant investigator positions.	(177,270) (-4.0)	(177,270) (-4.0)
(b) Reduce travel.	(617)	(617)

DEPARTMENT OF INSURANCE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
7. Engineering — Reduce other fixed charges (\$2,000) and office furniture/equipment (\$5,000).	(\$7,000)	(\$7,000)
8. Fire and Rescue Services — Reduce communications (\$2,000), other fixed charges (\$13,000), and equipment (\$5,400).	—	(21,000)
9. Reserves and Transfers — Reduce appropriation to Consumer Protection Fund per G.S. 58-2-215.	(327,586)	(1,000,000)
CONTINUATION BUDGET CHANGES	(\$666,000)	(\$1,366,000)
POSITION CHANGES —APPROPRIATED	(-5)	(-5)
POSITION CHANGES —RECEIPTED	(-15)	(-15)
REVISED CONTINUATION BUDGET	\$13,448,720	\$12,764,127

EXPANSION BUDGET

1. Field Service Operations — Add staff and computer support.	\$148,427 (3)	\$187,317 (3)
2. Company Services — Add staff and support.	42,993 (1)	46,695 (1)
EXPANSION RECURRING	\$191,420 (4)	\$234,012 (4)
EXPANSION NON-RECURRING	—	—
TOTAL EXPANSION	\$191,420 (4)	\$234,012 (4)
TOTAL OPERATING BUDGET	\$13,640,140	\$12,998,139

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

Section 40 **Unbudgeted Receipts Revert to General Fund** — Restricts expenditure of departmental receipts to amounts approved by the General Assembly and requires that excess receipts be reverted to the General Fund.

DEPARTMENT OF INSURANCE (1993 Actions, Continued)

- Section 41** **Fire/Rescue Commission Staff** — Allows the Fire and Rescue Commission to reimburse members of its certification board for travel and subsistence expense.
- Section 42** **State Controller Review of Insurance Chart of Accounts** — Requires that the Office of State Controller review the chart of accounts used by the Department of Insurance and report to the General Assembly and the Department of Insurance.

SENATE BILL 26 (Chapter 561)

- Section 39** **Minority Bond Study** — Directs the Department to study the need for a program that would help minority contractors to acquire surety bonds; requires report to the 1994 Session.
- Section 40** **Safety Grants Coordinator** — Allows the Department of Insurance to establish the position of Grants Coordinator; provides for funding from the Department of Insurance fund.

1994 ACTIONS

		1994-95 General Fund
TOTAL OPERATING BUDGET —1993		\$12,998,139
1.	Add analysts and examiners to address increase in health insurance activity	\$373,198
	Receipts	(116,008)
	Appropriation	257,190
		(7.0)
2.	Increase expenditure limit to allow code sales	313,930
	Receipts	(313,930)
3.	Company Services — Reduce line items	
	Travel	(30,000)
	Contracted Exams	(400,000)
	Receipts (713)	(400,000)
	Subtotal	(30,000)
4.	Fire and Rescue — Add four staff positions for certification program	159,601
		(4)
5.	Department-wide — 1% line item reductions to maintain parity with other departments	(90,000)

DEPARTMENT OF INSURANCE (1994 Actions, Continued)

	1994-95 General Fund
6. Reserves —	
a. Consumer Protection Fund — Replenish support to the level of the current year's anticipated expenditures	350,000
b. Local Fire Protection — Increase as required by General Statutes	500,000
NET CHANGE	\$1,146,791 (11)
TOTAL OPERATING BUDGET	\$14,144,930

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 14	Controller's Recommendations/Insurance Department's Chart of Accounts — Implements recommendations made by the State Controller relative to accounting practices in the Department of Insurance.
Section 14.1	Consumer Protection Fund — Revises G.S. 58-2-215(d) to allow the Commissioner of Insurance additional flexibility in use of the Consumer Protection Fund.
Section 14.2	Provide Staff Positions to Administer Fire and Rescue Certification Programs — Authorizes the Fire and Rescue Commission to establish four positions to meet fire and rescue certification responsibilities.

OFFICE OF LIEUTENANT GOVERNOR

STATUTORY AUTHORITY: *North Carolina Constitution, Articles II and III:
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 of Indian Affairs, the North Carolina Capital Planning Commission, 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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$551,423	\$553,302
Continuation Budget Changes:		
1. Reduce various line-items as proposed by the Department as the Governor's efficiency reductions	(11,028)	(11,066)
2. Reduce various line-items for operations.	(7,393)	(7,393)
Continuation Budget Changes	(\$18,421)	(\$18,459)
REVISED CONTINUATION BUDGET	\$533,002	\$534,843

EXPANSION BUDGET

1. Intergovernmental Relations Coordinator - Legislative Liaison — Establish a position.	\$65,000 (1)	\$65,000 (1)
TOTAL OPERATING BUDGET	\$598,002	\$599,843

OFFICE OF LIEUTENANT GOVERNOR (1993 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1993

SENATE BILL 27 (Chapter 321)

Section 43 **Certain Lieutenant Governor Appropriations Not to be Transferred**
— Prohibits transfer of funds appropriated for Other Services and for Service and Maintenance Contracts to other uses.

1994 ACTIONS

TOTAL OPERATING BUDGET — 1993

1994-95
General
Fund

\$599,843

NO CHANGES

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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$55,043,269	\$55,103,203

Continuation Budget Changes:

1. Reduce non-critical vacant positions to first step of salary grade:

Administration	(1,778)	(1,778)
Accounting	(460)	(460)
Management Information Services	(21,511)	(21,511)
Individual Income, Inheritance and Gift Tax	(5,278)	(5,278)
Field Operations	(1,832)	(1,832)
Tax Research	(2,521)	(2,521)
Subtotal	(33,380)	(33,380)

2. Effect GPAC recommendations to reduce supply inventory by 30% over 3-year period:

Management Information Services	(5,000)	(5,000)
General Services	13,827	(13,827)
Subtotal	(18,827)	(18,827)

3. Reduce various line-items including the deletion of positions as proposed by the Department as the Governor's efficiency reductions:

Internal Audit	(4,000)	(4,000)
Accounting	(21,766)	(21,766)
Positions	(-1.0)	(-1.0)
Management Information Services	(193,111)	(193,111)
Positions	(-1.0)	(-1.0)
General Services	(166,128)	(167,327)
License and Gift Tax	(24,593)	(24,593)
Positions	(-1.0)	(-1.0)
Corporate Income and Franchise Tax	(78,097)	(78,097)
Positions	(-1.0)	(-1.0)

DEPARTMENT OF REVENUE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Individual Income, Heritance and Gift Tax	(\$135,049)	(\$135,049)
Positions	(-3.0)	(-3.0)
Sales and Use Tax	(60,461)	(60,461)
Positions	(-2.0)	(-2.0)
Field Operations (GPAC Recommendations)	(356,410)	(356,410)
Positions	(-8.0)	(-8.0)
Property Tax	(6,000)	(6,000)
Controlled Substance Tax	(3,000)	(3,000)
Subtotal — Savings	(1,048,615)	(1,049,814)
— Positions	(-17.0)	(-17.0)
4. Field Operations —		
(a) Reduce salary reserve.	(41,038)	(41,038)
(b) Eliminate additional small field offices.	—	(336,410)
		(-8.0)
(c) Increase tax technician positions	37,351	74,702
	(1.0)	(2.0)
5. Adjust non-salary line items:		
Administration: Collection Fees Increased	30,000	30,000
Management Information Services:		
Advertising and Data Processing Services	(16,000)	(16,000)
General Services	(106,661)	(106,661)
Individual Income, Inheritance and Gift Tax	(1,604)	(1,604)
Subtotal	(94,265)	(94,265)
CONTINUATION BUDGET CHANGES	(\$1,198,774)	(\$1,499,032)
POSITION CHANGES	(-16)	(-23)
REVISED CONTINUATION BUDGET	\$53,844,495	\$53,604,171

EXPANSION BUDGET

1. Electronic Funds Transfer — Implement electronic funds transfer to expedite collections.	\$400,000	\$310,000
	(5)	(5)

DEPARTMENT OF REVENUE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
2. Integrated Tax Administration System — Integrate data processing systems to increase efficiency and provide better taxpayer service.	\$3,009,800 NR	—
EXPANSION RECURRING	\$400,000 (5)	\$310,000 (5)
EXPANSION NON-RECURRING	\$3,009,800	—
TOTAL EXPANSION BUDGET	\$3,409,800 (5)	\$310,000 (5)
TOTAL OPERATING BUDGET	\$57,254,295	\$53,914,171

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

Section 44 **Revenue Field Office Closures and Consolidations** — Requires the Department to analyze the effect of field office consolidation and to report results to the General Assembly on or before March 31, 1994.

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET - 1993	\$53,914,171
1. Secretary's Office — Reduce legal and collection fees	(\$51,800)
2. Field Operations — Reduce moving expenses	(6,064)
3. Department-wide:	
a. Reduce various operating line-items	(9,390)
b. Governor's 1% Cut	(201,301)
c. Delete four staff positions and their related benefits (part of \$10.0 million in vacant positions reduction)	(88,771) (-4)

DEPARTMENT OF REVENUE (1994 Actions, Continued)

	1994-95 General Fund	
4. Integrated Tax Administration System		
(a) Consultant services	\$4,971,956	NR
(b) Staff and related support	5,377,518	
(c) Equipment	208,820	NR
	(50)	
NET CHANGE	\$10,200,968	
	(46)	
TOTAL OPERATING BUDGET	\$64,115,139	

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

- Section 15** **State Controller Review of Revenue Chart of Accounts** — Requires the State Controller to review accounting practices in the Department of Revenue, and to report findings and recommendations to the General Assembly and the Secretary of Revenue.
- Section 15.1** **Reimbursement for Cost of Collecting White Goods Tax** — Allows the Department of Revenue to continue deductions from white goods tax proceeds as reimbursement for administrative expenses.

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 the 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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$4,962,766	\$4,925,984
Continuation Budget Changes:		
1. Reduce various line-items as proposed by the Department as the Governor's efficiency reductions:		
Publications: Printing	(15,000)	(15,000)
Business License Office: Utilities	(2,824)	(3,108)
Land Records Management	<u>(81,431)</u>	<u>(80,412)</u>
Subtotal	<u>(99,255)</u>	<u>(98,520)</u>
2. Corporations — Reduce communications line-item to effect GPAC recommendation to reduce inventories by 30% over three years.	(263)	(263)
3. Reflect savings due to 30% cut in SIPS rate:		
General Administration	(4,000)	(4,000)
Publications	(1,000)	(1,000)
Securities Registration	(5,000)	(5,000)
Uniform Commercial Code	(15,000)	(15,000)
Business License Office	(4,000)	(4,000)
Notary Public Commission	<u>(4,000)</u>	<u>(4,000)</u>
Subtotal	<u>(100,000)</u>	<u>(100,000)</u>
4. General Administration — Increase budgeted receipts.	(500)	(500)
5. Reduce Repairs and Maintenance:		
General Administration	(500)	(500)
Corporations	(400)	(400)
Uniform Commercial Code	<u>(400)</u>	<u>(400)</u>
Subtotal	<u>(1,300)</u>	<u>(1,300)</u>

DEPARTMENT OF SECRETARY OF STATE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
6. Publications — Reduce other services.	(1,000)	(1,000)
CONTINUATION BUDGET CHANGES	(\$202,318)	(\$201,583)
REVISED CONTINUATION BUDGET	\$4,760,448	\$4,724,401

EXPANSION BUDGET

1. Corporations Division — Increase staff to meet growing workload.	\$117,702 (4)	\$113,500 (4)
2. Business License Office — Computer system development and equipment purchase.	350,000	—
EXPANSION RECURRING	\$117,702 (4)	\$113,500 (4)
EXPANSION NON-RECURRING	\$350,000	—
TOTAL EXPANSION BUDGET	\$467,702 (4)	\$113,500 (4)
TOTAL OPERATING BUDGET	\$5,228,150	\$4,837,901

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 26 (Chapter 561)

Section 41 Business License Office/Master Application System — Defines the duties and responsibilities of the Business Licenses Office.

DEPARTMENT OF SECRETARY OF STATE

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET —1993	\$4,837,901
1. Governor's 1% Cut	(\$32,485)
2. Corporations Division — Support for additional staff to assist with increased volume of filings	91,285 (2)
3. Business License Information:	
a. Add staff and other expenses	138,646 (4)
b. Delete 1 Business Licensing Consultant position (part of \$10.0 million in vacant positions reduction)	(30,834) (-1)
NET CHANGE	<hr/> \$166,612 (5)
TOTAL OPERATING BUDGET	\$5,004,513

DEPARTMENT OF STATE AUDITOR

STATUTORY AUTHORITY: General Statutes, Chapter 143A, Article 3

The State Auditor directs a staff in Raleigh and 7 regional offices in the performance of financial and compliance audits of State agencies. The staff also performs quality control reviews of CPA firm workpapers of local government and local non-profit agency audits. The State Auditor also operates a "hotline" for citizens to report fraud, waste or abuse of State funds.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$7,393,837	\$7,430,882
Continuation Budget Changes:		
1. Reduce salary reserve.	(10,633)	(10,633)
2. Reduce line-items to effect GPAC recommendation to reduce inventories by 30% over 3 years.	(2,400)	(2,400)
3. Implement proposals by the Department to achieve the Governor's efficiency reductions:		
(a) Field Audit: Transfer two Assistant State Auditor positions from appropriations-support to receipts.	(72,968)	(72,968)
(b) Field Audit: Reduce travel line-item.	(24,440)	(24,440)
Subtotal — Savings	(97,408)	(97,408)
4. Administration — Reduce travel line-item.	(6,000)	(6,000)
CONTINUATION BUDGET CHANGES	(\$116,441)	(\$116,441)
REVISED CONTINUATION BUDGET	\$7,277,396	\$7,314,441

EXPANSION BUDGET

1. Hotline Support — Provide toll-free access and add positions to reduce investigations backlog.	\$88,116 12,800 NR (2)	\$105,935 — (2)
2. Performance Audit Capability — Add performance auditors to meet expanding responsibilities.	227,928 (5) 32,000 NR	249,248 (5) —

DEPARTMENT OF STATE AUDITOR (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
3. Financial Audit Capability — Add financial auditors to meet expanding responsibilities.	162,246 (4)	176,077 (4)
4. DP Equipment — Purchase Local Area Network and other equipment.	601,091 NR	—
EXPANSION RECURRING	<u>\$478,290</u> (11)	<u>\$531,260</u> (11)
EXPANSION NON-RECURRING	<u>\$645,891</u>	<u>—</u>
TOTAL EXPANSION	<u>\$1,124,181</u> (11)	<u>\$531,260</u> (11)
TOTAL OPERATING BUDGET	\$8,401,577	\$7,845,701

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

Section 45 **Information from Private Organizations Receiving State Funds;
Information from State Departments and Agencies Providing
State Funds — Clarifies G.S. 143-6.1.**

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET	\$7,845,701
1. Continue GPAC Performance Auditor	\$59,417 (1)
2. Adjust Field Audit Division Equipment	(6,400) NR
3. Field Audit Division	
(a) Add 13 financial positions effective 10-1-94	504,060 83,200 NR (13)

DEPARTMENT OF STATE AUDITOR (1994 Actions, Continued)

	1994-95 General Fund	
(b) Add two EDP staff effective 10-1-94	76,093	
	12,500	NR
	(2)	
4. Printing Equipment Replacement	280,180	NR
5. Administrative Staff — Add support staff for auditors	62,196	
	11,250	NR
	(3)	
NET CHANGE	\$1,082,496	
	(19)	
TOTAL OPERATING BUDGET	\$8,928,197	

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1994

SENATE BILL 1505 (Chapter 769)

Section 15A **Cost Analysis of Broadband Telecommunications** — Requires the Auditor to conduct an analysis of the costs of implementing broadband telecommunications technology in educational institutions, State agencies and other State-owned institutions.

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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$545,539	\$545,885

Continuation Budget Changes:

NONE

EXPANSION

1. **Contingency Fund** — Reimburses local government for cost incurred in Bond Election.

1,000,000

—

TOTAL OPERATING BUDGET

\$1,545,539

\$545,885

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 26 (Chapter 561)

Section 25

Contingency Fund for Bond Election Expenses Only — Provides that funds appropriated to the Contingency and Emergency Fund in Senate Bill 27 can be used only to reimburse counties for the expense of a statewide bond referendum.

STATE BOARD OF ELECTIONS

1994 ACTIONS

	1994-95 General Fund	
TOTAL OPERATING BUDGET — 1993	\$545,885	
1. Mail-in Voter Registration — Cost of State and federal forms printing, handling, and mailing	\$120,000	
2. Staff increase related to increased requirements related to a National Voter Registration Act of 1993, training of local election officials, and campaign reports auditing	171,421 (4)	
3. Purchase of new telephone system	7,500	NR
4. Employee education and training, travel, and association dues	28,000	
5. Administration — Reduce operating expenses	(23,280)	
6. Reserve for Automation		
(a) Contractual services for study	150,000	NR
(b) Computer reserve	1,500,000	NR
NET CHANGE	\$1,953,641 (4)	
TOTAL OPERATING BUDGET	\$2,499,526	

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 16 **State Board of Elections Needs Assessment** — Directs the State Board of Elections to conduct a needs assessment and requirements analysis to determine the need for additional computerization of voter registration. Also establishes conditions which must be met before State Board of Elections can spend money from the computer reserve fund.

STATE BOARD OF ELECTIONS (1994 Actions, Continued)

- Section 16.1** **Voter Registration Expenses/ESC/Implement NVRA** — Directs the State Budget Officer to conduct a workload analysis of the Employment Security Commission's voter registration activity. Allows the Employment Security Commission to request funding from the Worker Training Trust Fund to offset voter registration costs.
- Section 16.2** **Voter Registration Grants to Counties/Implement NVRA** — Outlines the manner in which funds from the Reserve for Voter Registration are to be administered and distributed by the State Board of Elections in collaboration with the Office of State Budget and Management and the State Data Center.

DEPARTMENT OF STATE CONTROLLER

STATUTORY AUTHORITY: General Statutes, Chapter 143B, Article 9, Part 28

The State Controller is responsible for maintaining the State Accounting and Disbursing Systems, operating a central payroll system, implementing cash management policies, and administering the State Information Processing Services (SIPS). SIPS runs the State Computer Center and the State's telephone service.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$6,681,992	\$6,687,578
Continuation Budget Changes:		
1. Reduce salary reserve.	(57,584)	(57,584)
2. Reduce non-critical vacant positions to first step of salary grade.	(22,840)	(22,840)
3. Reduce line-items to effect GPAC recommendation to reduce supply inventories by 30% over 3 years.	(800)	(800)
4. Reflect savings due to 30% cut in SIPS rate.	(500,000)	(500,000)
5. Reduce various line-items	(45,337)	(45,337)
CONTINUATION BUDGET CHANGES	(\$626,561)	(\$626,561)
REVISED CONTINUATION BUDGET	\$6,055,431	\$6,061,017

EXPANSION BUDGET

1. Technical Staff for State Accounting System — Add staff to support accounting system implementation.	\$350,000 (6)	\$350,000 (6)
2. State Accounting System Reserve — Continues installation of new State accounting system.	4,200,000 NR	—
EXPANSION RECURRING	\$350,000 (6)	\$350,000 (6)
EXPANSION NON-RECURRING	\$4,200,000	—
TOTAL EXPANSION BUDGET	\$4,550,000 (6)	\$350,000 (6)
TOTAL OPERATING BUDGET	\$10,605,431	\$6,411,017

DEPARTMENT OF STATE CONTROLLER

1994 ACTIONS

			1994-95 General Fund
TOTAL OPERATING BUDGET — 1993			\$6,411,017
1. Continued Implementation of the State Accounting System (SAS)			
(a) Support for contractual services			\$7,000,000 NR
	Receipts	(2,000,000)	
(b) Data processing services			2,000,000
	Receipts	(750,000)	
(c) Financial Systems Division staff and support			1,228,699
		(25)	
(d) Accounting Systems Division staff and support			274,308
		(5)	
2. Information Highway			
(a) Reserve			7,000,000 NR
3. Governor's 1% Cut — Delete staff position			(53,295)
			(-1)
4. Reduce various line-items			
Personal Services			(405,749)
Travel			(17,400)
Employee Education			(5,000)
Data processing Equipment			(9,000)
Data Processing Software			(1,000)
Office Furniture			(3,325)
Miscellaneous Service			(6,100)
Subtotal			(447,574)
5. Public School Technology — Funds to provide technical assistance to local school systems			150,000
6. Delete an additional application analysis program specialist position (part of \$10.0 million in vacant positions reduction)			(53,294)
			(-1)
NET CHANGE			\$14,348,844
			(28)
TOTAL OPERATING BUDGET			\$20,759,861

DEPARTMENT OF STATE CONTROLLER (1994 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1994

SENATE BILL 1504 (Chapter 777)

Section 1 **Switched Broadband Telecommunications** — Allows the Controller to provide broadband telecommunications services to governmental agencies and to certain non-profit organizations. Exempts the State Controller from telecommunications utility regulation for a period up to one year after private utilities have secured a tariff making their broadband service available to any customer.

SENATE BILL 1505 (Chapter 769)

Section 10.1 **Information Highway Funds** — Appropriates \$7.0 million for Information Highway Grants under a per site maximum of \$100,000. Establishes a Grants Advisory Council, reverts \$4.1 million previously appropriated, and requires reporting to legislative oversight committees upon request.

OFFICE OF STATE 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 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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$10,930,121	\$10,935,983
Continuation Budget Changes:		
1. Consolidate administrative cost of the Fire and Rescue Pension Fund with the Retirement Operation as proposed by the Governor's efficiency reduction.	(233,318)	(233,727)
2. Local Government Operations — Reduce salary reserve.	(83)	(83)
3. Reduce non-critical positions to first step of pay grade:		
General Administration	(370)	(370)
Investment Management	(7,169)	(7,169)
Bank Operations	(370)	(370)
Subtotal	<u>(7,909)</u>	<u>(7,909)</u>
4. Reduce line-items to effect GPAC recommendations to reduce inventory by 30% over 3 years:		
General Administration	(111)	(111)
Investment Management	(125)	(125)
Banking Operations	(134)	(134)
Local Government Operation	(210)	(210)
Subtotal	<u>(580)</u>	<u>(580)</u>
5. General Administration — Reduce supplies.	(3,000)	(3,000)
6. Investment Management — Reduce printing and binding.	(400)	(400)

OFFICE OF STATE TREASURER (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
7. Local Government Operations — Reduce other supplies (\$5,000); travel (\$7,000); service and maintenance (\$1,200); and, office furniture/equipment (\$1,000).	(14,200)	(14,200)
CONTINUATION BUDGET CHANGES	(\$259,490)	(\$259,899)
REVISED CONTINUATION BUDGET	\$10,670,631	\$10,676,084

EXPANSION BUDGET

1. Local Government Operations — Increase staff to meet growing workload (funded with non-tax revenues).	\$144,670 (3)	\$182,859 (3)
2. Retirement Systems — Improve record storage and retrieval in retirement system management.	2,050,000 NR (Receipts)	100,000 (Receipts)
3. Investment Management — Increase effectiveness of investment management operations (funded with non-tax revenues).	489,636 (1)	923,059 (1)
4. Escheat Fund Administration — Add clerical position to assist with tangible property received.	50,357 (1) (Receipts)	55,493 (1) (Receipts)
EXPANSION RECURRING — APPROPRIATION	\$634,306 (4)	\$1,105,918 (4)
EXPANSION RECURRING -- RECEIPTS	50,357 (1)	155,493 (1)
EXPANSION NON-RECURRING -- RECEIPTS	\$2,050,000	—
TOTAL OPERATING BUDGET — APPROPRIATION	\$11,304,937	\$11,782,002

OFFICE OF STATE TREASURER

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET - 1993	\$11,782,002
1. Governor's 1% cut	(\$39,827)
2. Automation — Expand automation and imaging project	895,500
Receipts	(260,500)
Net - Appropriation	635,000
	(1)
3. Firemen's Pension Fund — Regular Contributions (\$10 per month increase)	1,972,000
4. Rescue Squad Workers' Fund — Regular Contributions (\$10 per month increase)	228,000
5. Delete publications coordinator position and its related benefits (part of \$10.0 million in vacant position reductions)	(32,083) (-1)
NET CHANGE	\$2,763,090 (1)
TOTAL OPERATING BUDGET	\$14,545,092

HUMAN RESOURCES

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 Correction to Human Resources and, in 1978, the Division of Medical Assistance was created by an Executive Order and given operational responsibility for the Medicaid program. In 1989, the General Assembly consolidated environmental programs in various departments by creating a new Department of Environment, Health, and Natural Resources. Environmental health and personal health programs in the Department of Human Resources were transferred to this new department. The Department of Human Resources is the second largest department in State government and the largest under the Governor's direct control.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$1,686,618,219	\$1,854,653,994
Continuation Budget Changes		
Department-Wide		
1. Eliminate Jordan-Adams Inflationary reserve.	(1,317,842)	(2,652,819)
2. Reduce line-items to effect GPAC recommendation to reduce supply inventories by 30% over 3 years		
Vocational Rehabilitation	(10,200)	(10,200)
Services for the Blind	(9,500)	(9,500)
Secretary's Office	(2,700)	(2,700)
Division of Services for the Deaf	(18,100)	(18,100)
Division of Youth Services	(48,700)	(48,700)
Division of Facility Services	(2,700)	(2,700)
Social Services	(22,200)	(22,200)
MM/DD/SAS	(680,200)	(680,200)
Subtotal	(794,300)	(794,300)
3. Reflects savings due to 30% cut in SIPS rate.		
Vocational Rehabilitation	(25,001)	(25,001)
Services for the Blind	(3,425)	(3,425)

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Secretary's Office	(\$8,079)	(\$8,079)
Aging	(1,234)	(1,234)
Services for the Deaf/ Hard of Hearing	(5,142)	(5,142)
Youth Services	(15,864)	(15,864)
Facility Services	(4,331)	(4,331)
Social Services	(740,888)	740,888)
Medical Assistance	(20,693)	(20,693)
MM/DD/SAS	<u>(45,343)</u>	<u>(45,343)</u>
Subtotal	(870,000)	(870,000)
4. Defer vehicle replacement purchases		
MH/DD/SAS	(1,393,901)	(973,495)
Services for the Deaf	<u>(452,823)</u>	<u>(151,670)</u>
Subtotal	<u>(1,846,724)</u>	<u>(1,125,165)</u>

Division of MH/DD/SAS

5. Downsize psychiatric hospitals by:		
(a) eliminating sufficient number of positions in psychiatric hospitals to generate savings.	(1,500,000)	(1,500,000)
(b) discharging residents in ICF/MR Unit at Broughton Hospital to community placements.	(360,199)	471,043
6. Downsize MR centers by reducing census by 4%.	(230,000)	(900,000)
7. Convert Caswell Center infirmary and extended care beds to ICF/MR.	(568,000)	(568,000)
8. Replace GF appropriation with block grant funds for program for pregnant women and their children at Butner ADATC.	(800,000)	(800,000)
9. Adjust patient receipts in mental hospitals to more realistic levels.	(3,994,014)	(3,420,109)
10. Medicaid Managed Care: Accelerate expansion of Carolina Access Program and explore use of other managed care options.	(2,900,000)	(3,000,000)
	(8)	(8)

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Division of Medical Assistance		
11. Reduce funding for prescription drug to reflect continuation needs only.	(\$1,100,000)	(\$1,300,000)
12. Carry forward unexpended donations from FY 92-93 to FY 93-94 and adjust state appropriations.	(7,500,000) NR	(-0-)
13. FY 92-93 cost per eligible is lower than forecasted. Reduce projected increases due to change.	(12,327,250)	(19,134,134)
14. Increase receipts by increasing administrative staff in areas such as third-party recovery unit. Net savings.	(500,000) (45)	(1,000,000) (45)
15. Change rate method for ICF/MR reimbursement by implementing direct/indirect reimbursement caps for ICF/MR beds.	(1,400,000)	(1,500,000)
16. Reduce inflationary increases budgeted for medical care providers.	(6,200,000)	(6,200,000)
17. Downsize MR Centers by reducing census by 4%.	(600,000)	(2,400,000)
18. Discharge residents in ICF/MR Unit at Broughton Hospital to community placements.	(439,801)	(1,271,043)
Division of Social Services		
19. Special Assistance to Adults: Reduce FY 93-94 continuation budget due to lower than expected rate of growth in caseloads and payments in FY 92-93.	(1,333,640)	(1,290,352)
20. Aid to Families With Dependent Children: Reduce continuation budget to reflect lower than expected rate of growth in payments and payment amounts in FY 92-93.	(619,336)	(625,495)
21. Equalizing Fund: Adjust payments to reductions in the AFDC budget.	(67,470)	(68,137)
22. Child Support Receipts Increased: Adjust appropriations due to increased child support collections for AFDC recipients.	(315,234)	(381,948)

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
23. Foster Care Receipts Increased: Adjust appropriations to reflect increased federal Title IV E receipts. State funds were overmatched because federal funds were not available.	(\$593,969)	(\$563,949)
24. Child Welfare Funds Increased: Adjust appropriations to reflect an increase in federal Child Welfare funds.	(278,899)	(377,499)
Division of Facility Services		
25. Reduce the projected increases for entitlement day care program.	(11,000,000)	(5,000,000)
Division of Youth Services		
26. Increase receipts for Juvenile Detention services allowing for decrease in state appropriation.	(250,000)	(250,000)
27. Adjust the continuation budget increase for items funded under the Prison Bond.	(400,000) NR	—
TRANSFERS:		
1. Transfer from Eastern Carolina Medical School to Division of Medical Assistance: State funds to support Medicaid reimbursement to Pitt County Hospital at full cost. Pitt County Hospital is a primary affiliated teaching hospital of a state operated Medical School.	\$5,420,994	\$5,865,713
Transfer from the Department of Community Colleges to Department of Human Resources, Division of Mental Health, Developmental Disabilities and Substance Abuse Services for allocation to those sheltered workshops that received Community College funds in the fall quarter of 1992.	1,059,002	1,059,002
TOTAL CONTINUATION BUDGET CHANGES	(\$45,726,682) (7,900,000) NR	(\$49,597,192)
REVISED CONTINUATION BUDGET	\$1,632,991,537	\$1,805,056,802

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
EXPANSION BUDGET		
Division of Facility Services		
1. Early Childhood Education and Development Initiative — Funds for a public/private partnership for children and families, and to develop a long term strategic plan for early childhood development.	\$15,330,000 4,670,000 NR (8)	\$27,640,000 (8)
2. Day Care Staff Ratios — Funds to lower the child/staff ratios for infants and children one and two year old receiving center based care.	1,400,000	2,216,293
3. At-Risk Child Care Matching Funds — Funds to enable the state to receive all of the federal At-Risk Child Care funds available at the current federal financial participation rate.	126,000	186,200
4. Monitoring Compliance Staff — Funds to add staff to monitor and provide technical assistance to child care centers and homes.	300,000 (10)	438,672 (10)
5. Home Care Licensing — Funds to continue the Home Care Licensing Act of 1991.	121,000	121,000
6. Headstart Funds - Funds for 5 additional Headstart Parent and Child Centers.	1,100,000 NR	—
7. Child Care Resources - Funds to develop resources and referral service in unserved and underserved counties and to fund existing resources and referral services.	500,000 NR	—
8. Children Grant Funds - Funds to provide grants to programs serving children-at-risk and child care capital needs.	200,000 NR	—
9. TEACH Funds - Funds for the Teacher Education and Compensation Helps Early Childhood project to allow child day care teachers to seek continued education.	1,000,000 NR	—
10. Community Volunteer Program for Parent Involvement - Funds to support the development of the volunteer program for parent involvement.	100,000 NR	—

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Secretary's Office		
Office of Rural Health and Resources		
Rural Health Recruitment Funds		
11. Rural Health Stipends — Funds to provide stipends to medical residents, nurse midwives, physician assistants, and family nurse practitioners who will serve in medically underserved areas of the state.	\$450,000	\$450,000
12. Rural Health Financial Incentive Funds — Funds to provide financial incentives, such as loan repayment and moving expenses for primary care professionals who serve in rural or medically underserved areas of the state.	500,000	500,000
13. Support for Health Centers — Funds to provide support for health centers in rural and medically underserved areas of the state.	800,000	800,000
14. Rural Health Scholarship Fund — Funds to establish scholarships for North Carolina medical students who agree to serve in rural and medically underserved areas of the serve.	250,000	250,000
15. Community Primary Care Program — Funds to establish a Community Primary Care Program to encourage development of community primary care clinics. Funds will be used for planning grants to counties wanting to meet the primary care needs of their communities.	160,000	160,000
Division of Social Services		
16. Expansion of Jobs Opportunity and Basic Skills (JOBS) Program — Funds to serve more people and implement new federal AFDC - Unemployed Parent work requirement.	2,856,881	6,738,145
17. Rest Home Rate Increase — Funds to increase rest home rates effective July 1, 1993. The recommended rate increase would adjust the maximum monthly rate for domiciliary care facilities from \$889 to \$938 for ambulatory residents and from \$928 to \$979 for semi-ambulatory residents.	4,750,000	4,750,000

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
18. Child Protective Services — Funds to strengthen Child Protective Services by providing additional social worker positions in local Departments of Social Services.	\$2,000,000	\$2,000,000
19. State/County Special Assistance Personal Needs — Funds to adjust the personal needs allowance of persons participating in the State/County Special Assistance Program.	200,000	200,000
20. Adoption Assistance Program — Funds to raise the payment made to families who adopt children with special needs from \$200 to \$265 per month effective 7/1/93.	648,540	670,303
21. Emergency Assistance Program — Funds to extend the availability of AFDC-EA program.	500,000	500,000
22. Infant Mortality/Adolescent Parenting Program — Funds to expand the program to 8 additional counties. Up to \$10,000 may be used for administrative costs in the Division of Social Services.	300,000	300,000
23. State Abortion Fund - Funds to support the provision of services for low income women.	788,000	788,000
State Aid to Non-State Agencies		
24. Uplift, Inc. — Funds to provide a grant-in-aid to a Greensboro based organization which provides technical assistance to counties to better use existing resources for families and children.	300,000 NR	—
25. Autism Society of North Carolina — Grant-in-aid to the Autism Society to support a Children/Adult Summer Camp program.	49,000	49,000
26. Caring for Children Program — Grant-in-Aid to support the purchase of health insurance for 1,748 low income children who do not qualify for Medicaid.	500,000	500,000

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Mental Health		
27. Coalition 2001:		
(a) Core Services for Adult Mentally III — Provision of basic services recommended in the State Plans adopted by MH Study Commission. 70% of funds allocated to area programs on a per-capita basis; 30% allocated using "catch-up" formula approved by MH Study Commission.	\$1,300,000	\$1,300,000
(b) HUD Group Homes for Mentally III — Start-up and operating funds for 5 group homes and 1 apartment project.	— 300,000 NR	460,000 —
(c) Services for the Hearing-Impaired and Mentally-III — Funds to maintain current program, to hire additional staff, and to provide residential and inpatient services.	238,563	350,000
(d) Core Services for Child Mentally III — Provision of basic services recommended in the State Plans adopted by MH Study Commission. 70% of funds allocated to area programs on a per-capita basis; 30% allocated using "catch-up" formula approved by MH Study Commission.	1,300,000	1,300,000
28. Willie M. Services — Funds for additional day treatment/education slots and residential services for class members, including a second secure 14-16 bed residential program.	2,127,671 272,329 NR (41)	4,500,000 — (41)
29. Nurses Pay Adjustment — Funds to implement salary adjustments for nurses in DHR institutions based on revised entry rates and special minimum rates which became effective August 1, 1991.	892,196	892,196

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
30. Mental Health Facility Funds - Funds for capital needs of area mental health programs.	\$2,000,000 NR	—
Developmental Disabilities (DD)		
31. Coalition 2001:		
(a) Core Services for Adult DD — Provision of basic services recommended in the State Plans adopted by MH Study Commission. 70% of funds allocated to area programs on a per-capita basis; 30% allocated using "catch-up" formula approved by MH Study Commission.	700,000	\$700,000
(b) HUD Group Homes for Developmentally Disabled — Start-up and operating funds for 17 new group homes, 3 ICF/MR homes and supplemental operating funds and ADAP funds for 16 homes previously developed.	577,420 1,058,000 NR	920,500
(c) United Cerebral Palsy Funds — The Division shall use these funds to contract with United Cerebral Palsy of North Carolina for the operation and expansion of their children's centers and Independent Living Program.	400,000 290,000 NR	400,000 —
(d) DD Training Funds — Training Funds for in-home and community living arrangements, provided in conjunction with the Developmental Disabilities Training Institute of the Division of Continuing Education at UNC. (HB 535)	200,000	200,000
(e) Funds for Head Injury Projects — Funding for up to 3 developmentally disabilities head injury projects, selected by the Department based upon the need of head injury clients. Funds may be used for supported employment, assisted living and other client needs. (HB 1279)	300,000	300,000

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Developmental Disabilities (DD) (Continued)		
(f) Single Portal — Funds for the area mental health programs to coordinate the entrance and exit of DD clients to residential and day/night services.	\$1,076,250	\$1,435,000
(g) Residential Subsidy for DD Clients - Funds to pay for room and board for clients who are able to move to less restrictive and costly housing.	136,256	181,675
(h) Life Guardianship Program — Funds to expand legal guardianship services to developmentally disabled persons.	35,000	35,000
32. PL 99-457 Funds — Funds to continue the implementation of early childhood intervention services as required by PL 99-457. (HB 628)	4,886,667	4,886,667
33. Thomas S. Funds — Funds to provide services for class members residing in State psychiatric hospitals, MR Centers, the Special Care Center and those receiving inadequate community-based services.	10,760,000	16,248,842
34. Sheltered Workshops Capital Funds - Funds for capital needs at community-based facilities that operate vocation rehabilitation services for adult developmental activity programs (ADAP). \$76.28 per slot for 6,554 slots. Each program shall submit a budget for these funds for approval to the Department of Human Resources.	500,000 NR	—
Substance Abuse Services		
35. Coalition 2001:		
(a) Core Services for Adult Substance Abusers — Provision of basic services recommended in the State Plans adopted by MH Study Commission. 70% of funds allocated to area programs on a per-capita basis; 30% allocated using "catch-up" formula approved by MH Study Commission.	780,000	780,000

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
(b) Public/Private Partnership Initiative — Funds to purchase substance abuse services in halfway houses, residential facilities and inpatient hospitals operated by the private treatment community.	\$500,000	\$500,000
(c) Women's Substance Abuse Services — Funds to expand the number of residential services available to women and their children.	260,000	260,000
(d) Core Services for Child and Adolescent Substance Abusers — Provision of basic services recommended in the State Plans adopted by MH Study Commission. 70% of funds allocated to area programs on a per-capita basis; 30% allocated using "catch-up" formula approved by MH Study Commission.	1,500,000	1,500,000
Division of Services for the Deaf and Hard of Hearing		
36. PL 99-457 Funds — Funds for early childhood intervention services for deaf and hearing impaired children as required by federal law. (HB 628)	527,970 (16)	645,723 (16)
37. Early Intervention: Deaf Funds — Funds to establish and operate Early Intervention and Educational Resource Centers.	250,000 (7)	274,000 (7)
38. Pilot Deaf Program — Funds to establish a pilot extended year program	200,000	300,000
39. Deaf Funds - Funds to meet critical educational and support services needs of deaf children and adults.	800,000 NR	—
Division of Services for the Blind		
40. PL 99-457 — Funds for early childhood intervention services for blind and visually impaired children. (HB 628)	336,997 (8.5)	725,117 (8.5)
41. Governor Morehead School - Funds for braille textbooks and a resource center for visually impaired children.	300,000 NR	—

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Division of Vocational Rehabilitation		
42. Independent Living Program — Funds to develop and implement additional Independent Living Programs.	\$554,000 (16)	\$1,243,392 (16)
Division of Youth Services		
43. Juvenile Sex Offender — Funds to provide treatment to juveniles adjudicated delinquent for committing an act that is a sex offense crime.	500,000	500,000
44. Community Based Alternative Funds — Funds for the expansion of community-based services for youth at risk of coming into contact with the juvenile justice system.	500,000	500,000
Division of Medical Assistance		
45. Infant Mortality:		
(a) Parenting Education Funds — to support the addition of parenting education as a Medicaid reimbursable services for Medicaid eligible families with children under age 3.	378,000	504,000
(b) Medicaid Hot Line — Funds to develop public education materials and a toll free hot line to inform Medicaid eligible families with children about the Healthy Children and Teens program and to link them with providers who accept Medicaid.	75,000	100,000
46. Medicaid Planning Funds - Funds to support planning and design of the Eligibility Information System in the event of expanded coverage for the uninsured.	200,000 NR	—
Division of Aging		
47. In-Home Funds — Funds to provide additional in-home aid services and caregiver support.	1,000,000	1,000,000
48. Ombudsmen Funds — Funds for the long-term care Ombudsmen Program.	256,493	318,275

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
49. Senior Citizens' Funds - Funds for Senior Citizen Centers' maintenance, renovation and upkeep. Funds shall be allocated based on need. No center shall receive more than \$10,000.	\$300,000 NR	-
TOTAL DHR EXPANSION FUNDS	\$64,577,904 \$13,890,329 NR	\$92,518,000
TOTAL OPERATING BUDGET	\$1,711,459,770 (161.5)	\$1,897,574,802 (161.5)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1993

SENATE BILL 27 (Chapter 321)

Section 208

Willie M — Directs the Department as to the use of funds appropriated for the Willie M. Program and requires additional actions to be taken including to:

- o cap or reduce rates for services;
- o review all high-cost Willie M clients and reduce costs for these clients where possible;
- o report to the General Assembly, among many other items, the total cost in State dollars to operate the Willie M program — across all departments and programs — and what measures it has taken to control and reduce program expenditures;
- o implement a new evaluation system to assess each client's progress and overall program effectiveness; and,

Section 209

Thomas S — Modifies last year's provision on Thomas S by clarifying the types of clients for whom Thomas S funds can be spent, placing a cap on the funds that can be expended on some of these clients, and by prescribing specific reporting requirements.

Section C has been added, requiring the Division to develop and implement a prospective unit cost reimbursement method for allocating Thomas S funds to area mental health programs. This brings the Thomas S program more in line with how the Willie M program is administered.

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

- Section 210** **Transfer of Certain Funds Authorized** — Authorizes the Director of the Budget to transfer funds for local services from one program into another program, within the same agency or division, where they may be more needed. The Office of State Budget reports quarterly to the Fiscal Research Division on transfer authorized by this Section.
- Section 211** **Mixed Beverage Tax for Area Mental Health Programs** — Refers to the charges placed on quantities of spirituous liquor sold in ABC stores and directs how funds raised from these charges are to be spent, i.e., for the treatment of alcoholism or for research or education on alcohol abuse. It also requires that these funds be matched by local funds.
- Section 212** **Specialized Residential Centers' Bed Conversion** — Authorizes the department to use funds made available as a result of the conversion of State-supported beds in specialized residential centers to ICF/MR beds to increase the State subsidy provided to centers.
- Section 213** **Physician Services** — Allows the Department, if funds are available and with State Budget approval, to pass along across-the-board salary increases to physicians from private universities who are on contract to provide services to State institutions. This is already the policy for contracts with the public universities.
- Section 214** **Liability Insurance** — Allows the Departments of Human Resources, Correction, and Environment, Health, and Natural Resources to provide, either through the purchase of commercial insurance or through self-insurance, liability insurance for State employees who work as physicians or dentists. Coverage would provide insurance over and above the \$100,000 limit provided by the State and could not exceed \$1,000,000. It also provides similar coverage to medical residents who are in training at the Department's Institutions.
- Section 215** **Non-Medicaid Reimbursement** — Provides for two exceptions to the requirement that providers of medical services under various State programs be reimbursed at the Medicaid rates:
1. Contracts or agreements for medical services for non-Medicaid patients and the purchases of medical equipment and other medical supplies for non-Medicaid eligible patients.
 2. Medical services provided to residents of State facilities.
- In these two cases, reimbursement rates shall be at or as close as possible to Medicaid rates. It also sets income eligibility standards for the Medical Eye Care Program, the Clozaril Drug program and other non-Medicaid funded rehabilitation programs.

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

- Section 216** **Developmental Day Centers' Grant-in-Aid** — The General Assembly is implementing PL 99-457 - Education of the Handicapped Law. Under that law, the Department of Public Instruction is responsible to provide early intervention services to 3 and 4 year olds. This provision transfers to DPI the funds that have been in DHR's budget and which have been used to serve this group. It also requires that the funds be used to continue to contract for services with the area mental health programs and the private non-profit developmental day programs which have been providing these services up to now.
- Section 217** **Short-Term Loan Fund for ICF/MR Facilities** — Implements a recommendation of the Department's report on ICF/MR facilities and would allow a revolving loan fund to be used for housing alternatives less costly than ICF/MR group homes.
- Section 218** **Planning and Pilot Implementation of an Integrated Funding** — Implements a recommendation of GPAC to downsize the State's psychiatric hospitals by pilot testing an integrated funding system. Under this managed-care approach, area mental health authorities would have the responsibility and the resources to meet the total treatment needs of their clients, including inpatient psychiatric care. The Department will report back to the Appropriations Committee on the results of this pilot test.
- Section 219** **Child Support Funds** — Relates to a consent judgment involving the allocation of late child support payments and prescribes reporting requirements and the use of unexpended funds in the non-reverting fund account established for this program.
- Section 220** **Pioneer Funding** — Incorporates into the General Statutes the funding policies and procedures adopted by the General Assembly as the "Pioneer Funding System" as implemented through a 5-year phase-in scheduled in the 41 area mental health authorities.
- The provision also establishes an area authority appeals panel, appointed by the Secretary of Human Resources, to hear and resolve disputes between the area authorities and their contractors or their clients.
- Section 221** **Developmental Disabilities Training Requirements** — Requires the Division to develop training requirements for those who will be implementing the Developmental Disabilities Plan and that the training be administered by the Developmental Disabilities Training Institute at UNC Chapel Hill.
- Section 221.1** **Ownership, Custody, Control of Vehicles Purchased by the Division of Vocational Rehabilitation Services** — Gives permission to the Division of Vocational Rehabilitation Services to purchase its own vehicles rather than use the State operated motor vehicle pool.
- Section 222** **Medicaid** — Establishes eligibility requirements for recipients of Medicaid and Aid to Families with Dependent Children; establishes allowable services payment rates to provider under the State's Medicaid program.

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

- Section 223** **Reduce Infant Mortality** — This provision improves the maternity care package for pregnant women provided by the Medicaid program by including nutritional counseling, psycho-social counseling, pre-delivery and post partum home visits as reimbursable services.
- Section 224** **Transportation for Pregnant Women and Children** — This provision appropriates funds to the Division of Medical Assistance for transfer to the Department of Transportation and allocates funds according to a formula. The Department of Transportation is directed to report to the Legislative Commission on Governmental Operations on the services provided by these funds.
- Section 225** **Pharmacy Dispensing Increase** — This provision sets the dispensing fee at \$5.60.
- Section 226** **ICF and ICF/MR Work Incentive Allowances** — Permits the Division of Medical Assistance to exempt a larger portion of the earned income of handicapped and developmentally delayed persons in residential care facilities when determining Medicaid eligibility.
- Section 227** **Medicaid Inpatients Hospital Reimbursement** — Requires the Department to implement a budget-neutral Diagnosis-Related Group methodology.
- Section 228** **N.C. Family Support Act** — Establishes a methodology for calculating AFDC benefits.
- Section 229** **Retrospective Accounting Adjustment/AFDC** — Provides supplemental payment to families adversely affected by federal changes to the Aid to Families with Dependent Children program which were enacted in 1982.
- Section 230** **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 231** **Foster Care Board Rate** — Establishes foster care board rate at \$265 per month.
- Section 232** **Emergency Assistance** — Establishes limitations on expenditures for Emergency Assistance Program.
- Section 233** **Food Stamp Outreach** — This provision directs the Department of Human Resources to continue the Food Stamp Outreach program.
- Section 234** **Child Protective Services** — This provision allocates funds appropriated to counties for child protective services and establishes limitations on county expenditure of these funds. See Section 14 of Chapter 561 (Senate Bill 26) for technical correction.
- Section 235** **Adoption Subsidy** — Establishes adoption subsidy at \$265 per month.

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

- Section 236** **Social Services Plan/Family Preservation Services** — Authorizes the use of \$410,000 for Social Services Plan pilots, and the use of \$50,000 for Family Preservation Services.
- Section 237** **County Matching Requirements for Child Protective Services** — This provision establishes a match requirement for counties for child protective services.
- Section 238** **Carolina Access Program/Eye Care** — This provision exempts optometrists from the Carolina Access program. See Section 92 of Chapter 561 for language repealing this provision.
- Section 238.1** **Limiting ERISA Plan Requirements** — This provision prohibits self-insured health plans from declaring that they will pay health care providers after Medicaid. The language is consistent with ERISA requirements and with Medicaid law and regulation.
- Section 239** **Domiciliary (Rest Home) Rate Increase** — Provides the language identifying the maximum monthly rates for ambulatory rest home residents at \$938 and semi-ambulatory at \$979, effective July 1, 1993.
- Section 240** **Rest Home Payment Method** — Requires DHR to develop a plan for a vendor payment method for domiciliary care facilities. Outlines what the proposed methodology shall include. Also requires the Department to report to the General Assembly and include a five-year fiscal impact of the cost of implementing the vendor payment.
- Section 241** **Pilot Subsidy to Domiciliary Homes for Services to Developmentally Disabled Residents** - This provision requires the Department to conduct a pilot study of the need for a subsidy for developmental disabled persons residing in homes for the aged and disabled and family care homes. This subsidy would help pay for the special habitative services these residents need.
- Section 242** **DHR Monitoring Domiciliary Care Facilities' Compliance with Licensure Requirements** — Directs local DSS directors and the Division of Facility Services to monitor domiciliary care facilities for compliance with licensure law.
- Section 243** **Caregiver Support Claims** — Outlines how \$1,008,000 in SFY 1993-94 and SFY 1994-95 are to be used for services that support family caregivers of older persons with functional disabilities who want to stay at home rather than be institutionalized. Services that can be provided include respite care, adult day care services for older adults, companion services, and other related services.
- Section 244** **Senior Center Outreach** — Outlines how \$403,800 in SFY 1993-94 and SFY 1994-95 is to be used for the purpose of enhancing senior citizen center programs.

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

- Section 245** **Rural/Primary Care Initiatives** — This provision encourage the establishment of rural hospital networks by authorizing DHR to establish such a program. The development of this program would encourage hospitals with underutilized bed capacity to downsize and to concentrate on the development of primary care services. In addition, the provision allows hospitals to collaborate to meet the health care needs of the community without duplicating levels of care provided in other network hospitals.
- Section 246** **Day Care Funds Match Requirement** — Provides that counties are not required to match day care funds allocated by the State, unless federal law requires such a match.
- Section 247** **Day Care** — Prohibits day care service funds from being used for administrative costs and encourages efficiency in the purchase of care.
- Section 248** **Day Care Rates** — Identifies the requirements for the establishment of rules for the monthly schedule of payments for the purchase of day care services.
- Section 249** **Day Care Allocation Formula** — Describes how the Department will allocate child day care funds based on a allocation formula.
- Section 250** **DHR Employees as In-Kind Match** — Allows the Department of Human Resources, Office of Rural Health and Resource Development, to serve as the State's match requirement for establishing health care cost containment strategies.
- Section 251** **Community-Based Alternatives Participation** — Requires the Department to certify that CBA funds are not used to duplicate or supplant other programs within a county.
- Section 252** **Supplemental Head Start Funds** — Requires that supplemental Head Start funds be allocated to existing programs.
- Section 253** **County Day Care Encouragement** — Outlines the General Assembly intention to encourage counties to aggressively use all of their initial child care allocation and requires the Department to re-evaluate its allocation/reversion/reallocation timetable. Requires the Department to report to the Legislative Commission on Governmental Operations and to the Fiscal Research Division on the implementation of this Section.
- Section 254** **Early Childhood Education and Development Initiatives** — Describes how the Department is to implement the Early Childhood Initiative in 12 pilot counties and identifies the types of allowable child care services that can be funded. Authorizes lower staff-child ratios for infants and toddlers and provides religious sponsored day care facilities with a one-year delay in complying with the lower ratios.

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

- Section 255** **Early Childhood Education and Development Initiatives Plan** — Allows counties that participate in the Early Childhood Initiatives to use the county's allocation of State and federal child care funds to subsidize child care according to the county's Early Childhood Initiative Plan as approved by the Department.
- Section 256** **Child Day Care Revolving Loan Fund** — This provision allows the federal funds budgeted for the Revolving Loan Fund (\$400,000) to be transferred and invested by the operating financial institution in an effort to maximize the use of the federal funds for small loans to child day care providers to enhance their child care services. The federal funding agency has endorsed this attempt to maximize the federal funds.
- Section 257** **Early Childhood Education and Development Initiatives Quality Assurance/Accountability** — Directs the Department to develop and implement a performance based evaluation system to evaluate the Early Childhood Initiative.
- Section 258** **Health Centers' Purchase of Medications** — Allows State rural health centers and other federally funded health centers to purchase medication by participating in contracts administered by the Department of Administration.
- Section 259** **Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives** — Establishes a legislative commission to oversee the activities of the Early Childhood Initiatives.
- Section 259.1** **State Abortion Fund Eligibility Criteria** — Establishes the eligibility limitations on the State Abortion Fund and limits spending to \$1,212,000 in each year of the biennium.

SENATE BILL 26 (Chapter 561)

- Section 14** **Child Protective Services** — This provision makes a correction to Section 234 of Chapter 321 (Senate Bill 27).
- Section 15** **Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives** — This provision makes technical changes to Section 259 of Chapter 321.
- Section 83** **Head Start Capital Funds - 1993-94** — This provision allocates capital funds for non-profit agencies administering Head Start programs.
- Section 86** **Commitment of Foreign National Counselor Notice** — This provision corrects the statute, identifying the proper authority to whom the Governor is to send information regarding a client who is a resident of one of the Department of Human Resources 24-hour facilities and is not a citizen of the United States.

DEPARTMENT OF HUMAN RESOURCES (1993 Actions, Continued)

- Section 87** **Juvenile Secure Custody Study** — This provision directs the Department of Human Resources and the Administrative Office of the Courts to conduct a study of secure custody facilities for juveniles and to report the results of the study to the 1993 General Assembly by May 1, 1994.
- Section 88** **ICF/MR Facilities CON Bed Limit** — Allows those 30 bed facilities who have applied for a Certificate of Need for additional ICF/MR beds to expand their facilities capacity to 32 beds. This will result in the addition of new ICF/MR beds without the normal start-up and construction costs.
- Section 89** **Commission for the Blind Changes** — This provision makes changes to G.S. 143B-157 and G.S. 143B-158.
- Section 90** **Area Authorities' Local Plans Extended Scheduled** — Extends by 6 months the time period in which the area mental health authorities are to complete their service implementation plan.
- Section 91** **Consent Judgment Focus Class Agreement/Thomas S** — Allows the Department of Human Resources to enter into an agreement with the court to change the Thomas S court order by capping the class membership at approximately 1,000 members and by preparing assessments and evaluations themselves instead of being required to contract out for these services. Several million dollars a year should be saved as a result of these changes.
- Section 92** **Carolina Access Change Repealed** — This provision repeals Section 238 of Chapter 321 (Senate Bill 27).
- Section 93** **Distribution Specifications for Area Mental Health Program Capital Funds** — This provision establishes requirements for the distribution of capital funds for area mental health programs.
- Section 94** **Governor Morehead School Funds** — This provision authorizes the transfer of funds from Repairs and Renovations Fund for repairs and renovation of the Governor Morehead School.

1994 SPECIAL SESSION

	1993-94 General Fund	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$1,711,459,770	\$1,897,574,802
Office of the Secretary		
1. Family Resource Center Grant Program — \$180,000 administrative costs	\$—	\$2,055,000
2. Grants to "Support Our Students" (S.O.S.) Pilot Projects	—	5,000,000

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
3. Conduct a comprehensive study of the Division of Youth Services' Juvenile Justice System	\$150,000 NR	—
4. Expand Family Preservation Services Program	—	\$500,000
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
5. Expand the N.C. High School Athletic Association — Coach Mentor Training	—	534,000
6. Structured Sentencing Act Effective October 1, 1994 — To provide substance abuse treatment services to offenders under the Treatment Alternatives to Street Crime (TASC) Program	—	1,359,380
Division of Youth Services		
7. Operating funds for two additional Wilderness Camps	—	2,566,000
8. Expand the Governor's One-on-One Program and increase the funding for each program	—	1,150,000
9. Staff to operate 147 additional beds in existing training schools including a special education teacher and guidance counselor at each school	—	7,279,419
10. Establish Alternatives to Detention Program in selected district court judicial districts	125,000	500,000
11. Outcome-Based Enhancement of the Community-Based Alternatives Program	—	5,000,000
SUPPLEMENTAL INCREASES —RECURRING	\$125,000	\$25,495,419
SUPPLEMENTAL INCREASES —NON-RECURRING	\$150,000	\$ —
TOTAL SUPPLEMENTAL INCREASES	\$275,000	\$25,943,799
TOTAL OPERATING BUDGET	\$1,711,734,770	\$1,923,518,601

DEPARTMENT OF HUMAN RESOURCES (1994 Special Session Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN SPECIAL SESSION — 1994

SENATE BILL 160 (Chapter 24)

- Section 30** **Support Our Students (S.O.S.) Program** — Establishes the Support our Students (S.O.S.) Program to award grants to community- and neighborhood-based organizations to establish after-school activities for school-aged children.
- Section 31** **Family Resource Center Grant Program** — Establishes the Family Resource Center Grant Program to promote grants to establish Family Resource Centers that provide services to children and their families.
- Section 32** **Annual Evaluation of Wilderness Camps, Coach Monitoring Training and Governor's One on One Program** — Requires DHR to conduct annual evaluations of these programs, which will be reviewed by the State Auditor and then presented to the Governmental Operations Commission. Also requires an interim evaluation of the Coach Monitoring Program by May 15, 1994.
- Section 33** **Governor's One on One Program Funds Allocation** — Provides for increased funding for existing programs and the establishment of at least 65 new programs. Full-time programs will receive \$30,000, half-time programs \$15,000, and double programs will receive \$60,000.
- Section 34** **Alternatives to Detention Programs** — Provides for the establishment of new programs in selected judicial court districts that do not currently have them. Also requires an evaluation of how these programs affect admissions to detention centers.
- Section 35** **Community-Based Alternatives** — Requires that the Youth Services Advisory Committee's membership be updated to ensure appropriate representation and reflect social and socioeconomic diversity of the community. Requires these committees to prepare written plans of action for the expenditure of CBS funds and to specify how the funds will be used to lower the county's training school commitment rate.
- Provides that the \$5 million in expansion funding be allocated such that \$4 million is distributed to counties on a per capita basis, based on the number of children in the county between the ages of 10 and 17 and that \$1 million be distributed equally among all of the counties. Provides that counties use their expansion funds to purchase services from local public and private non-profit 501(c)(3) corporations and housing authorities and that children against whom a complaint of delinquency has been made be targeted for services.
- Section 36** **DHR Study of Division of Youth Services' Programs and Services** — Requires DHR to conduct a comprehensive study of the Division's juvenile justice service system by November 1, 1994 and report its findings to the General Assembly by March 1, 1995.

DEPARTMENT OF HUMAN RESOURCES (1994 Special Session Actions, Continued)

Section 37 **Director of Joint Security Force** — Requires the Secretary of DHR to designate the Director of the Juvenile Evaluation Center (JEC) as the Director of the Joint Security Force serving the Black Mountain Center, the Alcohol Rehabilitation Center and the JEC.

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993 SESSION AND 1994 SPECIAL SESSION	\$1,923,518,601

CONTINUATION BUDGET CHANGES

Division of Medical Assistance

- | | |
|---|-------------------------|
| 1. Rate of Growth Adjustment — Reduce budget due to slower than anticipated rates of growth in eligibles and costs per eligible. | (\$80,287,706) |
| 2. Overrealized Receipts — Reduce appropriations due to anticipated increases in Drug Rebate receipts. | (478,391) |
| 3. Reduce appropriations to reflect increased receipts and adjustments to budgeted program increases. | (12,000,000) |

Division of Facility Services

- | | |
|---|-------------------|
| 4. Construction Section Adjustments — Reductions to travel lines. | (12,000) |
| 5. Reduction of .3044% to state funding for local programs as identified by the Governor. | (2,861) |

Division on Aging

- | | |
|--|-------------------|
| 6. Sr. Center Outreach — Adjust outreach funding for Area Agencies on Aging for Senior Centers. | (12,524) |
| 7. Reduction of .3044% to state funding for local programs as identified by the Governor. | (2,294) |

Division of Social Services

- | | |
|--|----------------------|
| 8. JOBS — Reduce appropriations due to availability of increased federal resources. | (138,730) |
| 9. Aid to Families With Dependent Children — Reduce appropriations for AFDC and AFDC-Unemployed Parent Program (AFDC-UP) to reflect lower than expected growth in caseloads and payments. | (6,518,392) |

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

	1994-95 General Fund
10. Child Support Receipts Increased — Adjust appropriations due to increased child support collections for AFDC recipients.	(\$500,000)
11. Psychological Services Reductions — Eliminate psychological services in Child Welfare Services.	(163,750)
12. JOBS — Adjustments to budgeted but unexpended funds for county initiatives.	(31,138)
13. State County Special Assistance Program — Adjust projected average monthly payment amount and number of payments to domiciliary care facilities to reflect actual activity.	(561,980)
14. Reduction of .3044% to state funding for local programs identified by the Governor.	(145,353)
<u>Division of Services for the Blind</u>	
15. State County Special Assistance for Adults — Reduce funding for domiciliary care placements.	(14,515)
16. Burlington District Office — Consolidate services in the Burlington and Winston-Salem District offices into the Winston-Salem Office.	(5,646)
17. Eliminate vacant occupational and physical therapist positions.	(55,369) (-2)
<u>Division of Services for the Deaf and Hard of Hearing</u>	
18. Central N. C. School for the Deaf — Eliminate vacant housekeeping and occupational therapist positions.	(25,112) (-2)
19. NC School for the Deaf (Morganton) — Eliminate vacant part-time occupational therapist position.	(8,198) (-0.22)
<u>Division of Child Development</u>	
20. FSA Day Care — Adjustments to funding for Family Support Act Day Care Services.	(52,197)
21. Reduction of .3044% to funding for local services as identified by the Governor.	(58,935)
<u>Office of the Secretary</u>	
22. Reduce contracted personnel services and over-budgeted state match for federal funds.	(15,259)
23. Abolish one Volunteer Services position, vacated as a result of the elimination of the Office of Volunteer Services.	(29,463) (-1)

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

	1994-95 General Fund
24. Departmental Reduction of .3044% to state funds for local services as identified by the Governor.	(\$7,869)
<u>Division of Youth Services</u>	
25. Reduce various line-items by 1%.	(55,304)
<u>Division of Vocational Rehabilitation</u>	
26. Eliminate 3 positions through a reorganization of data entry operations.	(13,901) (-3)
27. Eliminate 1 position through a consolidation of staff operating computer hardware with staff developing software.	(8,092) (-1)
28. Reduce non-medical, rehabilitation case services funds.	(24,640)
29. Reduction of .3044% to state funding for local services as identified by the Governor.	(9,886)
<u>Division of Mental Health, Developmental Disabilities, and Substance Abuse Services</u>	
30. Adjust patient receipts in state institutions to more realistic levels.	(2,943,984)
31. Convert Caswell Center's acute medical care beds to ICF/MR.	(586,920)
32. Consolidate administrative activities' of Butner ADATC with John Umstead Hospital.	(66,858) (-3)
33. Generate Medicaid reimbursement for Thomas S and Willie M program administration.	(1,116,401)
34. Convert Western Carolina Center's 8 bed hospital to ICF/MR.	(348,066)
35. Reduction of .3044% to state funding for local services as identified by the Governor.	(528,411)
36. Department-wide — Delete 48.52 General Fund supported positions and their related benefits (part of \$10.0 million in vacant position reductions)	(2,097,468) (-48.52)

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

1994-95
General
Fund

EXPANSION

Division of Medical Assistance

1. **Expansion of Children's Coverage** — Extend coverage to children ages 11 to 19 with family incomes under 100% of federal poverty guidelines effective 7/1/94. Support this expansion are offset by a reduction in the Department of Environment, Health and Natural Resources Division of Health Services, Children's Special Health Services Program. (SB 1358/HB 1607/HB 1876) \$2,846,992
2. **Coverage for Adoptive Children with or Special Rehabilitative Needs** — Extend coverage to families who adopt children with special or rehabilitative needs without regard to family income effective 10/94. (SB 1358/HB 1607/HB 1876) 300,000
3. **Coverage for Elderly, Blind and for Disabled** — Effective 1/1/95 provide Medicaid coverage for all SSI eligible elderly, blind and disabled people. (Eliminate 209(b) (b) status) (SB 1358/HB 1607/HB 1876) 20,000,000
(3)
4. **Funding for Estate Recovery** — Funding to support estate recovery activities required by federal law. (SB 1640/HB 2068) 54,750
50,000 NR
(2)

Division of Social Services

5. **Expansion of JOBS Opportunity and Basic Skills (JOBS) Program** — Funds to implement the program statewide effective July 1, 1994. 934,131
(4)
6. **Federal Financial Participation (FFP) Rate** — Funds to cover a reduction in the FFP rate for the systems - related Aid to Families with Dependent Children and Food Stamps expenses. 557,903
7. **Increase in Rest Home Payments** — Funds to increase by 4% the maximum monthly rate for ambulatory residents of domiciliary care facilities from \$938 to \$975 and for semi-ambulatory residents from \$979 to \$1,017. Effective July 1, 1994. 4,798,716
8. **Personal Needs Allowance** — Funds to raise state support for personal needs allowance for residents of domiciliary care facilities from \$27 to \$31 a month. (HB 1567) 469,876
9. **Foster Care Services** —
 - (a) Institute Graduated Monthly Rate Schedule effective July 1, 1994 -

(0-5 yrs)	\$315	
(6-12 yrs)	\$365	
(13-18 yrs)	\$415	
		2,031,501

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

		1994-95 General Fund	
(b)	Funds to contract for an outside independent comprehensive study of the Child Welfare System.	\$150,000	NR
(c)	Funds to develop and implement an in-house training component for foster care and adoptions staff, parents and local DSS staffs.	181,270 (3)	
(e)	Funds to purchase a foster care recruitment and retention assessment guide.	15,167	NR
(f)	Funds to provide additional monthly foster care assistance payments for foster children with HIV. (HB 1689)	499,500	
10.	Adoption Assistance Program — Funds to institute a graduated monthly rate schedule effective July 1, 1994 -		
	(0-5 yrs) \$315		
	(6-12 yrs) \$365		
	(13-18 yrs) \$415	1,435,880	
11.	Child Welfare Adjustments —		
(a)	Caseload adjustments in foster care and adoptions.	242,817	
(b)	Reduction in federal financial participation rate in Foster Care, Adoptions and Family Services Administration.	17,670	
12.	Maternity Home Fund — Funds to provide maternity home services to eligible clients. (HB 1613/SB 1344)	665,000	
13.	Children's Home Society of North Carolina, Inc. — Funds to support adoptions activities for special needs children. (HB 1613/SB 1344)	750,000	NR
14.	Emergency Assistance Program — Funds to extend the availability of the AFDC-EA program year round. (HB 2069)	2,373,315	
15.	Child Caring Agency Funds — Funds to add 10 additional private nonprofit child caring agencies pursuant to NCAC, Subchapter 41 M. (HB 1658)	755,059	
16.	Central Children's Home of NC — Funds to provide a grant-in-aid to enhance foster care services. (HB 1653)	500,000	NR
17.	Child Support Enforcement — The Department is authorized to establish 85 additional Child Support Enforcement positions with over-realized receipts which would otherwise be returned to offset AFDC state match.		
	Total Requirements	\$3,258,309	
	Federal Receipts	2,150,485	
	AFDC Return Receipts	1,107,824	
	Appropriations	—	(85)

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

1994-95
General
Fund

Division of Child Development

18. **Smart Start** — Funding for the expansion of the Early Childhood Education and Development Initiative in the following areas:
- a. Additional funding for the addition of twelve counties and ten new positions for the Division of Child Development. Uses an average reimbursement rate of \$312 \$16,441,875 (10)
 - b. Additional funds to provide the initial twelve projects in eighteen counties with funding for a projected growth in the number of children in each county and minor inflation adjustments. Uses an average reimbursement rate of \$312. 2,681,907
 - c. T.E.A.C.H.: Continuation funding for the Teacher Education and Compensation Helps Early Childhood project to allow child day care teachers to seek continued education. 1,000,000 NR
19. **Subsidized Child Day Care** — Increase funding to provide subsidized child day care for the same number of children in the nonentitlement child day care program in 1994-95 as will be served in 1993-94. This increase also includes a transfer of \$5,066,924 from excess state matching dollars in the federal Family Support Act entitlement day care program. 1,064,783
20. **Subsidized Child Day Care** — Provide subsidized child day care services for children currently eligible for nonentitlement child day care but not currently receiving these services. 4,000,000
21. **Uplift, Inc.** — Funds to provide a grant-in-aid to a Greensboro based organization which provides technical assistance to counties to better use existing resources for families and children. (SB 1450/HB 1580) 300,000 NR

Office of the Secretary

22. **Provider Stipend Program** — Expand this program to recruit primary care providers including physicians nurse practitioners, nurse midwives and physician assistants in rural communities and underserved areas of the state Annual Cost. (HB 1581) 900,000
23. **Primary Care Development Grants** — Funds to provide rural and underserved communities with state funded recruitment incentives and bonuses for health care providers. 750,000
24. **Mental Health Institutional Needs** — Funds for equipment and other direct patient needs in MH/DD/SAS institutions, except \$250,000 is to be reserved for equipment and other direct student needs of the Governor Morehead School. 2,000,000 NR

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

**1994-95
General
Fund**

Division of Services for the Blind

- | | |
|---|--------------------|
| 25. Extended School Year (ESY) Program — Funds to establish ESY as mandated by federal law. | \$106,442
(3.2) |
| 26. Transition Services — Funds to implement a federally mandated program which promotes movement from school to post-school activities. | 62,312
(2) |
| 27. Deaf-Blind Independent Living — Funds to establish a special unit at the rehabilitation Center for the Blind in Raleigh to provide a continuum of services including independent living for the deaf-blind population. (HB 1577) | 100,000
(11) |
| 28. Governor Morehead School Outreach Program — Funds to enhance outreach services across the State and provide resources to local schools and families. (HB 1571) | 100,000
(2) |

Division of Services for the Deaf and Hard of Hearing

- | | |
|---|-------------------|
| 29. Transition Services — Funds to implement a federally mandated program which promotes movement from school to post-school activities. | 304,806
(6) |
| 30. Schools for the Deaf — Funds to enhance educational services to the three schools for the deaf and enable the schools to meet minimal basic educational standards. (HB 1753) | 1,000,000
(35) |
| 31. Deaf Access for Services - ADA — Funds to provide expansion of the Community Affairs Unit in order to ensure deaf/hard-of-hearing equal access to human services as mandated by the American Disabilities Act. (HB 1750) | 1,662,249
(36) |

Division of Mental Health, Developmental Disabilities
and Substance Abuse

- | | |
|---|-----------|
| 32. Willie M Services — Funds to expand services for an estimated 200 additional children, and initiate training programs and effectiveness studies. Effective 7/1/94 | 5,400,000 |
| 33. Mental Health/Deaf Services — Funds to implement the long range plan for mental health services for the deaf in accordance with a compliance agreement with N. C. Association of the Deaf. (HB 1519) | 145,000 |

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

	1994-95 General Fund	
34. Crisis Stabilization Funds — Funds to provide community-based stabilization services to avoid institutionalization. Up to 10% of the funds shall be used to establish a crisis stabilization unit in the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. (HB 1578)	\$200,000 1,000,000	NR
35. Range Revision for Psychologists — Funding to implement the range revision for psychology positions across the state system. (HB 1630/SB 1387)	195,000	
<u>Mental Health Study Commission Plans/Coalition 2001.</u> (Effective July 1, 1994) HB 1769; SB 1417		
36. Domiciliary Care Services — Provide community-based mental health services for residents of domiciliary care facilities. Held in reserve to match Medicaid funds.	1,875,000	
37. HUD Group Homes for Mentally Ill — Start-up and operating funds for 4 group homes and 3 apartment projects.	310,000	
38. Crisis Prevention Funds — Funds for out-reach, intensive case-management and other 24 hour or wrap-around services. \$75,000 grant to each area program; balance to be allocated 70% per capita, 30% catch-up funding. *	1,860,000	
39. Implementation of Child Mental Health Plan — Funds for Community-based diagnosis and treatment of children. Allocated 70% per capita, 30% catch-up funding.	750,000	
<u>Developmental Disabilities</u>		
40. Thomas S. Services — Funds to provide services for 210 new class members and to annualize services for another 50 class members. Effective July 1, 1994.	8,300,000 (4)	
41. PL 99-457 - Early Intervention Funds — Funds to continue to implement center-based intensive services and respite services in accordance with PL 99-457. Effective July 1, 1994.	1,000,000	
42. MR/BD UNIT — Funds to establish a 12 bed, structured, behaviorally oriented unit at Murdoch Center for difficult-to-serve adolescents and adults with mental retardation and/or a diagnosis of autism, both with an accompanying behavior disorder. Effective July 1, 1994. (HB 2061)	949,483 (47)	
43. Autism Services — Funding of the Autism Society of N. C. to establish a parent/family advocacy program, a vocational training program, a development program and to restore a reduction in funding for the previous year. (HB 1573)	244,000	

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

**1994-95
General
Fund**

44. **Increase Patient Receipts at MR Centers** — The Department shall increase patient receipts to adjust the fiscal impact of reducing census at MR Centers to more realistic levels.

Total Requirements	3,634,681
Receipts	3,634,681
Appropriations	-0-

—

Mental Health Study Commission Plans/Coalition 2001
(Effective July 1, 1994)

- | | |
|---|-----------|
| 44. Head Injury Funds — Funds to expand services for with traumatic brain injuries initiated in 1993-94. | \$112,500 |
| 45. Respite and In-Home Services — Funds to expand respite and in-home services for the developmentally disabled and their families. Allocated 70% per capita, 30% catch-up funding. | 265,500 |
| 46. ADAP Funds — Funds to reduce the waiting list for ADAP services state-wide, to offset operating costs and to expand supported employment services. Allocated 70% per capita, 30% catch-up funding. | 975,000 |
| 47. United Cerebral Palsy Funds — Funds to establish and expand services in Lee, Harnett, Wake and Johnston counties and to operate a summer camp for disabled children. | 405,000 |
| 48. HUD Group Homes — Start-up and operating funds for 1 group home for the developmentally disabled (DD) and 6 supported living projects. | 534,200 |
| 49. Residential Subsidy for DD Clients — Funds to pay room and board for clients who are able to move to less restrictive and less costly housing. Allocated on per capita basis. | 170,550 |
| 50. Respite and In-Home Support Services for Children — Funds to expand community-based respite and in-home support services to child DD clients and their families in order to avoid a more costly and intensive level of care. Allocated 70% per capita, 30% catch-up funding. | 264,750 |

Substance Abuse Services

Mental Health Study Commission Plans/Coalition 2001
(Effective July 1, 1994.)

- | | |
|--|-----------|
| 51. Crisis Prevention Services — Funds to provide prevention/ intervention services to substance abusing adults at risk of readmission to psychiatric hospitals or drug treatment centers. \$75,000 grant to each area program; balance allocated 70% per capita, 30% catch-up funding. | 2,932,500 |
|--|-----------|
- * 30% of expansion funding is allocated among the 20 area programs below the median of all area programs ranked on per capita funding

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

	1994-95 General Fund	
52. Funding for capital needs of Coalition 2001. (HB 1523/SB 1339)	6,000,000	NR
53. Special Care Center — Funds for computer equipment and software. (SB 1414/HB 1629)	200,000	NR
<u>Division of Facility Services</u>		
54. Certificate of Need — Pursuant to Chapter 383 of 1993 Session Laws, replace CON fees with appropriations for support of the CON section and deposit fees as a non-tax revenue to the General Fund effective 7/1/94. The net effect to the General Fund is zero.	\$782,953	
<u>Division of Vocational Rehabilitation</u>		
55. <u>Independent Living Program</u> — Funds to develop and implement an Independent Living Program in Craven County and in Watauga County and to provide for one-time needs of the 11 existing Independent Living programs. (HB 1579/1647)	1,362,000 (16)	
56. Detention Center Funds — Funds for renovation and operation of the Buncombe Detention Center. (HB 2071)	100,000	
57. Community and Youth Involvement Program — Funds to develop parent support teams and tutorial programs for at-risk youth. (HB 2070; HB 1566)	100,000	NR
<u>Division on Aging</u>		
58. Senior Centers Funds — Funds for repairs, renovations, planning for construction, and construction of Senior Centers. Grants to be allocated based on need and capped at 10,000 per center. (HB 1572, HB 1758, HB 1705, HB 1690, HB 1879, SB 1313, SB 1345, SB 1518)	100,000	NR
59. In Home Funds — Funds to provide additional in-home services and caregiver support services. Funds shall be used for direct services only. (HB 1688)	500,000	
60. Alzheimers Association of North Carolina — Funds to support activities of 4 regional Alzheimers Chapters. (HB 276)	100,000	NR
NET CHANGE	\$309,744	
	(208.46)	
TOTAL OPERATING BUDGET	\$1,923,828,345	

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1605 (Chapter 591)

- Section 2** **DHR Block Grant Provision** — Appropriates the federal block grant funds for the Department of Human Resources. The Block Grants are the Community Services Block Grant, the Social Services Block Grant, the Low Income Energy Block Grant, the Mental Health Services Block Grant, the Block Grant for the Prevention and Treatment of Substance Abuse, and the Child Care and Development Block Grant.
- Section 7** **Pioneer Testing Rule Waiver Extension** — Extends for six months the waiver of certain departmental accounting, budget and other operating rules for area programs reimbursed under the Pioneer Funding system. This extension is necessary because of the lead time necessary to convene a public hearing for repeal of the old rules.
- Section 8** **Medicaid Inpatient Hospital Reimbursement Change** — Authorizes the Division of Medical Assistance to postpone the implementation date of a DRG reimbursement methodology for hospitals from July 1, 1994 to October 1, 1994.
- Section 16** **Professional Counselor Licensing Act Correction** — Provides an exemption for certain counselors employed by area mental health programs from meeting the licensing requirements of the Counselor Licensing Act passed last year by the General Assembly. Also exempts counselors in hospitals and health care facilities and employee assistance professionals.
- Section 17** **Smart Start Funds Do Not Revert** — Provides that funds appropriated to the Division of Child Development in 1993-94 and allocated for the first 12 local projects and various statewide projects associated with Smart Start shall not revert until June 30, 1995.
- Section 18** **North Carolina Health Planning Commission Funds** — Authorizes the North Carolina Health Planning Commission to carry forward into FY 1994-95 funds budgeted but not expended in FY 1993-94.

SENATE BILL 1505 (Chapter 769)

- Section 5.1** **DHR Block Grant Modification** — Modifies the DHR block grant special provision by exempting the Weatherization and Indian Affairs programs from decreases in federal funds from the Low Income Energy Block Grant.
- Section 25** **Mental Health Medicaid Receipts** — Requires the division of Mental Health to initiate efforts to generate additional Medicaid receipts for the Willie M and Thomas S programs.
- Section 25.1** **Private Agency Uniform Cost Funding Requirement** — Enables the Division of Mental Health to ensure that private agencies contracting for services with more than one area mental health program are not reimbursed twice for a single service provided.

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

- Section 25.3** **Thomas S** — Allows the Department to expend Thomas S funds on individuals who may become class members and who have a high probability of being admitted to a rest home. If these persons are admitted to rest homes, they automatically become Thomas S class members.
- Section 25.4** **Change in Planning and Pilot Implementation of Integrated Funding Project** — Extends by one year the time the Department has to plan for a pilot test of the Integrated Funding approach for mental health/substance abuse institution services. The integrated funding project involves allocating the resources and the responsibility to area mental health programs to provide for the total outpatient and in-patient needs of their clients.
- Section 25.5** **Nonsupplanting of County Funds for MH/DD/SAS Services** — Ensures that counties do not reduce their appropriations or expenditures for area MH/DD/SAS services because the area programs have received additional state dollars for services.
- Section 25.6** **Domiciliary Homes/Staffing Issues** — Requires the Department to study the fiscal impact that appropriate staffing levels, wages and benefits, staff training and staff turn-over rates have upon all homes for the aged and family care homes. The Department is to report its findings to the General Assembly by February 1, 1995.
- Section 25.7** **Use of Detention Center Construction Reserve** — Authorizes the Department of Human Resources to expend the \$1.6 million appropriated to the Division of Youth Services in the crime session for construction of a 24-bed detention center in Wake County. The money was placed in a reserve, pending the results of a legislatively required study of secure custody programs and policies in the State. The study did recommend the building of the detention center in Wake County.
- Section 25.8** **Emergency Assistance Clarification** — Clarifies the emergency assistance program's statutory language so that DHR can draw down federal funds to match state and local funds that are already being spent for emergency assistance services. This change will allow the state and counties to draw down an estimated \$7 million in federal funds in first year of implementation.
- Section 25.9** **Early Childhood Initiatives Local Partnership Funding for Administrative Costs** — Authorizes the Secretary of Human Resources to allow local Smart Start partnerships to use up to 5% or a \$100,000 of their total allocation, whichever is greater, to fund staff and administrative costs.
- Section 25.10** **Child Welfare System Study** — Directs the Department to contract for an outside, independent consultant to conduct a comprehensive study of the Child Welfare System. The study, to be presented by February 15, 1995, would provide policy options for future discussions related to the State's role and funding responsibilities for child welfare services.

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

- Section 25.11 Foster Care and Adoptions Training** — Requires the Division of Social Services to establish an in-house training component for foster care and adoptions workers, parents and staff. The provision would make this training (pre-service and ongoing) a requirement for all State and local social workers as well as foster parents.
- Section 25.12 Foster Care Assessment Tool** — Allows the Division of Social Services to purchase an assessment tool (Foster Care and Adoptive Recruitment and Retention, A Guide to Local Agency Assessment) to be used to develop a statewide recruitment and retention plan.
- Section 25.13 Medicaid Coverage for Elderly and Disabled** — Authorizes automatic Medicaid coverage for all elderly, blind and disabled people who receive a Supplemental Security Income (SSI) payment effective January 1, 1995. This provision changes the status of the North Carolina Medicaid program from a "209(b) state" to a "1634 state".
- Section 25.14 Medicaid Reporting Requirements** — Requires the Department to submit expenditure and program reports to the Fiscal Research Division on a monthly basis.
- Section 25.16 Change in Medicaid Coverage to Pregnant Women and To Children** — Extends coverage to children ages 11 to 19 with family incomes equal to or below 100% of the federal poverty guidelines. Effective July 1, 1994.
- Section 25.17 Willie M Services Rules** — Requires the Department to adopt rules ensuring the continued provision of service for Willie M class members.
- Section 25.18 Client Services Monitoring** — Requires the Division of Mental Health to develop and implement a monitoring system of community-based services and permits the Division to withhold area mental health administrative funds if services are not found to be delivered in a timely manner.
- Section 25.19 Professional Counselor Licensing Act Correction** — Makes a technical correction to a similar provision passed as part of the continuing resolution bill and requires two conditions to be met before an applicant can be exempted from the Counselor Licensing Act: passing the Board examination and meeting certain experience requirements.
- Section 25.20 Coalition 2001 Capital Funds** — Allocates the \$6 million appropriated for the capital needs identified by Coalition 2001. \$3.6 million will be used for area program capital needs and 10% of these funds will be allocated to the poorer counties and will not require county matching funds. Remaining funds will be used to construct or renovate Developmental Day Centers, vocational rehabilitation facilities, supported living projects and assistive technology and a housing loaner fund.
- Section 25.22 Determination of Budgetary Impact of Additional Beds in Domiciliary Care Facilities** — Requires the Department to assess the need for and the impact on the budget of additional domiciliary beds. This planning process shall not be included in the State Medical Facilities Plan.

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

- Section 25.23** **Pilot Subsidy Study for Domiciliary Homes** — Extends the reporting date from July 1, 1994 to April 15, 1995 for the pilot study of a subsidy for mental health services for residents of domiciliary care facilities.
- Section 25.24** **Development of Rate-Setting Methodology for Domiciliary Care Facilities Continued** — Requires the Department to continue its study of a rate setting methodology for domiciliary care facilities and to report its recommendations to the General Assembly by February 1, 1995.
- Section 25.25** **Domiciliary Care Reimbursement Rate Increase** — Changes the session laws to reflect the increase in reimbursement rates for domiciliary care facilities from \$938 to \$975 for ambulatory residents and from \$979 to \$1,017 for semi-ambulatory residents.
- Section 25.26** **DHR Study of Division of Youth Services** — Extends the time frame for the Department to complete and report its study of the Division of Youth Services programs and services. The report will be due April 1, 1995.
- Section 25.27** **Division of Youth Services Nurse Salary Plan** — Directs the Department to implement the salary adjustment plan for nurses developed by the Division of Youth Services. The plan provides greater compensation for nurses who work in the training schools in accordance with their years of experience.
- Section 25.29** **Reimbursement/Compensation of Members of Voc Rehab Councils** — Permits the Division of Vocational Rehabilitation to reimburse travel expenses of members attending council meetings as well as to compensate members who forfeit wages to attend the meetings or who are unemployed.
- Section 25.31** **Certain Smart Start Funds Do Not Revert** — Authorizes DHR to not revert new appropriation of funds in 1994-95 which are allocated to the second round of Smart Start projects until June 30, 1996. The provision also states that these funds are non-recurring and shall not become a part of the DHR's continuation budget.
- Section 25.32** **Support Our Schools Program/Family Resource Center Grant Program Administrative Costs Increase** — Authorizes the Support Our Schools Program to use an additional \$150,000 and the Family Resource Center Program to use an additional \$100,000 for administrative costs from the appropriations for 1994-95 that were made during the Crime Session.
- Section 25.33** **Early Childhood Education and Development Initiatives Application Clarification** — Requires that the Secretary of Human Resources and the N.C. Partnership for Children, Inc. ensure that the selection process for additional Smart Start projects funded for 1994-95 include the following:
- (1) Applications from the 11 counties which did not originally apply for Smart Start funding;
 - (2) Additional information from the 71 counties that applied for Smart Start funding but did not receive funding; and,

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

- (3) Consideration of the needs and resources assessment that has been conducted in every county.

Section 25.34 **Subsidized Day Care for More Eligible Children** — Establishes that the \$4 million for additional subsidized day care slots will be spent as follows:

- (1) To pay for care that is currently available in a county at the current market rate; and,
(2) To raise the market in counties where the current market rate is too low to provide enough care for a child with the highest priority for counties with the lowest existing market rate.

This provision also includes a reporting requirement.

Section 25.35 **Day Care Allocation Clarification** — Requires that the Child Care LRC study the whole issue of the day care rate structure. This provision also clarifies that county department of social services or other contracting agencies cannot reduce a day care providers subsidized child day care rate by adding additional requirements such as licensing classification.

Section 25.36 **Family to Family Projects Authorized** — Authorizes DHR to establish Family to Family projects that will replicate project L.I.F.T. which is located in Concord, North Carolina.

Section 25.37 **Foster Care Reporting** — Requires county departments of social services to begin providing quarterly reports regarding the use of federal, state and local foster care funds and corresponding workload statistics. Also requires the Division of Social Services to evaluate the foster care system and report to Governmental Operations and Fiscal Research Division in April, 1995.

Section 25.40 **Adoptions Subsidy** — Establishes monthly adoptions assistance rates as follows:

(0-5 years)	\$315
(6-12 years)	\$365
(13-18 years)	\$415

Section 25.41 **Foster Care** — Establishes monthly foster care assistance rates as follows:

(0-5 years)	\$315
(6-12 years)	\$365
(13-18)	\$415

Section 25.42 **HIV Foster Care Board Payment Funds** — Establishes additional monthly assistance payments to foster care parents and agencies caring for children with HIV. The provision provides for a graduated payment schedule dependent upon the HIV status of the foster child.

DEPARTMENT OF HUMAN RESOURCES (1994 Actions, Continued)

- Section 25.43** **Department Study of Child Caring Agencies Reimbursement Discrepancies** — Requires the Department to conduct a study into the current formula and methodology utilized for the purpose of establishing reimbursement rates for certain child caring agencies pursuant to NCAC Subchapter 41M. A report and subsequent recommendations for state action are due by March 15, 1995.
- Section 25.44** **Maternity Home and Adoption Funds** — Allocates funds to the State Maternity Home Fund and the Children's Home Society. Requires the Department to report to the 1995 General Assembly/Governmental Operations/Fiscal Research Division by March 15, 1995, on the use and effectiveness of the funds allocated.
- Section 25.45** **Child Caring Agencies Funds** — Allocates additional funds to add 10 additional private, non-profit Child Caring Agencies to allow state reimbursement for the placement of certain foster care children (pursuant to NCAC Subchapter 41M).
- Section 25.46** **Medicaid Coverage for Adoptive Children With Special Needs** — Authorizes the Medicaid program to cover adopted children with special or rehabilitative needs regardless of the adoptive families income. Effective October 1, 1994.
- Section 25.47** **Medicaid Estate Recovery** — Implements a federally mandated Estate Recovery program for long term care patients who receive Medicaid benefits. Effective October 1, 1994.
- Section 25.48** **Health Maintenance Organization Insurance Requirement** — Rewrites G.S. 58-67-10(b)(3a) to clarify requirements of HMO's who provide care to Medicaid beneficiaries.
- Section 25.50** **Alzheimers Funds** — Authorizes the Division of Aging to make grants in aid to 4 regional Alzheimers Chapters which provide support to families of Alzheimers patients.
- Section 25.51** **Continuation Budget Act Technical Changes** — A provision in the continuing resolution (Section 227 of Chapter 321 of 1993 Session Laws) changed the date for implementation of DRG (Diagnosis Related Group) reimbursement system from July 1 to October 1, 1994. This provision extends the implementation date to January 1, 1995.
- Section 25.51 (c)** **North Carolina Health Planning Commission Funds/Reporting Deadline Extension** — Extends the reporting date required by Section 18 of Chapter 591 of 1993 Session Laws for a plan to consolidate all State health functions to February 1, 1995.

JUSTICE & PUBLIC SAFETY

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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$565,579,166	\$602,236,033
Continuation Budget Changes:		
1. Reduce funds to effect GPAC recommendation to reduce supply inventories.	(1,834,700)	(1,834,700)
2. Reduce funds for staff positions in area offices and Caledonia Complex Office in order to effect GPAC recommendation. Additional positions will be reduced in future years if recommended consolidation of small prison units is authorized.	(387,333) (-12)	(737,337) (-23)
3. Reduce the following line items for Substance Abuse Services.		
2210 Food	(13,305)	(13,305)
2310 Instructional Supplies	(5,000)	(5,000)
2650 Office Supplies	(2,000)	(2,000)
3110 Travel	(5,000)	(5,000)
3210 Telephone	(10,000)	(10,000)
3250 Postage	(6,000)	(6,000)
3510 Bldg. Maintenance	(5,000)	(5,000)
3590 Major Repairs	(6,495)	(6,495)
4120 Rent	(9,200)	(9,200)
Subtotal	(62,000)	(62,000)
4. Reduce funds for positions and operating costs associated with the following recommendations:		
a. Reduce funds for operation of new facilities due to projected changes in completion dates. These are one-time savings for the 1993-95 biennium and will need to be reappropriated in the future.		
NCCIW	(79,205) NR	—
Greene	(186,282) NR	—
Lumberton	(708,263) NR	—
Odom	(124,851) NR	—

DEPARTMENT OF CORRECTION (1993 Actions, Continued)

	1993-94 General Fund		1994-95 General Fund	
Marion (Completion date has moved forward)	\$23,906	NR	\$751,005	NR
Pasquotank	(47,679)	NR	(3,436,510)	NR
Per diem inmate costs	(713,079)	NR	(1,806,810)	NR
SUBTOTAL	(1,835,453)	NR	(4,492,315)	NR
b. Close Triangle Correctional Center, as a result of a settlement agreement, due to the deterioration of the physical plant.	(1,196,621) (-138)		(3,662,482) (-138)	
c. Reduce funds due to closing four modular housing units at Haywood, Rutherford, Cabarrus, and Durham prison units.	(102,080) (-4)		(102,080) (-4)	
d. Reduce funds due to custody reduction in modular units.	(563,041) (-22)		(563,041) (-22)	
e. Reduce custody staffing, from three correctional officers to two on second and third shifts, in six medium security dormitories due to a reduction in inmate population as a result of dayroom construction.	(300,521) (-12)		(306,240) (-12)	
f. Reduce positions at Halifax Correctional Center and Sampson Correctional Center due to redesignation of facilities from medium to minimum custody.	(1,046,827) (-41)		(1,046,827) (-41)	
g. Abolish new positions funded but not established at Triangle, Polk, and Western Youth Institution.	(329,606) (-13)		(329,606) (-13)	
h. Reduce current operating line items in food service, training, and purchase of equipment.	(2,200,747)		(580,004)	
i. Adjust funding for staffing at new facilities by eliminating positions currently in the reserves to operate new facilities being constructed with the \$75M and the \$103M bond funds.	(753,520) (-42)		(1,409,720) (-57)	

DEPARTMENT OF CORRECTION (1993 Actions, Continued)

	1993-94 General Fund		1994-95 General Fund
j. Abolish positions vacant on June 30, 1993.	(\$824,147)		(\$824,147)
	(-29)		(-29)
5. Defer funds needed for vehicle replacement.	(85,325)		(932,702)
6. Reduce funds due to a 30% reduction in State Information Processing rates.	(514,000)		(514,000)
Subtotal - Continuation Budget Changes	(10,200,468)		(12,904,886)
	(1,835,453)	NR	(4,492,315) NR
TOTAL CONTINUATION BUDGET REDUCTIONS	(\$12,035,921)		(\$17,397,201)
TOTAL POSITIONS REDUCED	(-313)		(-339)
TRANSFER:			
1. Transfer funds for support of Summit House a residential center for females at high risk of incarceration who are placed on probation.	\$250,000		\$250,000
TOTAL TRANSFERS	\$250,000		\$250,000
TOTAL CONTINUATION BUDGET CHANGES	(\$11,785,921)		(\$17,147,201)
TOTAL NET POSITION CHANGES	(-313)		(-339)
REVISED CONTINUATION BUDGET	\$553,793,245		\$585,088,832

EXPANSION BUDGET

1. Expand boot camp program for non-violent offenders ages 16-25 by 180 slots (90 at Morrison Youth Camp and 90 at Western Youth Institution.)	\$751,733		\$2,804,501
	390,000	NR	
	(33)		(71)
2. Funds for positions and operating costs for Central Engineering and the Division of Prisons to implement an inmate construction program. Costs for construction supplies and materials will be included in individual capital projects.	1,511,876		1,709,262
	1,193,826	NR	
	(9)		(9)
3. Provide one additional Parole Case Analyst and one additional clerk in each year of the biennium due to increased number of inmates being considered for parole.	164,000		112,000
	(2)		(4)

DEPARTMENT OF CORRECTION (1993 Actions, Continued)

	1993-94 General Fund		1994-95 General Fund
4. Fund new positions in the Controller's Office to implement the new state accounting system, to automate manual accounting systems, manage data sub-systems, and implement internal and administrative controls.	\$243,000 (5)		\$214,000 (5)
5. Funds for a pilot community-based treatment program for alcohol and drug abusers on probation or parole.	200,000	NR	—
6. Summit House -			
(a) Expand day center non- residential services at the Greensboro site to include women on probation and parole in Gullford and surrounding counties.	150,000		150,000
(b) Provide funding for planning and site selection to establish satellite programs in Mecklenburg and Wake Counties by July 1, 1994.	150,000	NR	—
(c) Appropriate \$250,000 in State funds to share the operational costs of each satellite program.	—		500,000
6. Appropriate funds to share operating expense of Harriet's House, a transitional home for female ex-offenders and their children.	200,000	NR	—
TOTAL EXPANSION BUDGET	\$2,820,609		\$5,489,763
	\$2,133,826	NR	—
TOTAL NEW POSITIONS	(49)		(89)
TOTAL OPERATING APPROPRIATIONS	\$558,747,680		\$590,578,595
TOTAL NET POSITIONS	(-264)		(-250)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1993

SENATE BILL 27 (Chapter 321)

Section 175 **Inmate Incentive Pay** — Allows inmates working in Prison Enterprises to be paid up to \$3.00 per day instead of \$1.00/day.

DEPARTMENT OF CORRECTION (1993 Actions, Continued)

Section 177 **Consolidation of Prison Facilities** — Department of Correction is to develop and implement plans to close Granville, Halifax, Person, Warren and Vance prison units and consolidate them into one facility

SENATE BILL 26 (Chapter 561)

Section 73 **Renovation of Polk Youth Center** — Directs that when inmates have been relocated from Polk Youth Center, the existing facility shall be used as a minimum custody unit.

Section 74 **Credit for Safekeeper Medical Expense Payments** — Allows counties which paid the State for medical care for safekeepers prior to the date of this act to receive credit for that payment.

Section 75 **Repair and Renovation Funds** — Allows the Department to use up to \$5 million of the Repair and Renovation Reserve for its facilities.

1994 SPECIAL SESSION

	1993-94 General Fund	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$558,747,680	\$590,578,595
1. Provide funds for implementation of the Structured Sentencing Act, effective October 1, 1994.		
a. Adult Probation and Parole Officers and Supervisors (Hire 8-1-94 through 3-1-95)	\$—	\$14,014,808 3,088,210 NR (514)
b. Administrative Costs for the Division of Adult Probation and Parole (Hire 8-1-94 through 12-1-94)	—	253,770 76,818 NR (10)
c. Administrative Costs for Departmental Administration (Hire 8-1-94 through 12-1-94)	—	1,121,363 184,519 NR (22)
d. Computer software for automation of files on inmates, probationers, and parolees.	—	2,200,000 NR

DEPARTMENT OF CORRECTION (1994 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund	
2. Operating costs for 208 additional beds at Piedmont, Lumberton, Pender, Wayne, and Brown Creek for a total of 1,040 beds.	—	13,466,330 2,033,670	NR
3. Funds to lease jail space from local governments.	—	\$8,358,000	
4. Funds for out-of-state housing of inmates.	—	24,972,000	
5. Reserve funds to allow for contracting of 500 beds in private alcohol and drug treatment centers.	—	5,156,740 16,260	NR
6. Provide funds to use existing space more efficiently in order to house 500 additional inmates.	—	1,639,500	
7. Operating costs for a new Drug and Alcohol Recovery Treatment (DART) Center.	—	1,007,436 192,564	NR
8. Funds to establish a Substance Abuse Program in each of five prisons located near urban areas throughout the State.	—	1,225,345 320,000	NR
9. Reserve funds for the operation of a new 90-bed boot camp facility for youthful offenders.	—	1,124,373 392,293	NR
10. Provide funds for a post-boot camp program for up to 180 probationers.	—	452,619	
11. Additional operating funds to bring on line the new facilities constructed with \$87.5 m. prison bonds.	—	18,991,090 8,235,572	NR
12. Operating costs for new facilities coming on line — Eastern Processing Center, Marion Close Custody Addition, and consolidation of five units.	—	546,720 125,932	NR
13. Reserve for establishment of pilot programs for treatment of parolees and probationers with substance abuse problems.	—	583,000	
14. Provide funds for the Greater After Prison Support Program, a community-based pre-release and aftercare program for prison inmates.	—	85,000	

DEPARTMENT OF CORRECTION (1994 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund	
15. Provide funds for the Criminal Justice Partnership Act, effective April 1, 1995.			
a. Grants	—	\$3,000,000	
b. Administration	—	146,300	
		103,700	NR
SUPPLEMENTAL INCREASES —RECURRING	\$ —	\$96,144,394	
SUPPLEMENTAL INCREASES —NON-RECURRING	\$ —	\$16,969,538	
TOTAL SUPPLEMENTAL INCREASES	\$ —	\$113,113,932	
TOTAL OPERATING BUDGET	\$558,747,680	\$703,692,527	

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS —
1994 SPECIAL SESSION**

SENATE BILL 150 (Chapter 24)

- Section 15** **Lease Jail Space** — Directs that funds appropriated to the Department of Correction for leasing jail space from local governments may not be transferred or used for any other purpose.
- Section 16** **Contracts for In-State/Out-of-State Housing of Inmates** — Amends G.S. 148-37 by allowing the Secretary of Correction to contract with out-of-state public correctional facilities for housing up to 1,000 prisoners. These contracts must be approved by the Department of Administration and shall expire no later than June 30, 1995.
- Section 17** **Study of Housing of Certain Felons Outside the State of North Carolina** — Directs the Department of Correction to study the feasibility of housing certain felons in facilities operated outside North Carolina that equal or exceed the standards for adult correctional institutions established by the American Correctional Association.
- Section 18** **Report on Plan for Contracting with Private Substance Abuse Treatment Centers** — Directs the Department of Correction to report to the General Assembly by May 15, 1994, on its plan to contract for 500 beds in private substance abuse treatment centers.
- Section 19** **Boot Camp Funds** — This section authorizes the use of a reserve of \$1,516,666 for the operation of a new boot camp for youthful offenders, and \$452,619 to provide a post-boot camp program for probationers. The provision also directs the Department of Correction to

DEPARTMENT OF CORRECTION (1994 Special Session Actions, Continued)

report by January 1, 1995, and annually thereafter, to the Joint Legislative Corrections Oversight Committee, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division, on the effectiveness of the boot camp and post-boot camp programs.

- Section 20** **Expand Prison Substance Abuse Programs** — Specifies that \$1,545,345 be used to establish a substance abuse program in five or more prisons located in urban areas throughout the State.
- Section 21** **Work Camp Pilot Program** — Directs the Department of Correction to develop plans for a pilot program in which the department enters into a partnership with a county or coalition of counties for operation of a 340-bed work camp. The Department is to report on the plans to Governmental Operations by May 15, 1994.
- Section 22** **Substance Abuse Treatment Pilot Program for Parolees and Probationers** — Authorizes that \$583,000 be placed in a reserve for an intensive out-patient substance abuse pilot program for parolees and probationers to be allocated by the 1994 Regular Session of the General Assembly. The program is to be jointly planned by the Departments of Correction and Human Resources. The Departments are to report their plans to the General Assembly by May 15, 1994.
- Section 23** **Probation and Parole Diversion Study** — Directs the Department of Correction, Division of Adult Probation and Parole, to study the feasibility of diverting probation and parole violators into residential community corrections centers. The Division is to report its findings to the 1994 Regular Session of the General Assembly.
- Section 24** **Greater After Prison Support Program** — Directs that the Greater After Prison Support Program, a community-based pre-release and aftercare program for prison inmates incarcerated in Rowan County, shall report quarterly to Governmental Operations on program services and effectiveness. The Department of Correction is also to provide a written evaluation of the program to the Chairs of the Senate and House Appropriations Committees, the Senate and House Subcommittees on Justice and Public Safety, Governmental Operations, and the Fiscal Research Division by May 15, 1995.
- Section 25** **Probation and Parole Paperwork Study** — Requires the Department of Correction to study how to reduce paperwork required of probation and parole officers. The Department is to report to Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Subcommittees on Justice and Public Safety by May 15, 1994.
- Section 26** **Prison Enterprises and Prison Canteen Profits Study** — Directs the Department of Correction to study the use of profits from prison enterprises and the prison canteen. The Department is to report its findings to Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Subcommittees on Justice and Public Safety by May 15, 1994.

DEPARTMENT OF CORRECTION (1994 Special Session Actions, Continued)

Section 27

Study of Bunking of Inmates in Shifts — Requires the Department of Correction to study bunking of inmates in shifts and to report its findings to Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Subcommittees on Justice and Public Safety by May 15, 1994.

1994 ACTIONS

		1994-95 General Fund
TOTAL OPERATING BUDGET — 1993 Session and 1994 SPECIAL SESSION	\$703,692,527	
1. Consolidate Electronic House Arrest Monitoring Centers.	(\$215,374) (-10)	
2. Decrease Clothing line item. (Governor's 1% cut)	(2,250,000)	
3. Decrease Food line item. (Governor's 1% cut)	(1,800,000)	
4. Decrease Outside Medical line item. (Governor's 1% cut)	(2,250,000)	
5. Reallocate \$1,739,342 from Intensive Supervision Probation/Parole Program to Regular Probation/Parole Program due to Revised Structured Sentencing Estimates.	(—)	
6. Delete sixteen positions and their related support (part of \$10.0 million in vacant position reductions).	(425,575) (-16)	
7. Reduce reserve to operate five 208-bed prison units due to construction completion date changes.	(3,500,000)	NR
8. OPUS - Complete installation of software for use in automating files on inmates, probationers, and parolees.	800,000	NR
9. Capacity Increases. (Funds appropriated during the 1994 Special Session for out-of-state housing of inmates (\$5,164,473) may be used for additional staff needed at <u>Small v. Martin</u> units.)	— (144)	
10. Utilize \$2,749,284 from the 1994 Special Session appropri- ations for out-of-state housing of inmates to pay for (1) supervision of inmate road squads and work crews and to pay for per diem costs of inmates at non <u>Small v. Martin</u> units and (2) to achieve staffing standards and operate new units at Black Mountain, Caswell, and Sandhills prison units and to provide for supervision of additional inmate road squads at the Caswell unit.	— (74)	

DEPARTMENT OF CORRECTION (1994 Actions, Continued)

	1994-95 General Fund	
11. Non-recurring items for operation of Boot Camps/ Work Facilities.	\$593,690	NR
12. Increase Laundry line item.	250,000	
13. Increase staff for inmate health care cost containment.	409,051 40,949 (7)	NR
14. Continue funding for Harriet's House, a transitional program for female parolees and their children. (HB 1783/SB 1575)	200,000	NR
15. Funds for operation of the "Women at Risk" program, which provides services to female offenders at risk of incarceration, in Buncombe County and to begin expansion of the program to Mecklenburg County. (H 1270)	105,000	NR
16. Continue funding for a pilot community-based program for alcohol and drug abusers on probation or parole. (SB 1404)	100,000	NR
17. Funds to develop and implement an HIV testing and counseling program for inmates. (HB 1911)	1,124,353 (14)	
NET CHANGE	(\$6,817,906) (213)	
TOTAL OPERATING BUDGET	\$696,874,621	

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 21

Correction Enterprises Preference — Requires the Department of Administration, Division of Purchasing and Contracts, to prepare a written explanation of the purchasing procedures State departments and agencies must adhere to when giving preference to Correction Enterprises' products pursuant to G.S. 148-70. The Department is to report on this and provide information on goods purchased by State departments and agencies from Correction Enterprises, to Governmental Operations and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by August 1, 1994. Also directs the Department to report on the goods purchased from Correction Enterprises again by January 1, 1995.

DEPARTMENT OF CORRECTION (1994 Actions, Continued)

- Section 21.1** **Department of Correction Reserve for Substance Abuse Treatment Pilot Program for Parolees and Probations** — Directs the use of \$583,000 established in a reserve from the 1994 Special Session. Also requires the Department to report on the implementation of this pilot program and the expected costs for future years to Governmental Operations, the Chairs of the Senate and House Appropriations Committees, the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Fiscal Research Division by January 15, 1995.
- Section 21.2** **Use of Out-of-State Housing Funds** — Requires the Department of Correction to use out-of-state housing monies to fund the additional staff for inmate supervision as a result of the Small v. Martin lawsuit modification and for supervision needs at non-Small v. Martin units. Also directs the department to use out-of-state housing monies to fund local confinement costs for offenders held in contempt for probation violations.
- Section 21.4** **Department of Correction Warehouse Report** — Directs the Department to report to Governmental Operations as soon as possible on the most feasible location for a central warehouse.
- Section 21.5** **Prison Profits to Victims Compensation Fund** — Directs that the Department of Correction transfer five percent of the net profits from the Prison Enterprises Fund, before expansion costs, to the Crime Victims Compensation Fund. Also requires the Department to allocate money from the Correction Inmate Welfare Fund to the Crime Victims Compensation Fund based on an amount equal to the funds allocated to each prison unit on a per inmate per year basis.
- Section 21.6** **Harriet's House Funds** — This section authorizes \$200,000 for support of Harriet's House, a transitional program for female ex-offenders and their children. Also directs Harriet's House to report quarterly to Governmental Operations on the effectiveness of the program.
- Section 21.7** **Department of Correction Pay Local Confinement Cost of Offender Held in Contempt for Probation Revocation** — Requires the Department of Correction to pay the confinement costs for offenders who are held in local facilities for probation violations.
- Section 21.8** **Use of Operational Funds for Security and Medical Positions** — Directs that funds appropriated to the Department of Correction for security and medical positions at certain prison units may be used earlier than previously specified.

HOUSE BILL 1605 (Chapter 591)

- Section 14** **Harriet's House Funds** — Allows funds that were not expended in fiscal year 1993-94 for this purpose to remain available for fiscal year 1994-95.

DEPARTMENT OF CORRECTION (1994 Actions, Continued)

Section 19 **Prison Chapel Funds** — Directs that funds allocated to this reserve and not expended shall remain available to the Department of Correction. Also requires the Office of State Budget and Management to report quarterly to Governmental Operations on any allocations from this fund.

Section 20 **Substance Abuse Funds Shall Not Revert** — Allows funds that were not expended in fiscal year 1993-94 for this purpose to remain available for fiscal year 1994-95.

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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$26,860,503	\$26,836,975
Continuation Budget Changes:		
National Guard		
1. Reduce funds for legal fees.	(252)	(400)
2. Reduce funds for janitorial supplies and building maintenance.	(655)	(766)
3. Reduce construction and repair supply funds.	(3,205)	(3,205)
4. Reduce motor vehicle operation costs.	(447)	(447)
5. Adjust funding for in-state and out-of-state travel, subsistence, and other travel expenses.	(1,650)	(1,650)
6a. Reduce costs for fuel oil, natural gas/propane, water and sewer services, and other utilities.	(5,359)	(6,227)
b. Additional reduction for fuel oil to comply with GPAC recommendation.	(35,300)	(35,300)
7. Reduce funds for printing and reproduction.	(158)	(158)
8. Reduce funds for repairs and maintenance.	(1,520)	(1,520)
9. Adjust costs for other unit expenses.	(243)	(243)
10. Reduce funds for dues and subscriptions.	(300)	(300)
Civil Air Patrol		
11. Reduce funds for repairs and maintenance.	(1,003)	(1,003)
Butner Public Safety		
12. Reduce costs for uniforms, arms, etc.	(1,376)	(1,376)
13. Adjust costs for motor vehicle operation.	(2,247)	(2,247)
14. Reduce office material and supply costs.	(53)	(53)

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
15. Reduce costs for other materials and supplies.	(\$570)	(\$570)
16. Reduce in-state subsistence funds.	(128)	(128)
17. Reduce costs for telephone service.	(642)	(642)
18. Reduce funds for electricity, fuel oil, natural gas/propane, and water & sewer services.	(1,544)	(1,667)
19. Reduce printing and reproduction funds.	(40)	(40)
20. Reduce funds for repairs and maintenance.	(1,682)	(1,682)
21. Reduce costs for educational expenses, laundry service, and other services.	(220)	(220)
22. Reduce funds for office machine rental.	(255)	(255)
23. Adjust funds for dues, subscriptions, awards, trophies, and other expenses.	(112)	(112)
24. Reduce funds for office furniture and equipment.	(255)	(255)
25. Reduce funds for communication and other equipment.	(875)	(875)
Alcohol Law Enforcement		
26a. Reduce vehicle replacement funds.	(272,369)	(91,298)
b. Reduce trade-in allowance. Receipt	(86,900) Receipt	(30,900)
Subtotal — Item 26	(185,469)	(60,398)
Emergency Management		
27. Reduce funds for other personal services.	(3,628)	(3,628)
28. Reduce funds for motor vehicle supplies.	(400)	(400)
29. Reduce costs for office supplies and materials.	(3,400)	(3,400)
30. Adjust funds for other materials and supplies.	(1,450)	(1,450)
31. Reduce funds for in-state and out-of-state travel, subsistence, and other travel expenses.	(8,860)	(8,879)
32. Reduce cost for telephone service.	(5,000)	(5,000)
33. Reduce printing and reproduction costs.	(3,161)	(3,161)

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
34. Reduce funds for repairs and maintenance.	(\$1,000)	(\$1,000)
35. Reduce office machine rental costs.	(200)	(200)
36. Reduce office furniture and equipment.	(1,732)	(1,732)
37. Adjust cost for data processing equipment.	(1,216)	(1,216)
38. Reduce funds for other equipment.	(600)	(600)
Victim and Justice Services		
39. Eliminate three positions in the Community Services Program (Includes related benefits).	(116,384)	(116,384)
	(-3)	(-3)
40. Reduce in-state travel and subsistence.	(8,505)	(7,000)
41. Reduce funds for telephone service.	(16,467)	(16,467)
42. Reduce printing and reproduction funds.	(7,000)	(7,000)
Governor's Crime Commission		
43. Adjust in-state and out-of-state travel and subsistence.	(13,500)	(13,500)
44. Reduce costs for telephone service.	(3,000)	(3,000)
45. Reduce printing and reproduction funds.	(3,000)	(3,000)
46. Reduce cost for repairs and maintenance.	(3,000)	(3,000)
Crime Prevention		
47. Reduce funds for supplies and materials.	(300)	(300)
48. Adjust costs for in-state and out-of-state travel, subsistence, and other travel.	(4,926)	(4,926)
49. Reduce funds for telephone services and postage.	(750)	(750)
50. Reduce costs for printing and reproduction.	(500)	(500)
51. Reduce funds for repairs and maintenance.	(100)	(100)
TOTAL CONTINUATION BUDGET CHANGES	(\$453,639) (-3)	(\$328,332) (-3)

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
TRANSFER:		
1. Victim and Justice Services — Transfer funds for Summit House, a community-based residential alternative program, to the Department of Correction from the Department of Crime Control and Public Safety.	(\$250,000)	(\$250,000)
TOTAL REDUCTION AND TRANSFER	(\$703,639)	(\$578,332)
TOTAL POSITION CHANGES	(-3)	(-3)
REVISED CONTINUATION BUDGET	\$26,156,864	\$26,258,643

EXPANSION BUDGET

1. National Guard — Provide funds to meet National Guard Pension Fund requirements.	\$65,234	\$65,234
2. Emergency Management —		
(a) Appropriate State funding to provide 50% match each fiscal year to continue the Earthquake Preparedness and Mitigation Program. Effective October 1, 1993.		
Requirements	111,621	130,000
Federal Receipts	62,871	65,000
Appropriation	48,750	65,000
(b) Authorize funds to establish six (6) Hazardous Materials Regional Emergency Response teams. Fund an Industrial Hygienist position (effective 9-1-93) and three (3) additional Emergency Management Officer positions (effective 4-1-94) to provide 24-hour coverage.	172,418	948,343
	(4)	(4)
	2,467,400	NR
3. Victim and Justice Services —		
(a) Provide additional funding for the Crime Victims Compensation Fund to meet increased number of claims.		
Requirements	700,000	—
Federal Receipts	200,000	—
Appropriation	500,000	NR

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
(b) Victim and Justice Services — Appropriate additional funds to reimburse the increased number of claims received by the Rape Victims Assistance Program.	\$110,000	\$110,000
TOTAL EXPANSION BUDGET - RECURRING	<u>\$396,402</u> (4)	<u>\$1,188,577</u> (4)
- NON-RECURRING	\$2,967,400	—
TOTAL OPERATING BUDGET	\$29,520,666	\$27,447,220

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
HIGHWAY PATROL		
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$90,027,001	\$91,563,386

Continuation Budget Changes:

1. Reduce funding in the following areas:

a. Bedding and Linen	(3,000)	(3,000)
b. Uniforms, Arms, etc.	(150,000)	(150,000)
c. Food Products & Services	(9,000)	(9,000)
d. Fuels and Lubricants	(141,374)	(153,794)
e. Tires and Tubes	(30,000)	(30,000)
f. Parts and Labor	(30,000)	(30,000)
g. Office Materials & Supplies	(10,000)	(10,000)
h. Other Materials & Supplies	(30,000)	(30,000)
i. Other Materials & Supplies - MVO	(10,000)	(10,000)
j. Other Materials & Supplies - Radio	(10,000)	(10,000)
k. Telephone Service	(10,000)	(10,000)
l. Repairs and Maintenance	(50,000)	(50,000)
m. Data Processing Equipment Rent	(10,000)	(10,000)
n. Other Expenses	(40,000)	(40,000)
o. Office Furniture & Equipment	(20,000)	(20,000)
p. Data Processing Equipment	(52,476)	(51,360)
q. Communications Equipment	(100,000)	(100,000)
r. Other Equipment	(30,000)	(30,000)
s. Other Equipment - MVO	(20,000)	(20,000)
t. Automobiles	(144,420)	(148,480)

**TOTAL CONTINUATION BUDGET CHANGES -
HIGHWAY FUND**

(\$900,270) (\$915,634)

**REVISED CONTINUATION BUDGET -
HIGHWAY FUND**

\$89,126,731 \$90,647,752

EXPANSION BUDGET

1. **Funding Operational Costs For New Headquarters for Troop H** — Appropriate funds for telecommunication, garage and radio personnel for the new Troop H headquarters in Monroe to be completed by November, 1993. Telecommunication and radio positions effective September 1, 1993 and mechanic positions effective November 1, 1993.

\$1,004,672 \$799,198
(30) (30)

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
2. Additional Highway Patrol Troopers — Provide funds for additional Highway Patrol troopers, effective September 1, 1993.	\$2,539,922 (50)	\$2,154,624 (50)
TOTAL EXPANSION BUDGET - HIGHWAY FUND	\$3,544,594	\$2,953,822
TOTAL NEW POSITIONS	(80)	(80)
TOTAL OPERATING BUDGET - HIGHWAY FUND	\$92,671,325	\$93,601,574

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

- Section 179** **Report on Community Service Workers** — Directs the Department of Crime Control and Public Safety to report quarterly each fiscal year of the 1993-95 biennium 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 time period preceding that report to perform repairs and maintenance of the parks and when and where they were available.
- Section 180** **Rape Victims Assistance Program** — Effective June 30, 1994 the Department is authorized to use up to \$150,000 in Contingency and Emergency funds to pay invoices for hospital and emergency room services provided to rape victims and to provide rape evidence collection kits for hospital emergency rooms.
- Section 181** **National Guard Disaster Training** — Amends G.S. 166A-6 to allow the Governor with concurrence of the Council of State to authorize Contingency and Emergency funds to provide training in preparation for State disasters to the National Guard.
- Section 182** **Report by Highway Patrol Division** — Requires the Department of Crime Control and Public Safety, Highway Patrol Division, to prepare a written report by April 30, 1994 for the Senate and House Appropriations Committees on Justice and Public Safety and the Joint Appropriations Committee on Transportation. The report shall include: long-range staffing requirements; current and revised plans for

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1993 Actions, Continued)

trooper assignments to counties; a plan for reciprocity with local law enforcement officers, including training of local officers by the Division; justification for all categories of special assignments and development of a rate of reimbursement for services; and, justification of the annual automatic pay increase to sworn Division personnel. Also requires the Department to present the report to the two (2) Appropriations Committees and for the Committees to meet within five (5) days of the full Appropriations Committees ' convening to receive the report.

Section 183

Report on the Crime Victims Compensation Fund — Directs the Department of Crime Control and Public Safety to report annually to the Senate and House Appropriations Base Budget Committees on Justice and Public Safety and the Fiscal Research Division on the administrative expenditures of the North Carolina Crime Victims Compensation Fund.

Section 184

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.

Section 185

Automated Administration of the Crime Victims Compensation Fund — Directs the Department to develop or acquire software to automate claims management and reimbursement. Requires system capabilities to include the ability to track individual applications from initial filing through disposition of claims, including claims investigations and third-party reimbursements. Also requires a report by March 31, 1994 to the House and Senate Appropriation Committees on Justice and Public Safety that identifies the automated system installed, the status of bringing claims administration on-line, and documents the system's ability to track claims procedures.

SENATE BILL 26 (Chapter 561)

Section 77

Alcohol Law Enforcement Officer Access to Public Information Network — Provides language to allow the Department to use \$46,800 from forfeiture funds available in 1993-94 for Alcohol Law Enforcement officers to access the Police Information Network (PIN).

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

1994 SPECIAL SESSION

	1993-94 General Fund	1994-95 General Fund	
TOTAL OPERATING BUDGET — 1993	\$29,520,666	\$27,447,220	
1. Funds to establish Community Service positions for implementation of the Structured Sentencing Act, effective October 1, 1994.	\$—	\$168,000 12,000 NR (6)	
2. Increase funding for the Victims Assistance Network.	—	150,000	
3. Increase funding for the Crime Victims Compensation Fund.	—	800,000 3,000,000 NR	
SUPPLEMENTAL INCREASES —RECURRING	\$ —	\$1,118,000	
SUPPLEMENTAL INCREASES —NON-RECURRING	\$ —	\$3,012,000	
TOTAL SUPPLEMENTAL INCREASES	\$ —	\$4,130,000	
TOTAL OPERATING BUDGET	\$29,520,666	\$31,577,220	

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS —
 1994 SPECIAL SESSION**

SENATE BILL 150 (Chapter 24)

- Section 28** **Victims Assistance Network Funds** — Authorizes the use of \$150,000 to support the Victims Assistance Network. The provision also sets forth requirements as to how the funds are to be used.
- Section 29** **Study Need for Establishing Fund to Reward for Information Leading to Conviction of Drug Dealers/Study Funding Crime Stoppers** — Directs the Department of Crime Control and Public Safety, in consultation with the Department of Correction, to complete two studies: (1) Study the need for a fund to reward individuals who provide information leading to the arrest and conviction of drug dealers, and (2) Study the need for state funding for North Carolina

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

(1994 Special Session Actions, Continued)

Crime Stoppers to be used as seed money for new programs and providing funds to existing programs. The Department is to report their findings to Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Subcommittees on Justice and Public Safety by May 15, 1994.

1994 ACTIONS

**1994-95
General
Fund****TOTAL OPERATING BUDGET — 1993 SESSION
AND 1994 SPECIAL SESSION****\$31,577,220**

1.	Adjustments to Operating Budget (includes Governor's 1% cut)	
a.	Administration	
	Out-of-State Travel/Transportation	(\$2,000)
	Repairs and Maintenance	(2,500)
	Data Processing Services/Maintenance	(4,100)
b.	National Guard	
	Office Materials and Supplies	(1,000)
	In-State Travel/Transportation	(2,000)
	In-State Travel/Subsistence	(1,000)
	Printing and Reproduction	(2,000)
	Office Furniture and Equipment	(2,000)
c.	Butner Public Safety	
	Repairs and Maintenance	(1,500)
d.	Alcohol Law Enforcement (ALE)	
	ALE Agent (Position Vacancy)	(36,236)
		(-1)
e.	Emergency Management	
	In-State Travel/Transportation	(3,000)
	In-State Travel/Subsistence	(5,000)
	Other Communication	(1,000)
	Printing and Reproduction	(4,000)
	Repairs and Maintenance	(3,000)
	Educational Expense	(4,000)

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1994 Actions, Continued)

		1994-95 General Fund	
f.	Victim and Justice Services		
	In-State Travel/Transportation	(\$9,905)	
	In-State Travel/Subsistence	(4,000)	
	Out-of-State Travel/Transportation	(2,000)	
	Out-of-State Travel/Subsistence	(3,000)	
	Educational Expenses	(10,000)	
	Insurance and Bonding	(5,000)	
g.	Governor's Crime Commission		
	In-State Travel/Transportation	(2,000)	
	In-State Travel/Subsistence	(2,000)	
	Telephone	(1,000)	
	Drug Enforcement — State Match	(50,000)	
h.	Crime Prevention		
	Printing and Production	(5,000)	
2.	Delete 1.25 General Fund positions (part of \$10.0 million in vacant position reductions.)	(38,128) (-1.25)	
3.	Secretary's Office — Funding to establish one pilot community response team in the Office of the Secretary to provide technical assistance to communities in developing community policing programs in high crime areas. (H 1798)	218,385 12,405 (4)	NR
4.	National Guard —		
a.	Increase funds for National Guard Tuition Assistance. (H 1685/S 1545)	350,000	
b.	Increase funding for repairs and maintenance to National Guard armories. (H 1684 and S 1546)	200,000	
c.	Funding to register 76 heating oil underground storage tanks at National Guard Armories.	17,025 111,975	NR
5.	Emergency Management — Provide funds to cover the State's share of an agreement with the US Army Corps of Engineers and FEMA to expand and update the Eastern North Carolina Evacuation Study. (SB 1407/HB 1641)	105,000	
6.	Alcohol Law Enforcement (ALE) —		
a.	Funds for three Alcohol and Law Enforcement agents for nuisance abatement civil activity. (H 1814 and H 1797)	118,872 64,569 (3)	NR
b.	Funds for ten Alcohol and Law Enforcement agents for ongoing inspection and enforcement activity.	406,240 222,100 (10)	NR

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1994 Actions, Continued)

	1994-95 General Fund	
c. Clothing allowance for ALE agents. (H 1651)	\$40,800	
d. Funding for rental of Division of Criminal Information (DCI) terminals for use in 13 ALE district offices. (H 1654)	46,800	
7. Civil Air Patrol —		
a. Increase funding for repairs and maintenance. (H 1652)	9,500	
b. To provide for repayment of construction loan and for landscaping of Patrol headquarters building.	22,500	NR
8. Butner Public Safety — Funds to purchase fire suppression equipment. (H 1692)	273,263	NR
9. Victim and Justice Services — Funds to establish one Claims Investigator for the Crime Victims/Rape Assistance Programs. (H 1657)	41,599 2,850 (1)	NR
10. Funds to continue Drug Task Forces in eastern North Carolina. (H 1518)	250,000	
NET CHANGE	\$2,307,514 (15.75)	
TOTAL OPERATING BUDGET	\$33,884,734	

	1994-95 Highway Fund
TOTAL OPERATING BUDGET — 1993	\$93,601,574

HIGHWAY PATROL — HIGHWAY FUND

1. Funding to establish 45 additional State Trooper positions; cars and equipment included in first year costs. (H 1637)	\$2,735,235 (45)
TOTAL OPERATING BUDGET	\$96,336,809

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (1994 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

- Section 22.1** **Community Policing Pilot Program** — Authorizes the use of \$230,790 appropriated to the Office of the Secretary of Crime Control and Public Safety to implement a pilot program to provide technical assistance to communities developing community policing programs. Also requires the Secretary to report to the General Assembly by March 1, 1995, on the implementation and effectiveness of the program.
- Section 22.2** **Multi-jurisdictional Drug Task Force Funds** — This section authorizes that \$250,000 be used as grants to multi-jurisdictional drug task forces located in specified counties.
- Section 22.3** **National Guard Educational Benefit Increase** — Increases amount of educational assistance a National Guard member may receive from \$500 to \$1,000 per academic year, and increases maximum lifetime benefit from \$2,000 to \$4,000.
- Section 22.4** **Regional Response Teams for Hazardous Materials Emergencies** — Establishes statutory authority for operation of new regional hazardous materials emergency response teams, which were funded by 1993 General Assembly.
- Section 23** **Use of Seized and Forfeited Property Transferred to State Law Enforcement Agencies by the Federal Government** — Specifies that the Department of Crime Control and Public Safety may use up to \$117,000 to build a helicopter hangar for the Highway Patrol from assets obtained through federal/state drug seizure operations.

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.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$232,428,819	\$235,112,520

Continuation Budget Changes:

1. Reduce employer retirement contribution for the Consolidated Judicial Retirement System by 1.2% for FY 1993-94 and FY 1994-95. The rate for the 1993-95 biennium would then be:

Normal	14.75%		
Accrued Liability	7.55%		
Death Benefit	.53%		
Health Insurance	2.00%		
Total	24.83%	(352,800)	(352,800)

2. The Committee considered reducing funds in the amount of \$200,000 for each year of the biennium in order to effect GPAC recommendation to consolidate computer network transmission lines. In lieu of taking this action, the Committee recommends the special provision titled "AOC Network Transfer Study".

TOTAL CONTINUATION BUDGET CHANGES	(\$352,800)	(\$352,800)
REVISED CONTINUATION BUDGET	\$232,076,019	\$234,759,720

EXPANSION BUDGET

1. Funds to support new Judicial Department personnel.	\$7,395,582		\$9,348,641
	535,500	NR	
	(244)		(255)
2. Expand services of the General Court of Justice's Court Information System.	1,078,979		1,258,955
	67,812	NR	
	(6)		(6)

JUDICIAL DEPARTMENT (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
3. Provide ongoing adequate support for constitutionally mandated indigent defense services.	\$1,000,000	\$2,575,887
4. Annualize funds for the existing child custody and visitation mediation programs pursuant to G.S. 7A-494.	154,873 (2)	154,873 (2)
5. Continue the statewide expansion of court-ordered non-binding arbitration programs pursuant to G.S. 7A-37.1.	143,553 (1.5)	143,553 (1.5)
6. Expand grants to Community Penalties Programs to provide services to 10-12 additional counties.	400,000	400,000
7. Provide funds for operating costs previously funded with lapsed salaries.	1,300,000	1,300,000
8. Replace office equipment and data processing equipment.	3,061,628 NR	—
9. Transfer funds from Indigent Persons' Attorney Fee Fund for new public defender and appellate defender personnel. (No additional funds are needed. \$466,230 will be transferred in FY 93-94 and \$471,989 in FY 94-95.)	— (11)	— (11)
10. Transfer funds from Special Capital Case Rehearing Fund to the Indigent Persons' Attorney Fee Fund. (No additional funds will be needed. \$1,100,000 will be transferred in FY 93-94.)	—	—
11. Expand access to civil justice for indigents.	250,000	250,000
12. Increase daily compensation for emergency judges from \$150/day to \$200/day.	77,722	81,598
13. Provide funds for a regional mediation and dispute settlement center located in Pitt County to serve eastern North Carolina.	40,000	40,000
14. Provide funds for a salary adjustment for clerks of court due to the revision of county population brackets.	80,000	80,000

JUDICIAL DEPARTMENT (1993 Actions, Continued)

	1993-94 General Fund		1994-95 General Fund
15. Provide funds to establish District 9A.	\$216,468		\$322,883
	44,718	NR	
	(5)		(5)
16. Provide funds to expand Alamance Dispute Settlement Center mediation into schools.	5,000		—
17. Funds to begin a dispute mediation pilot program for students in junior and senior high schools in Cumberland County.	30,000		—
TOTAL EXPANSION BUDGET	\$12,137,177		\$15,956,390
	\$3,744,658	NR	—
TOTAL NEW POSITIONS	(269.5)		(280.5)
TOTAL OPERATING APPROPRIATIONS	\$247,957,854		\$250,716,110
TOTAL NEW POSITIONS	(269.5)		(280.5)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993**SENATE BILL 27 (Chapter 321)**

Section 199	Emergency Special Superior Court Judges — Allows appellate division judges to serve as emergency special judges.
Section 200.1	Sentencing Commission Extended — Extends Sentencing and Policy Advisory Commission until July 1, 1994.
Section 200.3	Emergency Judges' Per Diem Increase — Increases per diem of emergency judges from \$150 per day to \$200 per day.
Section 200.4	Transfer Caswell and Person Counties to Newly Created Judicial and Prosecutorial Districts 9A — Creates new district 9A, composed of Caswell and Person Counties by transferring Caswell from 17A (Caswell/Rockingham) and Person from 9 (Person/Granville/Vance/Warren/and Franklin).
Section 200.5	Add Additional Superior Court Judges/Special Superior Court Judges — Adds superior court judges in districts 3B, 10A, 15A, 17B, 20B, and 25B to be appointed by the Governor effective no earlier than November 1, 1993; adds superior court judge for 27B to be elected to take office January 1, 1995; and, adds two special superior court judges to be appointed November 1, 1993.
Section 200.6	Add Additional District Court Judges — Adds district court judges in Districts 1, 8, 10, 12, 18, and 30 to be appointed by the Governor

JUDICIAL DEPARTMENT (1993 Actions, Continued)

no earlier than November 1, 1993; adds district court judges for districts 3A, 6B, 19A, 19C, 20, 22, and 26 to be elected to take office December, 1994.

Section 200.7 **Add Additional Assistant District Attorneys/Change Prosecutorial District 19A and Create Prosecutorial District 19C** — Adds a total of eleven assistant district attorneys, effective January 1, 1994, in prosecutorial districts 1, 10, 11, 15B, 18, 19B, 20, 22, 25, 26, and 28. Establishes new prosecutorial district 19C (Rowan) and leaves Cabarrus as 19A effective January 1, 1995.

1994 SPECIAL SESSION

	1993-94 General Fund	1994-95 General Fund
TOTAL OPERATING BUDGET —1993	\$247,957,854	\$250,716,110
1. Funds to support new Judicial Department personnel for implementation of the Structured Sentencing Act, effective October 1, 1994.		
a. Community Penalties (Hire 8-1-94)	\$—	\$1,788,253 44,622 NR (5)
b. Legal and administrative positions and support (Hire 8-1-94)	—	1,559,958 768,425 NR (40)
2. Provide access to the Police Information Network (PIN) to district attorneys throughout the State.	30,000 NR	—
3. Reserve for pilot drug treatment court programs.	—	800,000
4. Reserve for "Teen Court" programs.	—	75,000
SUPPLEMENTAL INCREASES —RECURRING	\$ —	\$4,223,211
SUPPLEMENTAL INCREASES —NON-RECURRING	\$30,000	\$813,047
TOTAL SUPPLEMENTAL INCREASES	\$30,000	\$5,036,258
TOTAL OPERATING BUDGET	\$247,987,854	\$255,752,368

**SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS —
 1994 SPECIAL SESSION**

SENATE BILL 150 (Chapter 24)

Section 38 **Deferred Prosecution Study** — Directs the Administrative Office of the Courts, in consultation with the Conference of District

JUDICIAL DEPARTMENT (1993 Special Session Actions, Continued)

Attorneys, to study the use of the deferred prosecution program established by G.S. 143B-475.1. The AOC is to report its findings to the 1995 General Assembly.

Section 39 **District Attorney Access to the Police Information Network —**
Allows funds that were not expended in fiscal year 1993-94 for district attorney access to the Police/Criminal Information Network to remain available for fiscal year 1994-95.

Section 40 **Teen Court Program —** Specifies that \$75,000 shall be used to develop and implement "Teen Court" programs in fiscal year 1994-95 and sets out program objectives. The AOC is to make a report on the program's effectiveness to Governmental Operations and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety by March 15, 1995.

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993 SESSION AND 1994 SPECIAL SESSION	\$255,752,368
1. Reduce funds from the non-reverting Special Capital Case Rehearing Fund and use the balance of 1993-94 funds (estimated at \$800,000) for 1994-95.	\$(1,048,424)
2. Reduce employer contribution rate to retirement system.	(672,000)
3. Delete 6.65 General Fund vacant positions and their related support (part of \$10.0 million in vacant position reductions)	(295,137) (-6.65)
4. From appropriated funds, transfer funds from program fund 1260 (Clerk of Superior Court) to program fund 1240 (district court) and use funds to reallocate 11 warrant clerk positions in Forsyth to 11 magistrate positions.	—
5. Provide reserve funds for replacement and upgrade of office and data processing equipment.	
a. Office Equipment	1,621,925 NR
b. Data Processing Equipment - Lease/purchase mainframe upgrade	1,900,000
c. Other Data Processing Equipment	2,323,400 NR
d. Service and Maintenance Contracts	328,403

JUDICIAL DEPARTMENT (1994 Actions, Continued)

	1994-95 General Fund	
6. Connect all remote magistrate offices to Criminal Information System.	\$211,330 472,980 (3)	NR
7. Provide funding for positions and contractual services to modify and update the Court Information System.	935,373 39,674 (5)	NR
8. Juvenile Services — Provide travel funds and equipment for transportation officers.	106,824 11,472	NR
9. Provide funds for an Administrative Assistant position for the District Attorney's Office in District 19C.	16,341 5,495 (1)	NR
10. Implement new office automation and case management systems in one-half of the public defender and district attorney offices.	217,677 813,044 (3)	NR
11. Funds for the Gaston/Robeson Dispute Settlement Center. (H 1648)	15,000	
12. Continue funding for Alamance Dispute Settlement Center. (H 1781)	5,000	
13. Funds for the Cape Fear Dispute Settlement Center. (H 2082)	25,000	
14. Establish Swain County Dispute Settlement Center. (S 1365)	6,000	
15. Children's Law Center — Funds to be used to provide computers, additional office space, and salary and benefit increases for personnel.	100,000	NR
16. Indigent Persons Attorney Fee Fund — Funds to provide for increased compensation of attorneys appointed to represent indigent defendants in capital cases. (H 1932)	2,640,000	
17. Continue expansion of court-ordered arbitration and custody mediation program.	100,000 (1)	
NET CHANGE	\$9,879,377 (6.35)	
TOTAL OPERATING BUDGET	\$265,631,745	

JUDICIAL DEPARTMENT (1994 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

- Section 24** **Forsyth Warrant Clerk Become Magistrates** — This section reallocates eleven positions from warrant clerks to magistrates in Forsyth County. Also allows the AOC to transfer up to \$41,459 within its budget to pay additional salary and benefits resulting from this change.
- Section 24.1** **Community Penalties Program** — Authorizes that \$3,513,658 be used to support community penalties programs for fiscal year 1994-95. The Judicial Department is to report annually to the Senate and House Appropriations Subcommittees on Justice and Public Safety and the Fiscal Research Division on the administrative expenditures of the programs. Also requires the Department to report quarterly to Governmental Operations upon elimination or reduction of funding for existing programs.
- Section 24.2** **State-Run Community Penalties Programs** — Allows the Director of the Administrative Office of the Courts to establish local community penalties programs. Contracts established under this section by the Director shall expire no later than June 30, 1995.
- Section 24.5** **Children's Law Center Funds** — Specifies that the Children's Law Center, a private non-profit organization which provides legal representation and advocacy for children involved in court proceedings be supported by \$100,000.
- Section 24.6** **Pitt Regional Mediation Center Funds** — Directs that funding in the 1993 Session for the Mediation Center of Pitt County, Inc. for FY 1993-95 become part of the Judicial Department's continuation budget.
- Section 24.7** **Extend Certain Special Superior Court Judge Terms** — Extends a special superior court judge's term through December 31, 1998.
- Section 24.8** **Study Drug Treatment Court Program** — Directs the Administrative Office of the Courts, in consultation with the Task Force on Substance Abuse, to study the costs and benefits of creating pilot drug treatment court programs, and to report the findings to the General Assembly by March 1, 1995. This section also states that the \$800,000 which was placed in a reserve for this purpose during the Special Session shall not revert and shall remain available for allocation by the 1995 General Assembly.
- Section 24.8** **Report on Dispute Settlement Centers** — Establishes annual reporting requirements for all Dispute Settlement Centers receiving State funds. Also establishes process for requesting State funds and sets percentages of total funding that must come from non-state sources.

JUDICIAL DEPARTMENT (1994 Actions, Continued)

Section 24.9 **Authorize Additional Magistrates in Catawba, McDowell, and Iredell Counties** — Authorizes, but does not require, the AOC director to establish one additional magistrate in Catawba, McDowell, and Iredell Counties.

Section 24.12 **Correct Judicial Term** — Corrects technical error made when establishing length of a certain superior court judge's term. Provision also establishes term length and seniority for successor.

HOUSE BILL 1605 (Chapter 591)

Section 6 **Extend Sentencing Commission** — Extends Sentencing and Policy Advisory Commission until July 1, 1995.

Section 15 **Pitt Regional Mediation Center Funds** — Appropriates \$40,000 to the Mediation Center of Pitt County, Inc. for each fiscal year — 1993-94 and 1994-95.

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

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$53,540,802	\$52,038,131
Continuation Budget Changes:		
Administration		
1. Reduce in-state travel funds.	(3,000)	(3,000)
2. Reduce printing and reproduction costs.	(4,000)	(4,000)
Legal Services		
3. Reduce funds for data processing supplies to comply with GPAC recommendation.	(3,000)	(3,000)
4. Reduce funds for building repairs.	(5,000)	(5,000)
5. Reduce funds for applications support.	(5,000)	(5,000)
6. Reduce service contract funds for computer maintenance.	(20,000)	(20,000)
State Bureau of Investigation		
7. Reduce funds for airplane supplies.	(40,000)	(40,000)
8. Reduce funds for data processing supplies to comply with GPAC recommendation.	(29,900)	(29,900)
9a. Adjust funding for motor vehicle replacement.	(1,835,086)	532,709
b. Reduce trade-in allowance receipts to agree with reduction/increase in vehicle replacement in (a) above.	(290,700) Receipt	(88,600) Receipt
Subtotal — Item 9	(1,544,386)	444,109
10. Increase budgeted receipts:		
(a) Terminal Rental fee.	(50,000)	(50,000)
(b) ID Kit Rental.	(1,000)	(1,000)

DEPARTMENT OF JUSTICE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
(c) Private Protective Services fees.	(\$15,000)	(\$15,000)
(d) State Applicant fees.	(15,000)	(15,000)
Training and Standards		
11. Reduce In-state travel funds for staff.	(4,000)	(4,000)
12. Reduce funds for data processing supplies to comply with GPAC recommendation.	(4,500)	(4,500)
13. Reduce funds for utilities/electricity at the Justice Academy.	(4,000)	(4,000)
14. Reduce funds for building repairs.	—	(5,000)
15. Reduce service and maintenance contract funds.	(4,000)	(4,000)
TOTAL CONTINUATION BUDGET CHANGES	(\$1,751,786)	\$231,709
REVISED CONTINUATION BUDGET	\$51,789,016	\$52,269,840

EXPANSION BUDGET

1. Attorney Positions/Salary Adjustment - Provide funds to add attorney positions to create a Citizens Rights Division; to meet increased caseloads in the Labor, Special Prosecutions, and Consumer Protection/Anti-Trust Sections; and to support the Paralegal position handling Low Level Radioactive Waste cases. Per this section, the Attorney General is given the authority to allocate funding in the preceding manner or to provide salary adjustments for attorney positions in the Legal Services Section.	\$936,000	\$936,000
2. Legal Automation System -Provide staff and support for completion of the legal automation system. Positions include:	344,052 (3)	353,724 (3)
1 - Computer Systems Admin.		
1 - Hardware Specialist		
1 - System Specialist		

DEPARTMENT OF JUSTICE (1993 Actions, Continued)

	1993-94 General Fund		1994-95 General Fund
3. SBI - Laboratory Services - Provide essential laboratory personnel and support needed to respond to increased demand for analysis. Restores 3 positions and equipment cut in the 1991 Session.	\$488,230 278,099 (6)	NR	\$684,980 — (6)
4. Sheriff's Standards Section - Restore commission funding cut in the 1990 Session to reimburse Commission members, and provide additional operating funds.	30,000		30,000
5. North Carolina Justice Academy - Provide legal training to county law enforcement officers to prevent protracted legal proceedings, lost cases, and civil litigation. Funds restore Criminal Justice Coordinator position cut in the 1990 Session.	46,810 1,730 (1)	NR (1)	48,540 — (1)
6. SBI - Fund State match requirement for federal grant to support DNA Database and Databank Project.	113,197 (3)		34,000 (6)
7. Legal Services - Appropriate funds to the North Carolina Legal Education Assistance Foundation to provide loan repayment assistance for attorneys employed full-time in law-related public service positions.	25,000	NR	—
8. Litigation Expense - Reserve for expenses related to redistricting.	500,000	NR	—
9. Law Enforcement Officers Hall of Honor - Grant to support activities relative to promotion, planning, construction, administration, and maintenance.	45,000	NR	—
TOTAL EXPANSION BUDGET	\$1,958,289		\$2,087,244
TOTAL NEW POSITIONS	\$849,829 (13)	NR	— (16)
TOTAL OPERATING APPROPRIATIONS	\$54,597,134		\$54,357,084

DEPARTMENT OF JUSTICE (1993 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

- Section 201** **SBI Funds/Spending Priorities** — Directs first priority for overtime payments to SBI agents in Field Investigation Division, and second, to continue overtime payments to supervisory personnel receiving overtime payments as of June 30, 1993. Limits payments to a maximum of \$5,200 annually per individual.
- Section 202** **SBI Use of Court-Ordered Restitution Funds** — Allows the State Bureau of Investigation (SBI) to use funds available from court-ordered restitution in undercover drug operations.
- Section 203** **Private Protective Services and Alarm Systems Licensing Board Pay for Use of State Facilities and Services** — Clarifies that boards pay for use of physical facilities and services provided by the State Bureau of Investigation.
- Section 204** **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 and Alcohol Law Enforcement as a result of assistance in enforcement of drug trafficking laws.
- Section 205** **Department of Justice to Report on Attorneys' Fees** — Directs the Department to make a report to the 1994 Session of the General Assembly and annually thereafter on efforts to secure attorneys' fees to support the Consumer Anti-Trust Section.
- Section 206** **Transfer Legal Counsel from Banking Commission to Department of Justice** — Identifies personnel, funding, equipment, and related items that support positions transferred to the Department. Directs the Banking Commission to continue to provide adequate space for personnel. Amends G.S. 53-96 to transfer authority for assigning legal assistance to the Commissioner of Banks from the Governor to the Attorney General.
- Section 207** **Department of Justice Salary Funds** — Authorizes Attorney General to use \$936,000 each year of biennium to (1) create new positions and provide support costs; (2) adjust salaries of existing positions through range revisions, reclassifications, or market analyses; or, (3) support a combination of new positions and salary adjustments. The Attorney General must report personnel actions quarterly to the Fiscal Research Division. All actions related to option (1) must be completed by June 30, 1994, and for option (2) by December 31, 1993.

DEPARTMENT OF JUSTICE (1993 Actions, Continued)

SENATE BILL 26 (Chapter 561)

- Section 81** **Centralized Utilization of Legal Publications** — Directs the Attorney General and Director of the Budget to conduct a review of legal publications used by State departments. The review should assess the most efficient use of legal publications, the potential to provide centralized access, and the cost related to centralization. Requires the Attorney General and Director of the Budget to report findings and recommendations to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and Fiscal Research Division by March 31, 1994.
- Section 82** **Law Enforcement Hall of Honor Funds** — Specifies that \$45,000 be allocated in 1993-94 to the North Carolina Law Enforcement Hall of Honor Foundation for promotion, planning, construction, administration, and maintenance.
- Section 83** **Banking Commission Legal Counsel Technical Correction** — Rewrites Section 206(b) of Chapter 321 of the 1993 Session Laws to further amend G.S. 53-96 to clarify that the Commission will reimburse the Department of Justice for costs incurred to support the attorney assigned to the Commission.

1994 SPECIAL SESSION

	1993-94 General Fund	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$54,597,134	\$54,357,084
1. Provide funds to establish five new positions to be assigned to the Department of Correction - Attorney I, Attorney II, (2) Paralegal II, and Administrative Assistant III	\$—	\$202,628 22,580 NR (5)
2. State Bureau of Investigation (SBI) — Upgrade Automated Fingerprint Identification System (AFIS).	— —	397,692 3,074,000 NR
RECURRING	\$ —	\$600,320
NON-RECURRING	\$ —	\$3,096,580
TOTAL SUPPLEMENTAL INCREASES	\$ —	\$3,696,900
TOTAL OPERATING BUDGET	\$54,597,134	\$58,053,984

DEPARTMENT OF JUSTICE

1994 ACTIONS

1994-95
General
Fund

TOTAL OPERATING BUDGET — 1993 SESSION
AND 1994 SPECIAL SESSION

\$58,053,984

1. Governor's 1% cut:

General Administration

3100 Travel Expenses	(2,000)
5100 Office Equipment	(1,003)

Legal Services — Attorney General

1911 Legal Fees	(10,000)
1912 Attorney Fees	(30,000)
3100 Travel Expenses — Boards	(20,000)
5200 Data Processing Equipment	(36,600)

Law Enforcement — SBI

2505 Airplane Supplies	(50,000)
2990 Other Supplies and Materials	(50,000)
3121 Out of State Travel	(5,000)
3122 Out of State Subsistence	(5,000)
3200 Other Communications	(8,666)
5200 Data Processing Equipment	(74,700)
5500 Laboratory Equipment	(44,100)
5540 Law Enforcement Equipment	(16,100)

Training & Standards

3200 Communications	(5,000)
3300 Utilities	(26,200)
4100 Rent	(1,000)
5600 Library Books	(1,200)

2. Delete 4 positions and their related support (part of \$10.0 million in vacant position reductions)	(150,385)
	(-4)

3. Civil Division — Motor Vehicles Section — Additional staff to
respond to increased caseload resulting from growing DMV
personnel, new programs and state's increasing population of
licensed drivers.

(1) Attorney I

Requirements	\$44,317
Receipts	44,317
Appropriations	—
	(1)

DEPARTMENT OF JUSTICE (1994 Actions, Continued)

		1994-95 General Fund	
4.	Criminal Division — Capital Case Litigation Section — Additional staff to handle the number of death penalty cases in a timely manner.	\$151,153 16,424 (3)	NR
	(1) Attorney III		
	(1) Attorney I		
	(1) Paralegal I		
5.	Grant Matching Funds:		
a.	Legal Services - Citizens Rights Division - Funds to match federal grant for Child Victim's Assistance Project.	25,228	NR
b.	SBI - Bullet Proof Grant - Funds to match federal grant to purchase computerized system to match bullets and weapons.	166,661	NR
6.	SBI - Additional investigative personnel to respond to increasing requests for assistance from local law enforcement in response to violent crime.	343,191 167,400 (6)	NR
	(1) Special Investigator		
	(5) SBI Agent I		
7.	Legal Services - Additional operating support for legal staff to increase budget level to current expenditure level.	84,800	
8.	Administration - Fund additional staff to handle printing needs for legal services.	21,256 725	NR
	(1) Printing Equipment Operator I	(1)	
9.	Information Systems Division - Upgrade the Legal Services Division automated systems to allow all sections to communicate and have at least one access to computerized legal research.	119,000	NR
10.	SBI - Firearms analyst and necessary equipment — To provide funding for a firearms analyst and necessary equipment to provide increased assistance to local law enforcement in a timely manner.	38,923 56,355 (1)	NR
	(1) Analyst I		
11.	Criminal Division — Medicaid Fraud Section — Additional investigators to handle the increased caseloads. Of the \$116,493 total requirements, \$95,053 is recurring and \$21,440 is non-recurring.		
	(2) Investigators		
	Requirements	116,493	
	Receipts	87,370	
	Appropriations	29,123 (2)	

DEPARTMENT OF JUSTICE (1994 Actions, Continued)

	1994-95 General Fund	
12. Trade and Commerce Division — Consumer Protection Section — Additional investigators to assist in the areas of charitable solicitation fraud, anti-trust violations and price-fixing schemes.	\$98,768	
(2) Investigators	9,400	NR
	(2)	
13. Justice Academy — Staff to serve increased demand for law enforcement training.	111,697	
	93,372	NR
	(2)	
14. Reserve for major litigation expense.	100,000	NR
15. Legal Services — Appropriate funds to the North Carolina Legal Education Assistance Foundation to provide loan repayment assistance for attorneys employed full-time in law-related public service positions.	25,000	NR
16. Funds to implement Sex Offender Registration. (Legislation was not enacted; funds are in a reserve.)	22,810	
	10,000	NR
NET CHANGE	\$1,154,332	
	(14)	
TOTAL OPERATING BUDGET	\$59,208,316	

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 23	Use of Seized and Forfeited Property Transferred to State Law Enforcement Agencies by the Federal Government — Specifies that the Department of Justice may use up to \$75,000 for a pistol range tower from assets obtained through federal/state drug seizure operations.
Section 23.1	Centralized Utilization of Legal Publications — Directs the Department of Justice, with technical assistance from the Office of State Budget and Management, to conduct an analysis on the centralized use of legal publications. The Department of Justice is to report the findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Fiscal Research Division by February 1, 1995.

DEPARTMENT OF JUSTICE (1994 Actions, Continued)

- Section 23.2** **Department of Justice Federal Grant Matching Funds** — This provision authorizes \$25,288 for the Civil Rights Division and \$166,661 for the State Bureau of Investigation to match federal grant funds received by the Department.
- Section 23.3** **Capital Murder Study** — Directs the Department of Justice, in consultation with the Administrative Office of the Courts, to report to the 1995 General Assembly on methods of reducing costs and time associated with capital murder cases.

NATURAL AND ECONOMIC RESOURCES

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 four major programs to carry out its responsibilities: Agriculture Services and Development, Consumer Protection, Natural and Agricultural Education, and Research. Included in these programs are the State Fair, agriculture research stations, and many inspection and regulatory activities.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$42,614,251	\$42,803,376
Continuation Budget Changes:		
Plant Industry Division		
1. Eliminate State Aid for Multiflora Rose Program.	(65,000)	(67,014)
2. Fertilizer Registration Penalty — Adjust under-budgeted receipts.	(50,000)	(50,000)
3. Operating Reserve for Biological Control Facility — Reduce reserve due to 6 months delay in renovation.	(32,500)	—
Food and Drug Division		
4. Drug Registration Fee — Adjust underbudgeted receipts.	(45,000)	(45,000)
5. Pesticide Program — Reduce funding after 1/1/95 for interagency (Agriculture/EHNR) study of effect of pesticides on groundwater due to projected study completion.	—	(87,685) (-3)
State Farms/Research Stations Division		
6. State Farms — Adjust underbudgeted receipts for sale of farm products.	(50,000)	(50,000)
Marketing Division		
7. Morehead City Seafood Office — Close and eliminate 2 positions (Retain 1 position and support).	(98,928) (-2)	(98,928) (-2)

DEPARTMENT OF AGRICULTURE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Marketing Division		
8. Markets — Adjust underbudgeted receipts for (a) Farmers Market admissions (25,000); (b) Charlotte Farmers' Market (15,000); (c) Western Agricultural Center for horse facility rental (50,000).	(\$90,000)	(\$90,000)
Department-wide		
9. Motor Vehicles — Defer funds for motor vehicles purchase.	(467,094)	(541,153)
10. Reduce Inventory by 30% over 3 years.	(92,235)	(92,235)
11. Vacant Positions Reduction — Reduce to first step.	(17,891)	(17,891)
12. Reduce Salary Reserve.	(209)	(208)
TOTAL CONTINUATION BUDGET CHANGES (GENERAL FUND)	(\$1,008,857) (-2)	(\$1,140,114) (-5)
TOTAL CONTINUATION BUDGET (GENERAL FUND)	\$41,605,394	\$41,663,262
HIGHWAY FUND REDUCTIONS		
1. Standards Division — Eliminate two positions for oxygenated gasoline program - increased availability in Highway Fund.	(69,251) (-2)	(69,251) (-2)
TOTAL CONTINUATION BUDGET CHANGES (HIGHWAY FUND)	(\$69,251) (-2)	(\$69,251) (-2)

EXPANSION BUDGET

Food and Drug Division

1. Food Inspection — Increase food inspection in retail food stores and carry out mandates of the federal Nutritional Labeling and Education Act.	\$445,000 (10)	\$509,415 (10)
---	-------------------	-------------------

DEPARTMENT OF AGRICULTURE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
2. Laboratory — Funds for analysis of livestock feeds and products for mycotoxins.	\$160,000 NR	—
Marketing Division		
3. Domestic Marketing —		
(a) Expand assistance to local and state farmers' markets and media promotion of North Carolina products.	164,597 (3)	155,408 (3)
(b) Establish Southeastern Agriculture Marketing Office in Sampson County to provide assistance to farmers and agricultural processors.	151,978 (2)	121,402 (2)
4. Western North Carolina Farmers' Market — Add security guard and a maintenance mechanic position.	53,752 (2)	53,752 (2)
Grassroots Science Program		
5. Grant-in-Aid to nine areas of the State for regional science museums to promote outreach science projects for unserved communities. (NOTE: Effective August 1, 1993, this grant-in-aid and program were transferred to DEHNR)	450,000	450,000
Administration		
6. Expand office automation network.	126,940 NR	—
Grant-in-Aid		
7. N.C. Tobacco Museum, Kenly — Provide support funds. (NOTE: Effective August 1, 1993, this grant-in-aid was transferred to DEHNR)	15,000 NR	—
8. Carrboro Farmers' Market — Funds for new farmers' market.	236,000 NR	—
Agricultural Finance Authority		
9. Funds to expand the Farm Loan Reserve Fund	1,000,000 NR	—
TOTAL EXPANSION —RECURRING	\$1,265,327	\$1,289,977
TOTAL EXPANSION —NON-RECURRING	\$1,537,940	—
TOTAL EXPANSION BUDGET	\$2,803,267 (17)	\$1,289,977 (17)
TOTAL OPERATING BUDGET	\$44,408,661	\$42,953,239

DEPARTMENT OF AGRICULTURE (1993 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATIONS BILLS — 1993

SENATE BILL 27 (Chapter 321)

- Section 260** **Timber Sales Funds for Maintenance of State Farms Forest Lands**
— Allows Agriculture to use timber receipts to increase the budget for maintenance of State Farm forest lands from \$30,000 to \$50,000 in 1993-94 and 1994-95.
- Section 260.1** **Capital Bill Contents** — Changes the statutes to require that certain net proceeds are to be appropriated in the CAPITAL IMPROVEMENT APPROPRIATIONS ACT not the Current Operations Appropriations Act. The net proceeds affected are:

Sale of Land or Timber
Purchase of Agricultural Lands
- Section 260.2** **Grassroots Science Program** — Allocates \$450,000 in grant-in-aid funds each year among ten regional science museums.

SENATE BILL 26 (Chapter 561)

- Section 94** **Reallocation of 1988 Funds for Rocky Mount's Farmers' Market for Rocky Mount Business Development** — Authorizes the \$700,000 appropriated in 1988 to the Rocky Mount Business Development Authority (RMBDA) for construction of a farmers' market in Rocky Mount to be loaned by the RMBDA to the City of Rocky Mount for construction of a farmers' market/vegetable and fruit processing facility for local farmers.
- Section 95** **Warehouse Act Funds** — Revises General Statutes to allow the interest received on funds collected for operation of the State agricultural warehouse system to be used for capital projects and non-recurring expenditures. Also authorizes use of \$900,000 in interest for capital and non-recurring projects in 1993-94.
- Section 96** **Reallocate Funds Appropriated for Agricultural Facilities** — Authorizes the use of \$1,000,000 appropriated in 1992 for construction of a Southeastern Shipping Point Facility for two different purposes: \$90,000 for a grant-in-aid to the Town of Roseboro for water and sewer services and \$910,000 for a grant-in-aid to Sampson County for construction of a livestock sale facility.
- Section 97** **Authorize the Agricultural Finance Authority to Use the Interest from the Reserve for Farm Loans for Administrative Expenses**

DEPARTMENT OF AGRICULTURE

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$42,953,239
Marketing	
1. Reduce overtime and other operating expenses	(70,212)
Pesticide Control and Analysis	
2. Reduce postage	(35,000)
3. Decrease funding for pesticide disposal	(35,212)
Veterinary Services	
4. Reduce laboratory supplies, field testing supplies and laboratory equipment	(54,349)
Meat and Poultry Inspection	
5. Delete four positions and reduce related fringe benefits for State funding and receipts - #4411, #4686, #4453, and #4786	
Total Requirement	(78,291)
Receipt	(27,320)
GF	(50,971)
	(-4)
Seed Testing	
6. Delete salary and associated fringe benefits for position # 6370	(14,242)
	(-1)
Plant Protection	
7. Reduce funds for office supplies, laboratory equipment, books and reserve for Gypsy Moth	(20,864)
Research Stations	
8. Decrease funding for livestock feed, other agricultural supplies, and repairs	(70,212)
9. Vacant Positions — Delete additional 1.5 General Fund supported Meat and Poultry inspectors and an additional seed analyst position (part of \$10.0 million in vacant position reductions)	(60,286)
	(-2.5)
EXPANSION	
1. Piedmont Triad Farmers Market — Funding to provide operational support for the new Piedmont Triad Farmers Market scheduled to be completed and open 1995.	277,210
	(8)

DEPARTMENT OF AGRICULTURE (1994 Actions, Continued)

	1994-95 General Fund	
2. Marketing Specialist - Air Cargo Facility in Kinston — Funding to provide a marketing specialist position at the Air Cargo Facility in Kinston.	166,214 (1)	
3. Agriculture Finance Authority — Funding is for the Loan Reserve to make Agricultural loans to meet the continuing loan demands of farmers.	500,000	NR
4. Aquaculture Development Act Implementation — Additional funds are needed to further develop the aquaculture industry in North Carolina. This development will help diversity and strengthen the rural economy of the state.	167,969 (3)	
Pesticide Program Expansion		
5. Funds to continue the interagency groundwater study through 1994-95 and establish a monitoring program needed to support pesticide specific management plans, as mandated by EPA.	766,708 (16)	
N.C. Mountain Fair		
6. The Western Agricultural Center plans to conduct the inaugural fair in the fall of 1994. Funding is to provide seed funds only for the development of the fair. (HB 1787)	150,000	NR
Mycotoxin Testing Program		
7. Funding for continuing mycotoxin testing of livestock feed to protect the health of livestock and meat producing animals. The 1993-94 General Assembly appropriated a one-time, non-recurring appropriation for this purpose. (HB 1558)	110,000 (2)	
Pseudorabies Program		
8. Continue the Pseudorabies program with state funding as federal government is withdrawing \$300,000 from the program.	300,000 (5)	
Imported Fire Ant Control Support		
9. Funds are to provide personnel, supplies and logistics support for the survey and treatment of spot infestations of the Imported fire ant out of the quarantine areas. (SB 1326)	214,413	
Agricultural Survey Program		
10. Funds to survey production, prices, and other economic data concerning turfgrass, equine, pesticides, orchards and vineyards and miscellaneous specialty commodities. (SB 866/HB 1525)	134,600	

DEPARTMENT OF AGRICULTURE (1994 Actions, Continued)

	1994-95 General Fund
Grant-in-Aid	
11. North Carolina Farm Bureau Foundation — Funds for Agriculture in the Classroom, Inc., an educational program that works to develop a deeper appreciation for the state's agricultural industry.	125,000
NET CHANGE	\$2,500,766 (27.5)
TOTAL OPERATING BUDGET	\$45,454,005

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS

SENATE BILL 1505 (Chapter 769)

Section 26	North Carolina Warehouse Act Fund — Allows the use of the fund to make loans to bring cotton gins up to environmental standards. Appropriates \$100,000 from the fund for maintenance and operation of the Ballantine Building in Raleigh for the pesticide program. Appropriates \$100,000 from the Fund for repairs, maintenance, and operation and cotton promotion projects and activities of Oakview Plantation (Wake County).
Section 26.1	Agriculture in the Classroom — Allocates a grant-in-aid to the N.C. Farm Bureau Foundation for this program.

DEPARTMENT OF COMMERCE

STATUTORY AUTHORITY: General Statutes, Chapter 143B-429

The head of the Department is the Secretary of the Department of Commerce who is appointed by the Governor.

The Department's primary responsibilities include promotion of economic development through job creation and business assistance and the development of the State's communities through employment and training, housing and other programs. In addition, the Department oversees many regulatory commissions.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$27,135,913	\$27,160,918
Continuation Budget Changes:		
Industrial Commission		
1. Ombudsman Position — Eliminate vacant position, as duties will be assigned to Executive Secretary position.	(51,123) (-1)	(51,187) (-1)
International Trade		
2. Rent of real property (Hong Kong office).	(10,000)	(10,000)
Division of Community Assistance		
3. Transfer housing programs including HOME and its appropriated match to Housing Finance Agency. Positions will be receipt supported in Agency.	(562,916) (-12)	(564,378) (-12)
Department-Wide		
4. Reduce salary reserve.	(42,018)	(42,018)
5. Reduce inventory.	(25,300)	(25,300)
6. Reduce vacant positions to 1st step.	(76,364)	(76,364)
7. Reduce positions as part of GPAC recommendation on coordination and reorganization of Commerce.	(189,079) (-4)	(189,079) (-4)
8. Reduce regional offices and staffing as part of GPAC recommendation.	(176,084) (-4)	(176,084) (-4)
TOTAL CONTINUATION BUDGET CHANGES	(\$1,132,884) (-21)	(\$1,134,410) (-21)
REVISED CONTINUATION BUDGET	\$26,003,029	\$26,026,508

DEPARTMENT OF COMMERCE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
EXPANSION BUDGET		
Economic Development Programs		
1. Entrepreneurial Development Board — Provide staff, staff support and Board support for new board.	\$205,919 (3)	\$205,919 (3)
2. Technology Extension Project — Fund planning for development of Technology Extension Project.	250,000 NR	—
3. Economic Development Planning — Fund new positions and associated cost of new economic development planning effort.	300,000 (3)	200,000 (3)
Business and Industry Development		
4. West Coast Office - Fund new office.	155,030	161,396
5. Western N.C. Economic Development - Increase funding.	120,000 (2)	120,000 (2)
6. Industrial Building Renovation Fund — Increase funding.	1,000,000 NR	—
7. Industrial Recruitment Competitive Fund — Creation of new fund to aid in recruitment of vital and significant businesses/industries as determined by the Governor.	5,000,000 NR	—
Division of Travel and Tourism		
8. Tourism Promotion —		
(a) Fund second shift supervisor for Toll-Free Operation at Women's Prison and increase funding for postage, printing and advertising.	500,000 (1)	500,000 (1)
(b) Fund one-time special travel advertising.	500,000 NR	—
9. Rural Tourism Development Grants — Funding for new program.	200,000 NR	—
International Division		
10. Mexico Office — Establish new office.	150,000	150,000
11. World Trade Center — Fund grant-in-aid.	200,000 NR	—

DEPARTMENT OF COMMERCE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
12. Furniture Export Program — Establish new program.	\$200,000 (2)	\$250,000 (2)
Film Office		
13. Film Industry Council — Fund support for Council.	50,000 (1)	50,000 (1)
Grants-in-Aid		
14. Center for Community Self-Help —		
(a) Funds to increase statewide lending program for small businesses and other economic development projects.	1,500,000 NR	—
(b) Additional funding for statewide lending program for small businesses and other economic development projects.	1,000,000 NR	—
15. Land Loss Prevention Project — Funds to provide free legal representation to low income, financially distressed small farmers.	300,000 NR	—
16. N.C. Coalition of Farm and Rural Families — Funds to foster economic development within the state's rural farm communities.	250,000 NR	—
17. N.C. Institute for Minority Economic Development — Funds to foster minority economic development within the State.	350,000 NR	—
18. N.C. Institute for Minority Economic Development — Funds to foster minority economic development within the state.	200,000 NR	—
19. Western N.C. Regional Economic Development Commission — Fund the activities of new commission.	600,000	1,250,000
20. Northeastern N.C. Regional Economic Development Commission - Fund the activities of new commission.	600,000	1,250,000
21. Southeastern N.C. Regional Economic Development Commission — Fund the activities of new commission.	600,000	1,250,000
22. Reserve for Economic Development Initiatives — Funding for projects in Columbus and Stanly Counties.	1,275,000 NR	—

DEPARTMENT OF COMMERCE (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Air Cargo Marketing		
23. Air Cargo Marketing — Continue 2 positions, promotional advertising and program support costs.	\$500,000 (2)	\$500,000 (2)
Administration		
24. Investment in Manufacturing Technology — Funds to match new federal funds available to assist in development and deployment of technology.	1,000,000 NR	—
TOTAL RECURRING EXPANSION	\$3,980,949	\$5,887,315
TOTAL NON-RECURRING EXPANSION	\$13,025,000	—
TOTAL EXPANSION BUDGET	\$17,005,949 (14)	\$5,887,315 (14)
TOTAL OPERATING BUDGET	\$43,008,978	\$31,913,823

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS - 1993

SENATE BILL 27 (Chapter 321)

Section 296	Industrial Development Fund/Local Match — Requires that local recipients demonstrate to the Department that it would be an economic hardship to match State funding with local funds.
Section 297	N.C. Manufacturing Directory Proceeds — Authorizes the Department of Commerce to use excess proceeds from the sale of the N.C. Manufacturing Director for industrial promotional advertising.
Section 298	Home Program Matching Funds — Sets priorities for allocating appropriated funds to match the HOME federal housing program. The provision also: 1) requires an annual report on the HOME program, 2) prohibits use of State funds for a match if a match is not required by Congress, and 3) allows carry forward of match funds due to federal program years.
Section 299	Community Development Block Grant Reports — Requires the Department of Commerce to make quarterly reports on the Community Development Block Grant to the Appropriations Committees.

DEPARTMENT OF COMMERCE (1993 Actions, Continued)

Section 300 **Tourism Promotion Funds** — Continues the selection criteria and maximum grant amounts for tourism promotion grants that were established in 1991.

Section 301 **Petroleum Overcharge Attorney Fees** — Extends for the next biennium the current procedures for paying for attorney fees for litigation related to the petroleum overcharge funds.

Section 302 **Petroleum Overcharge Funds Allocation** — Allocates approximately \$10.1 million dollars of Petroleum Overcharge Funds (Exxon and Stripper Well funds) over the next 2 years for energy conservation. The provision continues the allocation of Diamond Shamrock Overcharge Funds for the administration of oil overcharge funds by the Energy Division and it mandates reporting to the General Assembly.

Section 305 **Housing Programs Transfer** — Transferred 4 housing programs to the Housing Finance Agency including changes in the statutes of the HFA and the Housing Coordination and Policy Council.

Section 305.1 **Housing Program Reimbursement** — Directs the HFA to use receipts to reimburse Commerce for its costs for the program affected by Section 305 between July 1 and ratification of Senate Bill 27 to ensure that the total General Fund cut for housing is taken.

Section 306 **Worker Training Trust Fund** — Directs appropriations from the Worker Training Trust Fund for purposes itemized in the provision. The recommended appropriations are:

	1993-94	1994-95
ESC	\$5,539,964	\$5,539,964
ESC (SOICC System)	225,000	—
Commerce-Employment and Training	2,400,000	2,400,000
Labor	1,000,000	1,000,000
Human Resources (JOBS)	2,826,658	1,528,067
Community Colleges	1,746,000	1,746,000
NC REAL Enterprises	300,000	300,000
TOTAL	\$14,037,622	\$12,514,031

Also appropriates \$2,000,000 from the Special Employment Security Administration Fund to ESC for each year of the biennium.

Section 307 **Tourism Advertising Program** — Directs the Department of Commerce to address promotion of tourism in the State's rural areas in the Department's tourism advertising program.

Section 308 **Community Self-Help Funds** — Allocates \$1,500,000 the first year of the biennium to the Center for Community Self-Help for a statewide lending program for small businesses and for other economic development projects in rural and depressed communities in North Carolina. The provision requires a dollar-for-dollar match, sets forth auditing schedules, and requires reports to various legislative committees.

Section 309 **Western North Carolina Regional Economic Development Commission** — Creates a new Western North Carolina Regional Economic Development Commission to serve 16 western counties.

DEPARTMENT OF COMMERCE (1993 Actions, Continued)

The Commission's responsibilities include developing a regional economic development plan and developing and evaluating economic development alternatives for the region. Also requires an annual report to the General Assembly on the Commission's work.

Section 309.1 **Northeastern North Carolina Regional Economic Development Commission** — Creates a new Northeastern North Carolina Regional Economic Development Commission to serve 16 northeastern counties. The Commission's responsibilities include developing a regional economic development plan, adopting a tourism plan, and developing and evaluating economic development alternatives for the region. The provision requires an annual report to the General Assembly on the Commission's work.

Section 309.2 **Southeastern North Carolina Regional Economic Development Commission** — Creates a new Southeastern North Carolina Regional Economic Development Commission to serve 11 southeastern counties. The Commission's responsibilities include developing a regional economic development plan and developing and evaluating economic development alternatives for the region. The provision requires an annual report to the General Assembly on the Commission's work.

Section 310 **Economic Development Funds** — Allocates appropriations for the first year of the biennium to 3 non-state entities for economic development.

Land Loss Prevention Project	\$300,000
Coalition of Farm and Rural Families	\$250,000
Institute for Minority Economic Development	\$200,000

The provision requires quarterly reports to Governmental Operations on the use of these funds.

Section 311 **Technology Extension Project Development** — Authorizes the Department of Commerce to develop a new Technology Extension project. This provision requires Commerce to coordinate with existing small business programs as Commerce develops this new project.

Section 313 **Economic Development Board/Plan** — Expands the membership and duties of the current Economic Development Board. Also requires the Board to prepare a strategic economic development plan and the provision specifies certain components, input and information that shall be part of the plan.

Section 314 **Five-Year Economic Development Plans** — Requires the Department of Commerce to develop 5 five-year economic development plans: 1 each for 4 regions of the State and 1 for the State's minority communities. In addition, the Department must develop plans that assume spending \$25 million in each of the 4 regions over 5 years and spending \$25 million in the State's minority communities over 5 years. The Department is to report to Governmental Operations and Fiscal Research by March 1, 1994.

Section 314.1 **Study State Ports Status as Separate Agency** — Directs the Economic Development Board to study the State agency status of the Port Authority. The Board is to make a report to Governmental Operations by April 1, 1994.

DEPARTMENT OF COMMERCE (1993 Actions, Continued)

- Section 314.2** **Study Continued Necessity for Ports Railway Commission —** Directs the Economic Development Board to study whether the Ports Railway Commission is necessary. The Board is to make its report to Governmental Operations by April 1, 1994.
- Section 314.3** **Industrial Recruitment Competitive Fund —** Sets out what this Fund shall be used for. It requires quarterly reports to Governmental Operations on the use of the Fund

SENATE BILL 26 (Chapter 561)

- Section 98** **Rural Tourism Development Funds —** Establishes and allocates \$200,000 for new Rural Tourism Development Grant Program.
- Section 100** **Promote Tourism throughout the State —** Directs the Department to review its tourism advertising program to ensure all areas of State are promoted and to give appropriate consideration to minority-owned businesses when expanding promotion funds. It also requires a quarterly report to the Joint Legislative Commission on Governmental Operations.
- Section 102** **Study Expansion of Economic Development Commission —** Directs the Department to survey regional economic development commissions, to develop a plan regarding these commissions and to establish a formula for funding regional economic development commissions. The plan should be submitted to the General Assembly by March 1, 1994.
- Section 103** **Study on Economic Incentives to Lure Industry —** Creates the Legislative Study Commission on Economic Incentives to Lure Industry. It directs the Commission to study various items and to report to the General Assembly by April 15, 1994.
- Section 104** **Economic Development Funds —** Allocates \$1,000,000 for Center for Community Self-Help and \$350,000 to the N.C. Institute for Minority Economic Development. It also sets forth disbursing and reporting requirements.

DEPARTMENT OF COMMERCE

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$31,913,823
Entrepreneurial Development Board	
1. Eliminate vacant positions and support.	(181,843) (-3)
Economic Development Board	
2. Reduce contracted personal services.	(15,419)
3. Reduce Operating Costs - Office supplies and materials, In-State travel and subsistence for the board, per diem, telephone service, postage, and printing and publications.	(7,360)
International Development	
4. Reduce In-State subsistence and travel.	(7,186)
5. Reduce printing costs.	(20,000)
6. Reduce promotional advertising.	(20,000)
N.C. Film Office	
7. Reduce printing funds.	(10,449)
Industrial Commission	
8. Reduce data processing costs.	(31,074)
Community Assistance	
9. Eliminate General Fund support for one position, including salary, fringe benefits, and related support costs. The position and related costs will be supported from federal Community Development Block Grant funds.	(45,000) (-1)
Department-wide	
10. Delete 7 vacant positions and their related support (part of \$10.0 million in vacant position reductions)	(184,160) (-7)

DEPARTMENT OF COMMERCE (1994 Actions, Continued)

1994-95
General
Fund

Economic Development

11. **Regional Commissions and Strategic Planning** — Funds to be placed in a reserve to establish additional economic development regions, fund regional economic development commissions and to establish a full-time coordinator for the economic development plan. \$2,200,000 (1)
12. **Implement DOC EDIS/Regional Network** — Funds for economic development information system, annual strategic plans and video conference center. 900,000 (7)
13. **Audit Business Taxes/Tax Credits** — Funds are to conduct an analysis of business-related taxes (including direct and indirect taxes and the effect of tax credits) to assess the impact on competitiveness. The audit should include but not be limited to the corporate tax rate, intangibles tax, worker's compensation rates, and special sales taxes. 100,000 NR

International Development

14. **Additional Funds for Mexico Office** — Increase funding for the Mexico Office due to the extremely high cost of maintaining an office in a desirable location in Mexico City. The 1993 General Assembly appropriated \$150,000 on a recurring basis for this office. 100,000

Commerce Finance Center

15. **Industrial Development Program** — Funds for Industrial Building Renovation Fund. 1,000,000

Business and Industry

16. **Governor's Industrial Recruitment Competitive Fund** — Funds for the purpose of providing financial assistance to those businesses or industries deemed to be vital to the state economy and that are making significant efforts to locate or expand in North Carolina. 7,000,000 NR

Industrial Commission

17. **Industrial Commission Staff Expansion and Temporary Panels** — Funds to add four commissioner positions, four deputy commissioners positions, five law clerks and two legal secretaries. In addition, nonrecurring funds are needed for six months to support two temporary appeals panels to help alleviate the backlog of cases. 877,035 (15)
378,459 NR

DEPARTMENT OF COMMERCE (1994 Actions, Continued)

	1994-95 General Fund	
18. Case Management Automation — Additional funding to implement the Electronic Document System during FY 1994-95 and the next two fiscal years. Also provides automation personnel - 1 Application Programmer II, 2 Computer System Coordinators II, and 4 Data Processors II.	189,847 (7) 2,234,950	NR
19. Safety Section — Fund an additional Industrial Safety Representative II position.	29,635 (1) 3,100	NR
20. Workers' Compensation Reform — Funds to establish an Ombudsman program to comply with Senate Bill 906.	200,000	
21. Workers' Compensation Program — Establish an Uninsured Employers' Injury Fund per SB 1185. (SB 1185 was not ratified. Funds placed in a Reserve.)	300,000	
Travel and Tourism		
22. Tourism Program — Funds to place N.C. on a basis comparable to our identified state competitors. Additional funds could be used to promote the state as a vacation group tour and convention destination.	500,000	
23. Support for a Travel and Tourism Area Promoter.	36,500 (1)	
24. Rural Tourism Development — Support for a grant program.	400,000	NR
DEPARTMENTAL RESERVES		
25. Economic Development Resource Center — Funding for design and implementation of this activity which will make resources available across the state via telecommunications. Resources include access to state and federal loan and grant programs, and technical and financial assistance for businesses.	100,000	NR
26. Small Business Surety Bonds Program — Funds for implementation of program placed in a reserve. Expenditures contingent upon ratification of House Bill 2057.	1,000,000	NR
27. Reserve for Economic Development Initiatives — Funding for projects in Columbus, Caswell, and Burke Counties. (SB 1319)	750,000	NR
Other		
28. Polymer Extension Program — Establish Polymer Extension Program at UNC-Charlotte. (SB 1372) Transfer to Board of Governors.	400,000	

DEPARTMENT OF COMMERCE (1994 Actions, Continued)

**1994-95
General
Fund**

Grants-in-Aid

29.	North Carolina Coalition of Farm and Rural Families, Inc. — These funds are used to foster economic development within the state's rural farm communities by offering financial, marketing, and technical assistance to small and limited resource farmers.	250,000	NR
30.	Land Loss Prevention Project, Inc. — Funds to provide free legal representation to financially-distressed small farmers through the Land Loss Prevention Project, Inc.	300,000	NR
31.	N.C. Institute for Minority Economic Development — Funds are to foster minority economic development within the state through policy analysis, information and technical assistance, and resource expansion.	700,000	NR
32.	World Trade Center — Funds are to support the activities of its teleconferencing and computer information center, audio-visual classroom, and library.	294,000	NR
33.	Center for Community Self-Help — Funds to expand statewide home ownership lending program.	5,000,000	NR
34.	Yadkin/Pee Dee Lake Project — Funds are to support start-up costs of the organization.	250,000	NR
35.	Year of the Mountain — Funds for Western North Carolina Tomorrow for planning and coordination. (HB 1735/SB 1360)	25,000	NR
36.	Technological Development Authority — Grants for new business incubators.	1,250,000	NR
NET CHANGE		\$26,246,035	
		(21)	
TOTAL OPERATING BUDGET		\$58,159,858	

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 28 **WTTF Funds to Employment Security Commission —** Appropriates resources of the WTTF to the Employment Security Commission to provide \$225,000 for continued operation of the tracking system, and \$300,000 to fund salary increases authorized in the 1994 Session.

DEPARTMENT OF COMMERCE (1994 Actions, Continued)

Section 28.3 Economic Development Funds — Allocates the following funds:

Land Loss Prevention Project	\$300,000
Coalition of Farm and Rural Families	\$250,000
Institute for Minority Economic Development	\$700,000

Reports to Governmental Operations are required on the use of these funds.

Section 28.4 Industrial Recruitment Competitive Fund — Directs the Department of Commerce to assist existing businesses along with new businesses in making allocations from the Governor's Competitive Fund. Also directs Department to consider use of recycled materials and generation of high levels of pollution during allocation of funds. Requires Department to develop guidelines for following Local Government Budget and Fiscal Control Act.

Section 28.7 Expand Regional Economic Development Efforts — Directs the Department of Commerce to work with all areas of the State to ensure that all counties participate in and benefit from organized regional economic development efforts. The provision contains a formula for allocating funds for regional economic development. It requires a report on regionalism to the 1995 Session.

Section 28.8 Regional Economic Development Commissions — Changes the date funds are distributed to the Western, Northeastern, and Southeastern Regional Economic Development Commissions to the beginning of each fiscal year. The provision also states that members of these commissions may receive \$100 per day in per diem for commission meetings and other authorized activities.

Section 28.9 Northeastern Regional Commission — Deletes the requirement that the Governor appoint 2 of the Commission's staff and allows the Commission to make all of its personnel appointments.

Section 28.11 Polymers Extension Program — Transfers \$400,000 to the Board of Governors for UNC-C for the operating expenses of a polymers extension program.

Section 28.12 Travel and Tourism Promoter — Directs that \$36,500 be used for new Tourism Area Promoter in Division of Travel and Tourism.

Section 28.13 Rural Tourism Development Funds — Continues the Rural Tourism Grants Program and allocates \$400,000 for program..

Section 28.14 Small Business Surety Bonds Funds Contingency — Ensures that funds appropriated in this act for a Small Business Surety Bonds Program cannot be expended unless House Bill 2057 is ratified.

Section 28.15 Expand North Carolina Industrial Commission — Amends G.S. 97-77 to increase the number of commissioners from three to seven, to designate terms of service for new commissioners, and to make other technical revisions.

Section 28.16 Economic Development of Duplin County — This provision is related to a Community Development Block Grant project in Duplin County.

DEPARTMENT OF COMMERCE (1994 Actions, Continued)

It would allow the Town of Faison to use funds for a natural gas line extension outside of its extraterritorial planning jurisdiction. The gas line extension is a joint project between Faison and Duplin County.

Section 28.17 **Center for Community Self-Help** — Allocates \$5,000,000 to the Center to expand its home ownership program. Quarterly reports to the Joint Legislative Commission on Governmental Operations and the Appropriations Committees on the use of the funds are required.

Section 28.19 **Uninsured Employers' Fund** — Special provision nullified as SB 1185 was not ratified and "Fund" was not established.

Section 28.20 **Fraud Investigation Funds** — Transfers \$100,000 from the North Carolina Industrial Commission to the Department of Insurance for investigation of suspected fraud and all violations related to Workers' Compensation claims in accordance with SB 906.

Section 28.21 **Piedmont Sports and Entertainment Facilities Study Commission** — Creates 35-member commission to study need for, feasibility of and establishment of Authority for a regional sports and entertainment facility in the Piedmont. Allocates \$25,000 for commission and requires report to 1995 Session.

DEPARTMENT OF COMMERCE —

MCNC (MICROELECTRONICS CENTER OF NORTH CAROLINA)

The purpose of MCNC is to support the State's efforts to foster science-based economic development and to encourage the use and application of advanced computer and micro-electronic technology by the business and educational communities.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$16,000,000	\$16,000,000
Continuation Budget Changes:		
1. Grant-in-Aid — Reduce state appropriation by 2%.	(320,000)	(320,000)
TOTAL CONTINUATION BUDGET CHANGES	(\$320,000)	(\$320,000)
TOTAL OPERATING BUDGET	\$15,680,000	\$15,680,000

EXPANSION BUDGET

**Reserve Funds for Capital Needs
and Communications**

1. Grant-in-Aid			
a. Funds to conduct a joint telecommuni- cations research and development project with MCI Corporation.	\$2,000,000	NR	—
b. Funds for upgraded equipment for the Supercomputer, Telecommunications and Microelectronics Programs.	2,500,000	NR	—
c. Funds to connect 6 universities to the MCNC CONCERT Telecommunications Network (Pembroke State, ECSU, WCU, FSU, NCCU, UNC-G.).	2,118,000	NR	—
TOTAL EXPANSION BUDGET —NON-RECURRING	\$6,618,000	NR	—
TOTAL OPERATING BUDGET	\$22,298,000		\$15,680,000

DEPARTMENT OF COMMERCE —
MCNC (MICROELECTRONICS CENTER OF NORTH CAROLINA) (1993 Actions, Continued)
SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

Section 295 MCNC — Directs that MCNC report quarterly to the Joint Legislative Commission on Governmental Operations on all program activities and requires that MCNC provide budget information to the Office of State Budget and Management for preparation of the biennial budget. The provision also allocates State appropriations by program; requires that the \$4,768,966 in State funds appropriated for the Microelectronics program be matched on a dollar-for-dollar basis; and, authorizes MCNC to take a \$320,000 budget reduction from any program. Also requires that MCNC report in 1993-94 and 1994-95 any planned shifts in State funding between programs to Governmental Operations thirty days before a change.

SENATE BILL 26 (Chapter 561)

Section 101 MCNC Capital Equipment — Allocates \$4,500,000 in capital expenditures among three MCNC programs — Telecommunications, Supercomputer, and Microelectronics. Requires that \$1,000,000 of \$2,000,000 allocated to the Microelectronics Program for a joint MCNC/MCI Corporation research project be held in a reserve account by the Office of State Budget and Management and not released unless MCI relocates a new billing facility in North Carolina by June 30, 1994.

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET	\$15,680,000
1. Migration of Current Network to NCIHS — Funds to cover the costs of connection to and operation on the North Carolina Information Highway. Additionally, recognizing the need for universities and research centers to continue to have the capability currently available through the North Carolina Research and Education Network until the Information Highway is fully operational, this is to provide funds for program support for the current network.	1,900,000

**DEPARTMENT OF COMMERCE —
MCNC (MICROELECTRONICS CENTER OF NORTH CAROLINA (1994 Actions, Continued)**

**1994-95
General
Fund**

2. Upgrade Supercomputing Capability — Funds to upgrade the supercomputing capability at the North Carolina Supercomputing Center. The current supercomputer is becoming noncompetitive with available leading edge technology and is expected to become obsolete by 1995.	2,000,000
NET CHANGE	\$3,900,000
TOTAL OPERATING BUDGET	\$19,580,000

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 28.6 **MCNC Gateway for NCIHS —** Clarifies expenditure of funds to support costs of connecting and operating NC Research Education Network (NC-REN) through the North Carolina Information Highway, for program support, and for MCNC to serve as gateway to NCIHS for 18 existing sites.

**DEPARTMENT OF COMMERCE —
N.C. BIOTECHNOLOGY CENTER**

The purpose of the Biotechnology Center is to provide for improvements in biotechnology through research and economic development activities.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$7,157,547	\$7,157,547
Continuation Budget Changes:		
1. Grant-In-Aid — Reduce state appropriation by 2%.	(143,151)	(143,151)
TOTAL CONTINUATION BUDGET	\$7,014,396	\$7,014,396

EXPANSION BUDGET

1. Biotechnology Initiative for Public Minority Universities — Funding for new program for biotechnology at public historically black universities and Pembroke State University.	\$1,000,000	NR	—
2. Grants Programs — One-time funding for increase in grant programs.	1,000,000	NR	—
TOTAL EXPANSION BUDGET —NON-RECURRING	\$2,000,000		—
TOTAL OPERATING BUDGET	\$9,014,396		\$7,014,396

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

Section 303 **Biotechnology Center —** Directs the Biotechnology Center to recapture funds spent (make loans) in support of successful research efforts in the private sector. It authorizes the Center to provide funding for biotechnology and related bioscience applications under its Economic and Corporate Development Program. The provision mandates quarterly reports to the Joint Legislative Commission on

DEPARTMENT OF COMMERCE —
N.C. BIOTECHNOLOGY CENTER (1993 Actions, Continued)

Governmental Operations and provision of budget information to the Office of State Budget and Management for the preparation of the biennial budget.

SENATE BILL 26 (Chapter 561)

Section 99

Biotechnology Funds for Minority Universities — Allocates \$1,000,000 for new biotechnology initiative for State's public minority universities and sets forth program direction and requirements. It also requires report to the General Assembly by March 15, 1994.

1994 ACTIONS

**1994-95
General
Fund**

TOTAL OPERATING BUDGET —1993

\$7,014,396

- 1. Biotechnology Initiative for Minority Universities —** The 1993 General Assembly appropriated \$1.0 million to be used to develop a special biotechnology program initiative for North Carolina's Public Historically Black Universities and Pembroke State University. Funds are to continue building upon the basic biotechnology foundation established by these institutions in 1993-94.

1,000,000
1,000,000 NR

TOTAL OPERATING BUDGET

\$9,014,396

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS

SENATE BILL 1505 (Chapter 769)

Section 28.2

Biotechnology Funds for Minority Universities — Continues the special biotechnology program initiative for North Carolina's Public Historically Black Universities and Pembroke State University. The provision also requires the Biotechnology Center to report quarterly on various aspects of its grants to all universities.

DEPARTMENT OF COMMERCE —
RURAL ECONOMIC DEVELOPMENT CENTER

The Rural Economic Development Center was created to spur economic development in the State's rural communities. REDC provides funding and support to rural businesses and to organizations that work directly with these businesses.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$1,500,000	\$1,500,000
Continuation Budget Changes:		
1. Grant-in-Aid — Reduce state appropriation by 2%.	(30,000)	(30,000)
TOTAL CONTINUATION BUDGET	\$1,470,000	\$1,470,000

EXPANSION BUDGET

1. Rural Economic Development Act — Funds for additional rural development programs.	\$2,825,000	NR	—
2. Economic Development Funding — Funds to support economic development activities in minority neighborhoods and communities.	4,750,000	NR	—
TOTAL EXPANSION BUDGET - NON-RECURRING	\$7,575,000		—
TOTAL OPERATING BUDGET	\$9,045,000		\$1,470,000

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

Section 304 **Rural Economic Development Center** — States that the Rural Economic Development Center is appropriated \$1.47 million in each year of the biennium and that no more than \$400,000 shall be used for administrative costs. The Center must report quarterly to the Joint Legislative Commission on Governmental Operations and shall provide its budget information to the Office of State Budget for preparation of the biennial budget. This provision limits the Rural Economic Development Center's use of the interest earned on its appropriated State funds for administration.

**DEPARTMENT OF COMMERCE —
RURAL ECONOMIC DEVELOPMENT CENTER (1993 Actions, Continued)**

SENATE BILL 26 (Chapter 561)

Section 104 Economic Development Funds — Allocates \$4,750,000 as follows:

Community Development Corporations Previously Funded	\$1,300,000
Community Development Corporations Not Previously Funded	\$100,000
Housing Counseling Demonstration Project	\$150,000
Community Development Initiative	\$2,000,000
N.C. Association of Community Development Corporations	\$200,000
N.C. Minority Credit Union Support Center, Inc.	\$300,000
Microenterprise Loan Program	\$650,000
Rural Economic Development Center's Administrative Costs	\$50,000

It also sets forth disbursing and reporting requirements.

**Section 104.1 Directs the Center to establish new programs and allocates funding
as follows:**

Supplemental Funding Pilot Program	\$1,650,000
Short-Term Capacity Pilot Project	\$600,000
Child Day Care Loan Guarantee Act of 1993	\$500,000

The provision includes program and reporting requirements. It also allocates job training funds as follows:

Opportunities Industrialization Center of Wilson	\$25,000
Opportunities Industrialization Center of Rocky Mount	\$25,000
Pitt-Greenville Opportunities Industrialization Center	\$25,000

The OIC's must report quarterly to the Joint Legislative Commission on Governmental Operations.

RURAL ECONOMIC DEVELOPMENT CENTER

1994 ACTIONS

	1994-95 General Fund	
TOTAL OPERATING BUDGET —1993	\$1,470,000	
1. New and Emerging Community Development Corporations — Funds to provide grants to new and emerging local community development corporations.	1,300,000	NR
2. North Carolina Community Development Initiatives, Inc. — Funds to provide grants to mature community development corporation have demonstrated project and organizational capacity.	2,000,000 175,000	NR
3. Microenterprise Loan Program — Support of the microenter- prise grant fund and program operations.	650,000	NR
4. Minority Credit Union Support Center — Funds for the Minority Credit Union Support Center.	300,000	NR
5. Capacity Building Grants Program — Continue funding of the Capacity Building Grants program to provide funds to depressed counties and municipalities to enable them to acquire short-term capacity for immediate needs for economic development planning (such as needs assessment, engineering and grants writing).	600,000	NR
6. Small Business Finance Initiatives (N.C. Capital Access) — Funds to support for a new business finance initiative called the North Carolina Capital Access Program. State funds will be used as loan capital and loss reserves to leverage private and federal funds to finance small business.	1,000,000	NR
7. Supplemental Funding Pilot Project — Continue pilot program to provide funds for matching requirements for economic development in economically depressed areas.	1,650,000	NR
8. Opportunities Industrialization Centers — Continue funding for three centers that serve Wilson, Rocky Mount, and Pitt- Greenville. Also provide new funding for center that serves Lenoir, Greene and Jones Counties.	100,000	
NET CHANGE	\$7,775,000	
TOTAL OPERATING BUDGET	\$9,245,000	

RURAL ECONOMIC DEVELOPMENT CENTER (1994 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS

Senate Bill 1505 (Chapter 769)

Section 28.1 Rural Economic Development Center/Community Development Grants — This provision makes the following allocations:

Community Development Corporations	\$1,300,000
Community Development Initiative, Inc.	\$2,175,000
Microenterprise Loan Program	\$650,000
Minority Credit Union Support	\$300,000
Capacity Building Grants Program	\$600,000
Capital Access Program	\$1,000,000
Supplemental Funding Program	\$1,650,000
Opportunities Industrialization Centers (4)	\$100,000

Reports to the Joint Legislative Commission on Governmental Operations are required on all of these funds.

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES

STATUTORY AUTHORITY: General Statutes, Chapter 113

The head of the Department is the Secretary of Environment, Health, and Natural Resources (EHNR) who is appointed by the Governor. The Department's primary responsibilities include protection of the environment, improvement of the health of North Carolinians and conservation and development of the State's natural resources. The Department administers a wide variety of assistance, regulatory, promotion and education programs.

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$198,874,660	\$202,809,288
Continuation Budget Changes:		
Albemarle/Pamlico Estuarine Study		
1. Reduce aid to counties, other contracts/ grants, transfers to Environmental Management.	(6,249)	(6,364)
Office of Waste Reduction		
2. Reduce contracts & grants.	(18,871)	(19,217)
Division of Coastal Management		
3. Reduce supplies, telephone, postage, photo services, and legal advertising.	(29,362)	(29,900)
Division of Environmental Management		
4. Administration — Reduce contracted personal services, travel, and service & maintenance contracts.	(12,623)	(12,854)
5. Lab — Increase under-budgeted receipts for DEM Lab Certification fees.	(75,000)	(75,000)
6. Lab — Reduce equipment.	(25,245)	(25,708)
7. Air Quality — Reduce supplies, travel, printing, lease purchases, and service contracts.	(26,823)	(27,315)
8. Groundwater — Reduce construction and repair.	(37,868)	(38,562)
9. Water Quality — Shift one position including benefits to federal funds.	(55,224) (-1)	(56,237) (-1)
10. Agriculture and EHNR Interagency Pesticide Study — Reduce funding after 1/1/95 for interagency (Agriculture/EHNR) study of effect of pesticides on groundwater due to projected study completion.	—	(66,731) (-2)

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Division of Land Resources		
11. Administration — Reduce supplies, travel, lease purchases, service contracts, and subscriptions.	(\$5,354)	(\$5,453)
12. Geological Survey — Reduce supplies, travel, telephone, printing, repairs, property rental, equipment, and subscriptions.	(17,206)	(17,517)
13. Land Quality — Reduce supplies, travel, telephone, printing, repairs, subscriptions, and equipment.	(39,322)	(40,035)
14. Geodetic Survey — Reduce travel, fuel purchases, motor vehicle parts, and supplies.	(17,305)	(17,634)
Division of Radiation Protection		
15. Reduce personal services, printing, and supplies.	(16,947)	(17,929)
Division of Solid Waste Management		
16. Reduce supplies, travel, telephone, equipment, grants, etc.	(109,385)	(111,391)
Division of Forestry		
17. Reduce Supplies and Tires in Field Organization.	(6,654)	(6,658)
18. Eliminate rental of 1 air tanker used for Fire Suppression in Field Organization.	(90,000)	(90,000)
19. Reduce Equipment in Field Organization.	(94,500)	(98,000)
Division of Marine Fisheries		
20. Research — Reduce contracted personal services.	(2,970)	(4,563)
21. Development — Reduce motor vehicles.	(17,860)	—
22. Development — Reduce boats and trailers.	—	(17,052)
23. Administration — Reduce contracted personnel services.	(7,000)	(7,000)
Executive Offices		
24. Eliminate 2 clerical positions in Executive Offices.	(80,653)	(80,653)
	(-2)	(-2)
Administrative Services		
24. Reduce supplies.	(303)	(2,400)

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
26. Reduce contracts/grants.	(\$33,448)	(\$33,448)
Department-Wide		
27. Reduce salary reserve.	(234,118)	(234,118)
28. Reduce inventory.	(84,472)	(84,472)
29. Reduce SIPS rates by 30%.	(80,000)	(80,000)
30. Reduce vacant positions to 1st step.	(305,577)	(305,577)
Division of Maternal and Child Health		
31. WIC Program — Reduce appropriation for food supplements as federal government pays for food supplements.	(1,392,889)	—
Division of Adult Health		
32. Migrant Health — Eliminate 1 contract administrator position since federal contract funds have been transferred to DHR.	(55,562)	(55,562)
	(-1)	(-1)
33. Kidney Dialysis — Reduce funding for Medicare copayments.	(114,986)	(117,726)
Public Health Laboratory		
34. Reduce Educational, Medical & Agricultural Supplies line.	(31,984)	(31,984)
Epidemiology Division		
35. Injury Control — Reduce equipment funding for purchase of intoxilizer machines used as part of the statewide chemical and alcohol testing program.	(350,860)	(355,850)
Office of Environmental Education		
36. Reduce salary and benefits of vacant Director's position.	(54,356)	(54,528)
Jordan-Adams		
37. Eliminate non-salary inflationary increases.	(290,008)	(583,786)
TOTAL CONTINUATION BUDGET CHANGES	(\$3,820,984) (-4)	(\$2,811,224) (-6)
TOTAL CONTINUATION BUDGET	\$195,053,676	\$199,998,064

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
EXPANSION BUDGET		
Division of Radiation Protection		
1. Low-Level Radioactive Waste Site Assessment and Permitting — Expand consultant services in the Division of Radiation Protection to evaluate site assessment data.	\$100,000 NR	\$200,000
2. Technical Assistance Grants — Continue grants to Richmond, Chatham, and Wake Counties for their Site Designation Review Committees.	300,000 NR	—
Solid Waste Management Division		
3. Permitting Staff — Expand staff and support to implement and enforce municipal solid waste landfill requirements.	505,397 (10)	603,400 (10)
Office of Waste Reduction		
4. Technical Assistance — Expand staff and support for providing waste reduction assistance to private industry and local government.	500,000 (10)	500,000 (10)
Epidemiology Division		
5. Immunization —		
(a) Funding for positions and support and pharmaceuticals to fully immunize all children in North Carolina. Includes eight year phase-in of recommended second dose of Measles, Mumps, Rubella (MMR) vaccine for children aged 8-18. (See SB 26, Sec. 109 for other authorized use of funds.)	3,200,000 (7)	7,200,000 (7)
(b) One-time purchase of data processing and other equipment.	300,000 NR	—
6. Communicable Disease — Expand HIV/AIDS, TB, and Sexually Transmitted Disease services and programs.	250,000 (3)	250,000 (3)
7. Environmental Epidemiology — Provide aid-to-counties for human rabies shots for the medically indigent.	25,000	25,000

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Soil and Water Division		
8. District Supervisors — Increase funding for travel expenses of Soil and Water district supervisors.	\$75,000	\$75,000
9. Soil Survey — Fund three soil survey specialist positions that are currently federally funded.	100,354 (3)	—
Division of Forest Resources		
10. Forest Development Act — Restore funding (after 1-time 1991 reduction) to fully match forest products assessments.	700,000	700,000
11. Regional Staff — Fund 2 positions, support and program costs for helicopter fire fighting and prevention program in Region 3 (western third of State).	132,728 (2)	132,728 (2)
Division of Parks and Recreation		
12. Architect — Fund position and support.	42,000 (1)	42,000 (1)
13. Operations Staff — Complete staffing of Clerk positions at all State parks.	343,132 (23)	525,860 (23)
14. Lumber River State Park — Fund positions at the park which currently has no staff.	151,000 (3)	165,000 (3)
Division of Coastal Management		
15. Coastal Futures Committee - Provide staff and support for year-long efforts of the Committee.	50,000 NR	—
Division of Maternal and Child Health		
16. Rural Obstetrical Care Incentive Program — Expand program by increasing payments, number of counties served and maximum amount a county may receive.	400,000	400,000
17. Infant Mortality —		
(a) Replace Maternal and Child Health federal funds.	1,392,889 NR	—
(b) Fund additional grants for comprehensive adolescent health care projects (six month funding in 1993-94).	375,000	750,000

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
(c) Expand Women's Preventive Health Services Program to increase funding for contraceptive services.	\$300,000	\$300,000
(d) N.C. Coalition on Adolescent Pregnancy — Increase grant-in-aid.	75,000	75,000
(e) Governors Commission on Reduction of Infant Mortality — Fund study of the extent that each county's health and social services systems meet the needs of pregnant women, infants, and young children.	50,000 NR	—
18. Child Fatality Prevention System — Establish the multi-disciplinary child fatality review and prevention system in ten counties.	112,685 (1)	146,987 (1)
19. Western N.C. Genetics Center —		
(a) Establish the Center as the provider of regional genetic services for the western counties.	120,000	120,000
(b) Start-up costs for new center.	355,000 NR	—
20. Early Intervention — Add nutritionists at some Developmental Evaluation Centers to complete multi-disciplinary teams statewide (six month funding for 1993-94).	100,000 (5)	200,000 (5)
Center for Health and Environmental Statistics		
21. Environmental Index — Fund preparation and printing of report.	50,000 (1)	50,000 (1)
Environmental Health Division		
22. Milk Sanitation — Consolidate milk inspection at State level and provide funding to meet federal requirements for local and industry labs.	183,608 (1)	183,608 (1)
23. On-Site Wastewater — Fund county alternative on-site sewage system demonstration project in eastern N.C. established prior to 1990.	25,000	25,000
Administration		
24. Cancer Advisory Committee — Fund support of new board.	75,000 (1)	75,000 (1)

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
25. Falls Lake Watershed — Reserve for study.	\$150,000 NR	\$ —
Adult Health Division		
26. Cancer Control —		
(a) Fund diagnosis and treatment component of program to fully cover annual costs of program.	100,000	100,000
(b) Expand eligibility for diagnosis and treatment of people at or below 100% of the Federal poverty level (1994-95 is 12 months funding).	1,450,000	1,664,000
27. Home Health Care — Provide medications for medically indigent, non-Medicaid eligible people infected with HIV/AIDS.	350,000	350,000
Division of Water Resources		
28. Water Supply Planning —		
(a) Expand local and state water supply planning and regional water supply and water management studies.	363,034 (6)	315,881 (6)
(b) Match federal funds for collection of water resource data through the U.S. Geological Survey Cooperative Program and other efforts.	135,000	158,800
Division of Land Resources		
29. Geodetic Survey — Provide additional support for surveying and mapping.	50,000	50,000
Dental Health		
30. Dental Services —		
(a) Provide funds and support for state dental hygienist position to serve Franklin, Vance, and Granville Counties.	44,081 (1)	44,081 (1)
(b) Provide funds and support for state dental hygienist position to serve Alexander and Caldwell Counties.	44,081 (1)	44,081 (1)

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
Wildlife Resources Commission		
31. Beaver Control Project — Extend pilot project by one year.	\$146,000 NR	—
TOTAL EXPANSION —RECURRING	\$10,377,100	\$15,471,426
TOTAL EXPANSION —NON-RECURRING	\$2,843,889	—
TOTAL EXPANSION BUDGET	\$13,220,989	\$15,471,426
	(79)	(76)
TOTAL OPERATING BUDGET	\$208,274,665	\$215,469,490

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

- Section 7** **NER Block Grant Provisions** — This provision appropriates the federal block grant funds in the NER area. The Block Grants are the Job Training Partnership Act, the Community Development Block Grant, the Preventive Health Block Grant and the Maternal and Child Health Block Grant.
- Section 260.1** **Capital Bill Contents** — Changes the statutes to require that certain net proceeds are to be appropriated in the CAPITAL IMPROVEMENT APPROPRIATIONS ACT not the Current Operations Appropriations Act. The net proceeds affected are:
- Sale of Park Land
Purchase of Park Land
- Section 261** **Technical Review Committee Appointments** — Revises the statutes to allow the Director of Marine Fisheries and the Executive Director of the Wildlife Resources Commission to send designees to represent them on the Technical Review Committee, which reviews technical specifications for "best management practices" in the Agriculture Cost Share Program.
- Section 262** **Hazardous Waste Inspectors** — Authorizes the Department to hire additional "resident" inspector positions as new commercial hazardous waste facilities are permitted or existing facilities are expanded.
- Section 263** **Oyster Management** — This provision makes changes to the Marine Fisheries Commission statutes to ensure representation on the Commission of the seafood processing and distribution industry and of shellfish interests.
- Section 264** **Funds to Study Effectiveness of CAMA** — Directs that the \$50,000 appropriation for the Coastal Futures Committee be matched on the basis of \$2 of non-State funds for every \$1 of State funds.

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

- Section 265** **Funds for Voluntary Remedial Actions** — Authorizes EHNR during Fiscal Year 1993-94 to contribute, from the Inactive Hazardous Sites Cleanup Fund, 10% of the costs, not to exceed \$50,000 per site, to a voluntary remedial action program at up to three high priority sites. Also requires the Department to report to the General Assembly on the sites selected and the amount of the contribution made from the Fund.
- Section 266** **Superfund Program Funds** — Authorizes EHNR, with the approval of the Office of State Budget and Management, to use available funding to provide the required 10% cost share for federal Superfund cleanups not currently budgeted. Also requires a report to the Joint Legislative Commission on Governmental Operations within 30 days of expenditure of these funds.
- Section 267** **Governor's Waste Management Board's Assets Transferred** — Transfers the assets of the Governor's Waste Management Board to the Office of Environmental Education. The Governor's Waste Management Board is abolished in other legislation.
- Section 268** **Hazardous Waste Reduction and Management Plan** — Directs that EHNR must do 2 things before issuing additional hazardous waste permits: Adopt a hazardous waste reduction and management plan and determine that additional hazardous waste treatment capacity is needed.
- Section 269** **Dental Health Program** — Establishes in the statutes the 1991 Session provision that required the public dental health program to emphasize services to pre-school and school-age children.
- Section 270** **Communicable Disease Control Aid-to-Counties Flexibility** — Authorizes EHNR to combine three Aid-to-Counties Funds - Acute Communicable Disease, Tuberculosis, and Sexually Transmitted Disease - into one Communicable Disease Aid-to-Counties Fund. Also requires EHNR to report to the Joint Legislative Commission on Governmental Operations on the use of these funds and the effectiveness of combining the three funds.
- Section 271** **Pharmaceutical Funds/Sexually Transmitted Disease Control Program** — Allows EHNR to transfer \$90,000 from pharmaceuticals in the TB program to the sexually transmitted disease control program for pharmaceuticals, if necessary.
- Section 272** **DWI Test Changes** — Continues language from the 1991 Session authorizing funding of the alcohol testing program in EHNR from a portion of the drivers license revocation fee with two changes. First, the amount to be appropriated from the revocation fee for equipment was reduced by approximately \$350,000 in 1993-94 and \$355,000 in 1994-95. Second, language was added to require that if funds collected exceed appropriations, the excess funds will revert to the General Fund.
- Section 273** **Asbestos Hazard Management Funds** — The asbestos hazard management program oversees the inspection and removal of asbestos from buildings. Continues appropriation of the fees collected under General Statute 130A, Article 19 for support of the program.

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

- Section 274** **Eligibility Standards for Participation in Department Reimbursement Programs Established** — In previous Sessions, the General Assembly has set the eligibility and income limits for certain health care programs in the Department. This provision authorizes the Commission for Health Services to establish the eligibility standards.
- Section 275** **Maternal and Child Health Program Funds Do Not Revert** — Establishes in the statute last Session's special provision that Children's Special Health Services funds do not revert. This is needed because contracts and third party reimbursements do not follow the State fiscal year.
- Section 276** **Adolescent Pregnancy Prevention Projects** — Establishes in the statute last Session's special provision on Adolescent Pregnancy Prevention projects. There is no change from the previous provision which covered the allocation formula, local maintenance of effort, local public participation and an outside evaluation of the projects funded.
- Section 277** **Liability Insurance Premiums** — Allows the Department to use lapsed salaries to pay for medical liability insurance for its medical personnel. Also requires State Budget to make a report on medical liability insurance statewide. The report is due to Governmental Operations by January 7, 1994.
- Section 278** **Purchase of Vaccines** — Encourages EHNR to purchase childhood vaccines from North Carolina companies when comparable quality vaccines are available in North Carolina at prices the same or lower than non-State companies.
- Section 279** **WIC Program Funds** — Reallocates \$0.5 million in the first year and \$1.2 million in the second year that was appropriated for food supplements in the Women, Infants and Children (WIC) nutrition program. Since the federal government is paying for the food supplements, the State funds will be used for start-up costs of new WIC programs, renovation or rent of WIC space at the local level, physician prescribed special formulas and the required State match to the WIC farmers' market program.
- Section 280** **Lead Poisoning Prevention Funds** — Reallocates \$331,000 in the first year and \$1 million in the second year that was appropriated for food supplements in the Women, Infants and Children (WIC) nutrition program. Since the federal government is paying for the food supplements, the \$1.0 million will be used to expand the Lead Poisoning Prevention Program.
- Section 281** **Commission for Health Services Vaccination Rules** — Requires the Commission for Health Services to adopt rules ensuring that health care providers cannot charge an unreasonable administrative fee for the administration of free vaccines and limiting any additional charges.
- This provision also eliminates statutory language that allows the Secretary of EHNR to charge a fee for vaccines and establishes in the statutes the authority of the Commission for Health Services and the Secretary to adopt rules for administration of vaccines.

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

- Section 282** **Immunization Receipts** — Allows EHNR to use any additional Medicaid receipts or refunds from a federal excise tax on vaccines to accelerate the schedule for providing MMR vaccines - Measles, Mumps and Rubella - to children aged 8 to 18; pay for costs of purchasing vaccines if costs for vaccines increase beyond current charges; and, partially fund a registry to track immunizations.
- Section 283** **Rural Obstetrical Care Incentive** — Allows the Rural Obstetrical Care Incentive program (Rocky Program) to use the additional \$400,000 appropriated each year for 3 items: 1) increasing the maximum allowable payment to each provider, 2) increasing the number of counties served and 3) increasing the amount any 1 county may be allocated.
- Section 284** **Infant Mortality Funds** — Provides the implementing language for the infant mortality appropriations for EHNR.
- Section 285** **Child Fatality Prevention System** — Implements the recommendations of the Child Fatality Task Force: (1) Phase-in a multidisciplinary State child fatality prevention system by establishing community child protection teams in each county; (2) Add one member to the Child Fatality Task Force; and, (3) Repeal the Child Fatality Task Force effective February 1, 1995.
- Section 286** **On-Site Wastewater Systems** — Allocates \$25,000 each year of the biennium for a county demonstration project for alternatives to on-site sewage systems (septic tanks).
- Section 287** **Immunization Plan** — Requires EHNR to report to the Joint Legislative Commission on Governmental Operations by November 1, 1993 on their long-range plan for implementing the universal immunization program for children, including a schedule for completing major phases of the program and an estimate of long-range program costs.
- Section 288** **Cancer Coordination and Control** — Creates a new 24-member Advisory Committee on Cancer Coordination and Control. The Advisory Committee's duties related to cancer coordination and control include: recommending a statewide plan, identifying and examining problems, examining financing and access to services, and identifying health promotion and disease prevention strategies.
- Section 289** **Soil and Water Conservation District Supervisors' Expenses** — Mandates that EHNR use \$289,594 for supervisors' expenses, including expansion funds of \$75,000 each year of the biennium.
- Section 290** **Sales Tax Transfer to Wildlife Resources Fund** — The General Statutes authorize an annual transfer from State sales and use tax funds to the Wildlife Resources Fund based on estimated revenue from the sale of hunting and fishing equipment. This provision updates the statutes to allow the same amount of tax revenue transferred in 1992-93 to be transferred in 1993-94 (approximately \$3.7 million) plus the cost of any legislatively approved salary increase and also establishes the 1993-94 allocation as the new base amount for 1994-95 (approximately \$4 million).

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

- Section 291** **Coastal Boating Guide** — This provision directs the Wildlife Resources Commission to publish and distribute the NC Coastal Boating Guide using available Wildlife funds.
- Section 292** **Dismal Swamp State Park** — Requires the Division of Parks and Recreation to update the master plan for the Dismal Swamp State Park. It also requires the Division to make sure the Dismal Swamp fire lines are adequately maintained.
- Section 293** **B.R.I.D.G.E. Youthful Offenders/Park Maintenance** — Directs that \$100,000 be used for the BRIDGE Youthful Offenders Program to do maintenance and repairs in State Parks. The funds are reallocated from the pilot project to work county jail inmates in the State Parks.
- Section 294** **Parks Receipts** — Requires that any unanticipated pine straw or timber receipts from the State Parks be used for maintenance of the State Parks.

SENATE BILL 26 (Chapter 561)

- Section 105** **Agriculture Cost Share Program Funds** — Specifies that \$40,000 of the current appropriations for the Agriculture Cost Share Program will be used to install best management practices for a Rural Clean Water Demonstration project in New Hanover County.
- Section 106** **Technical Assistance Grants** — Notwithstanding G.S. 104G-19(d), EHNR may provide technical assistance grants to Richmond, Chatham, and Wake Counties for their site designation review committees.
- Section 107.1** **Falls Lake Watershed Study** — Establishes that the scope and parameters for the Falls Lake Watershed Study shall be determined by the governing boards of Wake and Durham Counties and the Cities of Durham and Raleigh. If the governing boards cannot agree by October 1, 1993, then the Secretary of EHNR shall make the determination.
- Section 108** **Boards of Health Funds** — Authorizes EHNR to use up to \$100,000 for a grant-in-aid to the Association of N.C. Boards of Health for continuing Board of Health orientation, leadership, and educational development programs.
- Section 109** **Immunization Program Funding** — Allows EHNR to use up to \$1,000,000 of the funds appropriated for a statewide childhood immunization program in Chapter 321, Senate Bill 27, for related outreach and monitoring activities. Also requires EHNR to report on planned outreach expenditures and activities to the Joint Legislative Commission on Governmental Operations before expenditures can be made.

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1993 Actions, Continued)

- Section 111** **Expand/Extend Beaver Control Program** — Continues pilot program to control beaver damage on private and public land until December 1, 1994. Expands program to include Pender and Robeson Counties and continues program in Bladen, Brunswick, Columbus, and Sampson Counties.
- Section 115** **Fire Tower - Transfer** — Directs the Department to transfer in fee simple by gift a fire tower to the East Howellsville Volunteer Fire Department, Inc.
- Section 116** **Transfer Museum of Natural Sciences** — Transfers the Museum from the Department of Agriculture to the Department of Environment, Health, and Natural Resources.

1994 ACTIONS

		1994-95 General Fund
TOTAL OPERATING BUDGET —1993		\$215,469,490
Position Reductions		
1a. Eliminate positions and reduce related fringe benefits in each of the following divisions:		
Forest Resources (2),		
Parks and Recreation (1),		
N.C. Aquariums (1),		
Maternal and Child Health (2),		
Nutrition Services (3),		
Office of Waste Management (1),		
Environmental Management (2),		
Land Resources (1),		
Solid Waste Management (1).		(417,701)
		(-14)
Soil and Water Conservation (1)		(53,281)
		(-1)
1b. Department-wide — Delete 24.3 vacant positions and their related support (part of \$10.0 million in vacant position reductions)		(814,013)
		(-24.3)
Adult Health		
2. Adjust funds in the Cancer Program.		(150,000)
Coastal Management		
3. Reduce funds for other contracts, grants, and education.		(20,000)

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1994 Actions, Continued)

	1994-95 General Fund
Land Resources	
5. Reduce travel costs.	(10,850)
Epidemiology	
6. Reduce pharmaceuticals.	(152,232)
Forest Resources	
7. Eliminate air tanker program	(135,000)
Solid Waste Management	
8. Reduce office supplies and materials, and In-State travel and subsistence funds.	(49,765)
9. Office of Waste Reduction — Reduce printing and binding.	(7,200)
Division of Parks and Recreation	
10. A. Eliminate Reserve. In 1993, the State Parks Division submitted a continuation and expansion request for Lumber River State Park. As a result, both requests were inadvertently approved and certified. This reduction eliminates the reserve established in the continuation budget for Lumber River State Park.	(227,786)
B. Increase State Parks Receipts. It is recommended that additional receipts collected at the State Parks for activities such as campground rental fees, marina, sales, bathhouse fees and refreshment sales be budgeted and thereby reduce general fund appropriations.	(88,526)
Carolina Zoological Park	
11. A reserve was established in the 1993-95 biennium budget for the North Carolina Zoo to establish positions for the opening of North America. It has been determined that the Zoo does not need as many positions as previously estimated.	(248,160) (-14)
Albemarle Pamlico Estuarine Study	
12. Reduce funding as the study has been completed and the management report will be delivered by June 30, 1994.	(494,458)
Maternal and Child Health	
13. Due to continued expansion of Medicaid services and funds as well as an inflation rate that has been less than originally projected, state funds can be reduced in the Maternal and Child Health program. No reduction in services will result in this budgetary change.	(1,240,058)
Children's Special Health Services	
14. Savings as a result of providing funds to expand Medicaid coverage for children age 11 to 19 under 100% of federal poverty guidelines.	(2,800,000)

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1994 Actions, Continued)

	1994-95 General Fund	
Division of Maternal and Child Health		
15. Replace Lost Block Grant Funds — Funding to replace the loss of Maternal and Child Health Block Grant federal funds.	\$1,392,889	
16. Women's Health Services — Funds to provide long-term, reversible contraceptive devices or drugs to eligible women.	750,000	
17. Assist Young Children with Disabilities — Funds to expand the provision of special therapy and assistive technology services to young children with disabilities. Effective February, 1995	951,000 (13)	
18. Infant Mortality		
(a) Funds to support demonstration grants with a goal of lowering infant mortality rates and percent of low birth-weight babies among minority populations. (HB 1820)	750,000	
(b) Continued funds to support "FIRST STEP" - a campaign and hotline to reduce infant mortality. (HB 1830)	150,000	
19. Children's Services — Funds to provide a grant-in-aid to the Board of Governors of the University of North Carolina for a program at the School of Medicine at the University of North Carolina at Chapel Hill to implement the "Cochlear Implant" procedure and other services for deaf children.	100,000	NR
20. Child Fatality Prevention System — Funds to continue operation of the Child Fatality Task Force. (HB 1867)	85,000	NR
21. Sickle Cell — Grant-in-Aid. (HB 1256)	500,000	NR
Adult Health		
22. Adult Health — Funds to support the Cancer Control Advisory Council.	50,000	
Local Health Services		
23. Local Boards of Health — Continue grant-in-aid for on-going training of local Boards of Health officials. (HB 1271)	100,000	
24. Office of Minority Health — Funds to continue program. (HB 1737)	100,000 (1)	
Epidemiology		
25. HIV/STD/TB Prevention Services — Funds to support the expansion of existing Community Based Organizations to enhance the State HIV/STD/TB program.	500,000 (1)	

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1994 Actions, Continued)

	1994-95 General Fund	
26. HIV/AIDS Training and Education — Funds to train Probation and Parole personnel and provide brochures for inmates. (HB 1911)	49,679	
Governor's Council for Physical Fitness		
27. State Games of North Carolina — Funds for grant.	160,000	NR
License Review for Low Level Radioactive Waste Management Facility		
28. Additional funding to complete the site characterization and licensing application for the low level radioactive waste facility.		
A. Groundwater — support to continue to pay the contractor costs associated with site characterization and licensing application. The review of the characterization phase and the beginning of the license review phase of the process have required changes and additions to the original scope of the contract and estimates of cost.	335,000	NR
B. Geological Survey Section — Operating funds to enable the Section to assist the Division of Radiation Protection in the LLRW license application review and performance assessment.	25,000	NR
C. Division of Radiation Protection — Funds to provide a performance assessment contract and for contractor assistance in license application review. Also, support to hire a health physicist to review license applications and amendment requests to use radioactive materials, make required inspections, and provide technical assistance.	53,899 (1)	
	367,000	NR
Environmental Management		
29. Environmental Management — Funds to support mandated pesticide state management and to continue 25,000 analyses annually.	168,313 (4)	
30. Basinwide Management — Funding for protecting and improving water quality through the Division of Environmental Management's basinwide management program.	500,000 (8)	
31. Develop Methodology to Identify "Clean" Industries (Study) — Funds to develop a methodology to identify, target, recruit, and birth industries that have a limited impact on the environment.	50,000	NR
32. Accelerate Environmental Permitting — Funds are to accelerate the ongoing review of environmental permitting procedures to streamline administration and reduce delays.	25,000	NR
33. Study Cost/Benefits of Environmental Regulations — Funds to establish the protocol for assessing the economic costs and environmental benefits of new and existing regulations.	100,000	NR

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1994 Actions, Continued)

		1994-95 General Fund	
Environmental Health			
34.	On-site Waste Water — Fund county alternative on-site sewage system demonstration project in Eastern North Carolina established prior to 1990. (HB 2053)	25,000	NR
35.	Wastewater Grant Program for High Unit Cost Areas — Provide additional grants for high unit cost areas to reduce the cost of providing new and expanded wastewater treatment capacity in low wealth areas. Used consistently with bond funds.	2,000,000	NR
Radiation Protection			
36.	Tanning Facilities — Budget departmental annual fees for registered tanning operators to cover the anticipated costs of tanning equipment inspection and enforcement activities of the agency as authorized by G.S. 104E-9 (a)(8).		
	Requirements	220,929	
	Receipts	220,929	
	Appropriations	0	
	Number of Positions	(5)	
Coastal Resources			
37.	Partnership for the Sounds — Funding for continuing the development of the Partnership for the Sounds project started in 1993. (SB 1352)	367,250 2,700,000	NR
Forest Resources			
38.	Support for a Forest Ranger in Warren County.	30,000 (1)	
39.	Fund state share of Assistant County Ranger for Alleghany County and Graham County.	32,000 (2)	NR
40.	Funds for temporary Foresters in the Best Management Practices Program.	100,000	NR
Parks and Recreation			
41.	Provide funds to study the feasibility of developing the Mountain Island Lake area as a regional park.	15,000	NR
42.	Reserve for Capital Projects.	1,000,000	
Soil and Water			
43.	One-time funds to purchase equipment and furnishings (\$2,000 per county).	200,000	NR
44.	Funds for the NC Association of Soil and Water Conservation Districts to support the National Envirothon meeting in Asheville (HB 1792)	25,000	NR

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1994 Actions, Continued)

	1994-95 General Fund	
45. Fund additional soil scientist positions (HB 1930).	103,000 (3)	NR
46. Animal Waste Management — Funds to implement the Environmental Management Commission's animal waste regulations.	180,000 (3)	
Division of Marine Fisheries		
47. Funding to replace seaplane for law enforcement operations.	120,000	NR
48. Funding to increase biological, technical and law enforcement staff to comply with the Atlantic States Marine Fisheries Commission management plans of monitoring and data collection activities and provide data processing equipment, motor vehicles, boats, trailers, and other equipment.	722,431 (15)	
	291,546	NR
49. (a) Funds for administrative support and expenses of the Blue Ribbon Advisory Council on Oysters	100,000	
(b) Funds for personnel and administrative expenses for the Fisheries Data Information System pursuant to G.S. 113-154.1.	200,000	
(c) Funds for Fisheries Resource Grant Program	1,000,000	
(d) Funds for Tyrrell County office for crab fisheries research and technical assistance	233,441 (4)	
50. Funds for artificial reef clean-up in Brunswick County. (HB 1539/SB 1537)	200,000	NR
Museum of Natural Science		
51. Funds for planning and operations of the museum.	150,000 (2)	
52. Grassroots Science Initiative — Grants-in-Aid for regional science museums to promote outreach science projects for unserved communities. (SB 1351)	450,000	
Aquariums		
53. Aquariums — Authorizes use of admission fees receipts for repair, maintenance, and educational exhibit construction.		
	Requirements	2,282,000
	Receipts	2,282,000
	Appropriation	0
Wildlife Resources		
54. Wildlife Management Depot — Transfer from EHNR for construction of facility to serve Macon, Jackson, and Swain Counties; land has been donated by Macon County. (HB 1733/SB 1364)	80,000	NR

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1994 Actions, Continued)

	1994-95 General Fund	
55. Beaver Control — Funds transferred to Wildlife Resources Commission to add 12 counties to the pilot program and to provide support for existing counties.	150,000	
Solid Waste Management		
56. Solid Waste Management Grants	500,000	NR
NET CHANGE	\$11,328,418	
	(9.7)	
TOTAL OPERATING BUDGET	\$226,797,908	

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

- Section 27** **Immunization Program Funding** — Allows EHNR to use up to \$1,000,000 of the funds appropriated for a statewide childhood immunization program in Chapter 321, Senate Bill 27, of the 1993 Session Laws, for related outreach and monitoring activities.
- Section 27.1** **Wildlife Resources Commission/Funds for Salary Increases** — The General Statutes authorize an annual transfer from State sales and use tax funds to the Wildlife Resources Fund based on estimated revenue from the sale of hunting and fishing equipment. This provision updates the statutes to allow the same amount of tax revenue transferred in 1993-94 to be transferred in 1994-95 (approximately \$4.5 million) plus the cost of any legislatively approved salary increase and also establishes the 1994-95 allocation as the new base amount for 1995-96 (approximately \$5 million).
- Section 27.2** **Wildlife Resources Commission Long-Range Budget Plan** — Requires the Commission to develop a long-range budget plan for presentation to the General Assembly and Fiscal Research Division by January 12, 1995. The plan will include analysis of recent expenditure and revenue patterns, projections of future expenditures and revenues, and long-term options for funding the operation of the Commission. Also requires the Office of the State Auditor to conduct financial and performance audits with findings and recommendations reported to the General Assembly in 1995.
- Section 27.3** **Beaver Control Fund** — Continue pilot program to control beaver damage on private and public land. Expands program to include Duplin, Edgecombe, Franklin, Halifax, Johnston, Nash, Onslow, Pitt, Vance, Warren, Wayne, and Wilson Counties; and continues program in Bladen, Brunswick, Columbus, Pender, Robeson, and Sampson Counties.

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1994 Actions, Continued)

Requires reports from the Beaver Damage Control Advisory Council to the N.C. Wildlife Commission no later than September 30, 1994 and at the end of the pilot program. Also directs the Commission to submit a plan outlining a statewide program no later than January 1, 1995 to the House Appropriations Subcommittee and Senate Appropriations Committee on NER.

- Section 27.4** **Mining Education/Training Funds** — Allows EHNR to use \$20,000 for Mining Compliance Manual.
- Section 27.5** **Watts Farm Cleanup Study Funds** — Directs the Department to do an in-depth study of the cleanup of the Watts Farm hazardous and low-level radioactive waste site. The Department is to do the study within its current budget and report to Governmental Operations and the Appropriations Committees.
- Section 27.6** **Infant Mortality Funds for Minority Populations** — Allocates \$750,000 in 1994-95 to fund grants for 15 projects statewide to demonstrate over a three year period the means of lowering infant mortality rates and percentage of low birthweight babies among minority populations.
- Section 27.7** **Infant Mortality Report Extension** — Changes the date from May 15, 1994 to September 15, 1994 for the report from the Governor's Commission on the Reduction of Infant Mortality as authorized in Chapter 321, Senate Bill 27 of the 1993 Session Laws.
- Section 27.8** **Extend Child Fatality Task Force/Expand Membership** — Amends statutes to continue work of Child Fatality Task Force with a final report to the Governor and General Assembly early in the 1997 Session, and modifies membership to add three legislators each from the House and Senate.
- Section 27.9** **Women's Health Service Fund** — Allocates \$750,000 to establish a resource and implement procedures to provide long-term, reversible contraceptive devices or drugs for women of childbearing age who voluntarily request this method of family planning.
- Section 27.10** **Adolescent Pregnancy Prevention/Media Campaign and Abstinence Until Marriage Education Funds** — Authorizes EHNR to use up to \$130,000 of funds appropriated for health programs to support two grant initiatives — 77% of funds not to exceed \$100,000 to implement a statewide abstinence-based media campaign, in conjunction with the N.C. Coalition on Adolescent Pregnancy and 23% not to exceed \$30,000 to fund a sex education curriculum that promotes abstinence until marriage.
- Section 27.11** **Soil Survey Position Funds** — Continues the funding for 3 soil scientist positions.
- Section 27.12** **Agriculture Cost Share Program Funds** — Continues a Best Management Practices project begun in 1993 in the southeastern part of the state.
- Section 27.13** **State Parks Funds** — Allocates \$1 million to Parks and Recreation Trust Fund.

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
(1994 Actions, Continued)

- Section 27.14** **State Parks Retirement** — Allows the Department to use available funds for retirement obligations for the period 1987 to 1989.
- Section 27.15** **Reallocation of Funds** — Reallocates funds appropriated in 1984 and 1991 for Town Fork flood control and water supply to a grant for the Pilot Mountain Foundation, Inc. Also extends the reversion deadline for 2 additional Town Fork appropriations until June 30, 1997.
- Section 27.16** **Blue Ribbon Advisory Council on Oysters** — Creates a 19-member Blue Ribbon Advisory Council on Oysters to assist the Marine Fisheries Commission and the Joint Legislative Commission on Seafood and Aquaculture by making recommendations relating to the oyster resource. Allocates \$100,000 for the Council.
- Section 27.17** **Fishery Resource Grant Program** — Establishes a Fishery Resource Grant Program to enhance the State's coastal fishery resources through individual grants to test new equipment, research industry trends, perform environmental pilot studies and study other fishery issues. Requires grants to be evenly distributed geographically. Allocates \$1 million for program.
- Section 27.18** **Occoneechee Mountain, Bird Island, Hammocks Beach State Park Land Acquisition Funds** — Allows EHNR to apply to various sources of funds for purposes in title.
- Section 27.21** **Regional State Park Study** — Directs EHNR to use \$15,000 to study feasibility and cost of developing Mountain Island Lake area in Gaston County.

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

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$12,705,854	\$12,714,621
Continuation Budget Changes:		
Elevator Division		
1. Inspection Fees — Adjust underbudgeted receipts.	(27,812)	(27,900)
2. Inspection Fees — Increase inspection fees.	(135,000)	(135,000)
Occupational Safety and Health Division		
3. OSHA Indirect Receipts — Increase estimate of amount of overhead receipts to be received from federal OSHA.	(100,000)	(100,000)
4. OSHA Director Position — Eliminate vacant Director position and support. (Deputy Commissioner is performing duties.)	(28,000) (-1)	(28,000) (-1)
Apprenticeship Division		
5. Apprenticeship Management and Supervision — Reduce management levels by eliminating vacant field supervisor position and support.	(30,000) (-1)	(30,000) (-1)
Department-wide		
6. Vacant Positions Reduction — Reduce to first step (OSHA and Apprenticeship).	(74,989)	(74,989)
7. Inventory Reduction (OSHA only).	(1,881)	(1,881)
TOTAL CONTINUATION BUDGET CHANGES	(\$397,682) (-2)	(\$397,770) (-2)
TOTAL CONTINUATION BUDGET	\$12,308,172	\$12,316,851

DEPARTMENT OF LABOR (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
EXPANSION BUDGET		
Occupational Safety and Health Division		
1. Consultation/Education and Training — Provide 100% state funding for positions and support to expand safety and health consultative services and education and training programs to industry and government.	\$575,000 (11)	\$606,620 (11)
2. Staff Expansion — Expand staff and support in all programs in N.C. OSHA Program — Education and Training; Consultative Services; Compliance; Management Information and Evaluation; and, OSHA Review Board.	364,000 (8)	364,000 (8)
Workers Discrimination Division		
3. Staff Expansion — Provide funding to carry out 1992-93 statutory change that prohibits "retaliatory discrimination" against employees who make good faith claims against an employer.	266,643 (6)	275,815 (6)
Administration		
4. Toll Free Hotline — Provide funding for staff to handle citizen inquiries on labor regulations by operating a toll-free hotline.	40,000 (2)	40,000 (2)
5. Assistant Deputy Director of Administration — Establish position and provide support funds.	65,000 (1)	70,000 (1)
6. Research and Statistics — Fund increased data processing needs and expenses, including one position and support.	157,000 (1)	157,000 (1)
7. Computer Network — Reserve funds to expand computer network.	750,000 NR	—
TOTAL EXPANSION BUDGET	\$2,217,643 (29)	\$1,513,435 (29)
TOTAL OPERATING BUDGET	\$14,525,815	\$13,830,286

DEPARTMENT OF LABOR (1994 Actions, Continued)

	1994-95 General Fund	
7. Communications Division — Provide support staff for the Library - Clerk-Typist III.	24,056 (1) 2,410	NR
8. Workplace Retaliatory Discrimination Division — Fund Clerk III position due to increase in caseload.	22,586 (1) 3,400	NR
9. Boiler and Pressure Vessel Division — Add Boiler Inspector and Clerk III positions due to increase in mandatory inspections.		
	Required 69,448	
	Receipt 69,448	
	GF 0	
	(2)	
10. Agricultural Safety and Health Division — Provide permanent funding for part-time positions to inspect migrant housing - 4 Safety Officers and a Clerk-Typist.	64,221 (5)	
NET CHANGE	\$1,532,188 (29)	
TOTAL OPERATING BUDGET	\$15,362,474	

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

Section 29

Private Personnel Service Advisory Council — Amends G.S. 95-47(b)(8) to make a technical correction, and G.S. 95-47(a) to authorize per diem for council members in accordance with G.S. 138.

STATEWIDE RESERVES

STATEWIDE RESERVES — OFFICE OF STATE BUDGET AND MANAGEMENT

The Office of State Budget and Management is charged with allocating lump sum appropriations to all State departments and institutions once their needs are determined. Each agency determines its own needs and makes its request to the Office of State Budget and Management which ranks requests according to overall need and allocates appropriations accordingly.

30% SALARY REDUCTION FOR POSITIONS VACATED BY RETIREMENT DURING 1992-93	1993-94 General Fund	1994-95 General Fund
CONTINUATION RECOMMENDATION	(\$10,000,000)	(\$10,000,000)
1. To restore salary reductions made during 1992-93 by exempting teaching, library, and academic leadership positions during 1993-95.	2,752,702	2,752,702
REVISED CONTINUATION RECOMMENDATION	(\$7,247,298)	(\$7,247,298)

1993 ACTIONS

EXPANSION

1. Compensation Increases

(a) Cost-of-Living Adjustment - 2%

<u>Public Education</u>		
Teacher Salary Schedule	\$42,443,217	\$42,443,217
Non-Teaching	15,031,955	15,031,955
	<u>\$57,475,172</u>	<u>\$57,475,172</u>
<u>Community Colleges</u>		
EPA	6,980,471	7,615,059
<u>University System</u>		
EPA	12,842,338	14,009,823
SPA	6,230,732	6,797,163
<u>State Employees</u>		
SPA	19,208,391	20,954,608
<u>Judicial</u>		
EPA	3,485,693	3,802,574
<u>Other</u>		
EPA	92,260	100,648
<u>General Assembly</u>		
EPA	155,417	212,845
<u>Locally Operated Programs</u>	5,581,668	5,581,668
TOTAL	<u>\$112,052,142</u>	<u>\$116,549,560</u>

(b) Reserve for Wage Floor for Lowest Paid Employees	135,500	135,500
---	---------	---------

STATEWIDE RESERVES — OFFICE OF STATE BUDGET AND MANAGEMENT

	1993-94 General Fund	1994-95 General Fund
(c) Incentive Compensation Bonus - 1%		
Public Education	\$7,515,977	—
Community Colleges	3,807,529	—
Board of Governors	7,004,912	—
All Other State Employees	<u>15,916,042</u>	—
TOTAL	\$34,244,460 NR	—
 2. Reserve to Support Costs Related to Establishing Sick Leave Banks for Public School Employees, Effective January 1, 1994	 1,000,000	 1,000,000
 3. Reserve for Restoration of Pay Day to June 30, 1994		
Community Colleges and SPA/EPA State Employees	214,200,000	—
 4. Statewide Health Insurance Initiative Reserve	 5,500,000	 2,000,000
 5. Retirement Rate Change		
Fund State Matching Rate Change from 10.93 to 10.96%	1,316,400	1,316,400

These expansion items are discussed in detail in the Salaries and Benefits Section.

STATEWIDE RESERVES — OFFICE OF STATE BUDGET AND MANAGEMENT

1994 ACTIONS

			1994-95 General Fund	
1.	Reserve for OSHA-Bloodborne Pathogens to implement the federal regulations.		1,000,000	NR
2.	Teacher Pay Date Restoration - To eliminate the liability for the deferral of the twelfth-month public school payroll into the next fiscal year (deferral began in 1990-91).		120,000,000	NR
3.	Reserve for Salary Adjustments.		500,000	
4.	Reserve for Subsistence Allowance Increase for State Employees		1,600,000	
5.	Reserve for Retirees		(16,318)	
6.	Excess 1993-94 Compensation Increase Funds.		(1,757,024)	
7.	Reserve for Tort Claims (Cap increase)		400,000	
8.	Reserve for Justice/Human Resources — Criminal Record of Day Care Providers. Funds will not be allocated since enabling legislation was not ratified. (HB 1512)		250,000	
9.	Compensation Increase — 4%			
	Public Schools	126,403,784		
	University - EPA	29,294,620		
	Community Colleges	15,820,117		
	All Others	<u>72,151,809</u>		
	Subtotal	243,670,330		
	Transfer of SB 2 recurring funds into Public School salary schedule	<u>38,800,000</u>		
	Net Increase in Requirements		282,470,330	
10.	Compensation Bonus — 1%			
	Public Schools	6,305,808	NR	
	University-EPA	7,616,601	NR	
	Community Colleges	4,113,245	NR	
	All Other	<u>17,385,504</u>	NR	
			35,421,158	NR
11.	Matching Reserve for Statewide programs.		3,000,000	NR
12.	Voter Registration Reserve		1,000,000	NR
13.	Savings Reserve — Reserve of unspent funds		66,700,000	NR

	1993-94 General Fund	1994-95 General Fund
DEBT SERVICE		
CONTINUATION RECOMMENDATION	\$83,501,058	\$80,516,283
EXPANSION		
1. Requirements for \$87.5 Million Prison Bonds	\$8,762,500	\$8,597,500
TOTAL REQUIREMENTS	<u>\$92,263,558</u>	<u>\$89,113,783</u>

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$89,113,783
1. To fund principal and interest on the issuance of over \$400 million of the \$740 million general obligation bonds for the university, community colleges, water and waste- water and State parks.	\$25,723,695
TOTAL OPERATING BUDGET	<u>\$114,837,478</u>

LEGISLATIVE ACTIONS:
HIGHWAY FUND APPROPRIATIONS

TRANSPORTATION

the 1990s, the number of people in the UK who are aged 65 and over has increased by 1.5 million (1990–2000) and is projected to increase by a further 1.5 million by 2020 (Office for National Statistics 2001). The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020.

The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020.

The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020.

The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020.

The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020. The number of people aged 65 and over in the UK is projected to increase from 10.5 million in 1990 to 12.5 million in 2000, and to 14.5 million in 2020.

DEPARTMENT OF TRANSPORTATION

STATUTORY AUTHORITY: General Statutes, Chapter 20, 63, 136 and 143B

The Department of Transportation is responsible for all modes of travel in North Carolina except for the State Ports. The two largest divisions in the Department are the Division of Highways and the Division of Motor Vehicles. In 1993, the Governor created a Deputy Secretary for Transit, Rail and Aviation to stress the importance of transportation modes other than highways. This new Deputy also oversees the Ferry Division, the Aviation Division, the Bicycle Program, and the Public Transportation and Rail Division.

The Governor appoints the Secretary of Transportation to direct the Department of Transportation and its 13,600+ employees and to chair the Board of Transportation. The Board of Transportation is a 23 member body that 1) approves the Transportation Improvement Program (TIP) which is a 7-year plan of all major transportation improvement projects; 2) allocates highway construction and maintenance funds; 3) awards all highway construction contracts; and, 4) assists the Secretary in the performance of his duties.

The Division of Highways is responsible for all highway construction and maintenance operations including bridge maintenance and ferry service. Highway construction is guided by the Highway Trust Fund enacted by the 1989 General Assembly. The Trust Fund's goals are 1) complete a 3,600 mile intrastate system of four-lane roads; 2) widen and improve 113 miles of existing interstate highways; 3) build multi-lane loops and connectors near 7 major cities; 4) pave all unpaved secondary roads by 2006; and, 5) provide additional funds for municipal streets.

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 certifies school bus drivers, collects traffic accident data, administers the International Registration Plan for trucks, and enforces motor carrier laws.

	1993-94 Highway Fund	1994-95 Highway Fund
GOVERNOR'S RECOMMENDED CONTINUATION BUDGET	\$922,873,731	\$916,556,999
Continuation Budget Changes:		
Transportation Administration		
1. Public Affairs — Abolish Information and Communications Specialist I position	(38,264) (-1)	(38,264) (-1)
2. Personnel — Abolish vacant Agency Safety Program Director III position	(49,402) (-1)	(49,402) (-1)
3. Adopt-A-Highway — Reduce purchases of litter bags and vests	(33,000)	(33,000)
4. Secretary's Office - Eliminate the following positions Special Assistant - Operations Secretary IV		

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
(3) Special Assistant - Regional Affairs Agency General Counsel Director Citizen Affairs Public Information Asst. V	(\$443,744) (-8)	(\$443,744) (-8)
5. Fiscal - Abolish vacant Clerk III position	(22,619) (-1)	(22,619) (-1)
6. Management Information Systems — Reduce SIPS payments due to lower utilization and lower SIPS rates	(600,000)	(600,000)
7. General Services —		
(a) Reduce Water, Heat, Power	(50,000)	(50,000)
(b) Reduce Janitorial Services	(100,000)	(100,000)
(c) Budget receipts - reimbursement by others	(5,000)	(5,000)
8. Asst. Secretary for Administration —		
(a) Abolish Admin. Asst. I (Travel Coordinator)	(31,882) (-1)	(31,882) (-1)
(b) Increase administrative allotment from Highway Trust Fund for costs of Century Center Complex	(33,550)	(33,550)
9. Transportation Planning Office —		
(a) Abolish Assistant Secretary - Planning position	(79,799) (-1)	(79,799) (1)
(b) Abolish Secretary IV position	(28,824) (-1)	(28,824) (-1)
Transportation Operations		
10. State Highway Administrator — Reduce professional fees	(1,000)	(1,000)
11. Chief Engineer - Operations — Eliminate Operations Reserve	(125,000)	(125,000)
12. Asst. Highway Administrator - Preconstruction — Abolish vacant Staff Highway Engineer position	(75,567) (-1)	(75,567) (-1)

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
13. Highway Design —		
(a) Reduce educational expenses	(\$3,000)	(\$3,000)
(b) Reduce Travel Expenses	(20,000)	(20,000)
(c) Budget receipts for sale of maps, plans, specs	(10,000)	(10,000)
14. Maintenance —		
(a) Reduce building supplies	(5,000)	(5,000)
(b) Reduce rental of equipment	(5,000)	(5,000)
(c) Eliminate vacant Transportation Engineer II position	(64,119) (-1)	(64,119) (-1)
15. Construction —		
(a) Reduce temporary labor	(5,467)	(5,467)
(b) Reduce repairs and service	(25,000)	(25,000)
16. Traffic Engineering — Eliminate rental of land	(500)	(500)
17. Right of Way — Reduce temporary labor	(5,000)	(5,000)
18. Support Services — Abolish State Highway Safety Engineer	(52,495) (-1)	(52,495) (-1)
19. Division of Highways —		
(a) Reduce building supplies	(37,112)	(37,112)
(b) Reduce repairs and service to equipment	(5,000)	(5,000)

Transportation Construction and Maintenance

20. Ferry Division - Operations — (Fund 5300): Reduce overtime pay (\$75,000), temporary labor (\$300,000), and the cost of the Cedar Island-Ocracoke route (\$125,000)	(500,000)	(500,000)
21. Special Appropriation for Highways — Eliminate reserve	(5,000)	(5,000)
22. Federal Aid Matching - Reduce Federal Aid Matching Funds	(10,971,734)	(10,971,734)

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
Governor's Highway Safety Program		
23. Planning and Administration -Reduce travel	(\$2,940)	(\$2,940)
Division of Motor Vehicles		
24. Commissioner's Office —		
(a) Abolish Chief Deputy II position	(83,358) (-1)	(83,358) (-1)
(b) Abolish Asst. Commissioner position	(84,029) (-1)	(84,029) (-1)
(c) Reduce temporary labor	(6,197)	(6,197)
(d) Reduce printing	(50,000)	(50,000)
(e) Budget receipts for sale of N.C. law books	(30,000)	—
25. Vehicle Registration —		
(a) Abolish 6 vacant positions	(143,257) (-6)	(143,257) (-6)
(b) Reduce temporary labor	(50,000)	(50,000)
(c) Reduce photographic supplies	(25,000)	(25,000)
26. Driver Licensing —		
(a) Abolish vacant Clerk Typist III position	(21,802) (-1)	(21,802) (-1)
(b) Eliminate 2 Driver License positions	(86,486) (-2)	(86,486) (-2)
(c) Reduce Uniform Fund	—	(5,000)
27. Traffic Records — Abolish 4 vacant positions	(86,362) (-4)	(86,362) (-4)
28. International Reg. Plan — Reduce overtime pay	(2,825)	(2,825)
Transportation Reserves		
29. Driver Education — Reduce spending to the 1992-93 authorized level	(1,316,229)	(1,316,229)
30. State Treasurer — Reduce payment for sales tax exemption due to adjustment in sales tax growth rate	(200,000)	(200,000)

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
31. Unforeseen Events — Reduce reserve for asphalt plant cleanup due to slow pace of spending existing funds	(\$500,000)	—
32. Highway Patrol — Reduce transfer for Division's operating expenses	(900,270)	(915,634)
Other		
33. GPAC Savings		
— Eliminate one Accounting Manager position in the Fiscal Section by July 1, 1993	(80,517) (-1)	(80,517) (-1)
— Eliminate four positions in Management Assessment and Compliance by December 31, 1993	(68,574) (-4)	(137,149) (-4)
— Eliminate four positions in the Division of Highways — 2000 series by July 1, 1993	(191,211) (-4)	(191,211) (-4)
Subtotal	(340,302) (-9)	(408,877) (-9)
* — Eliminate 149 permanent positions in the Division of Highways - 3000 series by July 1, 1993.	(3,210,943) (-149) NON-ADD	(3,210,943) (-149) NON-ADD
* — Eliminate 30 permanent hourly positions in the Division of Highways - 3000 series by July 1, 1993. Permanent hourly jobs are not included in position totals in the budget.	(438,400) NON-ADD	(438,400) NON-ADD
* Because these are work order positions, there will be no direct savings to the Highway Fund. However, money will become available in the maintenance and construction accounts. Since fringe benefits are not budgeted for 3000 series positions, only salaries are subtracted.		
TOTAL CONTINUATION REDUCTIONS	(\$17,361,135)	(\$16,920,074)
TOTAL CONTINUATION BUDGET	\$905,512,596	\$899,636,925

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
EXPANSION BUDGET		
Transportation Administration		
1. Provide travel and office expenses for the new Safety Director in the Office of the Secretary	\$14,800	\$14,800
2. Expand the imaging processing system in the Fiscal Section to enable the scanning of payroll forms.	168,957	33,000
3. Increase the Management Information Systems staff and pay the expenses to service new and existing systems.	1,055,181 (10)	881,591 (10)
4. Provide funding to develop a new Vehicle Registration System.	3,701,000	2,059,000
5. Provide supplemental funding to purchase additional computer hardware for the Driver License System.		
— Data Processing Equipment	310,486	—
— Operations Reserve	640,000	—
6. Expand Planning capacity for Public Transit and Rail.	87,229 (2)	86,629 (2)
7. Increase project management capacity for public transit and rail.	88,739 (2)	88,739 (2)
Transportation Operations		
8. Pay the expenses for additional safety personnel in the Occupational Safety and Emergency Planning Unit.	47,150	42,800
9. Fund special traffic engineering equipment for the Traffic Engineering Unit.	52,400	4,500
Maintenance		
10. Restore the reduction in Spot Safety required to balance the budget for the 1992-93 fiscal year	2,000,000	2,000,000

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
11. Increase funding for highway maintenance in the various highway systems as follows:		
— Primary System	\$4,215,907	\$6,279,766
— Secondary System	7,409,776	11,037,164
— Urban System	1,149,793	1,712,663

Division of Motor Vehicles

12. Replace microfilm equipment in the Traffic Records Section.	—	17,640
13. Conform with OSHA standards to provide protection from bloodborne pathogens for the Enforcement Unit.	82,278	13,454
— 520 officers to be vaccinated for Hepatitis B in 1993-94		
14. Acquire imaging and optical disk storage filing for the Enforcement Unit	164,000	11,000
15. Replace data processing equipment for the Enforcement Unit.	48,000	—
16. Computerize weigh station functions — Enforcement unit.	241,945	32,617
17. Acquire data processing equipment for additional counties for the Motor Vehicle Exhaust Emission Inspection Unit.	19,900	3,500

Reserves and Transfers

18. Fund a Transportation Study in the Piedmont-Triad area in order to accelerate the regional transportation planning efforts underway in the Triad involving the High Point, Greensboro, and Winston-Salem MPOs.	222,750	346,500
19. Transfer to the Department of Crime Control and Public Safety:		
(a) Fund the operating cost and new equipment for the new Troop "H" Headquarters.	1,004,672	799,198
(b) Fund 50 new trooper positions.	2,539,922	2,154,624

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
20. Create reserve for Compensation Increase to reflect a two percent increase for positions supported from the Highway Fund. This number includes Compensation Increase for Driver Ed. (\$145,710)	\$7,109,156	\$7,109,156
21. Create reserve for a one percent Incentive Compensation Bonus.	3,481,723	—
22. Create reserve for Retirement formula change.	113,000	113,000
Rail Program		
23. Provide supplemental funds for the Rail Program:		
— Rail Safety Inspection Program for one rail safety supervisor and two rail safety inspectors as called for in HB 155 and SB 62.		
NOTE: These bills were not approved.	190,000	190,000
— State funds to rehabilitate short line railroads and funding for a rail industrial access program.	210,000	210,000
Public Transportation		
24. Fund formula assistance for urban public transit maintenance. Thirteen cities and one regional transit authority are included.	3,000,000	3,000,000
25. Rural Public Transportation — Expand state participation in the funding of vehicles to allow a 70-20-10 federal-state-local funding ratio. Capital equipment is currently funded at 70-15-15. Additional funds would allow for the purchase of additional vehicles to meet the increased transportation demands placed on systems by programs serving the transportation disadvantaged, such as the JOBS Program.	300,000	300,000
26. Assist in the Purchase of vehicles for Rural Human Service (Section 16) transportation systems. Standard vans for FY 94 are estimated to cost \$18,000. Increased funding would allow for the purchase of 24 additional vehicles. Forty-six (46) North Carolina counties are eligible for this program.	400,000	400,000

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94 Highway Fund	1994-95 Highway Fund
27. Assist small urban fixed route systems including AppalCART (Town of Boone), City of Salisbury, and City of Wilson with funding percentages comparable to those provided to urban transit systems.	\$100,000	\$100,000
28. Increase funding available for the Elderly and Disabled Transportation Assistance Program, which provides assistance to local governments for transportation services to the elderly and disabled. Services provided include transportation to regional medical facilities, employment, and training. Currently ninety-seven (97) counties receive funding from this program.	500,000	500,000
29. Expand general public transportation provided to citizens in rural areas (under 50,000 population). The provision of state funds will enable citizens in rural areas to have better access to employment, medical facilities, and education and training opportunities. There are currently twenty-two (22) rural general public transportation systems serving thirty-eight (38) counties.	300,000	300,000
30. Increase total available to match federal and local public transportation capital and planning projects.	500,000	500,000
31. Air Cargo Authority — Pay the continuing cost for promotion of the Global TransPark and other administrative cost of the Authority.	750,000	750,000
32. Increase funding of Small Urban and Discretionary Construction projects. (See Special Provision)	10,971,734	10,971,734
33. Increase Highway and Bridge maintenance.	2,641,000	—
34. International Air Service — Reserve for promotion and development.	5,000,000	—
TOTAL EXPANSION	\$60,831,498 (14)	\$52,063,075 (14)
TOTAL OPERATING BUDGET	\$966,344,094	\$951,700,000

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94	1994-95
EQUIPMENT FUND		
1. Equipment Unit - Abolish 2 vacant Mechanic II positions	(\$56,989) (-2)	(\$56,989) (-2)
Reduce Motor Fuel and lubricant	(500,000)	(500,000)
2. Transfer from the Equipment Fund to the Highway Fund.	(10,000,000)	—
EQUIPMENT FUND REDUCTIONS	<u>(\$10,556,989)</u> (-2)	<u>(\$556,989)</u> (-2)

NOTE: These funds will remain in the Equipment Fund and may be used for equipment purchase.

GPAC SAVINGS

** — Eliminate 8 positions in the Division of Highways - Equipment Unit by July 1, 1993	(218,897) (-8) NON-ADD	(218,897) (-8) NON-ADD
** — Eliminate 14 Equipment Operations Supervisors in the Equipment Unit on June 30, 1994	—	(589,456) (-14) NON-ADD

** Because these positions are funded by the Equipment Fund, there will be no savings to the Highway Fund. Savings in this account can be used for the purchase of new equipment.

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94	1994-95
HIGHWAY TRUST FUND		
CONTINUATION REDUCTIONS		
1. Public Affairs — Eliminate the following positions*:		
— Information and Communications Specialist I	0 (-1)	0 (-1)
— Artist Illustrator II	0 (-1)	0 (-1)
2. Management Assessment —		
(a) Reduce educational expenses	(\$4,000)	(\$4,000)
(b) Reduce subsistence	(5,000)	(5,000)
(c) Reduce travel	(4,000)	(4,000)
3. Civil Rights — Eliminate professional fees	(15,000)	(15,000)
4. Chief Engineer - Programs — Eliminate water, heat, power	(11,794)	(11,794)
TOTAL REDUCTIONS	(\$39,794) (-2)	(\$39,794) (-2)

* These positions were created after the Governor submitted his budget to the General Assembly; thus, no funding is in the base budget. DOT has agreed to abolish the positions and return the funds to the Highway Trust Fund.

EXPANSION BUDGET

1. Increase the capacity of the Purchasing Section. The need for this increase is a result of the creation of the Highway Trust Fund.	\$58,328 (2)	\$58,328 (2)
---	-----------------	-----------------

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

	1993-94 General Fund	1994-95 General Fund
GOVERNOR'S CONTINUATION RECOMMENDATION	\$10,883,237	\$10,883,237
1. Aid to Railroads — Reduce aid based on previous year's dividends	(\$3,695)	—
2. Aid to Airports — Reduce aid based on new provision on aviation appropriation	(2,266,666)	(\$1,766,666)
GENERAL FUND REDUCTIONS	(\$2,270,361)	(\$1,766,666)
EXPANSION		
3. Global TransPark Development Area — Funding to assist local areas surrounding the Global TransPark air cargo facility in Lenoir County to develop infrastructure	\$7,500,000 NR	—
TOTAL OPERATING BUDGET	\$16,112,876	\$9,116,571

1994 ACTIONS

	1994-95 General Fund
TOTAL OPERATING BUDGET — 1993	\$9,116,571
NO CHANGE	

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1993

SENATE BILL 27 (Chapter 321)

- Section 18** **Highway Fund Availability** — Establishes the Highway Fund availability at \$963.63 million in FY 1993-94 and \$951.7 million in FY 1994-95.
- Section 145** **Permanent Hourly Worker Status** — Requires the Department of Transportation (DOT) to convert permanent hourly Highway Maintenance Workers to permanent full-time status. All permanent hourly workers receiving satisfactory job appraisals will be placed in permanent positions by January 1, 1994.
- Section 146** **Repeal Additional Funds to Division of Motor Vehicles (DMV)** — Repeals G.S. 20-97 which allowed the Department of Transportation to expend \$15,000 for emergencies.
- Section 147** **Rename North Carolina Elderly and Handicapped Transportation Assistance Program** — Changes G.S. 136-44.27 by substituting the word "disabled" for the word "handicapped" to rename the program the NC Elderly and Disabled Transportation Assistance Program.
- Section 148** **Small Urban Construction Program Funds** — Establishes criteria for expenditure of \$14 million in small urban funds and \$6 million in discretionary funds. Requires that members of the General Assembly be notified of projects in their districts prior to action by the Board of Transportation. Any funds used for rural secondary road construction are not subject to the county allocation formula. Quarterly reports are to be made to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.
- Section 149** **Implementing Selected GPAC Recommendations** — Requires DOT to report on the following issues:
- 1) The reorganization of civil rights-related functions within the Department;
 - 2) Plan to consolidate part-time driver licensing offices across the State;
 - 3) Plans to enhance efficiency of the Vehicle Registration Process;
 - 4) Plan to freeze preconstruction positions and contract out the balance of its preconstruction work to private engineering firms;
 - 5) Plan meeting the construction needs of the Highway Trust Fund program with a minimum of new construction staff in the DOT and increasing the use of outside contract forces;
 - 6) Plan to consolidate the equipment section resources associated with the 14 division garages and those 14 Department county garages located nearby;

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

- 7) Plan on maintenance staffing and on ways to increase efficiency within the maintenance work force.

Also directs the Secretary of Transportation to realign the Traffic Services sections in the 14 Divisions so that signal/traffic control personnel report to the Assistant Traffic Engineer and the pavement markings/signs personnel report to the Traffic Services Supervisor.

- Section 150** **Equipment Fund Transfer** — Transfers \$10,000,000 from the DOT's Equipment Fund to the Highway Fund for the 1993-94 fiscal year.
- Section 151** **DOT to Report on Billboard Fees** — Provides that the DOT report to the Joint Legislative Transportation Oversight Committee on the fees that it would need to adequately fund the billboard program.
- Section 152** **DMV to Report on Personnel Effects of New Computer System** — Provides that DOT report to the Joint Legislative Transportation Oversight Committee on the savings to be realized in FY 1994-95 from a computer upgrade of the Driver Licensing and Vehicle Registration systems.
- Section 153** **Modify Aviation Appropriation** — Changes the procedure for allocating General Fund aid to airports. Formerly, DOT received an appropriation based on a Department of Revenue estimate of the sales and use tax paid by the aviation industry on aircraft, aircraft parts, aviation fuel and accessories. This provision would establish a base year grant amount of \$8.4 million and allow it to change as the state sales tax changes. The 1994-95 fiscal year grant is equal to the 1993-94 fiscal amount adjusted by the estimated sales tax inflation rate of 5.7%.
- Section 154** **DOT to Report on the Use of Inmate Labor** — Provides that DOT report to the Joint Legislative Transportation Oversight Committee on the use of minimum and medium custody inmates. The report should 1) report requirements placed on the Department by statute and the state policy on the employment of prisoners, 2) report whether the use of inmate labor is cost effective, 3) report whether the cost sharing arrangement with Corrections is equitable with respect to the contributions from the DOT and the Highway Fund, and 4) conduct a cost-effective analysis comparing the cost and productivity of using inmate labor versus using temporary highway maintenance workers.
- Section 155** **Branch Agent Transaction Rate** — Establishes a \$.92 per transaction compensation rate for contract agents for the issuance of plates and certificates and collection of the highway use tax. This provision further delineates those activities defined as a transaction.
- Section 156** **Highway Fund Allocations by Controller** — Requires the DOT Controller to allocate sufficient funds to eliminate all overdrafts on state maintenance and construction projects.

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

- Section 157** **Cash Flow Highway Fund and Highway Trust Fund Appropriations** — Provides authorization and certification of anticipated revenues for the Highway Fund and the Highway Trust Fund for the 1993-95 biennium for the purpose of "cash flowing" construction projects.
- Section 158** **Highway Fund Limitations on Overexpenditures** — Provides 10% allowance over- or under-expenditures of funds without prior consultation with the Advisory Budget Commission. Requires report to the Joint Legislative Transportation Oversight Committee for over- or under-expenditures greater than 10%. Over-expenditures for the purpose of adding positions shall also be reported.
- Section 159** **Resurfaced Roads May Be Widened** — Authorizes up to 15% of contract resurfacing funds to be used for widening existing narrow pavements scheduled for resurfacing. Requires report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by May 15, 1994.
- Section 160** **Highway Fund Adjustments to Reflect Actual Revenue** — Provides for any unreserved credit balance in the Highway Fund on June 30 of each fiscal year be used to support appropriations in the succeeding fiscal year. Requires actual revenue in excess of estimated revenue shall be placed in a reserve for highway maintenance and requires monthly reports to the Joint Legislative Transportation Oversight Committee on the use of the reserve.
- Section 161** **DOT to Pay Compensation of Attorneys Assigned to DMV by the Attorney General** — Provides three Attorney General attorneys assigned to DMV will be compensated by the Highway Fund.
- Section 162** **DOT Exemption From General Statutes for Experimental Project-Congestion Management** — Exempts from bidding and contracting laws a project on I-77 in the Charlotte urban area designed to reduce congestion, improve safety, and increase response time and services when accidents occur.
- Section 163** **DOT to Report on DMV Enforcement Section** — Requires DOT to report to the Joint Legislative Transportation Oversight Committee on efforts to restructure the Enforcement Section of the Division of Motor Vehicles.
- Section 164** **Disposition of Tax Proceeds From the Highway Trust Fund** — Deposits into the General Fund the interest from the \$170 million transferred from the Highway Trust Fund to the General Fund each year. Since 1989 the interest on the \$170 million had remained in the Trust Fund.
- Section 165** **DMV Enforcement Efficiency Implementation Report** — Requires DOT to report to the Appropriations Committees on Transportation and the Fiscal Research Division on the implementation of the 1993-94 expansion budget requests for computer equipment, computerized vehicle weighing systems, and the Optical Disk File Storage System.

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

- Section 166** **Major Resurfacing and Maintenance Projects to be in Transportation Improvement Program (TIP)** — Requires DOT to report to the Appropriations Committees on Transportation and the Fiscal Research Division on a plan to include major resurfacing projects and major bridge and highway maintenance projects on the primary system in the Transportation Improvement Program issued pursuant to G.S. 143B-350(f)(4).
- Section 167** **Piedmont Triad Transportation Study** — Directs the Board of Transportation to allocate \$222,750 in the 1993-94 fiscal year and \$346,500 in the 1994-95 fiscal year for a study of the transportation needs of the Piedmont Triad Area involving the metropolitan planning organizations of High Point, Greensboro, and Winston-Salem. A final report is to be made to the Board of Transportation and the General Assembly by May 31, 1995.
- Section 168** **State Highway Facilities Naming/Renaming Moratorium** — Requires the Board of Transportation to study the issue of naming or renaming bridges, highways and other facilities on the State highway system. After this study, the Board shall adopt guidelines for the naming or renaming of these entities, and until that time; there shall be a moratorium on the naming or renaming of bridges, highways, and other facilities on the State highway system.
- Section 169.1** **Secondary Road Funds Eligibility Modification** — Directs DOT to maintain the streets and highways on the state highway system that are in municipalities established since 1989 that are ineligible for Powell Bill funds due to lack of a property tax. The state will also pave the unpaved state roads in these towns according to the paving priorities in each county.
- Section 169.2** **Joint Legislative Transportation Oversight Committee** — Changes G.S. 120-70.50 by changing the name of the Joint Legislative Highway Oversight Committee to the Joint Legislative Transportation Oversight Committee. Expands the Committee's powers to review all transportation related matters and to oversee the spending of Highway or Highway Trust funds.
- Section 169.3** **Visitor and Welcome Center Funds** — Provides that \$325,000 for the 1993-94 fiscal year and \$375,000 for the 1994-95 fiscal year shall be transferred from the Special Registration Plate Fund to visitor centers in Camden, Brunswick, Macon, Watauga, and Caswell counties.
- Section 169.4** **Farm Equipment Dealer Plate Usage** — Allows a dealer who sells, trades, or services farm tractors to use a dealer license plate on a vehicle that is owned by the dealer and used to haul farm tractors or other farm-related equipment.
- Section 169.5** **Some Temporary Ferry Division Positions Converted to Permanent Full-Time Positions** — Allows the Secretary of Transportation to convert temporary Ferry Division employees to permanent full-time status if they have been working full-time for 24 months. There are 16 positions that this provision could affect.

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

- Section 224** **Purchase Transportation Services for Pregnant Women and Children on Medicaid** — Continues the annual \$300,000 appropriation from the General Fund to DOT for the purchase of transportation services for pregnant women and children on Medicaid.

SENATE BILL 26 (Chapter 561)

- Section 5** **Capital Improvements/Highway Fund** — (b) Allows DOT to buy land and to begin the design of a new office complex in Winston-Salem using the proceeds from the sale of land in Rowan County.
- (c) Authorizes the use of proceeds from the sale of land in Goldsboro for construction of a maintenance facility in Nashville.
- Section 7** **Highway Fund Availability Increase** — Increases the beginning credit balance by \$12 million due to over-collections in the Highway Fund primarily from the gasoline tax.
- Section 64** **DOT to Develop Criteria for Nonbetterment Contributions** — Requires DOT to study the issue of relocating utility lines owned by counties and water and sewer districts. The Department is to develop criteria for state participation in relocating the above based on the district's or county's ability to pay, the per capita income of the population served, and the supporting tax base. DOT is to report on the developed criteria by October 1, 1993, to the Joint Legislative Transportation Oversight Committee.
- Section 65** **Highway Fund and Highway Trust Fund Small Project Bidding** — Allows the Department of Transportation to select three Small Business Enterprises from which to receive bids on projects of \$300,000 or less. Of these three, the contract would be awarded to the lowest bidder. Waives the bond requirement for contracts awarded under the provision. Requires a report to the Joint Legislative Transportation Oversight Committee on the implementation of this provision.
- Section 66** **Management Assessment and Compliance Positions Recreated** — Allows DOT to recreate three positions in the Management Assessment and Compliance unit that were abolished by the Appropriations Committee.
- Section 67** **Reserve for Promotion and Development of International Air Service** — Creates a \$5 million reserve in DOT to acquire, promote and develop international air service to North Carolina.
- Section 68** **Planning Funds for Replacement Trestle** — Appropriates \$250,000 from the General Fund to plan the replacement of the railroad trestle from Radio Island in Morehead City.
- Section 69** **Highway 264 Rest Area** — Permits the purchase of land with the Appropriation that was made for this rest area in 1989.

DEPARTMENT OF TRANSPORTATION (1993 Actions, Continued)

- Section 70** **DOT Vehicles Exemption** — Exempts DOT from minimum mileage utilization requirements and requires quarterly reports to the Joint Legislative Commission of Governmental Operations and the Joint Legislative Transportation Oversight Committee.
- Section 71** **Transportation Oversight Study Diesel Fuel Consumption** — Directs the Joint Legislative Transportation Oversight Committee to study the taxation of diesel fuel in North Carolina versus the fuel tax policy of other South Atlantic states.
- Section 72** **Global TransPark Zone Infrastructure Funds** — Appropriates \$7.5 million from the General Fund to a trust account for the Global TransPark Development Zone for economic development projects and infrastructure construction projects.

1994 ACTIONS

HIGHWAY FUND AVAILABILITY

	1994-95
BEGINNING CREDIT BALANCE:	
(Governor's Recommended Budget)	
Overcollections	\$23,500,000
Reversions	<u>11,500,000</u>
	\$35,000,000
ADJUSTMENTS TO CREDIT BALANCE:	
Reduction in Reversions (Driver Ed)	(1,500,000)
Increase in Overcollections*	<u>7,000,000</u>
Revised Credit Balance	\$40,500,000
Increased Revenue in FY 1994-95	18,000,000
Base Budget Reductions	<u>5,350,434</u>
TOTAL AVAILABLE FOR EXPANSION BUDGET	\$63,850,434

* The Office of State Budget and Management (OSBM) and the Fiscal Research Division of the General Assembly have agreed that overcollections in the Highway Fund in FY 1993-94 will be \$30.5 million. Approximately 20% of the \$7 million in additional funds must be used for Powell Bill and Secondary Roads.

DEPARTMENT OF TRANSPORTATION (1994 Actions, Continued)

	1994-95 Highway Fund
TOTAL OPERATING BUDGET — 1993	\$951,700,000
1. Transportation Administration —	
a. Aviation Funds — Increase the funds needed to reimburse the Equipment Fund for aircraft rental (\$255,000) and fuel (\$89,000). An additional \$75,000 in receipts are anticipated.	344,000 <u>(75,000)</u> 269,000
b. New Telephone System — Replace the telephone systems in the Transportation Building (formerly Highway Building).	332,000
c. SIPS Payments — Reduce payments to State Information Processing Services (SIPS) due to reduction in unit charges for services.	(800,000)
2. Construction Program —	
a. Secondary Road Construction — Increase funding for secondary road construction based on increased gasoline sales. This fund receives 1.75 cents from each gallon of gasoline that is taxed.	4,300,000
b. Federal-Aid Match — Reduce state matching funds from the Highway Fund for federal aid. Two thirds of the federal aid is now matched by revenues of the Highway Trust Fund. This would increase the Trust Fund match from \$62 million to \$65.6 million.	(3,867,179)
3. Maintenance Program —	
a. Maintenance — Increase funding for maintenance on the following systems:	
Contract Resurfacing	1,627,392
Primary	3,027,294
Secondary	5,305,273
Urban	<u>3,875,220</u>
	13,835,179
4. Ferry Operations —	
a. Increase the Ferry operational budget due to an increase in vessels, an increase in schedules and requirements mandated by the U.S. Coast Guard.	2,000,000
b. Increase Ferry funds to support the following expenses:	
1) Acquire crew member uniforms (will also utilize funds available for uniform rental for the purchase)	21,000

DEPARTMENT OF TRANSPORTATION (1994 Actions, Continued)

	1994-95 Highway Fund
2) Pay consultant to study feasibility of building ferries in N.C.	\$30,000
3) Replace outdated highway signs regarding ferry installations	60,000
4) Install air purifiers on selected ferries	20,000
5) Provide temporary restrooms at Hatteras South Dock	10,000
5. State Aid —	
a. Powell Bill — Increase State Aid to Municipalities (Powell Bill) based on increased gasoline sales. This fund receives 1.75 cents from each gallon of gasoline that is taxed.	4,300,000
b. Public Transit Grants - Increase grants for Public Transit in the following categories:	
Urban Transit Maintenance Assistance	3,000,000
Elderly and Disabled Transit Assistance	500,000
Rural General Public Assistance	300,000
Human Service Capital Assistance	600,000
Human Service Transportation Management	400,000
Public Transportation Grant Program	<u>1,000,000</u>
Subtotal	5,800,000
c. State Aid for Railroads — Increase state aid for railroad improvements such as railroad rehab on short line railroads and construction of rail spurs for industrial access.	400,000
6. Division of Motor Vehicles —	
a. Problem Driver Pointer System — Create a new system mandated by the National Highway Safety Administration that must be implemented during FY 94-95. The Problem Driver Pointer System will allow DMV to track problem drivers through a national on-line computer network. The funds will pay for required programming and consultant fees.	250,000
b. DMV Enforcement — Fund the following items in the DMV Enforcement Unit:	
Increased mileage for existing vehicles due to rest area patrol	533,491
Overtime pay due to rest area patrol	150,470
Mileage for 100 additional cars	680,265
Equipment (sirens, radios, lights, etc.) for 100 additional cars	313,000
100 sets of PAT electronic low-profile portable scales	900,000
Additional training	<u>77,500</u>
	2,654,726

DEPARTMENT OF TRANSPORTATION (1994 Actions, Continued)

	1994-95 Highway Fund	
c. Attorney General Fee — Pay for the attorney services needed by DMV for workload related to the Driver License Section. (To be added to \$25,000 in base budget)	25,000	
d. Automation Training for Driver License Employees - Fund the training of 400 Driver License employees on new Driver License Computer system.	120,000	
e. Drivers License Positions — Abolish 55 Drivers License positions in September 1994 due to implementation of new computer system.	(650,000) (-55)	
f. Photo Equipment — Fund the increased costs associated with the Driver License Section's contract for photo-graphic equipment.	189,000	
g. Branch Agent Fees —		
1) Fund a budget shortage based on increased number of transactions completed by branch agents.	500,000	
2) Increase the branch agent transaction rate from 92 cents to \$1.00.	627,968	
h. One Stop Shop — Fund a pilot program to streamline and improve all motor carrier agency operations and allow carriers to obtain all credentials from one location. Add one IRP Governmental Accounts Auditor position as program coordinator.	151,326 (1)	
i. Emissions Program Computer Matching System — Establish system to match the Vehicle Registration Master data base against the Emission data base to ensure that the state will meet its federally mandated Inspection and Maintenance requirements.	230,000	
j. Window Glazing Program — Enable DMV to implement program for tinted vehicle windows that meet the color, light transmittance, and reflectance requirements required in HB 1854.	5,000	NR
7. Other State Agencies —		
a. Fuel Tax Positions — Fund three data entry positions for fuel tax evasion program in the Department of Revenue.	71,968 (3)	
b. Leaking Underground Storage Tanks — Increase funds for the LUST Trust Fund in the Department of Environment, Health, and Natural Resources due to increase in gasoline sales.	928,032	

DEPARTMENT OF TRANSPORTATION (1994 Actions, Continued)

	1994-95 Highway Fund
c. North Carolina Global Transpark Authority — Fund an environmental impact statement (\$1.82 mil), the design of local projects related to the Transpark (\$300,000), joint planning with the Department of Defense (\$275,000), an electronic data interchange system (\$425,000) and industrial training (\$50,000).	\$2,870,000
d. Highway Patrol — Establish 45 State Highway Patrol troopers; cars and equipment included in first year costs.	2,735,235 (45)
8. Reserves —	
a. Compensation Increase — Fund compensation increases for state employees whose salaries are paid from the Highway Fund. Funds are for a 4% salary increase and a 1% one-time performance bonus.	18,000,000
b. Battery Dump — Fund the Highway Fund share of clean up of battery dump on US Highway 601. (Fund \$35,000 from General Fund.)	115,000
9. Debt Service — Reduce service payments due to debt refinancing	(33,255)
NET CHANGE	<hr/> \$55,500,000 (-6)
TOTAL OPERATING BUDGET	\$1,007,200,000
10. Capital —	
a. Highway Patrol — Fund the removal of leaking underground storage tanks and provide for related fuel facility renovations in the Highway Patrol.	500,000
b. Capital Reserve — Create reserve for capital improvements and repairs and renovations.	2,500,000
TOTAL HIGHWAY FUND BUDGET	<hr/> \$1,010,200,000

HIGHWAY TRUST FUND

**1994-95
Highway
Trust
Fund**

The revenue estimate for the Highway Trust Fund was revised for FY 1994-95. The additional revenues are allocated as follows:

Intrastate System	\$42,564,140
Secondary Roads Construction	4,815,971
Urban Loops	17,211,167
State Aid — Municipalities	4,465,972
Program Administration	2,742,750
TOTAL — HIGHWAY TRUST FUND	\$71,800,000

DEPARTMENT OF TRANSPORTATION (1994 Actions, Continued)

SPECIAL PROVISIONS INCLUDED IN APPROPRIATION BILLS — 1994

SENATE BILL 1505 (Chapter 769)

- Section 6 Highway Fund Availability** — This provision changes the amount available for appropriation from the Highway Fund. The beginning credit balance is composed of \$30.5 million in overcollections and \$10 million in reversions. Estimated Revenues for next year have increased by \$18 million. The transfer of \$9.6 million to the Highway Trust Fund is required by the Highway Trust Fund Act. (As Highway Bonds are repaid the amount once used for debt service payments will be deposited into the Trust Fund.)
- Section 20 DMV Emission Inspection Program** — Beginning January 1, 1995, the Division of Motor Vehicles (DMV) shall make quarterly reports to the Joint Legislative Transportation Oversight Committee on the Emissions Inspection Program and the Vehicle Emission Account.
- Section 20.1 Branch Agent Transaction Rate** — The per transaction reimbursement rate paid by the Division of Motor Vehicles to contractors handling motor vehicle registration is increased from 92 cents to \$1.00.
- Section 20.2 Aircraft and Ferry Acquisitions** — This provision requires the Board of Transportation to estimate the operating and capital costs of adding an aircraft or ferry to the fleet and report such costs to the Joint Legislative Commission on Governmental Operations.
- Section 20.3 Review Right-of-way Mowing Contracts** — DOT shall audit mowing contracts for compliance with contract requirements and report the results to the Joint Legislative Transportation Oversight Committee by September 30, 1994.
- Section 20.4 Signing of State-Maintained County Roads** — DOT will continue its signing program for state-maintained county roads with \$500,000 from secondary road construction funds. These funds are available on a matching basis (70% state/ 30% local) to the 17 counties that have not received signing.
- Section 20.5 Adopt-A-Highway Study** — The Departments of Transportation and Justice will study the legal issues related to using contract services to clean roadsides and report their findings to the Joint Legislative Transportation Oversight Committee by December 31, 1994. Contract services will be allowed on state roads pending further action by the General Assembly.
- Section 20.6 Global Transpark Authority Reimbursement** — When the Global Transpark Authority receives federal reimbursement for preparing an environmental impact statement, up to \$1.8 million of the funds will be paid into the Highway Fund and used for maintenance.
- Section 20.7 Drivers Education Salary Increases** — Driver Education teachers will be paid General Assembly authorized salary increases from funds appropriated from the Highway Fund to DPI for Driver Education.
- Section 20.8 Railroad Rehabilitation and Railroad Access Funds** — This provision allows DOT to use \$190,000 for railroad access and railroad rehab if SB 62 (transfer of rail inspectors to DOT) fails to pass. SB 62 was not enacted.

DEPARTMENT OF TRANSPORTATION (1994 Actions, Continued)

- Section 20.9 Temporary Drawbridge Operators Made Permanent** — This provision will convert the positions of 17 employees working on 8 coastal drawbridges from full time temporary to full time permanent. This change will cost the Bridge Maintenance Unit \$92,184, but no additional appropriation is needed since the cost is absorbed by the maintenance account.
- Section 20.10 DOT and DOC to report to Oversight Committee** — These departments will report to the Joint Legislative Transportation Oversight Committee on the progress made in implementing changes in the inmate labor program.
- Section 20.12 Relocation of Certain Sanitary District Utilities** — This section requires DOT to pay the nonbetterment costs of relocating water and sewer lines for sanitary districts due to a highway or bridge construction project. There are 30 sanitary districts in 24 counties covered by this provision. DOT estimates the provision will cost only \$25,000 a year for the next five years.
- Section 38 Reserve for Capital Improvements** — A \$2.5 million reserve for capital improvements and repairs and renovations is appropriated to the Department of Transportation.

SENATE BILL 1504 (Chapter 777)

- Section 4 Change Name of North Carolina Air Cargo Airport Authority to North Carolina Global Transpark Authority** — Air Cargo Authority is renamed the Global Transpark Authority and the Commissioner of Agriculture is added to the Authority's Board of Directors.

HOUSE BILL 1605 (Chapter 591)

- Section 20.11 DOT Vehicles Exemption Extended** — This provision continues the DOT exemption from the minimum mileage requirement that requires vehicles be driven at least 3,150 miles per quarter. The exemption will expire on June 30, 1995.

SALARIES AND BENEFITS

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE

1993 ACTIONS

A. SALARY INCREASES

- (1) Across-the-Board Salary Increase — The 1993 Session of the General Assembly enacted the following General Fund and Highway Fund appropriations to provide a salary increase effective July 1, 1993 for employees paid from State funds:

	1993-94	1994-95
General Fund	\$112,052,142	\$116,549,560
Highway Fund	7,109,156	7,109,156
TOTAL	\$119,161,298	\$123,658,716

- (2) Compensation Bonus — The 1993 Session of the General Assembly enacted the following General Fund and Highway Fund appropriations to provide a one-time compensation bonus of 1% of the employees' annual salary to be paid in either in December 1993 or June 1994 to all State, university, community college and school system employees. Assistant principals and principals who did not receive a 2% increase as a result of their placement on their new salary schedule will receive the difference between their percentage increase and 2% not to exceed 1%. Teachers will not receive the one-time compensation bonus.

	1993-94
General Fund	\$34,244,460
Highway Fund	3,481,723
TOTAL	\$37,726,183

- (3) Restoration of June 30 Paydate — The 1993 Session of the General Assembly appropriated \$214,200,000 from the General Fund so that State employees, university and community college employees will be paid on June 30, 1994 instead of July 1, 1994 for service rendered in June of 1994.
- (4) State Comprehensive Pay Plan for Employees Whose Salaries are Set in Accordance with the State Personnel Act — The 1993 Session of the General Assembly enacted legislation which establishes a structured program to award salary increases of 2% to employees subject to the State Personnel Act. The Comprehensive Compensation System consists of three components: career growth recognition award, cost of living adjustment, and performance bonus. An employee may receive all three adjustments within a 12-month period, if the employee's performance evaluation equals or exceeds the level of performance required for each component. Available monies to fully fund the components of the plan were assigned first to the growth recognition award, then to cost-of-living adjustments, and lastly to performance bonuses.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1993 Actions, Continued)

The legislation created an 11-member Task Force on the Implementation of a Comprehensive Compensation System for State Employees in the Office of the Governor. Its purpose is to develop a plan for moving State employees into the System and to report to the Governor and the General Assembly on that plan before March 1, 1994. The legislation further required the Office of State Personnel to study the State Personnel System, including employee classifications, salary schedules, pay equity, pay inequities, and placement of employees under the Comprehensive Compensation System in accordance with years of experience. The legislation was effective upon ratification, July 18, 1993, with the portions concerning salary issues being applicable to compensation earned on or after July 1, 1994.

B. GENERAL SALARY INCREASES

- (1) Employees Whose Salaries are Set In Accordance with the State Personnel Act — The 1993 Session of the General Assembly authorized a 2% across-the-board salary increase for all State employees whose salaries are set in accordance with the State Personnel Act, effective July 1, 1993.
- (2) Employees Whose Salaries are Not Set In Accordance with the State Personnel Act — The 1993 Session increased the salaries of employees of the Judicial Department, the General Assembly, and employees of the Executive Branch of State Government whose salaries are not set in accordance with the State Personnel Act by 2% across-the-board effective July 1, 1993.
- (3) Employees of the University System Exempt from the State Personnel Act — The 1993 Session authorized funds for an average annual salary increase of 2% effective July 1, 1993, for employees of the University System whose salaries are exempt from the State Personnel Act effective July 1, 1993, to be awarded to individuals based on the rules of the University Board of Governors.
- (4) Community College Institutional Employees — The 1993 Session authorized funds for an average annual salary increase of 2% effective July 1, 1993, for institutional employees of the Community College System effective July 1, 1993.
- (5) Employees of the Public Schools —
 - (a) Superintendents, Assistant Superintendents, Associate Superintendents, Supervisors, Directors, Coordinators, Evaluators and Program Administrators — The 1993 Session of the General Assembly appropriated funds for a 2% across-the-board salary increase effective July 1, 1993, for superintendents, assistant superintendents, associate superintendents, supervisors, directors, coordinators, evaluators and program administrators.
 - (b) Principals and Assistant Principals — The 1993 Session of the General Assembly appropriated funds to establish a salary schedule for school-based administrators only for principals and assistant principals. The entry level salary for assistant principals is 3% higher than the graduate level teacher with four years of experience. There is approximately 2% increase between each step of the salary schedule. As the teacher salary schedule increases in future years, the assistant principal's salary schedule will increase maintaining this same relationship.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1993 Actions, Continued)

An assistant principal is placed on the schedule based on their total number of years of experience as a certified public school employee. The beginning salary for an assistant principal under the new schedule, when it is fully implemented, will be \$23,710 for a 10 month contract and \$28,452 for a 12 month contract.

Placement upon the principal salary schedule is based upon three factors: (1) the number of state funded teachers and assistant principals supervised by the principal; (2) the total years of experience as a certified public school employee; and, (3) an additional step for each three years of experience as a principal.

Initial placement in 1993-94 for principals and assistant principals on the schedule in 1993-94 is governed by the following rules. If placement would result in less than a 1% increase, the increase will be at least 1%. If placement would result in an increase of greater than 3%, the individual will be placed on the highest grade and step where the salary is not greater than 3%. Additional salary increases that result from promotions during the 1993-94 fiscal year will be limited to a maximum of 3%.

Principals who are moved from a larger to a smaller school are moved on the schedule, as if they had spent their entire career in the smaller school. If the move is to a larger school the same rule applies.

Out-of-state principals who move to North Carolina are assigned to the new schedule based on separate rules set out in this section.

Principals and assistant principals will continue to receive \$126 per month for a six year degree and \$253 per month for a doctoral degree.

The provision in the law that required superintendents be paid at least 1% more than the highest state paid principal was eliminated. Superintendents previously receiving these payments will continue, as long as they meet the criteria established under the original statute.

The 1993 General Assembly also provided that the Joint Legislative Education Oversight Committee may consider and recommend salary schedules for the other school administrators.

The salary schedule (in monthly amounts) for the 1993-94 fiscal year is as follows:

Step	Asst. Prin.	Prin. I	Prin. II	Prin. III	Prin. IV	Prin. V	Prin. VI	Prin. VII
0	—	—	—	—	—	—	—	—
1	—	—	—	—	—	—	—	—
2	—	—	—	—	—	—	—	—
3	—	—	—	—	—	—	—	—
4	\$2,371	—	—	—	—	—	—	—
5	2,418	—	—	—	—	—	—	—
6	2,466	—	—	—	—	—	—	—
7	2,515	—	—	—	—	—	—	—
8	2,565	\$2,565	—	—	—	—	—	—
9	2,616	2,616	—	—	—	—	—	—

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1993 Actions, Continued)

Step	Asst. Prin.	Prin. I	Prin. II	Prin. III	Prin. IV	Prin. V	Prin. VI	Prin. VII
10	2,668	2,668	\$2,721	—	—	—	—	—
11	2,721	2,721	2,775	—	—	—	—	—
12	2,775	2,775	2,831	\$2,888	—	—	—	—
13	2,831	2,831	2,888	2,946	\$3,005	—	—	—
14	2,888	2,888	2,946	3,005	3,065	\$3,126	—	—
15	2,946	2,946	3,005	3,065	3,126	3,189	—	—
16	3,005	3,005	3,065	3,126	3,189	3,253	\$3,318	—
17	3,065	3,065	3,126	3,189	3,253	3,318	3,384	\$3,452
18	3,126	3,126	3,189	3,253	3,318	3,384	3,452	3,521
19	3,189	3,189	3,253	3,318	3,384	3,452	3,521	3,591
20	3,253	3,253	3,318	3,384	3,452	3,521	3,591	3,663
21	3,318	3,318	3,384	3,452	3,521	3,591	3,663	3,736
22	3,384	3,384	3,452	3,521	3,591	3,663	3,736	3,811
23	3,452	3,452	3,521	3,591	3,663	3,736	3,811	3,887
24	3,521	3,521	3,591	3,663	3,736	3,811	3,887	3,965
25	3,591	3,591	3,663	3,736	3,811	3,887	3,965	4,044
26	3,663	3,663	3,736	3,811	3,887	3,965	4,044	4,125
27	3,736	3,736	3,811	3,887	3,965	4,044	4,125	4,208
28	3,811	3,811	3,887	3,965	4,044	4,125	4,208	4,292
29	3,887	3,887	3,965	4,044	4,125	4,208	4,292	4,378
30	3,965	3,965	4,044	4,125	4,208	4,292	4,378	4,466
31	4,044	4,044	4,125	4,208	4,292	4,378	4,466	4,555
32	—	4,125	4,208	4,292	4,378	4,466	4,555	4,646
33	—	—	4,292	4,378	4,466	4,555	4,646	4,739
34	—	—	4,378	4,466	4,555	4,646	4,739	4,834
35	—	—	—	4,555	4,646	4,739	4,834	4,931
36	—	—	—	4,646	4,739	4,834	4,931	5,030
37	—	—	—	—	4,834	4,931	5,030	5,131
38	—	—	—	—	—	5,030	5,131	5,234
39	—	—	—	—	—	—	5,234	5,339
40	—	—	—	—	—	—	5,339	5,446
41	—	—	—	—	—	—	—	5,555

SCHEDULE FOR PLACEMENT (PRINCIPALS)

GRADE	CLASSIFICATION	NUMBER OF TEACHERS SUPERVISED
1	Assistant Principal	
	Principal I	Less than 11 Teachers
2	Principal II	11-21 Teachers
3	Principal III	22-32 Teachers
4	Principal IV	33-43 Teachers
5	Principal V	44-54 Teachers
6	Principal VI	55-65 Teachers
7	Principal VII	More than 65 Teachers.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1993 Actions, Continued)

- (c) Teachers — The 1993 General Assembly appropriated funds equivalent to an average annual salary increase of 3% for teachers effective July 1, 1993. The teacher salary schedule was revised by increasing the beginning salary of the first year teacher with a bachelor's degree to \$20,002 per 10 month school year, and adjusting all the remaining steps on the schedule. The schedule as in previous years is based on years of experience and degrees, with 2% between each step. The schedule increases the payments for advanced degrees to \$126 per month for a six year degree, and \$256 per month for a doctoral degree. The teacher salary schedule is as follows:

TEACHER SALARY SCHEDULE
(Effective July 1, 1993)

"A" TEACHERS

<i>Years of Experience</i>	<i>1993-94 Salary</i>
00	\$2,002
01	2,042
02	2,083
03	2,125
04	2,168
05	2,211
06	2,255
07	2,300
08	2,346
09	2,393
10	2,441
11	2,490
12	2,540
13	2,591
14	2,643
15	2,696
16	2,750
17	2,805
18	2,861
19	2,918
20	2,976
21	3,036
22	3,097

"G" TEACHERS

<i>Years of Experience</i>	<i>1993-94 Salary</i>
00	\$2,127
01	2,170
02	2,213
03	2,257
04	2,302
05	2,348
06	2,395
07	2,443
08	2,492
09	2,542
10	2,593
11	2,645
12	2,698
13	2,752
14	2,807
15	2,863
16	2,920
17	2,978
18	3,038
19	3,099
20	3,161
21	3,224
22	3,288

"A" TEACHERS

<i>Years of Experience</i>	<i>1993-94 Salary</i>
23	3,159
24	3,222

"G" TEACHERS

<i>Years of Experience</i>	<i>1993-94 Salary</i>
23	3,354
24	3,421

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1993 Actions, Continued)

"A" TEACHERS

<i>Years of Experience</i>	<i>1993-94 Salary</i>
25	3,286
26	3,352
27	3,419
28	3,487
29 +	3,557

"G" TEACHERS

<i>Years of Experience</i>	<i>1993-94 Salary</i>
25	3,489
26	3,559
27	3,630
28	3,703
29 +	3,777

**TEACHERS AT SIX-YEAR
DEGREE LEVEL**

<i>Years of Experience</i>	<i>1993-94 Salary</i>
00	\$2,253
01	2,296
02	2,339
03	2,383
04	2,428
05	2,474
06	2,521
07	2,569
08	2,618
09	2,668
10	2,719
11	2,771
12	2,824
13	2,878
14	2,933
15	2,989
16	3,046
17	3,104
18	3,164
19	3,225
20	3,287
21	3,350
22	3,414
23	3,480
24	3,547
25	3,615
26	3,685
27	3,756
28	3,829
29 +	3,903

**TEACHERS AT DOCTORAL
DEGREE LEVEL**

<i>Years of Experience</i>	<i>1993-94 Salary</i>
00	\$2,380
01	2,423
02	2,466
03	2,510
04	2,555
05	2,601
06	2,648
07	2,696
08	2,745
09	2,795
10	2,846
11	2,898
12	2,951
13	3,005
14	3,060
15	3,116
16	3,173
17	3,231
18	3,291
19	3,352
20	3,414
21	3,477
22	3,541
23	3,607
24	3,674
25	3,742
26	3,812
27	3,883
28	3,956
29 +	4,030

- (c) Noncertified Employees Except School Bus Drivers — The 1993 Session authorized funds for a 2% across-the-board salary increase effective July 1, 1993, for non-certified employees of the public schools except school bus drivers.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1993 Actions, Continued)

The General Assembly also requires that by the 1995-96 school year, local boards of education place state-allotted office support personnel, teacher assistants, and custodial personnel on the salary schedule adopted by the State Board of Education. The average salary paid to each category must equal the state allotted amount. The average salary paid in 1993-94 in each category must be 2% higher than the average salary paid in that category during 1992-93. The State Board of Education must report on the implementation of this provision to the General Assembly in 1994 and 1995.

- (d) School Bus Drivers — The 1993 Session appropriated funds so that the pay rates adopted by local boards of education for school bus drivers for the 1993-94 year could be increased by 2% on or after July 1, 1993.

C. SPECIFIED SALARY INCREASES

LEGISLATORS

- (1) **Beginning with the 1995 General Assembly**, legislators will receive the following annual salaries by action of the 1993 Session of the General Assembly, which reflect the same 2% annual salary increase authorized by the 1993 Session, for state employees.

Legislator	New Salary
House Speaker	\$36,334
Senate President Pro Tempore	36,334
House Speaker Pro Tempore	20,704
Senate Deputy President Pro Tempore	20,704
House & Senate Majority Leaders	16,236
House & Senate Minority Leaders	16,236
Other Legislators	13,287

Even with the increases in legislative salaries authorized by the 1993 Session for members in 1995, North Carolina still has the distinction of having among the lowest paid legislators in the nation.

**SALARY INCREASES FOR LEGISLATIVE PRINCIPAL CLERKS,
SERGEANTS-AT-ARMS, AND READING CLERKS**

The annual salaries of the Principal Clerks in the House of Representatives and Senate were increased by 2% to \$47,620 effective July 1, 1993. Likewise, the salaries of the Sergeants-at-Arms and Reading Clerks in the House of Representatives and Senate were increased to \$223 per week effective July 1, 1993.

GOVERNOR

- (2) The 1993 Session of the General Assembly authorized a 2% salary increase for the Governor from \$91,938 to \$93,777 effective July 1, 1993.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1993 Actions, Continued)

JUDICIAL PERSONNEL

- (3) The 1993 Session provided a 2% salary increase for the following officials of the Judicial Department, effective July 1, 1993. These new annual salaries are:

Officials	New Salary 1993-94
Chief Justice, Supreme Court	\$93,777
Associate Justice, Supreme Court	91,855
Chief Judge, Court of Appeals	88,930
Judge, Court of Appeals Judge, Senior	86,996
Regular Resident Superior Court	79,823
Judge, Superior Court	77,289
Chief Judge, District Court	68,256
Judge, District Court	65,674
District Attorney	71,965
Assistant District Attorney — An average of	46,738
Administrative Officer of the Courts	79,823
Assistant Administrative Officer of the Courts	65,160
Public Defender	71,965
Assistant Public Defender — An average of	46,738
Superior Court Clerks	
	New Salary 1993-94
Less than 100,000 population	\$48,391
100,000 to 149,999 population	54,621
150,000 to 249,999 population	62,247
250,000 and above population	68,256

In addition to providing a 2% across-the-board increase, the 1993 General Assembly changed the salary schedule for court clerks by increasing the population categories from three to four. By increasing these population categories, four Clerks were authorized to receive an additional \$7,626 annual salary increase and five Clerks were authorized to receive an additional \$6,009 annual salary increase.

Assistant Superior Court Clerks	New Salary 1993-94
Minimum	\$20,712
Maximum	35,967
Deputy Superior Court Clerks	
	New Salary 1993-94
Minimum	\$16,560
Maximum	27,705

The 1993 General Assembly increased the minimum annual salary for Deputy Clerks by 2% and the maximum annual salary for Assistant and Deputy Clerks by 2%, and provided that only those at the maximum of the salary schedule would receive the 2% increase. All other Assistant and Deputy Clerk will receive an annual step increase in the salary schedule.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1993 Actions, Continued)

Magistrates	New Salary 1993-94
Less than 1 year's service	\$17,399
1 or more but less than 3 years' service	18,293
3 or more but less than 5 years' service	20,092
5 or more but less than 7 years' service	22,075
7 or more but less than 9 years' service	24,290
9 or more but less than 11 years' service	26,702
11 or more years' service	29,333

COUNCIL OF STATE

- (4) The 1993 Session of the General Assembly provided a 2% across-the-board salary increase for members of the Council of State effective July 1, 1993. These new annual salaries are:

Council of State	New Salary 1993-94
Lieutenant Governor	\$77,289
Attorney General	77,289
Secretary of State	77,289
State Treasurer	77,289
State Auditor	77,289
Superintendent of Public Instruction	77,289
Agriculture Commissioner	77,289
Insurance Commissioner	77,289
Labor Commissioner	77,289

GOVERNOR'S CABINET

- (5) The 1993 Session of the General Assembly authorized a 2% across-the-board salary increase for members of the Governor's Cabinet, effective July 1, 1993, as follows:

Cabinet	New Salary 1993-94
Administration Secretary	\$77,289
Commerce Secretary	77,289
Correction Secretary	77,289
Crime Control Secretary	77,289
Cultural Resources Secretary	77,289
Human Resources Secretary	77,289
Environment, Health and Natural Resources Secretary	77,289
Revenue Secretary	77,289
Transportation Secretary	77,289

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1993 Actions, Continued)

CERTAIN EXECUTIVE OFFICERS

- (6) Based upon the Separation of Powers Act of 1983, as amended, the new annual salaries, effective July 1, 1993, for certain executive officials are as follows, which include the 2% annual salary increase authorized by the 1993 Session of the General Assembly:

Officials	New Salary 1993-94
State Controller	\$120,301
Chairman, Alcoholic Beverage Control Commission	74,389
Commissioner of Motor Vehicles	74,389
Commissioner of Banks	74,389
Chairman, Employment Security Commission	74,389
State Personnel Director	77,289
Chairman, Parole Commission	67,926
Members of the Parole Commission	62,712
Chairman, Industrial Commission	66,837
Members of the Industrial Commission	65,209
Executive Director, Agency for Public Telecommunications	62,712
General Manager, Ports Railway Commission	56,628
Executive Director, Art Museum	76,225
Executive Director, Wildlife Resources Commission	64,205
Executive Director, Housing Finance Agency	92,063
Executive Director, Agricultural Finance Authority	72,406
Director, Office of Administrative Hearings	65,674

- D. Salary Increase Funds to Local Governments — At a General Fund cost of an additional \$5,581,668 for 1993-94, the 1993 Session of the General Assembly tried to partially offset 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 1993-94.
- E. Wage Floor for the Lowest Paid State Employees — The 1993 General Assembly raised the hiring rate of Salary Grade 50 to \$12,877, Salary Grade 51 to \$12,977, and Salary Grade 52 to \$13,079, effective July 1, 1993.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE

1994 LEGISLATIVE ACTIONS

A. SALARY INCREASES

- (1) General Salary Increase — The 1994 Session of the General Assembly enacted the following General Fund and Highway Fund appropriations to provide salary increases effective July 1, 1994 for employees paid from State funds:

	1994-95
General Fund	\$282,470,330
Highway Fund	14,400,000
TOTAL	\$296,870,330

- (2) Compensation Bonus — The 1994 Session of the General Assembly enacted the following General Fund and Highway Fund appropriations to provide a one-time compensation bonus of 1% of the employees' annual salary to be paid not before August, 1994 for State, University, and Community College employees and in September for employees of the public schools. Teachers, assistant principals and principals will not receive the one-time compensation bonus.

	1994-95
General Fund	\$35,421,158
Highway Fund	3,600,000
TOTAL	\$39,021,158

- (3) Restoration of June 30 Paydate — The 1994 Session of the General Assembly appropriated \$120,000,000 from the General Fund to restore the twelfth month of teacher payroll for school teachers paid from the General Fund.

B. GENERAL SALARY INCREASES

- (1) Employees Whose Salaries are Set in Accordance with the State Personnel Act — The 1994 Session of the General Assembly authorized a 4% salary increase for all State employees whose salaries are set in accordance with the State Personnel Act, effective July 1, 1994.
- (2) Employees Whose Salaries are Not Set in Accordance with the State Personnel Act — The 1994 Session increased the salaries of employees of the Judicial Department, the General Assembly, and employees of the Executive Branch of State Government whose salaries are not set in accordance with the State Personnel Act by 4% effective July 1, 1994.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1994 Actions, Continued)

- (3) Employees of the University System Exempt from the State Personnel Act — The 1994 Session authorized funds for an average annual salary increase of 4%, effective July 1, 1994, for employees of the University System whose salaries are exempt from the State Personnel Act. Of this increase, 1% was to be given to all employees and the remaining 3% was to be awarded to individuals based on the rules of the University Board of Governors.

The General Assembly also appropriated \$10.7 million to the University Board of Governors to be used to improve competitive national peer rankings and to enhance teaching faculty salaries. This represents a 2% increase for the faculty of the University System whose salaries are exempt from the State Personnel Act.

- (4) Community College Institutional Employees — The 1994 Session authorized funds for an average annual salary increase of 4% for institutional employees of the Community College System effective, July 1, 1994.

Also, the General Assembly appropriated \$8.4 million to provide an average additional 4% salary increase to curriculum faculty to recruit and retain a core of outstanding faculty at competitive salary levels.

- (5) Employees of the Public Schools —

- (a) Superintendents, Assistant Superintendents, Associate Superintendents, Supervisors, Directors, Coordinators, Evaluators and Program Administrators — The 1994 Session of the General Assembly appropriated funds for a 4% across-the-board salary increase, effective July 1, 1994, for superintendents, assistant superintendents, associate superintendents, supervisors, directors, coordinators, evaluators and program administrators.
- (b) Principals and Assistant Principals — The 1994 Session of the General Assembly appropriated funds to complete implementation of the salary schedule for principals and assistant principals. The entry level salary for assistant principals is 3% higher than the graduate level teacher with four years of experience. There is approximately 2% between each step of the salary schedule. As the teacher salary schedule increases in future years, the principal's salary schedule will increase maintaining this same relationship.

Placement of the principal salary schedule is based upon three factors. The number of state funded teachers and assistant principals supervised by the principal; the total years of experience as a certified public school employee; and, an additional step for each three years of experience as a principal.

Principals who are moved from a larger to a smaller school are moved on the schedule, as if they had spent their entire career in the smaller school. If the move is to a larger school the same rule applies.

Out-of-state principals who move to North Carolina are assigned to the new schedule based on separate rules set out in this section.

Principals and assistant principals will continue to receive \$126 per month for a six year degree and \$253 per month for a doctoral degree.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1994 Actions, Continued)

The salary schedule for the 1994-95 fiscal year is as follows:

Step	Asst. Prin.	Prin. I	Prin. II	Prin. III	Prin. IV	Prin. V	Prin. VI	Prin. VII
0	—	—	—	—	—	—	—	—
1	—	—	—	—	—	—	—	—
2	—	—	—	—	—	—	—	—
3	—	—	—	—	—	—	—	—
4	\$2,491	—	—	—	—	—	—	—
5	2,541	—	—	—	—	—	—	—
6	2,592	—	—	—	—	—	—	—
7	2,644	—	—	—	—	—	—	—
8	2,697	\$2,697	—	—	—	—	—	—
9	2,751	2,751	—	—	—	—	—	—
10	2,806	2,806	\$2,862	—	—	—	—	—
11	2,862	2,862	2,919	—	—	—	—	—
12	2,919	2,919	2,977	\$3,037	—	—	—	—
13	2,977	2,977	3,037	3,098	\$3,160	—	—	—
14	3,037	3,037	3,098	3,160	3,223	\$3,287	—	—
15	3,098	3,098	3,160	3,223	3,287	3,353	—	—
16	3,160	3,160	3,223	3,287	3,353	3,420	\$3,488	—
17	3,223	3,223	3,287	3,353	3,420	3,488	3,558	\$3,629
18	3,287	3,287	3,353	3,420	3,488	3,558	3,629	3,702
19	3,353	3,353	3,420	3,488	3,558	3,629	3,702	3,776
20	3,420	3,420	3,488	3,558	3,629	3,702	3,776	3,852
21	3,488	3,488	3,558	3,629	3,702	3,776	3,852	3,929
22	3,558	3,558	3,629	3,702	3,776	3,852	3,929	4,008
23	3,629	3,629	3,702	3,776	3,852	3,929	4,008	4,088
24	3,702	3,702	3,776	3,852	3,929	4,008	4,088	4,170
25	3,776	3,776	3,852	3,929	4,008	4,088	4,170	4,253
26	3,852	3,852	3,929	4,008	4,088	4,170	4,253	4,338
27	3,929	3,929	4,008	4,088	4,170	4,253	4,338	4,425
28	4,008	4,008	4,088	4,170	4,253	4,338	4,425	4,514
29	4,088	4,088	4,170	4,253	4,338	4,425	4,514	4,604
30	4,170	4,170	4,253	4,338	4,425	4,514	4,604	4,696
31	4,253	4,253	4,338	4,425	4,514	4,604	4,696	4,790
32	—	4,338	4,425	4,514	4,604	4,696	4,790	4,886
33	—	—	4,514	4,604	4,696	4,790	4,886	4,984
34	—	—	4,604	4,696	4,790	4,886	4,984	5,084
35	—	—	—	4,790	4,886	4,984	5,084	5,186
36	—	—	—	4,886	4,984	5,084	5,186	5,290
37	—	—	—	—	5,084	5,186	5,290	5,396
38	—	—	—	—	—	5,290	5,396	5,504
39	—	—	—	—	—	—	5,504	5,614
40	—	—	—	—	—	—	5,614	5,726
41	—	—	—	—	—	—	—	5,841

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1994 Actions, Continued)

SCHEDULE FOR PLACEMENT

GRADE	CLASSIFICATION	NUMBER OF TEACHERS SUPERVISED
1	Assistant Principal	
	Principal I	Less than 11 Teachers
2	Principal II	11-21 Teachers
3	Principal III	22-32 Teachers
4	Principal IV	33-43 Teachers
5	Principal V	44-54 Teachers
6	Principal VI	55-65 Teachers
7	Principal VII	More than 65 Teachers.

- (b) Teachers — The 1994 General Assembly appropriated funds equivalent to an average annual salary increase of 5% for teachers with less than four years or more than twenty-nine years of teaching experience and 7% for those between four years and twenty-nine years of teaching experience effective July 1, 1994. The teacher salary schedule was revised by increasing the beginning salary of the first year teacher with a bachelor's degree to \$20,620 per 10 month school year, and adjusting all the remaining steps on the schedule.

The schedule is based on years of experience and degrees, with 2% between each step except between steps 3 and 4 there is an increase (bump) of 4%. Payments for advanced degrees are \$126 per month for a six year degree, and \$256 per month for a doctoral degree. The teacher salary schedule is as follows:

TEACHER SALARY SCHEDULE

(Effective July 1, 1994)

"A" TEACHERS		"G" TEACHERS	
Years of Experience	1994-95 Salary	Years of Experience	1994-95 Salary
00	\$2,062	00	\$2,191
01	2,103	01	2,235
02	2,145	02	2,280
03	2,231	03	2,371
04	2,276	04	2,418
05	2,322	05	2,466
06	2,368	06	2,515
07	2,415	07	2,565
08	2,463	08	2,616
09	2,512	09	2,668
10	2,562	10	2,721
11	2,613	11	2,775
12	2,665	12	2,831
13	2,718	13	2,888
14	2,772	14	2,946
15	2,827	15	3,005
16	2,884	16	3,065
17	2,942	17	3,126

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1994 Actions, Continued)

"A" TEACHERS		"G" TEACHERS	
Years of Experience	1994-95 Salary	Years of Experience	1994-95 Salary
18	3,001	18	3,189
19	3,061	19	3,253
20	3,122	20	3,318
21	3,184	21	3,384
22	3,248	22	3,452
23	3,313	23	3,521
24	3,379	24	3,591
25	3,447	25	3,663
26	3,516	26	3,736
27	3,586	27	3,811
28	3,658	28	3,887
29+	3,731	29+	3,965

- (c) Noncertified Employees Except School Bus Drivers — The 1994 Session authorized funds for a 4% across-the-board salary increase, effective July 1, 1994, for non-certified employees of the public schools except school bus drivers.
- (d) School Bus Drivers — The 1994 Session appropriated funds so that the pay rates adopted by local boards of education for school bus drivers for the 1994-95 year could be increased by 4% on or after July 1, 1994. There was also an additional appropriation of \$3.5 million to grant an additional increase of 4.6%. Bus drivers must be placed on a salary range equivalent to a Grade 51 as established by the State Board of Education, and the average salary for bus drivers in each school must be \$8.00 per hour.
- (f) Differentiated Pay —
- (1) For fiscal year 1994-95 certified employees will have an amount equivalent to 1% of salary available for differentiated pay in those school systems that participate in that program. Certified employees receive these funds adopted by the local school building. The school systems that originally were a part of the Career Development Pilot Project do not receive these funds for certified employees.
 - (2) For fiscal year 1994-95 noncertified employees in **all school systems** will have an additional 2% of salary available for differentiated pay. These funds are available for noncertified employees if they contribute to student performance under the plan adopted by the local school building.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1994 Actions, Continued)

C. SPECIFIED SALARY INCREASES

LEGISLATORS

- (1) Beginning with the 1995 General Assembly, legislators will receive the following annual salaries by action of the 1994 Session of the General Assembly:

Legislator	New Salary
House Speaker	\$38,151
Senate President Pro Tempore	38,151
House Speaker Pro Tempore	21,739
Senate Deputy President Pro Tempore	21,739
House & Senate Majority Leaders	17,048
House & Senate Minority Leaders	17,048
Other Legislators	13,951

Even with the increases in legislative salaries authorized by the 1994 Session for members in 1995, North Carolina still has the distinction of having among the lowest paid legislators in the nation.

**SALARY INCREASES FOR LEGISLATIVE PRINCIPAL CLERKS,
SERGEANTS-AT-ARMS, AND READING CLERKS**

The annual salaries of the Principal Clerks in the House of Representatives and Senate were increased from \$47,620 to \$54,000 effective July 1, 1994. The salaries of the Sergeants-at-Arms and Reading Clerks in the House of Representatives and Senate were increased by 4% to \$223 per week effective July 1, 1994.

GOVERNOR

- (2) The 1994 Session of the General Assembly authorized a salary increase for the Governor from \$93,777 to \$97,600, effective July 1, 1993.

JUDICIAL PERSONNEL

- (3) The 1994 Session provided salary increases for the following officials of the Judicial Department, effective July 1, 1994. These new annual salaries are:

	New Salary 1994-95
Chief Justice, Supreme Court	\$97,600
Associate Justice, Supreme Court	96,000
Chief Judge, Court of Appeals	93,600
Judge, Court of Appeals	92,000
Judge, Senior Regular Resident Superior Court	89,500
Judge, Superior Court	87,000
Chief Judge, District Court	79,000
Judge, District Court	76,500
District Attorney	80,600
Administrative Officer of the Courts	89,500

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1994 Actions, Continued)

	New Salary 1994-95
Assistant Administrative Officer of the Courts	75,160
Public Defender	80,600
Assistant District Attorney - Average	48,608
Assistant Public Defender - Average	48,608

	New Salary 1994-95
Superior Court Clerks	
Less than 100,000 population	\$57,670
100,000 to 149,999 population	64,780
150,000 to 249,999 population	71,890
250,000 and above population	79,000

A salary schedule for Superior Court Clerks was adopted to represent the following percentage of the salary of a chief district court judge:

Less than 100,000 population	73%
100,000 to 149,999 population	82%
150,000 to 249,999 population	91%
250,000 and above population	100%

	New Salary 1994-95
Assistant Superior Court Clerks	
Minimum	\$21,126
Maximum	37,406

	New Salary 1994-95
Deputy Superior Court Clerks	
Minimum	\$16,891
Maximum	28,813

The 1994 General Assembly increased the minimum annual salary for Deputy Clerks by 2% and the maximum annual salary for Assistant and Deputy Clerks by 4%. All Assistant and Deputy Clerks will receive an annual step increase in the salary schedule. Also, the General Assembly allowed each clerk to appoint one full-time deputy clerk per county as the head bookkeeper. The head bookkeeper position is to be paid on the same salary schedule as that of an assistant clerk.

MAGISTRATES

The 1994 General Assembly created a new salary schedule and pay plan for magistrates. The new plan will require magistrates to have a four-year degree from an accredited institution of higher education or a two-year associate degree and four years of work experience in a related field, including teaching, social services, law enforcement, arbitration or mediation, the court system, or counseling. The new requirements do not apply to magistrates holding office on June 30, 1994, nor to those who have been nominated by that date but have not been appointed or taken oath of office on that date.

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1994 Actions, Continued)

A new magistrate after the initial appointment shall begin at the entry level salary and shall increase to the next salary step every two years on the anniversary date up to step 3 and every four years on the anniversary date for steps 4 through 6. A new magistrate who is a licensed attorney shall start at Step 4. The new salary schedule for full-time magistrates is as follows:

Entry Rate	\$22,075
Step 1	25,262
Step 2	27,770
Step 3	30,506
Step 4	33,503
Step 5	36,797
Step 6	40,420

Magistrates who were serving on June 30, 1994 will continue to move up the salary schedule according to the following schedule:

Less than 1 year's service	\$18,095
1 or more but less than 3 years' service	19,025
3 or more but less than 5 years' service	20,896
5 or more but less than 7 years' service	Entry rate
7 or more but less than 9 years' service	Step 1
9 or more but less than 11 years' service	Step 2
11 or more years' service	Step 3

COUNCIL OF STATE

- (4) The 1994 Session of the General Assembly provided a salary increase for members of the Council of State, effective July 1, 1994. These new annual salaries are:

Council of State	New Salary 1994-95
Lieutenant Governor	\$87,000
Attorney General	87,000
Secretary of State	87,000
State Treasurer	87,000
State Auditor	87,000
Superintendent of Public Instruction	87,000
Agriculture Commissioner	87,000
Insurance Commissioner	87,000
Labor Commissioner	87,000

GOVERNOR'S CABINET

- (5) 1994 Session of the General Assembly authorized a salary increase for members of the Governor's Cabinet, effective July 1, 1994, as follows:

Cabinet	New Salary 1994-95
Administration Secretary	\$85,000
Commerce Secretary	85,000
Correction Secretary	85,000

SALARY CHANGES FOR EMPLOYEES SUPPORTED BY THE STATE
(1994 Actions, Continued)

Crime Control Secretary	85,000
Cultural Resources Secretary	85,000
Human Resources Secretary	85,000
Environment, Health, and Natural Resources Secretary	85,000
Revenue Secretary	85,000
Transportation Secretary	85,000

CERTAIN EXECUTIVE OFFICERS

- (6) Based upon the Separation of Powers Act of 1983, as amended, the new annual salaries, effective July 1, 1994, for certain executive officials, which for the exception of three officials include the 4% annual salary increase authorized by the 1994 Session of the General Assembly. The three exceptions are (1) the State Personnel Director whose salary has been the same as members of the Cabinet, (2) the Director of the Office of Administrative Hearings whose salary has been the same as a district court Judge, and (3) the salary of the State Controller was reduced by 10%. Also, the General Assembly set the salary of the Utilities Commissioners rather than their salary being the same as that of a Superior Court Judge.

The salary of these executive officials are as follows:

Officials	New Salary 1994-95
State Controller	\$108,271
Chairman, Alcoholic Beverage Control Commission	77,365
Commissioner of Motor Vehicles	77,365
Commissioner of Banks	77,365
Chairman, Employment Security Commission	77,365
State Personnel Director	85,000
Chairman, Parole Commission	70,643
Members of the Parole Commission	65,220
Chairman, Industrial Commission	69,510
Members of the Industrial Commission	67,817
Chairman of the Utilities Commission	81,381
Members of the Utilities Commission	80,381
Executive Director, Agency for Public Telecommunications	65,220
General Manager, Ports Railway Commission	58,893
Executive Director, Art Museum	79,274
Executive Director, Wildlife Resources Commission	66,773
Executive Director, Housing Finance Agency	95,746
Executive Director, Agricultural Finance Authority	75,302
Director, Office of Administrative Hearings	76,500

BENEFIT CHANGES FOR STATE AND LOCAL PERSONNEL

1993 ACTIONS

CONVERT EXCESS ANNUAL LEAVE TO SICK LEAVE

The 1993 Session of the General Assembly allowed all school employees and State employees to convert any excess annual vacation leave over 240 hours or 30 days as of June 30th of each year for school employees and December 31st of each year for State employees to sick leave. This additional sick leave can be used for salary continuation purposes if needed or, if not used, can be used to increase the creditable service at retirement by one month for each 20 days or portion thereof. The maximum number of sick leave days that can be added at retirement is 12 days for each year the member has contributed to the system.

SICK LEAVE BANKS — SCHOOL PERSONNEL

The 1993 Session of the General Assembly directed the State Board of Education to adopt rules for the establishment of sick leave banks for school employees by local boards of education effective January 1, 1994. Employees who elect to join and deposit sick leave would be eligible to withdraw leave after exhaustion of personal sick and annual leave in the event of emergency or catastrophic illness or accident. The appropriation was \$1 million for 1993-94 and \$1 million for 1994-95.

LEAVE FOR NON-CERTIFIED SCHOOL PERSONNEL

The 1993 Session of the General Assembly permitted teacher assistants and other instructional personnel who do not require a substitute to use annual leave when the students are scheduled to be in school.

ROLL-OVERS TO 401(K) PLAN

The 1993 Session of the General Assembly clarified the law that would allow the Department of State Treasurer and the Board of Trustees of the Supplemental Retirement Income Plan to accept funds transferred from other qualified plans to the Supplemental Retirement Income Plan if the other qualified plan allows for transfers and the transfer will not jeopardize the qualified status of the State's plan. Since 1989, when State income tax laws were changed, allowing transfers will not have adverse tax consequences to the State.

FICA SAVINGS FOR ADMINISTRATIVE CHARGES

The 1993 Session of the General Assembly continued to allow the Director of the Budget to use FICA through December 31, 1994. These savings are generated by reducing the employer's share of FICA tax contributions as a result of the reduction in salary for all employees participating in the Dependent Care Assistant Program and Flexible Compensation Plan.

BENEFIT CHANGES FOR STATE AND LOCAL PERSONNEL
(1993 Actions, Continued)

EFFECTIVE DATE OF HIGHER DEATH BENEFIT CHANGES

The 1993 Session of the General Assembly changed the effective date of the death benefit changes enacted in 1988 from August 1, 1988 to the date of ratification which was July 12, 1988. This date change resulted in a higher death benefit payable to 16 beneficiaries of teachers and state employees who died between these dates at a one-time cost of \$186,000 to be paid from the Death Benefit Plan.

EXPENSE ALLOWANCES INCREASED FOR LEGISLATORS

Effective upon the convening of the 1995 Session of the General Assembly, the monthly expense allowances will be increased for legislators. The new allowances will be:

Legislators	Monthly Expense
House Speaker	\$1,346
Senate President Pro Tempore	1,346
House Speaker Pro Tempore	796
Senate Deputy President Pro Tempore	796
House & Senate Majority Leaders	634
House & Senate Minority Leaders	634
Other Legislators	532

The increased expense allowances generally reflect a 2% increase in rates over the ones authorized for the 1993 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 salary increases authorized for employees of the State, which increased 2% for 1993-94 by action of the 1993 General Assembly.

MILEAGE RATE INCREASED

Effective August 1, 1993, the 1993 General Assembly increased the mileage rate for State employees using private automobiles from 25¢ to the business standard mileage rate set by the Internal Revenue Service which presently is 28¢ per mile. Also, effective upon the convening of the 1995 Session of the General Assembly the mileage rate for weekly round-trips from residence to Raleigh for legislators will be increased to the business standard mileage rate set by the Internal Revenue Service which presently is 28¢ per mile.

1994 LEGISLATIVE ACTIONS

**CHANGES TO DISABILITY INCOME BENEFITS
FOR TEACHERS AND STATE EMPLOYEES**

The 1994 General Assembly made two changes to the Disability Income Plan for Teachers and State Employees. One change will allow membership service in the Legislative Retirement System or the Consolidated Judicial Retirement System to be added to the

BENEFIT CHANGES FOR STATE AND LOCAL PERSONNEL
(1994 Actions, Continued)

service credit in the Teachers' and State Employees' Retirement System for the purpose of determining eligibility for a benefit. Eligibility for long-term disability benefits requires at least five years of membership service, so this will allow a former legislator or judge who becomes a teacher or state employee to count their prior service toward meeting the eligibility requirements. The second change was in the definition of "Disability" to eliminate the exclusion of an incapacity resulting from war or armed or unarmed military conflict.

Any benefit as a result of this change will be reduced by any benefits payable through the federal government as a result of the disability. In the past, an employee who became disabled as the result of military service was not eligible to receive disability benefits under the Plan, because the definition excludes such incapacity.

**CHANGES TO THE DEATH BENEFIT PLAN
FOR TEACHERS AND STATE EMPLOYEES**

The 1994 General Assembly made a change in the Death Benefit Plan to allow membership service in the Legislative Retirement System or the Consolidated Judicial Retirement System to be added to the service credit in the Teachers' and State Employees' Retirement System for the purpose of determining eligibility for the Death Benefit. This will allow a former legislator or judge who becomes a teacher or state employee to count their prior service toward meeting the eligibility requirement.

**SUBSISTENCE ALLOWANCES INCREASED FOR STATE
EMPLOYEES AND STATE BOARDS**

Effective July 1, 1994, the 1994 General Assembly increased the subsistence reimbursement rates for State employees from \$55 to \$71 per day when traveling on official business in-state and from \$67 to \$83 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.

FICA SAVING TO BE USED FOR ADMINISTRATIVE CHARGES

The 1994 Session of the General Assembly continued to allow the Director of the Budget to use savings, through December 31, 1997, resulting from a reduction in the employer's share of contributions of FICA taxes as a result of the reduction in salary for all employees participating in the Dependent Care Assistant Program and Flexible Compensation Plan.

EXPENSE ALLOWANCES INCREASED FOR LEGISLATORS

Effective upon the convening of the 1995 Session of the General Assembly, the monthly expense allowances will be increased for legislators. The new allowances will be:

Legislators	Monthly Expense
House Speaker	\$1,413
Senate President Pro Tempore	1,413
House Speaker Pro Tempore	836

BENEFIT CHANGES FOR STATE AND LOCAL PERSONNEL
(1994 Actions, Continued)

Legislators	Monthly Expense
Senate Deputy President Pro Tempore	836
House & Senate Majority Leaders	666
House & Senate Minority Leaders	666
Other Legislators	559

SUBSISTENCE ALLOWANCES INCREASED FOR LEGISLATORS

Effective upon the convening of the 1995 Session of the General Assembly the rates of daily subsistence for legislators will be increased to the maximum per diem rate (\$104/day) allowed for federal employees in the Raleigh area.

MILEAGE RATE INCREASED FOR LEGISLATORS

Effective upon the convening of the 1995 Session of the General Assembly the mileage rate for round-trips from residence to Raleigh for legislators will be increased to the business standard mileage rate set by the Internal Revenue Service which presently is \$0.29 per mile.

RETIREMENT AND PENSION CHANGES FOR STATE AND LOCAL PERSONNEL

1993 ACTIONS

A. CURRENTLY-EMPLOYED EMPLOYEES

- (1) Benefit Accrual Rate Increased — Effective July 1, 1993, the benefit accrual rate, or retirement formula, was increased in the Teachers' and State Employees' Retirement System from 1.70% to 1.71% of average final compensation per year of creditable service. The effect of this increase will be to increase the annual retirement allowance of all employees who retire on and after July 1, 1993 by 0.6%. The General Assembly funded the increase with an additional appropriation and with unencumbered actuarial gains within the System, as of December 31, 1991. The increase cost some \$9.5 million annually from the General Fund and \$810,000 from the Highway Fund for active employees.
- (2) Additional Employer Contributions to the University Employee Optional Retirement Program — The 1993 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 6.46% to 6.50% of an employee's compensation, effective July 1, 1993. Such a change was made at a cost to the General Fund of some \$102,000 for 1993-94 to be financed out of existing appropriations to the University System.
- (3) Additional Employer Contributions to the Teachers' and State Employees' Retirement System — The 1993 Session of the General Assembly increased the State's employer contribution rate for the Teachers' and State Employees' Retirement System from 8.35% to 8.38% of total employees' compensation, effective July 1, 1993. This additional contribution was needed in addition to actuarial gains within the System, as of December 31, 1991. Such a change was made at an annual cost for 1993-94 of some \$1,316,400 from the General Fund and \$113,000 from the Highway Fund.
- (4) Convert Excess Annual Leave to Sick Leave — The 1993 Session of the General Assembly allowed all school employees and State employees to convert any excess annual vacation leave over 240 hours or 30 days as of June 30th of each year for school employees and December 31st of each year for State employees to sick leave. This additional sick leave can be used for salary continuation purposes if needed or, if not used, can be used to increase the creditable service at retirement by one month for each 20 days or portion thereof. The maximum number of sick leave days that can be added at retirement is 12 days for each year the member has contributed to the system. The General Assembly funded this conversion of leave with an additional appropriation and with actuarial gains within the System, as of December 31, 1991 at an annual cost of some \$7.9 million from the General Fund and \$675,000 from the Highway Fund.

RETIREMENT AND PENSION CHANGES FOR STATE AND LOCAL PERSONNEL
(1993 Actions, Continued)

- (5) Guaranteed Return of Member's Contributions — The 1993 Session of the General Assembly provided that in the event of the death of the retiree and/or the designated beneficiary, regardless of which option is selected, any remaining contributions and interest of retirees, will be paid to a named beneficiary. These changes eliminated some options and modified some other options available to retirees on or after July 1, 1993.

The General Assembly funded the guaranteed return of contributions with an additional appropriation and with actuarial gains within the System, as of December 31, 1991 at an annual cost of some \$4.8 million from the General Fund and \$413,000 from the Highway Fund.

- (6) Retirement Contributions Reduced to the Consolidated Judicial Retirement System — The 1993 Session of the General Assembly reduced the employer contribution rate to the Consolidated Judicial Retirement System effective July 1, 1993 by 1.2% of covered salary. The rate reduction reduced the General Fund appropriation by \$352,800.
- (7) Legislator's Service Purchase — The 1993 Session of the General Assembly allowed any active or retired member of the Legislative Retirement System who served during January 1985 to purchase this one month of service. Contributions were not made to the Retirement System for this month due to delaying the convening of the 1985 Session until February. The General Fund cost to allow this benefit is \$27,200.
- (8) Firemen's and Rescue Squad Workers' Pension Fund — The 1993 Session of the General Assembly allowed members of the Firemen's and Rescue Squad Workers' Pension Fund to purchase any service for which they do not have credit by paying the "full actuarial" cost.

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, 1993, the General Assembly provided a 1.6% increase in the retirement allowances paid to beneficiaries in three of the State-administered Systems whose retirement began on or before July 1, 1992. In addition, beneficiaries who retired after July 1, 1992, and before June 30, 1993, were authorized an increase in their retirement allowances on July 1, 1993, equal to a pro-rated amount of the 1.6% increase provided to those who retired on or before July 1, 1992. 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 1992-93. The 1.6% increase was granted to retired beneficiaries so as to give them a comparable increase to the funds equivalent to a 2.0% 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, 1991: Teachers' and State Employees' - \$11.8 million

RETIREMENT AND PENSION CHANGES FOR STATE AND LOCAL PERSONNEL
(1993 Actions, Continued)

annually from the General Fund and \$1 million annually from the Highway Fund; Consolidated Judicial - \$106,000 annually; and Local Governmental Employees' - \$2.1 million annually.

- (2) Cost-of-Living Adjustment in Retirement Allowances for Retired Legislators — Effective July 1, 1993, the General Assembly provided a 1.6% increase in the retirement allowances paid to beneficiaries of the Legislative Retirement System retired on or before January 1, 1993, comparable to the same type of increases granted to retired beneficiaries of the Teachers' and State Employees' Retirement System. In addition, beneficiaries who retired after January 1, 1993, and before June 30, 1993, were authorized an increase in their retirement allowances on July 1, 1993, equal to a pro-rated amount of the 1.6% increase provided to those who retired on or before January 1, 1993. The increase was granted at an annual cost of \$24,000.
- (3) Additional Increase in Retirement Allowances for Retired Teachers and State Employees Corresponding to an Increase in the Benefit Accrual Rate — Effective July 1, 1993, retired beneficiaries of the Teachers' and State Employees' Retirement System had their retirement allowances increased by 0.6% to reflect the increase in the benefit accrual rate for currently-employed employees to 1.71% which was authorized by the 1993 General Assembly, effective July 1, 1993. This additional retirement allowance increase was funded out of unencumbered actuarial gains available to the Retirement System as of December 31, 1991, at an annual cost of \$4.6 million from the General Fund and \$391,000 from the Highway Fund.

1994 LEGISLATIVE ACTIONS

A. CURRENTLY-EMPLOYED EMPLOYEES

- (1) Benefit Accrual Rate Increased: Effective July 1, 1994, the benefit accrual rate, or retirement formula, was increased in the Teachers' and State Employees' Retirement System from 1.71% to 1.73% 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, 1994 by 1.2%. The General Assembly funded the increase with unencumbered actuarial gains within the System, as of December 31, 1992. The increase cost some \$20.6 million annually from the General Fund and \$1.8 from the Highway Fund.

Also, effective July 1, 1994, the benefit accrual rate, or retirement formula, was increased in the Local Governmental Employees' Retirement System from 1.70% to 1.71% 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, 1994 by 0.6%. The General Assembly funded the increase with unencumbered actuarial gains within the Local System, as of December 31, 1992. The increase cost some \$2.8 million annually from local funds.

RETIREMENT AND PENSION CHANGES FOR STATE AND LOCAL PERSONNEL

(1994 Actions, Continued)

- (2) Additional Employer Contributions to the University Employee Optional Retirement Program: The 1994 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 6.50% to 6.58% of an employee's compensation, effective July 1, 1994. Such a change was made at a cost of some \$230,000 for 1994-95 to be financed out of existing appropriations to the University System.
- (3) Reduce Early Retirement Factors: The 1994 Session of the General Assembly changed the method of calculating the reduction for early retirement for members of the Teachers' and State Employees' Retirement System. This change affects members retiring between ages 50 and 60 with service between 20 and 30 years. Under this change, the benefit of those retiring under early retirement would be reduced by the lesser of: (1) 5% for each year less than 30 years of service, or (2) 5% for each year under age 60 in addition to the 15% reduction between age 60 and 65. The General Assembly funded this change for calculating early retirements with unencumbered actuarial gains within the System, as of December 31, 1992. The increase cost some \$8.8 million annually from the General Fund and \$775,000 from the Highway Fund.
- (4) Retirement Contributions Reduced: The 1994 Session of the General Assembly reduced the employer contribution rate to the Consolidated Judicial Retirement System effective July 1, 1994 by 2.18% of covered salary. The rate reduction reduced the General Fund Appropriation by \$672,000.
- (5) Firemen's and Rescue Squad Workers' Pension Fund: At an additional annual cost to the General Fund of \$2.2 million, the 1994 General Assembly enacted, effective July 1, 1994, an increase in the pension for members of the Firemen's and Rescue Squad Workers' Pension Fund from \$100 to \$110 per month. This increase applies to current pensioners and to those entitled to receive a pension in the future at age 55 with 20 years of service.
- (6) Study of Funding of the the Firemen's and Rescue Squad Workers' Pension Fund: The 1994 General Assembly established the Firemen's and Rescue Squad Workers' Pension Fund Study Commission to study alternative methods to increase the funding for the Pension Fund and other relevant issues. The commission is to report its findings to the 1995 Session of the General Assembly.
- (7) Changes to the Legislative Retirement System: The 1994 General Assembly made several changes to the Legislative Retirement System to: (1) changes the definition of "Compensation" to include salary and expense allowance. This change is made applicable to expense allowances paid on or after January 1, 1994; (2) allows a two year window during which current or former members of the General Assembly may purchase service prior to 1985; and (3) effective February 1, 1995, allows a member to retire on a reduced benefit at age 50 with 20 years of service. These changes were made at an annual cost of \$600,000 from the General Fund.

B. RETIRED EMPLOYEES

- (1) Cost-of-living Adjustment in Retirement Allowances for Retired Teachers, State Employees, Judges, District Attorneys, and Superior Court Clerks: Effective July 1, 1994, the General Assembly provided a 3.5% increase in the retirement

RETIREMENT AND PENSION CHANGES FOR STATE AND LOCAL PERSONNEL
(1994 Actions, Continued)

allowances paid to beneficiaries in two of the State-administered systems whose retirement began on or before July 1, 1993. In addition, beneficiaries who retired after July 1, 1993, and before June 30, 1994, were authorized an increase in their retirement allowances on July 1, 1994 equal to a pro-rated amount of the 3.5% increase provided to those who retired on or before July 1, 1993.

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 1993-94. The 3.5% increase was granted to retired beneficiaries so as to give them a comparable increase to the funds equivalent to a 4.0% 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, 1992: Teachers' and State Employees' - \$30.3 million annually from the General Fund and \$2.7 million annually from the Highway Fund; Consolidated Judicial - \$236,000 annually.

- (2) Cost-of-Living Adjustment in Retirement Allowances for Retired Local Government Employees: Effective July 1, 1994, the General Assembly provided a 2.8% increase in the retirement allowances paid to beneficiaries of the Local Governmental Employees' Retirement System whose retirement began on or before July 1, 1993. In addition, beneficiaries who retired after July 1, 1993 and before June 30, 1994 were authorized an increase in their retirement allowances on July 1, 1994 equal to a pro-rated amount of the 2.8% increase provided to those who retired on or before July 1, 1993. 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 1993-94. The General Assembly funded the increase with unencumbered actuarial gains within the Local System, as of December 31, 1992. The increase cost some \$3.9 million annually from local funds.
- (3) Cost-of-Living Adjustment in Retirement Allowances for Retired Legislators: Effective July 1, 1994, the General Assembly provided a 3.5% increase in the retirement allowances paid to beneficiaries of the Legislative Retirement System retired on or before January 1, 1994, comparable to the same type of increases granted to retired beneficiaries of the Teachers' and State Employees' Retirement System. In addition, beneficiaries who retired after January 1, 1994 and before June 30, 1994 were authorized an increase in their retirement allowances on July 1, 1994, equal to a pro-rated amount of the 3.5% increase provided to those who retired on or before January 1, 1994. The increase was granted at an annual cost of \$62,000 from the General Fund.
- (4) Additional Increase in Retirement Allowances for Retired Teachers and State Employees Corresponding to an Increase in the Benefit Accrual Rate: Effective July 1, 1994, retired beneficiaries of the Teachers' and State Employees' Retirement System whose allowances were computed on a benefit accrual rate of less than 1.73% of average final compensation per year of service will have their retirement allowances increased by 1.2% to reflect the increase in the benefit accrual rate for currently-employed employees to 1.73% which was authorized by the 1994 General Assembly, also effective July 1, 1994.

RETIREMENT AND PENSION CHANGES FOR STATE AND LOCAL PERSONNEL

(1994 Actions, Continued)

This additional retirement allowance increase was funded out of unencumbered actuarial gains available to the Retirement System as of December 31, 1992, at an annual cost of \$10.6 million from the General Fund and \$940,000 from the Highway Fund.

- (5) Additional Increase in Retirement Allowances for Retired Local Employees Corresponding to an Increase in the Benefit Accrual Rate: Effective July 1, 1994, retired beneficiaries of the Local Governmental Employees' Retirement System whose allowances were computed on a benefit accrual rate of less than 1.71% of average final compensation per year of service, will have their retirement allowances increased by 0.6% to reflect the increase in the benefit accrual rate for currently-employed employees to 1.71% which was authorized by the 1994 General Assembly, also effective July 1, 1994. This additional retirement allowance increase was funded out of unencumbered actuarial gains available to the Retirement System as of December 31, 1992, at an annual cost of \$864,000 from local funds.
- (6) Reemployed Retiree Earnings Increased: The 1994 Session of the General Assembly, effective January 1, 1995, changed the amounts that a reemployed retiree can earn without affecting the monthly retirement benefit. This change allows retired employees to return to service on a part-time, temporary, interim or on a fee-for-service basis and earn up to 50% of the salary the employee was earning prior to retirement or \$20,000 whichever is greater, during any calendar year, before any retirement benefits are affected. The 50% of salary or the \$20,000 earnings test will be indexed each year by the annual increase in the Consumer Price Index. The retirement benefit will be suspended for the remainder of the calendar year beginning the first of the month following the month in which the reemployment earnings exceed the allowable limits.
- (7) Refund of Retired State and Local Government Agricultural Extension Agent Retirement Contributions in Excess of Social Security Contributions: The 1994 Session of the General Assembly removed the deadline for receiving a refund of excess retirement contributions made by employees of the Agricultural Extension Service in the Teachers' and State Employees' Retirement System and by employees of the Agricultural Extension Service 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 salaries more to the Retirement Systems than did other System employees who were covered by Social Security. However, after the defined benefit structure of the Retirement Systems was enacted, the affected employees received no greater benefits for their additional contributions. A refund of these excess member contributions was first authorized by the 1988 Session and extended to June 30, 1994 by the 1989 Session.

STATE EMPLOYEE HEALTH BENEFIT CHANGES

1993 ACTIONS

STATUTORY AUTHORITY: General Statutes, Chapter 135, Article 3

- A. Plan Financing: Based upon the financial projections of the Teachers' and State Employees' Comprehensive Major Medical Plan that the basic self-insured program of benefits would have cash balances of over \$192 million beginning fiscal year 1993-94, over \$210 million beginning fiscal year 1994-95, and almost \$135 million beginning fiscal year 1995-96, no additional funding was provided to the Plan for the 1993-95 biennium. The Plan's Executive Administrator attributed the Plan's favorable financial experience to: (1) a higher than necessary claims projection by the Plan's former consulting acturaries, William M. Mercer, Inc., whose contract with the Plan terminated September 30, 1993; (2) Plan benefit changes enacted by the 1991 Session of the General Assembly had a greater impact on claim costs than was projected; and (3) the general downturn in economic conditions, coupled with no employee pay increases for 1991 and very limited pay increases for state employees in 1992, had a dampening effect on the utilization of medical services.

Consequently, the basic self-insured program of health benefits that covers more than 85% of the Plan's total participants is not projected to have a premium increase any time before October, 1995. Not since October, 1991, will the basic self-insured program experience a premium increase based upon the Plan's projections. However, for the some 15% of the Plan's participants who have alternative prepaid HMO health benefit coverage, premium amounts paid by employees and retired employees are expected to increase, effective October 1, 1993, 10%-40% for those enrolled by Kaiser Permanente, 14%-72% for those enrolled by PruCare of Charlotte, 15%-91% for those enrolled by Partners National Health Plan; 4%-25% for those enrolled by Physicians Health Plan; 2%-6% for those enrolled by Carolina Physicians Health Plan; and 6%-29% for those enrolled by Maxicare. The premium increases by HMOs are in addition to the some \$1.7 million subsidy to HMOs by participants enrolled in the basic self-insured program because of HMOs' "enrollment of younger, better-risk members" as reported by the Plan's Executive Administrator. Furthermore, some of the HMOs are expected to reduce benefits, effective October 1, 1993, by increasing member copayments, by adding member copayments, and by reducing the number of covered visits.

- B. Basic Plan Changes:

- (1) **Non-Contributory Premiums for UNC Public School Principal Fellow Leaves:** Effective July 1, 1993, the 1993 Session of the General Assembly directed that employees on official leaves of absence while completing a full-time program of public school administration be allowed to continue their health benefits on a non-contributory rather than a contributory basis. Such programs involve the Principal Fellows Program, a two-year scholarship loan program administered in conjunction with the University of North Carolina's State Educational Assistance Authority. Up to 50 scholarship loans may be first granted for 1994-95.

STATE EMPLOYEE HEALTH BENEFIT CHANGES (1993 Actions, Continued)

- (2) **Direct Benefit Payments to State, County, and Municipal Agencies Providing Services:** The 1993 Session of the General Assembly directed the Plan to make its benefit payments directly to state, county, or municipal agencies providing health care services covered by the Plan on and after October 1, 1993.
- (3) **Uniform Provider Claim Forms:** Effective January 1, 1994, the Plan will be required to use uniform claim forms or formats developed by the Department of Insurance for all claims submitted by health care providers whose services are covered by the Plan. In addition, all denied claims for provider services require written notification of such denial to both the provider of the services and the Plan members for whom the services were rendered.
- (4) **Services by Allied Mental Health Professionals Employed by Any Licensed Physician Covered:** Effective January 1, 1993, the 1993 Session of the General Assembly covered the mental health services of psychiatric nurses, social workers, and masters-degree psychological associates under the direct employment and supervision of any licensed physician or certified doctor of psychology. Prior to this change, such allied mental health services were covered by the Plan only when the professionals were in the direct employment of a licensed psychiatrist or certified doctor of psychology.
- (5) **Direct Benefit Payments to Psychiatric Nurses and Certified Clinical Social Workers Providing Services:** The 1993 Session of the General Assembly directed the Plan to reimburse certified clinical social workers and psychiatric nurses for covered mental health and chemical dependency services without requiring such professionals to be under the direct employment and supervision of a licensed physician or doctor of psychology. The change was made effective October 1, 1993.
- (6) **Direct Benefit Payments to Advanced Practice Registered Nurses:** Effective October 1, 1993, licensed or certified registered nurse practitioners, nurse midwives, and psychiatric and mental health nurses were directed by the 1993 General Assembly to be reimbursed directly by the Plan for covered services without requiring certification by an attending physician, provided the service is performed within the nurse's lawful scope of practice and when the service is not performed while the nurse is a regular employee of a licensed physician, hospital, skilled nursing facility, intermediate care facility, or a home health care agency.
- (7) **Preferred Providers of Institutional and Professional Medical Care and Services Exempted from State Statutes Governing State Departments, Institutions and Commissions:** Effective July 1, 1993, the Teachers' and State Employees' Comprehensive Major Medical Plan's preferred provider contracts for institutional and professional medical care and services were exempted from the State's Executive Budget Act, Purchase and Contract laws, Public Contract laws, Tort Claims Act, Public Meeting laws, and all other provisions of Chapter 143 of the North Carolina General Statutes. However, the exemption was not made applicable to any such contract litigation or administrative proceedings in progress before July 1, 1993. In addition, all hospitals are to have an opportunity to contract with the Plan on a preferred provider basis if they meet contract requirements. The Plan was further directed to implement a diagnostic-related grouping (DRG) or a refined diagnostic-related grouping (RDRG) reimbursement system for hospitals in lieu of a hospital preferred provider network by January 1, 1995.

STATE EMPLOYEE HEALTH BENEFIT CHANGES

1994 ACTIONS

- A. Plan Financing: Since the 1991 Session of the General Assembly, the self-insured indemnity program of the Plan (i.e., \$250 annual deductible, 20% coinsurance up to \$1,000 annually, etc. paid by Plan members) has not had to have a premium increase, either for employees, retirees or their dependents, and has not had any reduction in benefits. The maintenance of premium rates and benefits over this three-year period has been the direct result of excellent claims experience, especially on behalf of employees. Beginning reserves for the Plan's self-insured indemnity program for the past few years have been \$42.7 million for 1991-92, \$95.7 million for 1992-93, and \$193.2 million for 1993-94. In addition, the Plan's current claims experience indicates that the status-quo can be sustained well into the 1995-97 biennium without further benefit erosion as confirmed by the Plan's Executive Administrator. Beginning reserves for the indemnity program are currently expected to be \$287.1 million for 1994-95, \$312.2 million for 1995-96, and \$232.7 million for 1996-97. Consequently, the 1994 Session of the General Assembly directed the Board of Trustees of the Plan to recommend benefit enhancements for the self-insured indemnity program, including a wellness component, to the General Assembly by March 1, 1995.

CAPITAL IMPROVEMENTS

**CAPITAL IMPROVEMENTS
(Excluding Bonds)**

		1993-94 (1993 SESSION)				
		General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
ADMINISTRATION						
1.	Old Education and Revenue Buildings- Planning Reserve for Repairs/ Renovations	\$1,000,000				Ch. 561
2.	State Veterans' Cemetery - Fort Bragg	468,400		751,100		Ch. 561
3.	State Share - Reserve for Veterans' Home	3,000,000				Ch. 561
4.	GPAC Prison Facility Consolidation - Planning and Design	2,000,000				Ch. 561
5.	Western Government Center - Planning and Design	1,000,000				Ch. 561
6.	Indian Cultural Center - Purchase of Land/ Redesign of Center for site specific	750,00				Ch. 561
7.	Government Mall Complex Supplement	150,000				Ch. 561
8.	Public Telecommunications - Upgrade Satellite System	314,000				Ch. 561
TOTAL		8,682,400	—	751,100	—	
AGRICULTURE						
1.	Medical Waste Incinerators - Animal Labs	712,900				Ch. 561
2.	Pesticide Storage Buildings - Research Stations and Farms	399,200				Ch. 561
3.	Shop and Equipment Storage Facility - Upper Mountain Research Station	-			323,300	Ch. 561

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
AGRICULTURE (Continued)					
4. Dairy Milking Parlor - Umstead Research Station	-			\$213,000	Ch. 561
5. Shop/Storage - Horticultural Crops Research Station	-			168,900	Ch. 561
6. Western Agricultural Center - Covered Show Ring/ Parking Area/ Construction of Restrooms and Showers and Development of N. C. Mountain Fair	\$2,580,000				Ch. 561
7. Tidewater Research Station - Greenhouse and Headhouse Construction	500,000				Ch. 561
8. Southeastern Farmers' Market and Agricultural Center - Development	2,500,000				Ch. 561
9. Western Farmers' Market Truck Shed, Wholesale Buildings and WNCDA Office on State Property Site Development	697,415				Ch. 561
10. Triad Farmers Market - Development	4,400,000				Ch. 561
11. Eastern N. C. Agricultural Center Development	3,400,000				Ch. 561
12. Livestock Facility Planning	50,000				Ch. 561
TOTAL	15,239,515	-	-	705,200	
COMMUNITY COLLEGES					
1. Regional Truck Driver Training Facility	50,000				Ch. 561
TOTAL	50,000	-	-	-	
CORRECTION					
1. Odom Correctional Center - Dayrooms	381,500				Ch. 561
2. Water/Wastewater Improvements	1,000,000				Ch. 561
TOTAL	1,381,500	-	-	-	

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
CRIME CONTROL AND PUBLIC SAFETY					
1. National Guard Armory Replacement - Kinston	\$524,700		\$2,848,300	\$524,700	Ch. 561
2. National Guard - Aerial Reserve Equipment for Emergency Support Missions	275,000				Ch. 561
3. National Guard - Underground Storage Tanks Removal	71,400				Ch. 561
4. Highway Patrol - Replacement of Underground Storage Tanks		350,000			Ch. 561
TOTAL	871,100	350,000	2,848,300	524,700	
CULTURAL RESOURCES					
1. Museum of History - Core Exhibition Design and Construction	5,424,100				Ch. 561
2. Museum of the Albemarle - Complete Design	1,000,000				Ch. 561
3. State Historic Sites:					
a) Somerset Place, Washington County Development	300,000				Ch. 561
b) Elizabeth II - Master Plan Implementation Design	250,000				Ch. 561
TOTAL	6,974,100	—	—	—	
ENVIRONMENT, HEALTH, AND NATURAL RESOURCES					
1. State Parks - Reserve for Construction Projects for Health, Safety, Access Improvements and Land Acquisition	2,100,000				Ch. 561
2. Small Watershed Grants	1,180,000				Ch. 561
3. Solid Waste Grants	500,000				Ch. 561

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
ENVIRONMENT, HEALTH AND NATURAL RESOURCES (Continued)					
4. Forestry - District and County Headquarters Buildings/Equipment Sheds (Scotland, Henderson, Mitchell, Graham, Wayne, Davidson and Fayetteville)	\$1,448,100				Ch. 561
5. Water Resources (Civil Works) - Reserve for Planning, Construction Projects, Operations and Maintenance Projects and Feasibility Studies	7,908,000				Ch. 561
6. Geological Survey Repository - Core Sample Storage Addition	434,600				Ch. 561
7. Partnership for the Sounds	846,000				Ch. 561
8. Aquariums Expansion - Planning	250,000				Ch. 561
TOTAL	14,666,700	—	—	—	
HUMAN RESOURCES					
1. Reserve - Life Safety/Certification Improvements	1,000,000				Ch. 561
2. Dix Hospital - Male Wing Completion	1,457,300				Ch. 561
3. Eastern N. C. School for Deaf - Student Activity/Recreation Complex-Design	250,000				Ch. 561
4. Umstead Hospital: Sewer Plant Upgrade Design	250,000				Ch. 561
TOTAL	2,957,300	—	—	—	
JUSTICE					
1. Justice Academy - B Dorm Repairs and Equipment				321,800	Ch. 561
2. SBI Lab - New Construction	18,600,000				Ch. 561
TOTAL	18,600,000	—	—	321,800	

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
STATE BUDGET AND MANAGEMENT					
1. Planning Funds - Replacement of Morehead Trestle (N. C. Ports Railway Commission)	\$250,000				Ch. 561
2. State Telecommunications System Network Development	4,100,000				Ch. 561
TOTAL	4,350,000	—	—	—	
TRANSPORTATION					
1. Upgrade Facilities to meet ADA standards		1,678,600			Ch. 561
2. Highway Building, Raleigh					
a) Replace two elevators		350,500			Ch. 561
b) Renovations		400,000			Ch. 561
3. Acquire 20 acres of land in Garner for DOT Warehouse		250,000			Ch. 561
4. Division of Highways:					
a) Statewide - Replace roofs		391,000			Ch. 561
b) Town of Union - Construct Traffic Control Facility		818,000			Ch. 561
c) Sylva - Design Roadside Environmental Facility		31,000			Ch. 561
d) Sandy Ridge - Construct Equipment Shop		717,000			Ch. 561
e) Nashville - Construct Maintenance Facility		546,000		222,000	Ch. 561
f) Creswell - Construct Equipment Repair Shop		739,000			Ch. 561
g) Spindale - Construct Equipment Shop		747,000			Ch. 561
5. Division of Motor Vehicles					
a) Statewide - Replace roofs		76,100			Ch. 561
b) Resurface Parking Lots at 6 locations		120,900			Ch. 561

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
TRANSPORTATION (Continued)					
Division of Motor Vehicles (Continued)					
c) Renovate DMV Offices:					
(1) Durham		\$197,000			Ch. 561
(2) Salisbury		197,000			Ch. 561
(3) Raleigh		1,677,000			Ch. 561
TOTAL	—	8,936,100	—	222,000	

UNIVERSITY - BOARD OF GOVERNORS

1. North Carolina State University					
a) Centennial Center State Match	5,000,000				Ch. 561
b) Renovations and Equipment for Dearstyne and Ricks Hall	200,000				Ch. 561
c) Additional Parking for the Engineering Graduate Research Center				1,746,300	Ch. 451
d) Residence Halls Bathroom Renovations				1,782,400	Ch. 451
e) Barrier Removal Projects				3,000,000	Ch. 451
f) Acquisition, Renovation, and Re-furbishment of the Mission Valley Inn for Student Housing and Office Space				15,000,000	Ch. 451
g) Agricultural Program - Horticultural Crops Research Station at Fletcher	258,000				Ch. 561
2. University of North Carolina at Chapel Hill					
a) Renovations to Terrell Building	400,000				Ch. 561
b) Modernization of Laboratories, Institute of Marine Sciences				2,232,100	Ch. 451
c) New Radio station for WUNC-FM				1,366,300	Ch. 451

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
UNIVERSITY - BOARD OF GOVERNORS (Continued)					
3. School of the Arts					
a) Education Building for Film School	\$7,900,000				Ch. 561
4. University of North Carolina at Asheville					
a) Land Purchase	2,000,000				Ch. 561
University of North Carolina at Greensboro					
a) Student Housing, Phase II				\$9,058,300	Ch. 451
b) Residence Halls Renovations				2,013,100	Ch. 451
c) McIver Street Parking Deck				5,708,600	Ch. 451
5. North Carolina Arboretum					
a) Development	2,000,000				Ch. 561
6. North Carolina Central University					
a) Biology and Biomedical Center	4,200,000				Ch. 561
7. University of North Carolina - Public Television					
a) Tower, Stokes County	1,006,175				Ch. 561
8. East Carolina University					
a) Renovation of Minges Coliseum	2,500,000			9,227,600	Ch. 561/ 451
b) Fiber Optic Network - East Campus				13,109,300	Ch. 451
9. North Carolina Agricultural and Technical State University					
a) Manufacturing and Education Center	3,500,000				Ch. 561
(b) Fitness and Wellness Center				5,269,600	Ch. 451
10. Winston-Salem State University					
a) Research Parks	3,026,000				Ch. 561
11. Appalachian State University					
a) Concrete Repairs in Brewer Stadium				1,227,900	Ch. 451
b) Renovation and Refurbishment of Cafeteria in Welborn Hall				2,926,900	Ch. 451

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
UNIVERSITY — BOARD OF GOVERNORS (Continued)					
12. University Hospitals at Chapel Hill					
a) Women's Hospital, Children's Hospital and Support Space Advance Planning and Design				\$5,758,066	Ch. 451
13. Board of Governors					
a) Advance Planning	\$3,250,000				Ch. 561
TOTAL	35,240,175	—	—	79,426,466	
TOTAL - DIRECT APPROPRIATIONS	\$109,012,790	\$9,286,100	\$3,599,400	\$81,200,166	
REPAIRS AND RENOVATIONS RESERVE					
1. Office of State Budget and Management	25,650,000	—	—	—	
2. Board of Governors	31,350,000	—	—	—	
GRAND TOTAL	\$166,012,790	\$9,286,100	\$3,599,400	\$81,200,166	

.....

SENATE BILL 26**ADMINISTRATION**

Section 31 **State Veterans Home** — (a) States intent that no State funds will be appropriated to support operating cost of facility;
(b) States intent that no additional State funds will be appropriated for construction of this facility which must have at
least 150 beds capacity.

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

- Section 33** **Indian Cultural Center** — Allows use of up to \$50,000 by the North Carolina Indian Cultural Center, Inc. for administrative and operating expenses. Balance of funds are to be used for land purchase, an environmental study and design if necessary.
- Section 34** **Old Education and Old Revenue Buildings Renovation Report** — Requires Office of State Construction to report to the Joint Legislative Commission on Governmental Operations by October 1, 1993, the extent to which renovations are necessary for occupancy.

CULTURAL RESOURCES

- Section 35** **Museum of the Albemarle** — Allows use of funds for land purchase in downtown Elizabeth City if necessary, for facility location and for design and construction.
- Section 38** **Somerset Place Funds/Memorial** — Requires \$2,000 be allocated to provide an appropriate memorial at site.

ENVIRONMENT, HEALTH, AND NATURAL RESOURCES

- Section 23** **Local Water/Sewer Funds** — Allows transfer, not to exceed \$6,800,000, from the 1993-94 appropriation for Local Government Shared Revenue to the Clean Water Revolving Loan and Grant Fund for the purpose of matching federal funds if the "Education, Clean Water and Parks Bond Act" is not approved by the majority of qualified voters during November, 1993.
- Section 107** **Water Resources Development Project Funds** — Identifies civil works projects and their anticipated costs as follows: (1) Wilmington Harbor Deepening study, \$612,000; (2) Morehead City Harbor Deepening, \$3,825,000; (3) Jordan Lake Water Supply Repayment, \$130,000; (4) Wilmington Harbor Ocean Bar Deepening, \$1,016,000; (5) Aquatic Plant Control, \$150,000; (6) Wrightsville Beach Renourishment, \$400,000; (7) Wanchese Channel Maintenance, \$280,000; (8) State-Local Projects, \$300,000; (9) North Channel Maintenance Dredging, \$523,000; (10) Hamlet City Lake, \$377,000; (11) Cape Fear Above Wilmington Channel Maintenance, \$100,000; (12) Wilmington Harbor 25-Foot Project, \$125,000; and, (13) Dare County Beaches, \$70,000. Watershed projects are identified as follows: (1) Limestone Creek, Duplin County, \$180,000; (2) Deep Creek, Yadkin County, \$250,000; (3) Town Fork, Stokes County, \$400,000; and, (4) Meadow Branch, Robeson County, \$350,000. If projects identified are delayed or cost less than shown, the

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

Section 107 (Continued)

Department may use funds for feasibility studies, other projects whose schedules have advanced, or state-local projects. Requires quarterly report on projects' status beginning October 1, 1993 to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division and the Office of State Budget and Management.

Section 110 Partnership for the Sounds — Requires funds be used to provide architectural, engineering and development services for the design and construction of the Estuarine Educational Center in Beaufort county, the Lake Mattamuskeet Lodge in Hyde County, and the Walter B. Jones Center for the Sounds in Tyrrell County. Allows the use of up to \$60,000 for contracted personal services.

Section 112 Parks Capital Improvements — Limits land purchases to inholdings, corridor linkages and critical areas within the existing boundaries or buffer area. Prior to obligating or expending any funds, the Department must report on the proposed use to Joint Legislative Commission on Governmental Operations and to the Office of State Budget and Management.

Section 113 State Parks — Allows Department to use up to \$50,000 for operating expenses associated with the acquisition of land.

Section 114 Forestry Headquarters — Directs funds be used to replace District 6 Headquarters in Fayetteville and for county headquarters in Davidson, Graham, Henderson, Mitchell, Scotland, and Wayne Counties. Allows Graham County project to use force account construction. Funds remaining after these projects are completed may be used for repairs or replacement of facilities in other counties.

Section 115 Fire Tower Transfer — Allows transfer of the East Robeson Fire Tower and the land on which the tower is located to the East Howellsville Volunteer Fire Department, Inc.

STATE BUDGET AND MANAGEMENT

Section 68 Planning Funds for Replacement Trestle — Requires use of funds to plan for the replacement of the wooden trestle over the Newport River on the Beaufort and Morehead Railroad with a modern concrete trestle. Requires the Attorney General and the Department of Transportation to identify legal issues related to this project with report to the Joint Legislative Commission on Governmental Operations to be made by March 1, 1994 on options available to resolve those issues.

CAPITAL IMPROVEMENTS (1993 Actions, Continued)

UNIVERSITY — BOARD OF GOVERNORS

- Section 48** **UNC (Asheville Land Funds)** — Requires \$2,000,000 be used for purchase of additional property at this facility to allow for future campus growth.
- Section 49** **North Carolina Agricultural and Technical State University Applied manufacturing Facility** — Requires that facility be owned and controlled by said institution. The Board of Governors must develop a detailed plan for the facility and present this plan to the Joint Legislative Commission on Governmental Operations prior to the expenditure of the appropriation.

REPAIRS AND RENOVATION RESERVE

- Section 22** **Expenditure of Funds from Reserve for Repairs and Renovations** — Allocates 55% of the Reserve funds to the Board of Governors of the University of North Carolina and the remaining 45% to the Office of State Budget and Management. Allows the Board of Governors to allocate funds for facilities not supported from the General Fund upon determining that sufficient funds are not available from other sources thereby warranting General Fund assistance. Requires both the Board of Governors and the Office of State Budget and Management to report proposed allocations and any changes thereto to the Joint Legislative Commission on Governmental Operations and to Fiscal Research Division.
- Section 22.1** **Renovation of Butler Hall at Elizabeth City State University** — Directs the Board of Governors to allocate \$2,006,175 from the Repairs/Renovation Reserve for this project.
- Section 75** **Repair and Renovation Funds** — Rewrites Section 170 of Chapter 321 of the 1993 Session Laws to direct that Office of State Budget and Management allocate up to \$5,000,000 for repairs and renovations of correctional facilities. Requires a verifiable ten percent goal for participation by minority and women contractors in these projects. Report on the latter required quarterly to the Joint Legislative Commission on Governmental Operations. Also requires the Office of State Budget and Management to transfer \$412,000 to the Department of Correction for repairs and renovations to the Black Mountain Women's Correctional Center.
- Section 93.1** **Governor Morehead School Funds** — Requires the Office of State Budget and management to transfer \$2,700,000 from the Reserve for Repairs and Renovations to the Department of Human Resources for improvements at the Governor Morehead School.

CAPITAL IMPROVEMENTS (Continued)

1994 SPECIAL SESSION

	General Fund 1993-94	General Fund 1994-95	Authority
DEPARTMENT OF ADMINISTRATION			
1. Construct 208 additional beds at Piedmont, Lumberton, Pender, Wayne, and Brown Creek for a total of 1,040 additional prison beds	\$21,483,914	\$—	Chapter 24
2. Construct Eastern Processing Center. Due to subsurface soil conditions and wetlands that were unknown at time of original project cost estimate, may need up to \$3.0 million more to complete site development for this unit	—	21,006,000	Chapter 24
3. Construct an addition at Marion Close Custody Unit	—	5,358,900	Chapter 24
4. Consolidation of five prison units (GPAC Recommendations)	—	10,260,500	Chapter 24
5. Construction costs of a new Drug and Alcohol Recovery Treatment (DART) Center	1,425,000	—	Chapter 24
6. To construct new 90-bed boot camp facility for youthful offenders	1,100,000	—	Chapter 24
Subtotal — Department of Administration	24,008,914	36,625,400	
DEPARTMENT OF HUMAN RESOURCES			
1. To support construction of two additional Wilderness Camps	750,000	—	Chapter 24
2. Reserve for construction of one 24-bed Detention Center	1,600,000	—	Chapter 24
Subtotal — Department of Human Resources	2,350,000	—	
TOTAL CAPITAL IMPROVEMENTS SUPPLEMENTAL INCREASES	\$26,358,914	\$36,625,400	

CAPITAL IMPROVEMENTS (Continued)

.....
1994 ACTIONS

1994-95 (1994 SESSION)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
TOTAL CAPITAL IMPROVEMENTS — SPECIAL SESSION	\$36,625,400				
GENERAL ASSEMBLY					
1. Complete Renovation of HVAC System	6,200,000				Ch. 769
TOTAL	\$6,200,000				
DEPARTMENT OF ADMINISTRATION					
1. Reserve for Repairs/Renovation of the Old Education and Revenue Buildings	20,000,000				Ch. 769
2. Natural Science Museum and Wet Lab Collection	30,934,500				Ch. 769
3. State Government Visitors Center - Planning	430,000				Ch. 769
TOTAL	\$51,364,500				

CAPITAL IMPROVEMENTS (1994 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
DEPARTMENT OF CULTURAL RESOURCES					
1. Fort Fisher State Historic Site Erosion Control Measures	\$4,170,000		\$4,170,000		Ch. 769
2. Elizabeth II State Historic Site	5,000,000				Ch. 769
3. Spencer Shops (SB 1425)	300,000				Ch. 769
4. Museum of the Cape Fear — Branch of the State Museum of History	250,000				Ch. 769
5. Art Museum Amphitheater Supplement				200,000	Ch. 769 Sec. 36.3
TOTAL	\$9,720,000		\$4,170,000	\$200,000	
STATE BUDGET					
1. Reserve for Prison Chapels	250,000				Ch. 769
TOTAL	\$250,000				
DEPARTMENT OF AGRICULTURE					
1. Dairy Milking Parlor — Umstead Research Station — Supplement				387,000	Ch. 769
2. Southeastern Farmer's Market and Equestrian Agricultural Center — Development/Construction (SB 1405/HB 1602)	3,600,000				Ch. 769
3. Western North Carolina — Agricultural Facilities (HB 1788 and HB 1785)	1,900,000				Ch. 769
4. Tidewater Research and Extension Center - Phase II	283,600				Ch. 769

CAPITAL IMPROVEMENTS (1994 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
DEPARTMENT OF AGRICULTURE (Continued)					
5. Eastern North Carolina Agricultural Center - Phase I Completion	\$3,600,000				Ch. 769
6. Cattle and Livestock Exposition Center — (Planning only)	737,350				Ch. 769
TOTAL	\$10,120,950			\$387,000	
DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES					
1. Water Resources (Civil Works) Development Projects	2,750,000				Ch. 769
2. Wilmington Harbor Ocean Bar Deepening	10,906,000				Ch. 769
3. Falls Lake Recreation/Jordan Water Supply - Repayment	9,527,000				Ch. 769
4. North Carolina Aquariums — Planning	950,000				Ch. 769
5. Bulkhead Project — Town of Oriental (SB 1556)	91,000				Ch. 769
TOTAL	\$24,224,000				
UNIVERSITY — BOARD OF GOVERNORS					
1. N.C. State University — Agricultural Extension					
(a) 4-H Camp Programs — Mandated safety, health and fire compliance and accessibility requirements HB 1562)	2,000,000				Ch. 769
(b) Construction of 4-H Youth Development Center in northeastern North Carolina (SB 1353)	500,000				Ch. 769

CAPITAL IMPROVEMENTS (1994 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
UNIVERSITY — BOARD OF GOVERNORS (Continued)					
2. N.C. State University —					
(a) Centennial Center (SB 1454)	\$6,500,000				Ch. 769
(b) Partners Building				\$9,658,000	Ch. 665
(c) Research IV Building				8,945,000	Ch. 665
3. UNC-Chapel Hill —					
(a) Planning funds for Law School (SB 1474)	1,000,000				Ch. 769
(b) Institute of Government — Renovation Planning	700,000				Ch. 769
(c) Renovate Hill Hall	850,000				Ch. 769
(d) School Leadership Academy Facility — Planning (SB 1426)	100,000				Ch. 769
(e) The Sonja Haynes Stone Black Cultural Center				7,505,500	Ch. 665
(f) Carolina Inn Addition and Renovations				13,499,900	Ch. 665
(g) School of Dentistry Addition Supplement				8,430,500	Ch. 665
(h) Lineberger Cancer Research Addition Supplement				8,000,000	Ch. 665
(i) School of Business Administration				14,653,600	Ch. 665
4. UNC Hospitals at Chapel Hill — Children's Hospital, Women's Hospital, and Support Space, Phase I				73,900,000	Ch. 665
5. UNC-Asheville — Kellogg Center	250,000				Ch. 769
6. UNC-Charlotte — Library Planning Funds	900,000				Ch. 769
7. UNC-Greensboro — University Center	5,000,000				Ch. 769
8. School of the Arts — Student Activities Center	2,250,000				Ch. 769
9. NC A&T — Land Acquisition	1,000,000				Ch. 769
10. NC Central —					
(a) Biotechnology Building	8,000,000				Ch. 769
(b) Chidley Hall Complex Supplement				4,690,200	Ch. 769

CAPITAL IMPROVEMENTS (1994 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
UNIVERSITY — BOARD OF GOVERNORS (Continued)					
11. Pembroke — Sampson Hall/Business Building Renovations	\$800,000				Ch. 769
12. UNC-Wilmington — Marine Sciences Building Planning Supplement	1,100,000				Ch. 769
13. Appalachian State — Convocation Center — Planning/Design/Site Preparation	9,750,000				Ch. 769
14. East Carolina University —					
(a) School of Medicine — Life Sciences Building (SB 1597)	4,850,000				Ch. 769
(b) Medical School:					
1. Construction of Medical Waste Incinerator				2,300,000	Ch. 769 Sec. 37
2. Linear Accelerator				1,574,000	Ch. 769 Sec. 37
3. Clinic Renovations				1,180,665	Ch. 769 Sec. 37
15. Winston-Salem State University —					
(a) Land Acquisition	1,000,000				Ch. 769
(b) Student Services/Cafeteria/ Student Union Complex Supplement				6,378,350	Ch. 665
16. Fayetteville State University —					
(a) Fine Arts Building Planning (SB 1477)	750,000				Ch. 769
TOTAL	\$47,300,000			\$160,715,715	

CAPITAL IMPROVEMENTS (1994 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
DEPARTMENT OF COMMUNITY COLLEGES					
1. Center for Applied Textile Technology — Renovations (\$122,500), Parking and Site Improvements (\$177,500) (SB 1375)	\$300,000				Ch. 769
TOTAL	\$300,000				
DEPARTMENT OF HUMAN RESOURCES					
1. Detention Center - Capital needs	205,000				Ch. 769
2. Activity/Recreation Complex at the Eastern N.C. School for Deaf	3,019,100				Ch. 769
TOTAL	\$3,224,100				
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY					
1. Beulaville Armory — Renovations (SB 1429)	50,000				Ch. 769
2. Warsaw Armory — Renovations (SB 1402)	12,500				Ch. 769
3. Highway Patrol — Removal of leaking underground storage tanks.		500,000			Ch. 769
TOTAL	\$62,500	\$500,000			

CAPITAL IMPROVEMENTS (1994 Actions, Continued)

	General Fund	Highway Fund	Federal Funds	Local/ Other	Authority
DEPARTMENT OF TRANSPORTATION					
1. Reserve for repairs and renovations.		\$2,500,000			Ch. 769
TOTAL		<u>\$2,500,000</u>	<u></u>	<u></u>	
TOTAL —DIRECT APPROPRIATIONS	\$189,391,450	\$3,000,000	\$4,170,000	\$161,302,715	
 REPAIRS AND RENOVATIONS RESERVE					
1. Office of State Budget and Management	27,000,000				
2. Board of Governors	33,000,000				
 GRAND TOTAL	 \$249,391,450	 \$3,000,000	 \$4,170,000	 \$161,302,715	

CAPITAL IMPROVEMENTS (1994 Actions, Continued)

.....

SENATE BILL 1505

ADMINISTRATION

- Section 11.4** **State Veterans Home** — Restates a previous provision declaring the intent of the General Assembly that the State Veterans Home be self-supporting from fees, charges, and reimbursement.
- Section 11.5** **Renovations of the Old Revenue and Old Education Buildings** — Requires that renovations be managed so as to facilitate early occupancy.
- Section 11.7** **Upgrade Satellite and Microwave Uplink** — Allows the Department of Administration to carry forward previously appropriated funds and reallocates for upgrading communication systems.

CULTURAL RESOURCES

- Section 12** **Cultural Resources Funds Reallocation** — Reallocates \$700,000 of the 1993-94 appropriation for the Museum of History - Core Exhibition Design and Construction for the following purposes: \$300,000 for the Museum of the Cape Fear; \$50,000 for the Thomas Day House; \$50,000 for the Newbold White House; \$50,000 for the Albemarle-Stanly County Historic Preservation Commission; \$150,000 for the Chinqua-Penn Plantation - Planning Grant; \$50,000 for the Union County Arts Council; and, \$50,000 for the Captain White House.
- Section 12.1** **Art in State Buildings/Administrative Costs** — Raises the threshold defining projects to which the 1/2% art funding set-aside applies from \$500,000 to \$1,000,000. Increases the overhead percentage going to the Department of Cultural Resources.
- Section 36.3** **Art Museum Amphitheater** — Allows increase in total scope of project to \$2.0 million from gifts and grants.

AGRICULTURE

- Section 40** **Cattle and Livestock Exposition Center** — Requires funds be used for planning of facility in Alamance County.

ENVIRONMENT, HEALTH, AND NATURAL RESOURCES

- Section 27.13** **State Parks Funds** — Allocates \$1,000,000 appropriated in operating budget to the Parks and Recreation Trust Fund established in Senate Bill 733, Chapter 772.

CAPITAL IMPROVEMENTS (1994 Actions, Continued)

Section 27.15 **Reallocation of Funds** — Reallocates prior years' appropriation from the Town Fork Flood Control and Water Supply (Stokes County) as a grant to the Pilot Mountain Foundation, Inc. Also, extends the life of other appropriations to June 30, 1997.

Section 41 **Water Resources Development Project Funds** — Allocates \$2,750,000 for various projects.

UNIVERSITY

Section 35 **Expenditure of Funds from Reserve for Repairs and Renovations** — Allocates 55% or \$33 million for repairs and renovations to General Fund supported facilities and related infrastructure in the University of North Carolina, including the North Carolina School of Science and Math. Allows use for other facilities if insufficient funds are not available from other sources and conditions warrant need. Requires report on allocations to the Joint Legislative Commission on Government Operations.

Section 37 **ECU Medical School Funds** — Allocates the use of \$5,054,665 from Medicare reimbursements to be used for three projects.

Section 37.1 **4-H Youth Development Center Funds** — Requires match on a dollar-for-dollar basis for Center.

Section 37.2 **UNC-Greensboro University Center Funds** — Allows \$3.6 million of \$5.0 million to be used for land acquisition; balance is to be used for the Spring Garden traffic and safety project.

Section 37.3 **N.C. Agricultural and Technical State University Funds** — Allows \$450,000 of the 1993-94 appropriation for the Applied Manufacturing and Education Center to be used for planning, development, and one-time initial costs of the Center. Requires report on use to the Joint Legislative Commission on Governmental Operations.

OFFICE OF STATE BUDGET AND MANAGEMENT

Section 35 **Expenditure of Funds from Reserve for Repairs and Renovations** — Allocates 45% or \$27 million for repairs and renovations of all state-facilities excepting the University of North Carolina. Requires report on proposed allocation to the Joint Legislative Commission on Governmental Operations.

Section 39 **Capital Needs for Mental Health Institutions** — Requires that needs be reviewed when Repairs/Renovations allocations are considered.

**PRISON BONDS APPROPRIATIONS
\$87.5 MILLION OF THE \$200.0 MILLION PROCEEDS
AUTHORIZED BY CHAPTER 935 OF THE 1989 SESSION LAWS**

Custodial	Level	Beds	Authorization
NEW FACILITIES			
Eastern Processing Center at Vanceboro - Planning and Design	Medium		
Hyde Correctional Center	Medium	520	
Polk Replacement	Medium	228	
East Work Facility	Minimum	500	
West Work Facility	Minimum	500	
Boot Camp - West	Minimum	90	
FACILITY EXPANSIONS			
Franklin	Medium	104	
Harnett	Medium	104	
Johnston	Medium	104	
Lumberton	Medium	104	
Morrison	Medium	208	
NCCIW	Medium	50	
Bladen	Minimum	100	
Caldwell	Minimum	50	
Carteret	Minimum	100	
Cherry	Minimum	100	
Davidson	Minimum	50	
Fountain	Minimum	100	
Greene	Minimum	50	
Pasquotank	Minimum	200	
Robeson	Minimum	50	
Rowan	Minimum	50	
Rutherford	Minimum	50	
Sanford	Minimum	50	
Umstead	Minimum	100	
Wake	Minimum	50	
Wilkes	Minimum	50	
			\$85,059,948
CONTINGENCIES			
			2,440,052
TOTAL		3,662	\$87,500,000

**EDUCATION, CLEAN WATER, AND PARKS BOND ACT OF 1993
GENERAL OBLIGATION BONDS
SUBJECT TO A VOTE OF THE PEOPLE
(SENATE BILL 14, CHAPTER 542)**

Chapter 542 of the 1993 Session Laws authorizes the issuance of bond proceeds totaling \$740 million if favorably approved by a majority of the voters in a statewide referendum to be held on the first Tuesday after the first Monday of November 1993. This act offers the State an opportunity to provide support for some state and local capital needs while favorable market conditions exist. These conditions include the lowest interest rates in two decades (5.5% now versus 13% in early 1980s) and the decline of the State's general obligation debt from \$937 million in 1983 to \$667 million today. On a per capita basis, this is the seventh lowest in the United States (fifth lowest when compared to statewide property valuation). It is anticipated that the construction activity financed by the bonds will provide a \$1.1-\$1.5 billion one-time stimulus to the economy. Roughly 12% of this activity would normally come back in the form of additional state and local revenue.

The net average annual debt service on the bonds (after \$10 million per year of loan repayments by local governments) is \$60 million. Like a fixed-rate mortgage, this requirement remains constant over the 17-year life of the bonds, while the state revenues used to pay the debt service will rise 6% per year. Thus, the \$60 million requirement is equivalent to \$35 million when adjusted for future revenue growth.

Proceeds of the issuance are to be allocated as follows:

- | | | |
|--------|--|---------------|
| (1) | Capital improvements for the constituent and affiliated institutions of the University of North Carolina or for the board of Governors of the University of North Carolina | \$310,000,000 |
| (2) | Grants to individual community colleges to finance the costs of community college capital improvements | \$250,000,000 |
| (3)(a) | State matching funds required to receive federal wastewater or water supply assistance funds and to provide additional funding for the Clean Water Revolving Loan and Grant Fund established in Chapter 159G of the General Statutes or to provide funding by grants and loans to local government units | \$45,000,000 |
| (3)(b) | Loan and grants to local government units to finance all or a portion of the cost of construction, and reconstruction of water supply systems, wastewater collection systems, wastewater treatment works, and water conservation projects | \$100,000,000 |
| (4) | Capital improvements in the form of repairs, renovations, new construction, and land acquisition (limited to 30% of the proceeds) for existing State parks and recreation areas. | \$35,000,000 |

BOARD OF GOVERNORS

Proceeds from University Improvement Bonds are to be allocated and expended for the following:

<u>Constituent or Affiliated Institution or Board of Governors Capital Improvements</u>	<u>Projected Allocation</u>
Appalachian State University	
Academic Support Services Building	\$ 8,794,900
Science/Mathematics Complex, Phase I	15,000,000
East Carolina University	
Addition to Joyner Library	28,900,000
Land	5,000,000
Elizabeth City State University	
Fine Arts and Mass Communications Building	6,432,600
Fayetteville State University	
Residence Hall Renovations	9,479,600
North Carolina A&T State University	
School of Technology Classroom/Laboratory Building	7,961,900
Renovation of Bluford Library Building	5,051,400
North Carolina Central University	
Conversion of Women's Gymnasium in Support of Academic programs	1,970,900
Chidley Hall Complex	9,018,300
North Carolina School of the Arts	
School of Filmmaking Production Facility	6,999,200
North Carolina State University at Raleigh	
Engineering Graduate Research Center	34,918,200
Agricultural Communications Building	4,484,900
Agricultural Programs - Laboratory Animal Facilities	4,484,100
Pembroke State University	
New Administrative Office Building	5,723,300
Repairs and Renovations to Business Administration Building	422,700
The University of North Carolina at Asheville	
Conference Center	3,974,400
Physical Education Building (Health Promotion)	5,475,600
The North Carolina Arboretum	2,500,000
The University of North Carolina at Chapel Hill	
New Building, School of Business Administration	13,490,900
Addition to Lineberger Cancer Research Center	8,119,900
Carolina Living and Learning Center for Autistic Adults, Phase II	1,190,400
Addition to School of Dentistry	8,887,100
Area Health Education Centers - Construction Grants	3,370,800
The University of North Carolina at Charlotte	
Classroom and Academic Support Facility	22,610,400
The University of North Carolina at Greensboro	
New Music Building	23,357,000

GENERAL OBLIGATION BONDS (Continued)

<u>Constituent or Affiliated Institution or Board of Governors Capital Improvements</u>	<u>Projected Allocation</u>
The University of North Carolina at Wilmington	
Physical Sciences Building and Renovation of DeLoach Hall	\$18,522,900
Construct West Wing of Bear Hall and Renovation West End of Bear Hall	992,050
Western Carolina University	
Completion of Belk Building and Asbestos Removal	3,280,200
Renovate Moore Hall, Phase II	2,043,900
Renovate Camp Lab School	1,896,500
Renovate Reid Gym	2,379,400
Winston-Salem State University	
Student Services/Cafeteria/Student Union Complex	6,073,350
Renovations to O'Kelly Library	1,119,500
North Carolina School of Science and Mathematics	
Educational Technologies Center and Auditorium	8,073,700
Board of Governors	
Other Critical Needs (Projects to be designated by the Board)	12,000,000
UNC Center for Public Television	
Improvements to Facilities	6,000,000
TOTAL	\$310,000,000

COMMUNITY COLLEGES

Community College Bond proceeds are to provide grants totaling \$226.1 million to units as shown below. The remaining \$23.9 million bond proceeds are to be appropriated by legislative action in 1994 or at any subsequent session based upon consideration of the recommendations of the Legislative Study Commission on Community College Capital needs in its report to be submitted to the General Assembly by April 1994.

<u>College</u>	<u>Capital Improvement</u>	<u>Projected Allocation</u>
Alamance CC	Phase III - LRC Expansion	\$3,309,855
Anson CC	Advanced Technology Center	2,998,465
Union Cty.	Advanced Technology Center	2,500,000
Asheville-Buncombe TCC	Classroom/Lab/Office Building	5,000,000
Beaufort County CC	Student Services Center	2,900,000
Bladen CC	Allied Health Care Center	1,015,472
Blue Ridge CC	Allied Health building	5,000,000
Transylvania Cty.	Classroom/Office Building	502,225
Brunswick CC	Allied Health/Classroom	4,000,000
Caldwell CC & TI	Classroom/Lab Building	6,100,000
Watauga County	Classroom/Lab Building	2,261,539

GENERAL OBLIGATION BONDS (Continued)

<u>College</u>	<u>Capital Improvement</u>	<u>Allocation</u>
Cape Fear CC	Health Sciences Building	\$7,340,485
Pender County	Classroom Building	690,212
Carteret CC	Classroom/Student	2,437,904
Catawba Valley CC	Physical Ed./Classroom Building	5,586,218
Central Carolina CC	Classroom Building	2,000,000
Chatham County	Classroom Building	2,000,000
Harnett County	Classroom Building	1,000,000
Central Piedmont CC	Science Labs Expansion	3,950,000
Cleveland CC	Advanced Technology Building	2,213,022
Coastal Carolina CC	Public Service Technology Building	3,000,000
College of the Albermarle	Classroom/Administration Building	3,215,924
Dare County	Class/Lab/Student Services Building	1,500,000
Craven CC	Academic Studies/Basic Skills Bldg.	2,790,276
Davidson County CC	Advanced Technology Building	3,875,000
Davie County	Class/Lab/Instructional Support Bldg.	1,980,000
Durham TCC	Classroom/Office Building	5,800,000
Edgecombe CC	Class/Lab Addition-Rocky Mount	1,200,000
Fayetteville TCC	Health & Science Facility	6,000,000
Forsyth TCC	Class/Lab/Admin. - East Campus	7,900,000
Gaston College	Work Force Preparedness Center	5,860,000
Gulford TCC	Applied Technology Building	7,740,000
Halifax CC	Literacy Ed/Science Building	2,008,592
Haywood CC	Classroom Building	1,100,000
Isothermal CC	Cultural Arts Center	5,444,444
Polk County	Classrooms/Labs Addition	358,686
James Sprunt CC	Multi-Purpose Center	3,708,406
Johnston CC	Allied Health Building	3,000,000
Lenoir CC	Classroom/Auditorium Building	3,326,348
Greene County	New Instructional Facility	1,500,000
Jones County	New Vocational Annex	100,000
Martin CC	Equine Arena	577,553
Bertie County	Class/Lab/Office Building	250,000
Mayland CC	Shop/Student Lecture Hall	4,037,566
McDowell TCC	Classroom Building	1,900,000
Mitchell CC	Renovate Main Building	2,200,000
Montgomery CC	LRC Building	2,592,709

GENERAL OBLIGATION BONDS (Continued)

<u>College</u>	<u>Capital Improvement</u>	<u>Allocation</u>
Nash CC	LRC/Student Center	\$4,409,179
Pamlico CC	Multi-Purpose Class/Office Building	1,164,959
Piedmont CC	Classroom/Faculty Office Building	459,815
Caswell County	Adult Learning Center	1,300,000
Pitt CC	Student Services Building	4,500,000
Randolph CC	Allied Hlth/Science & Tech Center	2,816,878
Richmond CC	Fine Arts Center/Auditorium	2,251,414
Roanoke-Chowan CC	Classroom/Student Support Center	2,549,087
Robeson CC	Teaching Theaters/Allied Hlth Classroom	1,430,228
Rockingham CC	Multi-Purpose Building	2,700,000
Rowan-Cabarrus CC	Engineering Building	4,200,000
Cabarrus County	Classroom Building	1,573,312
Sampson CC	Multi-Purpose Building	2,500,000
Sandhills CC	Cont. Ed. Center/Classrooms	4,800,000
Hoke County	Renovate Classrooms	300,000
Southeastern CC	Nursing/Allied Health Building	1,309,400
Southwestern CC	General Classroom Building	2,000,000
Macon County	Region Law Enf. Defensive Dr. Course	300,000
Swain County	Class/Lab/Office Bldg.	900,000
Stanly CC	Learning Resource Center	2,341,210
Surry CC	Health/Day Care/Library Building	4,054,417
Tri-County CC	Student Services Ctr./Classroom Bldg.	1,123,010
Graham County	Class/Lab/Student Building	480,000
Vance-Granville CC	Allied Health/Day Care/Classroom Bldg.	2,127,400
Franklin County	Class/Lab/Office Building	1,500,000
Granville County	Additional Classrooms	377,500
Warren County	Campus Renovations	212,500
Wake TCC	Student Education Building	11,000,000
Wayne CC	Student & Telecommunication Bldg.	6,328,622
Western Piedmont CC	Class/Office Bldg. (Bus. Tech.)	3,420,168
Wilkes CC	LRC-Student Development	4,700,000
Ashe County	Classroom Building	200,000
Wilson TCC	Multi-Purpose Building	1,000,000
TOTAL		\$226,100,000

GENERAL OBLIGATION BONDS (Continued)

CLEAN WATER

The proceeds of \$45 million of the Clean Water Bonds will be allocated to the Clean Water Revolving Loan and Grant Fund for revolving loans and grants to local government units for water supply systems, wastewater collection systems, and wastewater treatment works. The first priority of these funds will be to match federal wastewater or water supply assistance funds. For 1993-94, the federal match is expected to be up to \$6.8 million. The issuance of these bonds will be split over the 1993-95 biennium — \$22.5 million issued each year. The General Assembly also modified the Clean Water Revolving Loan Grant Program by allocating more money for grants. The allocation for High-Unit Cost Wastewater Grants was increased from 10% to 20% of the clean water funding, and the allocation for High-Unit Cost Water Supply Grants was increased from 3% to 5% of the clean water funding. In addition, the maximum amount for grants was increased from \$500,000 to \$1 million. This change will increase the amount of money for grants and make it more affordable for small communities to build or expand their wastewater or water supply systems. If the Clean Water Bonds are approved, up to \$11.25 million will be available for grants over the next two years.

The proceeds of \$100 million of the Clean Water Bonds will be allocated for making loans to local government units — 69% for wastewater collection systems and wastewater treatment works and 31% for water supply systems and water conservation projects. To qualify for a loan a local government unit must have a water supply plan or a wastewater facility plan. The interest rate on these loans must reflect the self-supporting nature of the loan program because the repayment of the loans will be used to pay the debt service on the bonds. Since the repayment of the loans will be used to pay the debt service on the bonds, the interest rate for this loan program will be higher than the loans made from the Clean Water Revolving Loan and Grant Program. This program will be of most benefit to medium sized communities that can afford loans but will benefit from the lower interest rates available to the State.

1994 ACTIONS

STATE PARKS

The proceeds of \$35,000,000 State Parks Bonds and notes shall be allocated and expended for paying the cost of State parks capital improvements as follows:

PARK	PROJECT	ALLOCATION
Carolina Beach State Park	Visitor Center	\$1,236,200
Cliffs of the Neuse State Park	Park Office	150,000
	Bathhouse and	
	Concessions Building	562,200
Crowders Mountain State Park	Visitor Center	1,470,600
Duke Power State Park	Community Building	332,500
Eno River State Park	Picnic Area Improvements,	
	Cole Mill Road	145,000
Fort Fisher State Recreation Area	Visitor Contact Station	329,300

GENERAL OBLIGATION BONDS (Continued)

PARK	PROJECT	ALLOCATION
Fort Macon State Park	Fort Restoration - Phase I	879,500
	Design Funds for Visitor Center	110,000
Goose Creek State Park	Visitor Center for Environmental Education	1,618,100
Hammocks Beach State Park	Maintenance Area Improvements	118,400
Hanging Rock State Park	Visitor Center	1,799,400
Jockey's Ridge State Park	Concession Building	434,900
	Visitor Center	446,200
Jones Lake State Park	Water, Electric, and Sewer Repair	146,500
Kerr Lake State Recreation Area	Development at Kerr Lake	4,000,000
Lake James State Park	Maintenance Building	156,600
Lake Waccamaw State Park	Visitor Center	1,362,800
	Weir Control Structure	15,000
Lumber River State Park	Development at Princess Ann	1,013,000
Medoc Mountain State Park	Park Office, Campground, Maintenance Buildings	1,486,700
Merchants Millpond State Park	Picnic Area	306,400
Morrow Mountain State Park	Maintenance Area Improvements	357,600
	Campground Improvements	817,489
Mount Jefferson State Park	Picnic Shelter	95,800
Mount Mitchell State Park	Handicap Access	277,100
	Capital Projects and Renovations	216,800
Pettigrew State Park	Development at Site #3	450,000
	West End Access Development	90,600
Pilot Mountain State Park	Sewer, Electric, Telephone, and Lake Study	246,800
Raven Rock State Park	Composting Toilets and Utility Repair	169,800
	Maintenance Complex	399,600
South Mountains State Park	Horse Camp Trailer Parking	163,900
	Picnic Shelters (2)	171,100
Stone Mountain State Park	Picnic Area	811,400
Waynesborough State Park	Grounds Improvements and Storage Building	95,776
Weymouth Woods State Nature Preserve	Exhibit Renovation	90,735
William B. Umstead State Park	Visitor Center	1,526,200
Statewide	Trailwork	400,000
Subtotal — Improvements		24,500,000
Bushy Lake State Natural Area	Land Acquisition	220,000
Crowders Mountain State Park	Land Acquisition	235,000
Duke Power State Park	Land Acquisition	415,000
Eno River State Park	Land Acquisition	2,350,000
Goose Creek State Park	Land Acquisition	55,000
Hammocks Beach State Park	Land Acquisition	275,000
Hanging Rock State Park	Land Acquisition	545,000
Jockey's Ridge State Park	Land Acquisition	275,000
Lake James State Park	Land Acquisition	77,000
Lumber River State Park	Land Acquisition	1,093,000
Medoc Mountain State Park	Land Acquisition	465,000

GENERAL OBLIGATION BONDS (Continued)

PARK	PROJECT	ALLOCATION
Merchants Millpond State Park	Land Acquisition	700,000
Morrow Mountain State Park	Land Acquisition	275,000
Mountain Mitchell State Park	Land Acquisition	350,000
New River State Park	Land Acquisition	550,000
Raven Rock State Park	Land Acquisition	440,000
South Mountains State Park	Land Acquisition	1,090,000
Stone Mountain State Park	Land Acquisition	<u>1,090,000</u>
Subtotal — Land Acquisition		10,500,000
GRAND TOTAL		\$35,000,000

**REVENUE/FEE
BILLS**

GENERAL FUND REVENUE BILLS

HOUSE BILL 81, CHAPTER 12

Update IRC Reference — Changes the reference date of the Internal Revenue Code used in various State tax statutes from January 1, 1992, to January 1, 1993. No major federal revenue bill was enacted in 1992, but several minor changes were made to individual and corporate income tax statutes.

EFFECTIVE DATE: Taxable years beginning on or after January 1, 1993

FISCAL IMPACT: Revenue loss to the General Fund no greater than \$100,000 annually

HOUSE BILL 654, CHAPTER 45

Expand Jobs Tax Credit — Expands the existing income tax credit for creating jobs in severely distressed counties. Also expanded from 33 to 50 counties are those counties eligible to use program income from certain federal block grants to establish revolving loan funds.

EFFECTIVE DATE: Taxable years beginning on or after January 1, 1993

FISCAL IMPACT: Revenue loss phased-in over four years because the credit is taken in four equal installments:

FY 1994-95: \$0.5 to 1 million

FY 1995-96: \$1 to 2 million

FY 1996-97: \$1.5 to 3 million

FY 1997-98 and later: \$2 to 4 million

HOUSE BILL 920, CHAPTER 85

Unemployment Insurance Tax Cut — Provides employers who have a credit balance in their unemployment insurance tax account with a 30% reduction in their contribution rate for any calendar year in which the balance in the Unemployment Insurance Fund equals or exceeds \$800,000,000 as of the preceding August 1.

EFFECTIVE DATE: April 1, 1993

FISCAL IMPACT: No impact on General Fund Revenues

HOUSE BILL 57, CHAPTER 314

Send K-1 Form to Partners — Any partnership doing business in North Carolina must furnish each partner enough information about that partner's share of partnership income or loss to enable the partner to file a North Carolina income tax return.

EFFECTIVE DATE: Taxable years beginning on or after January 1, 1993

FISCAL IMPACT: None

GENERAL FUND REVENUE BILLS (1993 Actions, Continued)

HOUSE BILL 173, CHAPTER 315

Interest Income on Tax Refunds — Modifies laws regarding when interest is payable by the state on overpayments of individual or corporate income tax. Under previous law, interest began to accrue 90 days after the date of overpayment. This bill authorizes the payment of interest beginning 45 days after the latest of the following: (1) the date the final return was filed, (2) the date the final return was due, or (3) the date the overpayment was made.

EFFECTIVE DATE: Upon ratification

FISCAL IMPACT: \$1 million annual increase in General Fund revenues

HOUSE BILL 509, CHAPTER 362

Inheritance Tax Filing Threshold — Changes state inheritance tax filing threshold from \$250,000 to \$450,000 for estates with all Class A beneficiaries, the surviving spouse, or both.

EFFECTIVE DATE: Applies to estates of decedents dying on or after July 1, 1993

FISCAL IMPACT: None

SENATE BILL 158, CHAPTER 371

Inheritance Tax Penalty Procedure — Conforms the procedure for collecting the penalty for failure to pay inheritance taxes to other major taxes by deleting language that inheritance tax penalties be recoverable by filing suit in the Wake County Superior Court.

EFFECTIVE DATE: Applies to estates of decedents dying on or after October 1, 1993

FISCAL IMPACT: Minimal increase in General Fund revenues (more penalties may be assessed)

SENATE BILL 183, CHAPTER 372

Sales Tax License Duration — Provides that a sales tax license becomes void if the retailer reports no sales for a period of 18 months.

EFFECTIVE DATE: August 1, 1993

FISCAL IMPACT: Minimal increase in General Fund revenues

HOUSE BILL 681, CHAPTER 400

Clean Air Act Implementation — Implements the requirements of the 1990 amendments to the federal Clean Air Act, repeals the expiration of a portion of the per gallon fuel tax, dedicates a portion of the proceeds of the tax to the administration of the air quality program, dedicates a portion of the proceeds of the tax to the cleanup of leaking underground petroleum storage tanks, and repeals the expiration of the Leaking Petroleum Underground Storage Tank Cleanup Act of 1988.

EFFECTIVE DATE: January 1, 1995

FISCAL IMPACT: None (reallocation of current revenues)

GENERAL FUND REVENUE BILLS (1993 Actions, Continued)

SENATE BILL 787, CHAPTER 424

ESC Tax Changes — Imposes a \$25 penalty on an employer with 250 or more employees who does not file that portion of the "Employer's Quarterly Tax and Wage Report" that contains the name, social security number, and gross wages of the employees on magnetic tapes or diskettes.

EFFECTIVE DATE: September 30, 1995

FISCAL IMPACT: No impact on General Fund revenues

HOUSE BILL 720, CHAPTER 432

Expand Child Care Credit — Increases the income tax credit on a sliding scale for child and dependent expenses for families with annual incomes below \$40,000. Previous state law allowed a flat percentage of federal employment-related expenses, 7% for dependents under 7 years old or older and 10% under the age of seven. The new percentages will range from 7% to 9% (7 years old or older) and 10% to 13% (under seven years old).

EFFECTIVE DATE: Taxable years beginning on or after January 1, 1994

FISCAL IMPACT: \$3.7 million General Fund revenue loss in FY 1994-95, \$4 million revenue loss in FY 1995-96

HOUSE BILL 843, CHAPTER 433

Tax Expenditure Report — Requires the Secretary of Revenue to include estimates of revenue loss associated with each tax expenditure listed in the biennial tax expenditure report. The Secretary is also required to provide each member of the General Assembly with a copy of this report.

EFFECTIVE DATE: Upon ratification

FISCAL IMPACT: None

SENATE BILL 1025, CHAPTER 442

No Cigarette Tax Stamps — Eliminates the use of stamps and establishes a reporting method for recording the payment of the excise tax on cigarettes; payment is made in the same manner as other tobacco products. Reports are filed monthly. The bill changes the per stamp discount and replaces it with a 4% discount of the excise tax owed the State. Creates a new general statute citation, G.S. 105-113.40A, setting forth civil, criminal, and licensing penalties for violating the tax provision.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: Increase in General Fund Revenues of \$600,000 in FY 93-94 and \$1,150,000 in FY 1994-95

GENERAL FUND REVENUE BILLS (1993 Actions, Continued)

SENATE BILL 1141, CHAPTER 443

Expand Business Tax Credit — Makes numerous changes to the tax credit for qualified business investments. The major provisions are: (1) the maximum credit for individuals is lowered from \$100,000 to \$50,000 annually, (2) partnerships now qualify for the credit with a cap on the credit of \$750,000 annually, (3) the types of businesses eligible for qualified business designation are restricted, (4) investors can now participate in a qualified business if they receive no financial compensation for services aside from reimbursement for expenses and/or participation in a stock option or bonus plan, (5) the Secretary of State is required to report annually to the Legislative Research Commission with specific wage and job creation data for each qualified business, and (6) and sunset for the entire credit goes into effect January 1, 1999.

EFFECTIVE DATE: Beginning on or after tax years beginning January 1, 1994

FISCAL IMPACT: Unknown

HOUSE BILL 174, CHAPTER 450

Electronic Funds Transfer — Authorizes the Department of Revenue to require taxpayers who owe an average of \$20,000 a month or more in certain state taxes to pay that tax by electronic funds transfer (EFT). This is a transfer of funds which is initiated through an electronic terminal, telephonic instrument, or computer and authorizes a financial institution to debit or credit a taxpayer's account.

EFFECTIVE DATE: August 1, 1993, but the earliest that electronic payments would be required is January 1, 1994

FISCAL IMPACT: Increase in General Fund revenues of \$2 million annually once program is fully implemented

SENATE BILL 659, CHAPTER 507

Conform Aircraft Sales Tax — Exempts "core charges" on aeronautic replacement parts from the definition of sales price. A similar exemption already exists for industrial, farm, automotive, and marine replacement parts.

EFFECTIVE DATE: August 1, 1993

FISCAL IMPACT: \$100,000 revenue loss to the General Fund and \$50,000 loss to local governments annually

HOUSE BILL 1359, CHAPTER 527

Historic Preservation Tax Credit — Creates a corporate and individual income tax credit equal to one-fourth of the federal income tax credit for qualifying rehabilitation expenditures. The federal credit is 20%, therefore, the state tax credit would equal 5% of qualifying rehabilitation expenditures.

EFFECTIVE DATE: Taxable years beginning on or after January 1, 1994

FISCAL IMPACT: \$500,000 to \$700,000 annually beginning in FY 1994-95

GENERAL FUND REVENUE BILLS (1993 Actions, Continued)

SENATE BILL 832, CHAPTER 532

Revenue Department Hearings/Taxpayer Rights — Makes numerous substantive changes relating to administrative review in tax disputes and other tax enforcement and administration matters.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: None

1994 ACTIONS

SENATE BILL 605, CHAPTER 739

Art in State Buildings — Exempts from State and local sales taxes works of art sold to State agencies for use in the "Artworks for State Buildings" program administered by the Arts Council in the Department of Cultural Resources.

EFFECTIVE DATE: September 1, 1994

FISCAL IMPACT : General Fund revenue loss of \$4,000 annually

SENATE BILL 716, CHAPTER 674

Cogenerating Power Tax Credit — Modifies the corporate income tax credit for construction of a cogenerating power plant by:

- (1) Providing that a partnership may qualify for the credit;
- (2) Expanding the credit to include natural gas cogenerating power plants;
- (3) Providing an alternate method to calculate the credit;
- (4) Limiting the amount of credit taken in each year to a maximum of \$5 million; and,
- (5) Restricting the credit to natural gas cogenerating power plants beginning in 1998.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: \$275,000

GENERAL FUND REVENUE BILLS (1994 Actions, Continued)

SENATE BILL 733, CHAPTER 772

Parks and Recreation Trust Fund — Establishes the Parks and Recreation Trust Fund with an initial \$1 million appropriation for FY 1994-95. Intent language dedicates an amount equal to 75% of the State's share of the deed stamp tax levied pursuant to G.S. 105-228.30 and 10% of the State's deed stamp tax transferred to the Natural Heritage Trust Fund to the Parks and Recreation Trust Fund in future years.

EFFECTIVE DATE: Upon ratification

FISCAL IMPACT: Appropriation of \$1 million (FY 1994-95)

SENATE BILL 1045, CHAPTER 584

Photovoltaic Equipment Tax Credit — Broadens existing individual and corporate income tax credits for the installation of solar equipment by increasing the amount of the credits and extends the solar equipment credits to include equipment that generates electricity.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: General Fund revenue loss of \$127,000 to \$178,000 in FY 1994-95

SENATE BILL 1377, CHAPTER 661

Tax Withholding Penalty and Information — Confirms the threshold for determining if a penalty applies to an underpayment of withheld State income taxes to that used under the Internal Revenue Code for determining if a penalty applies to an underpayment of withheld federal income taxes. Also clarifies the type of information a taxpayer must provide to the Secretary of Revenue.

EFFECTIVE DATE: January 1, 1995

FISCAL IMPACT: Unknown

SENATE BILL 1619, CHAPTER 662

IRC Update — Updates the reference to the Internal Revenue Code used in determining certain taxable income and tax exemptions. Also resolves an unintended conflict between the statute of limitations for certain tax refunds and the law allowing deductions for carrybacks, bad debts, and worthless securities.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: General Fund revenue increase of \$1.6 million (FY 1994-95)

GENERAL FUND REVENUE BILLS (1994 Actions, Continued)

HOUSE BILL 80, CHAPTER 582

Federal Determination/Withholding — Reduces the time allowed the Department of Revenue to make assessments of taxes following a federal determination. Also reinstates an inadvertently deleted provision relating to assessments for employer withholding based on federal determinations and makes clarifying changes to the assessment statutes.

EFFECTIVE DATE: January 1, 1995

FISCAL IMPACT: Unknown

HOUSE BILL 1663, CHAPTER 600

Standards for Funding Agreements — Exempts all annuities and funding agreements from insurance premium taxation and clarifies the authorization for the issuance of funding agreements and establishes standards for such agreements.

EFFECTIVE DATE: January 1, 1995

FISCAL IMPACT: General Fund revenue loss of \$2 million annually
(beginning with FY 1995-96)

HOUSE BILL 1725, CHAPTER 745

Revenue Laws Technical Changes — Makes technical and clarifying changes to the revenue laws and related statutes. Improves the administration of the soft drink tax and restores the soft drink tax exemption for natural juice with no additives other than vitamins, minerals or sugar. Extends the sunset of the income tax credit for construction of an ethanol distillery to January 1, 1998. Amends the law regarding application for certification as a clinical social worker. Makes the effective date of changes made during the 1993 Session to the consumer credit laws retroactive.

EFFECTIVE DATE: Upon ratification

FISCAL IMPACT: General Fund revenue loss of \$1.3 million annually
(from restoration of exemption)

HOUSE BILL 1944, CHAPTER 681

Expand Ports Tax Credit — Clarifies that cargo owners utilizing the ports of Morehead City and Wilmington for export are eligible for a state income tax credit. Previous statutory language authorized the credit only for a corporation or individual utilizing the ports, which in most cases was a contracted third-party export service company.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: General Fund revenue loss of \$50,000 annually

HIGHWAY FUND/HIGHWAY TRUST FUND REVENUE BILLS

.....
1994 ACTIONS
.....

HOUSE BILL 1551, CHAPTER 595

Liability Insurance Proof Change — Eliminates the requirement that persons who are renewing their drivers license and who must take the written exam show proof of liability insurance to the Division of Motor Vehicles.

EFFECTIVE DATE: Upon ratification

FISCAL IMPACT: None

HOUSE BILL 1552, CHAPTER 691

Remove DOT Appraisal Sunset — Changes a July 1, 1994 sunset on a DOT exemption from the requirement that real estate be appraised by a licensed or certified appraiser when the estimated value is less than \$10,000. New sunset date is July 1, 1995.

EFFECTIVE DATE: Upon ratification

FISCAL IMPACT: None

HOUSE BILL 1843, CHAPTER 1619

Single State Insurance Registration — Conforms State law to Federal requirements enacted under ISTEA (Intermodal Surface Transportation Efficiency Act) for registration of proof of liability insurance coverage for interstate for-hire motor carriers. These program changes have been in operation in the Division of Motor Vehicles since October 1, 1993. The bill conforms State law to current administrative practice.

EFFECTIVE DATE: Upon ratification

FISCAL IMPACT: None

HIGHWAY FUND/HIGHWAY TRUST FUND REVENUE BILLS (1994 Actions, Continued)

HOUSE BILL 1661, CHAPTER 690

Powell Funds Used for Sidewalks — Eliminates prohibition on use of Powell Bill funds to municipalities for construction or maintenance of sidewalks.

EFFECTIVE DATE: Upon ratification
FISCAL IMPACT: No impact on State revenues

HOUSE BILL 1775, CHAPTER 697

Make Dealer Plate Law Consistent — Effective July 1, 1996, eliminates the only exception in current law on use of dealer plates for purposes other than moving or demonstrating motor vehicle dealer inventory. The exception applies to motor vehicle dealers who also sell, trade, or service farm tractors or other farm-related equipment. Current law allows these dealers to use dealer plates on motor vehicles used to haul farm tractors and farm-related equipment.

EFFECTIVE DATE: July 1, 1996
FISCAL IMPACT: No immediate impact;
\$150,000 increase to Highway Fund and \$35,000 increase to Highway Trust Fund beginning FY 1996-97

HOUSE BILL 1843; CHAPTER 754

Emissions Inspection Changes — Brings State vehicle emissions inspection program into compliance with federal law and makes administrative and technical changes to both the emissions inspection program and the safety inspection program in the Division of Motor Vehicles.

EFFECTIVE DATE: Compliance changes October 1, 1994
Technical changes upon ratification
FISCAL IMPACT: None

HOUSE BILL 1854; CHAPTER 643

Vehicle Window Glazing — Rewrites law governing vehicle window tinting. Fee provision: requires any vehicle with an after-factory sun-screen device or window tinting installed outside the State to display a sticker from a certified inspector indicating the window tinting meets all State requirements. The Division of Motor Vehicles is to make stickers available at a fee not to exceed \$2 per sticker. Inspectors may not charge more than \$10 to inspect window tinting for this purpose.

EFFECTIVE DATE: March 1, 1995
FISCAL IMPACT: Indeterminate

HIGHWAY FUND/HIGHWAY TRUST FUND REVENUE BILLS (1994 Actions, Continued)

SENATE BILL 917; CHAPTER 765

Tolls OK on Certain Bridges — Authorizes Department of Transportation to charge tolls on bridges included in the Highway Trust Fund Intrastate System Projects which are at least three and one-half miles in length. There is only one bridge, the Mid-Currituck Bridge, that meets this criteria and construction has not yet begun.

EFFECTIVE DATE: Upon ratification
FISCAL IMPACT: No immediate impact

SENATE BILL 1473; CHAPTER 726

Improve Tracking of Fuel Shipment — Requires any company or individual who transports in loads of 4,200 gallons or more to carry a shipping document naming the destination state of the shipment provided by a terminal operator or the operator of a bulk fuel plant. Establishes a criminal penalty for failure to show the shipping document to a law enforcement officer. Establishes civil penalties for transporting fuel without a shipping document, for delivering motor fuel to a state other than that shown on the shipping document, and the unlawful use of dyed diesel fuel in the supply tank of a motor vehicle operated on the highways of this State.

EFFECTIVE DATE: January 1, 1995
FISCAL IMPACT: Potential increase of \$9 million in motor fuel tax revenues

SENATE BILL 1566; CHAPTER 750

Uniform License and Registration Information — Directs the Division of Motor Vehicles to require the submission of social security numbers on drivers license, vehicle registration, and special identification card applications to the Division of Motor Vehicles. Authorizes but does not direct the Division to use Social Security numbers as drivers license numbers.

EFFECTIVE DATE: January 1, 1995
FISCAL IMPACT: None

SENATE BILL 1579; CHAPTER 761

DMV AND DOT TECHNICAL CHANGES — Makes administrative and technical changes to the transportation and motor vehicle laws of the State.

EFFECTIVE DATE: Various
FISCAL IMPACT: None

LOCAL GOVERNMENT REVENUE BILLS

SENATE BILL 924, CHAPTER 425

Register of Deeds Fees — Authorized a \$1.00 increase for registering or filing any instrument in general. Eliminated the \$5.00 cancellation fee for deeds of trust and/or mortgages and increased the registration fee for filing the first page by \$5.00. Increased the fee for probating all instruments by \$1.00.

EFFECTIVE DATE: October 1, 1993

FISCAL IMPACT: \$2.2 Million - \$2.5 Million Annually

SENATE BILL 658, CHAPTER 459

Computer Software not Taxable — Exempts the property tax on computer software that is in the internal memory of a computer system and software that is capitalized on the books of the taxpayer in accordance with the general accounting principals.

EFFECTIVE DATE: July 1, 1994

FISCAL IMPACT: Indeterminate

SENATE BILL 60, CHAPTER 471

Disposal Tax on White Goods — Imposed an excise tax of \$5.00 on all white goods sold at retail that do not contain refrigerants. The tax on white goods containing refrigerants is \$10.00. Five percent of the revenue is to be deposited into the Solid Waste Management Trust Fund, 20% goes to the White Goods Management Account, and the remaining 75% is to be distributed to the counties on a per capita basis. The revenue derived from this tax is to be used by local units of government to dispose of existing white goods and for the future disposal of such goods.

EFFECTIVE DATE: January 1, 1994 and the Tax Expires on July 1, 1998

FISCAL IMPACT: \$2.2 Million FY 1993-94 and \$4.5 Million FY 1994-95

SENATE BILL 1157, CHAPTER 471

Economic development Financing — Authorizes local governments to issue economic development financing bonds to finance infrastructure required by new private capital investment. Bonds are secured by the additional taxes generated by the new investment.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: Indeterminate

LOCAL GOVERNMENT REVENUE BILLS (1993 Actions, Continued)

SENATE BILL 853, CHAPTER 544

Global TransPark Development Zone — Authorizes fourteen counties to establish the Global TransPark Development Zone. The act requires at least three of the fourteen counties, stated in the legislation, are needed to create the zone. The Zone is authorized to levy a \$5.00 per vehicle registration tax to finance infrastructure construction in the counties of the Zone. Each county choosing to join the Zone must do so by individual resolution on or before October 1, 1993. Once the Zone has been established, the Zone must give public notice, hold a public hearing and adopt a resolution that establishes the \$5.00 registration tax. The tax may not become effective earlier than July 1, 1994.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: \$3.7 Annually; If All Fourteen Counties Levy the Tax

HOUSE BILL 83, CHAPTER 548

Increase Scrap Tire Disposal Tax — Increases the disposal tax on tires having a diameter of less than 20 inches from 1% to 2%. Those tires having a diameter of 20 inches or greater are not affected. The act creates the Scrap tire Disposal Account. A new fund established as a nonreverting account within the Department of Environment, Health, and Natural Resources. The revenue deposited into this account is to be used as grants to local units of government for the disposal of scrap tires. The revenue from the tax is to be distributed in the following manner: the Solid Waste Management Trust Fund is to receive 5% of the net revenue instead of 10%; counties are to receive 68% instead of 90%; and, the scrap tire disposal account will receive 27%. The tax increase and the manner in which the revenue is distributed will expire on June 30, 1997. After that date, the tax will return to 1% on all tires sold at retail and 10% of the revenue is to be deposited into the Solid Waste Management Trust Fund, with the remaining 90% distributed to counties on a per capita basis.

EFFECTIVE DATE: October 1, 1993

FISCAL IMPACT: \$6 Million FY 1993-94 and \$7.7 Million FY 1994-95

HOUSE BILL 105, CHAPTER 360

Raise Homestead Exemption — Increases the property tax Homestead Exemption amount from \$12,000 to \$15,000 and makes technical changes to the Homestead Exemption statutes.

EFFECTIVE DATE: July 1, 1994

FISCAL IMPACT: \$4 Million Loss in Local Revenues for FY 1994-95 and FY 1995-96

HOUSE BILL 134

Local Financial Security — See section on General Fund revenue bills. This act was ratified in Senate Bill 27, Section 23, Chapter 321.

LOCAL GOVERNMENT REVENUE BILLS (1993 Actions, Continued)

HOUSE BILL 136, CHAPTER 255

Local Sales Tax For Schools - See Section on General Fund Revenue Bills

HOUSE BILL 936, CHAPTER 230

Habitat For Humanity Tax Exempt — Expands the property tax exemption for nonprofit organizations providing low- and moderate-income housing to include real property held as a future site for low- and moderate-income housing. The taxes on such real property are to be carried forward for five years as deferred taxes and shall be payable at the end of the period if low- or moderate-income housing has not been constructed on the site.

EFFECTIVE DATE: July 1, 1994

FISCAL IMPACT: Indeterminate

HOUSE BILL 1109, CHAPTER 536

Expand Local Development — The act makes the following changes for all local units of government in the State: (1) Authorizes the use of public money for industrial site preparation on private property and for the construction of water and sewer lines to industrial properties and facilities privately owned. (2) Counties and cities are authorized to estimate the amount of increased tax revenue that would accrue to the unit during the succeeding 10 years from economic development and to accept the estimated amount as consideration for a conveyance of property from the unit to a business that will bring the anticipated economic development.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: Indeterminate

.....
1994 ACTIONS
.....

SENATE BILL 733, CHAPTER 772 — Creates the Parks and Recreation Trust Fund. The trust fund is to be a nonreverting special revenue fund consisting of gifts, grants and monies appropriated to it by the General Assembly. The legislation declares that it is the intent of the General Assembly to dedicate an amount equal to 75% of the State's share of the deed stamp tax to the fund and 10% to the Natural Heritage Trust Fund.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: None for fiscal year 1994-95

LOCAL GOVERNMENT REVENUE BILLS (1994 Actions, Continued)

SENATE BILL 94, CHAPTER 775 — Units of local government, local school boards, and community colleges are authorized to enter into guaranteed energy savings contracts in order to finance energy conservation measures in local public facilities.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: Indeterminate

SENATE BILL 872, CHAPTER 619 — Defines a family care home as a residence for purposes in addition to zoning.

EFFECTIVE DATE: October 1, 1994

FISCAL IMPACT: Insignificant

SENATE BILL 1504, CHAPTER 777 — Changes the name of the North Carolina Air Cargo Airport Authority to North Carolina Global TransPark Authority.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: None

FEE INCREASES FOR GENERAL FUND AGENCIES

MARINE FISHERIES DIVISION

HOUSE BILL 297, CHAPTER 515 — Changes the name of the commercial fishing license to "Consolidated Vessel" License and establishes a fee of \$5.00 for the replacement of a consolidated vessel license. The vessel license may include a license to sale fish taken from the coastal waters of the State, this license is in addition to any other vessel license required in the act. The license fees are based on length of the vessel and range from a low of \$25.00 to a high of \$45.00. Clarifies the licensing requirement of those persons that are not residents of this State who fish beyond the territorial boundaries of the State and who sell their catch in the State. Establishes an "Endorsement to Sell Fish" license. The fee is \$15.00 for a resident when there is no vessel involved and \$100.00 for a nonresident or an amount equal to the nonresident fee charged by the nonresident's State. Makes additional clarifying language changes to the act.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: \$430,000 TO \$460,000 Annually

DEPARTMENT OF AGRICULTURE

HOUSE BILL 446, CHAPTER 223 — Establishes a new nonreverting account within the Department of Agriculture. The revenue deposited into the account is derived from the grading and inspection of farm products. There is no change in the amount of fees. Interest earned by the account is to be credited to the account. The act authorizes the State Department of Agriculture to adhere to restrictions governing the provisions set forth in the "cooperative agreement" between the Department and the United States Department of Agriculture.

EFFECTIVE DATE: July 1, 1993

FISCAL IMPACT: \$50,000 to \$60,000 in Annual Revenue from Interest

HOUSE BILL 567, CHAPTER 356 — Authorized the Commissioner of Agriculture to issue replacement data plates for liquefied petroleum gas tanks of 120 gallons or more, as required by the American Society of Mechanical Engineers. The purpose of the plate is to state that the tank was built to code. The charge for a plate is \$20.00 and the revenue is to be credited to the Department of Agriculture and applied to the cost of issuing replacement plates. Establishes civil penalties for violating the law.

EFFECTIVE DATE: December 1, 1993

FISCAL IMPACT: Indeterminate

FEE INCREASES FOR GENERAL FUND AGENCIES (1993 Actions, Continued)

HOUSE BILL 1102, CHAPTER 481 — Establishes the Pesticide Environmental Trust Fund to be funded by an assessment for each brand or grade of pesticide registered with the Department. The annual assessment for applicants whose gross sales of pesticides are less than \$5,000 is \$25.00 and \$50.00 for those whose sales are in excess of \$5,000.

EFFECTIVE DATE: Upon Ratification
FISCAL IMPACT: \$400,000 In Any Fiscal Year

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES

HOUSE BILL 483, CHAPTER 394 — The Dam Safety Account is established as a nonreverting account within the Department and all safety and inspection fees collected are to be credited to the account. Increases some of the civil penalties.

EFFECTIVE DATE: October 1, 1993
FISCAL IMPACT: \$14,000 to \$15,500 In Any Given Fiscal Year

HOUSE BILL 681, CHAPTER 400 — Authorizes the implementation of the requirements set forth in the 1990 amendments to the Federal Clear Air Act, repeals the expiration date of a portion of the per gallon fuel tax and dedicates some of the proceeds of the tax to the administration of the air quality program. A portion of the proceeds from the tax are to be dedicated to the cleanup of leaking underground petroleum storage tanks. The act repeals the expiration of the Leaking Petroleum Underground Storage Tank Cleanup Act of 1988.

EFFECTIVE DATE: Upon Ratification
FISCAL IMPACT: \$20.0 Million 1993-94 and \$19.9 Million FY 1994-95

HOUSE BILL 1061, CHAPTER 402 — Amends the Leaking Petroleum Underground Storage Tank Cleanup Act of 1988 and clarifies the purpose of the oil and/or other hazardous substances pollution protection fund. Changes the allocation of the proceeds from the kerosene and motor fuel inspection fee to be divided between the commercial and non-commercial leaking underground storage tank cleanup fund.

EFFECTIVE DATE: July 1, 1993
FISCAL IMPACT: No New Revenue

SENATE BILL 100, CHAPTER 466 — Authorizes the Secretary of Environment, Health, and Natural resources to grant shell fish cultivation leases. Makes changes to Chapter 113 of the North Carolina General Statutes and authorizes the Department to study the prevention of marine litter.

EFFECTIVE DATE: January 1, 1994
FISCAL IMPACT: Minimal

FEE INCREASES FOR GENERAL FUND AGENCIES (1993 Actions, Continued)

SENATE BILL 821, CHAPTER 344 — Amends the current procedure for the registration of water withdrawals in order to make the process more efficient by providing for more useful information. Imposes a late payment fee of \$5.00 per day up to a maximum of \$500.00. Exempts farmers who submit a registration that pertains to farming operations.

EFFECTIVE DATE: October 1, 1993

FISCAL IMPACT: Indeterminate

SENATE BILL 1112, CHAPTER 496 — Amends the North Carolina Clean Water Revolving Loan and Grant Program to allow municipalities to pledge user fees or any available resources of revenues for the payment of revolving funds. Clarifies that the Environmental Management Commission has the authority to certify laboratories that monitor water and air quality.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: Indeterminate

ALCOHOL BEVERAGE CONTROL COMMISSION

HOUSE BILL 502, CHAPTER 415 — The act makes technical amendments to the alcoholic beverage control laws, authorizes the sale of alcoholic beverages in certain areas of the State, increases the fees for most commercial alcoholic beverage permits, and makes other changes to the alcoholic beverage laws.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: \$15,000 FY 1993-94 and \$10,255 FY 1994-95

NORTH CAROLINA DEPARTMENT OF COMMERCE

North Carolina Seafood Industrial Park Authority

HOUSE BILL 547, CHAPTER 323 — Authorizes the North Carolina Seafood Industrial Park to charge fees for its services and for the use of its facilities.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: \$70,000 in Any Fiscal Year

DEPARTMENT OF SECRETARY OF STATE

HOUSE BILL 924, CHAPTER 326 — The Secretary of State is authorized to establish the requirements for the certification of property mappers and to require each applicant to submit a \$20.00 application fee when filing an application.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: \$3,000 Biannually

FEE INCREASES FOR GENERAL FUND AGENCIES (1993 Actions, Continued)

DEPARTMENT OF INSURANCE

HOUSE BILL 1355, CHAPTER 320 — Establishes the Insurance Regulatory Rate at 7.25% for the calendar year 1993; this is the same rate established for 1992 tax year.

EFFECTIVE DATE: July 1, 1993
FISCAL IMPACT: No Increase in Revenues

NORTH CAROLINA PUBLIC UTILITIES COMMISSION

HOUSE BILL 1355, CHAPTER 320 — Establishes the Public Utility Regulatory Rate at 8.5% of each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 1993; this is the same rate established for 1992.

EFFECTIVE DATE: July 1, 1993
FISCAL IMPACT: No Increase in Revenues

DEPARTMENT OF LABOR

HOUSE BILL 1355, CHAPTER 320 — Increases the hourly fee for the inspection of amusement devices from \$15.00 to \$60.00 and raises the elevator inspection fees by a uniform amount of \$10.00.

EFFECTIVE DATE: July 1, 1993
FISCAL IMPACT: \$135,000 in FY 1993-94 and FY '1994-95

DEPARTMENT OF COMMUNITY COLLEGES

HOUSE BILL 1355, CHAPTER 320 — Removes the sunset on the Motorcycle Safety Education program. All fee amounts remained unchanged.

EFFECTIVE DATE: July 1, 1993
FISCAL IMPACT: No Impact

ADMINISTRATIVE OFFICE OF THE COURTS

SENATE BILL 1139, CHAPTER 313 — Imposes a processing fee of \$50 on new Court failures to appear in court after a period of 20 days.

EFFECTIVE DATE: JULY 15, 1993
FISCAL IMPACT: \$5.9 Million FY 1993-94 and FY 1994-95

FEE INCREASES FOR GENERAL FUND AGENCIES (1993 Actions, Continued)

WILDLIFE RESOURCES COMMISSION

SENATE BILL 590, CHAPTER 422 — Increases fees for boat certificates of number from \$5.00 to \$8.00 for a one year period and from \$13.00 to \$20.00 for a three year period. Revenue is credited to the Wildlife Resources Fund.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: \$800,000 Annually

DEPARTMENT OF JUSTICE

SENATE BILL 549, CHAPTER 403 — Authorizes the Department of Justice to conduct criminal record checks of personnel and provide the information to hospitals, nursing homes, and area mental health, development disabilities, and substance abuse authorities, and their contact authorities. The Department is authorized to charge a \$10.00 fee per individual name.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: Indeterminate

DEPARTMENT OF HUMAN RESOURCES

SENATE BILL 621, CHAPTER 384 — Requires every person who manufactures, distributes, dispenses, or conducts research with controlled substances within the State to pay a registration fee to the Department. The fees are based on the category of the applicant.

EFFECTIVE DATE: January 1, 1994

FISCAL IMPACT: \$210,000 to \$225,000 Annually

1994 ACTIONS

DEPARTMENT OF INSURANCE

SENATE BILL 1700, CHAPTER 664 — The insurance regulatory fee is set for the 1994-95 fiscal year at 7.25%. This is the same rate set for the 1993-94 fiscal year.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: \$1,000,000

FEE INCREASES FOR GENERAL FUND AGENCIES (1994 Actions, Continued)

HOUSE BILL 1663, CHAPTER 600 — Exempts all annuities and funding agreements from premium taxation, clarifies the authorization of the issuance of and establishes standards for funding agreements; makes technical changes to the statutes.

EFFECTIVE DATE: January 1, 1995

FISCAL IMPACT: (\$72,500) in Fiscal Year 1995-96

NORTH CAROLINA PUBLIC UTILITIES COMMISSION

SENATE BILL 1700, CHAPTER 664 — Sets the public utility regulatory fee at .085% for the 1994-95 fiscal year.

EFFECTIVE DATE: July 1, 1994

FISCAL IMPACT: \$3,900,000

ALCOHOL BEVERAGE CONTROL COMMISSION

SENATE BILL 725, CHAPTER 579 — The percentage of sales that must be attributable to food and nonalcoholic beverages by restaurant permittees is reduced from 50% to 40%.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: Less than \$100,000 in a fiscal year.

WILDLIFE RESOURCES COMMISSION

SENATE BILL 591, CHAPTER 684 — Restructures the hunting and fishing license schedule to more clearly define license requirements, provides for a twelve month hunting and fishing license, establishes a short-term and season nonresident licenses for hunting, provides for a free fishing day, and adds four new members to the Wildlife Resources Commission to be appointed by the General Assembly.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: Indeterminate

HOUSE BILL 1940, CHAPTER 778 — Establishes a commercial special device license for a nonresident at \$100.00 and raises the resident license from \$10.00 to \$100.00.

EFFECTIVE DATE: August 1, 1994

FISCAL IMPACT: Less than \$6,000 a year.

FEE INCREASES FOR GENERAL FUND AGENCIES (1994 Actions, Continued)

MARINE FISHERIES COMMISSION

SENATE BILL 1436, CHAPTER 675 — Makes technical and clarifying changes to Chapter 576 of the 1993 Session Laws concerning the two-year moratorium on specified fishing licenses.

EFFECTIVE DATE: Upon Ratification

FISCAL IMPACT: Indeterminate

HOUSE BILL 1540, CHAPTER 576 — Creates a separate crab license in Chapter 113 of the General Statutes. The individual resident license is \$7.50 and \$100.00 for a nonresident. Both licenses are to be renewed annually on a fiscal year basis. The license for vessels is \$22.50; issued annually on a fiscal year basis. Establishes a two-year moratorium on specified fishing licenses.

EFFECTIVE DATE: July 1, 1994

FISCAL IMPACT: Indeterminate

NORTH CAROLINA BANKING COMMISSION

HOUSE BILL 1917, CHAPTER 599 — Changes the effective date of the North Carolina Interstate Banking Act to July 1, 1994, from July 1, 1996. Sets an application fees of \$5000.00 for a regional bank holding company and establishes a fee of \$2000.00 for each North Carolina bank holding company being acquired.

EFFECTIVE DATE: JULY 1, 1994

FISCAL IMPACT: Less than \$10,000 in a single year

DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES

HOUSE BILL 650, CHAPTER 686 — Makes changes to the General Statutes regarding asbestos hazard management and makes certain technical changes to conform with recent federal requirements.

EFFECTIVE DATE: October 1, 1994

FISCAL IMPACT: \$40,667 in Fiscal Year 1994-95

HOUSE BILL 203, CHAPTER 670 — The Commission for Health Services is authorized to establish a statewide uniform set of rules governing the sanitation of business establishments filing applications for tattoo permits. Local boards of health are to issue permits, renew permits, and inspect facilities. The service fee is to be set by each board of health in the same manner as the fees set for inspecting public swimming pools and wastewater systems.

EFFECTIVE DATE: January 1, 1995

FISCAL IMPACT: Indeterminate

APPENDIX

TABLE OF CONTENTS

Summary of Appropriations — General Fund and Highway Fund	441
Bills Included in SB 26 (Chapter 561 — 1993 Session	443
Bills Included in SB 27 (Chapter 321) — 1993 Session	447
Bills Included in SB 14 — 1993 Session	455
Bills Included in SB 1505 (Chapter 769) — 1994 Session	456
Total State Budget by Source of Funds	468
Condition of General Fund	469
Summary of General Fund Revenue	471
Summary of General Fund Appropriations	473
General Fund Appropriations	475
Summary of Changes by 1994 Session	477
State General Fund Operations Appropriations for Public Schools, Community Colleges, and Higher Education	480
General Fund Operating Expenditures by Department/Functions of Government	482
Reversions and Percent of Adjusted Appropriations.	484
Distribution of 1993-94 Reserves	486
Local Government Tax Aid — Historical Data	491
Local Growth Money Issue	492
Permanent State Positions	494
Summary of Permanent Positions by Department.	495
Across-the-Board Salary Cost for Each 1% Increase	496
Legislative Increases	497
Average Salary of Employees Subject to the Personnel Act	499
Critical School Facility Needs Fund.	500
School Facilities Finance Act of 1987.	501
Capital Improvements Legislative Bond Issues	502
Public Education — Low Wealth and Small County Supplemental Funding	505
Additional Public Education Funding — 1994 Special, 1994 Session	513

SUMMARY OF APPROPRIATIONS GENERAL FUND AND HIGHWAY FUND

		1993-94	1994-95
Senate Bill 27, Chapter 321 "Continuation and Expansion Budget Appropriations for Current Operations..."			
General Fund			
Sec. 3	Current Operations	\$9,025,073,307	\$9,016,344,686
Highway Fund			
Sec. 4	Maintenance and Operations	958,703,093	951,700,000
Highway Trust Fund			
Sec. 5		557,700,000	579,400,000

Senate Bill 26, Chapter 561 "Capital Improvements"

General Fund			
Sec. 4	Capital Improvements	\$102,486,790	0
Sec. 6	Nonrecurring Appropriations	106,537,599	0
Highway Fund			
Sec. 5	Capital Improvements	\$16,927,100	0
General Fund			
Sec. 8(b)	Capital Improvements		
	Repairs/Renovations		
	Reserve Earmarking	\$57,000,000	0

Senate Bill 14, Chapter 542 "Education, Clean Water, and Parks Bond Act of 1993."

Subject to Vote of the People	\$740,000,000
--------------------------------------	----------------------

The following pages (pages 443-467) identify House and Senate Bills which were funded in the bills listed above.

SUMMARY OF APPROPRIATIONS (Continued)

1994 SPECIAL SESSION

Senate Bill 150, Chapter 24 "An Act to Adjust the Appropriations made for the 1993-94 Fiscal Year and the 1994-95 Fiscal Year to Aid in the Control and Prevention of Crime."

General Fund

Sec. 4	Current Operations	\$450,000	\$193,153,009
Sec. 5	Capital Improvements	\$26,358,914	\$36,625,400

1994 ACTIONS

1994-95

Senate Bill 1505, Chapter 769 "An Act to Modify the Current Operations Appropriations Act of 1993, to Make Appropriations for Capital Improvements..."

Sec. 3	Current Operations	
	General Fund Operating	\$809,535,482
	Highway Fund - Recurring	\$16,911,251
Sec. 8.1	Capital Improvements - General Fund	
	Repairs/Renovation	
	Reserve Earmarking	\$60,000,000
Sec. 4	Highway Fund - Non-Recurring	
	Current Operations	\$38,588,749
Sec. 5	Highway Trust Fund	\$71,800,000
Sec. 32	Capital Improvements	
	General Fund	\$152,766,050
	Highway Fund	\$3,000,000

BILLS INCLUDED IN SB 26 (CHAPTER 561)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
S 0039	Speed	H 0034	Agric Education Dept Transfer Funds	200,000	0	
S 0135	Martin, W		Clarify Correction Enterprises	0	0	S 76
S 0310	Martin, W.		GPAC/Employee Classification/Fund	0	0	S 24
S 0333	Martin, R.		Rural Economic Development Center/OIC's	75,000	0	
S 0426	Martin, W.	H 0295	Golf Course Funds, Indian Cultural Center	750,000	0	
S 0449	Warren	H 0255	Teacher Training Task Force	10,000	0	
S 0454	Seymour	H 0475	Adoption Resources Center—Children's Home Society	500,000	0	
S 0471	Seymour	H 0425	Piedmont Triad Regional Water Authority	500,000	0	
S 0486	Martin, R.	H 0477	Eastern Ag. Center Funds	3,400,000	0	
S 0503	Perdue	H 0479	Rural Economic Development	2,250,000	0	
S 0530	Plyler	H 0655	Agriculture Medical Waste Funds (Gov.'s Recommendations)	712,900	0	
S 0553	Daniel	H 0260	Piedmont Agricultural Center	4,400,000	0	
S 0556	Hoyle	H 0478	NC Housing Trust Fund	2,500,000	0	
S 0567	Lee	H 0597	Carrboro Farmers Market	236,000	0	
S 0713	Kerr	H 1229	Wayne County Forestry Bldg./Eq Shed	162,500	0	
S 0814	Daniel		Repairs/Renovation Reserve	57,000,000	0	Also SB 27
S 0827	Perdue	H 0512	UNC Infection Control Fund	75,000	0	
S 0835	Hunt	H 0871	Minority/Women Contract Study	950,000	0	
S 0850	Plyler		Stanly County Airport Authority	275,000	0	
S 0858	Lee	H 0846	Chinqua Penn Funds-Planning for re-opening	75,000	0	
S 0869	Plyler	H 0979	Master Application/Business License Office	350,000	0	
S 0888	Tally	H 1186	State Veterans Home	3,000,000	0	S 31
S 0926	Ballance	H 1159	Regulate Hog Operations Study	15,000	0	
S 0926	Ballance	H 1159	Regulate Hog Operations (Study only funded)	85,000	0	
S 1004	Soles	H 1255	Columbus Co. Gas Line Funds	1,000,000	0	
S 1014	Plexico	H 0916	WCU MCNC Link-Capital (equipment) Incorporated into H1422	0	0	
S 1049	Parnell	H 0146	Park Land Acquisition Funds	2,100,000	0	
S 1069	Shaw		Child Protective Services (Grant Moses Cone Hospital)	60,000	0	
S 1100	Walker		Office of State Personnel Funds	0	0	S 24
S 1106	Conder	H 1259	ECU Minges Coliseum Funds	2,500,000	0	
S 1120	Edwards	H 1246	Process Leadership Program Funds at Fayetteville State	50,000	0	
S 1137	Gulley	H 1334	Expansion of Computerized Linkage	750,000	0	
S 1138	Lee		UNC CH Bicennential Funds	250,000	0	
S 1170	Perdue	H 1415	Water Resources Development Funds	9,088,000	0	

BILLS INCLUDED IN SB 26 (CHAPTER 561)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
S 1173	Parnell	H 1376	Construct Southeastern Farmers' Market/Ag. Center	2,500,000	0	
S 1177	Winner, D.	H 1427	Arboretum Funds	2,000,000	0	
S 1183	Speed	H 1387	Mycotoxin Analyses/Research	160,000	0	
S 1191	Cochrane		Davidson Forestry Funds	231,700	0	
S 1217	Winner, D.		UNC Asheville Land Purchase	2,000,000	0	
S 1219	Odom	H 1366	SBI Complex Funds (Lab only funded)	18,600,000	0	
S 1239	Odom		National Guard Armory Funds	524,700	0	
S 1240	Odom		Aerial Reserve Equipment Funds	275,000	0	
S 1247	Sherron		World Trade Center	100,000	0	
S 1258	Daniel		NCSU Centennial Center Matching	5,000,000	0	
S 1294	Daniel	H 0510	Museum of Albemarle Construction	1,000,000	0	S 35
<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
H 0034	James	S 0039	Agric Education Dept Transfer Funds	200,000	0	
H 0063	James		Tidewater Research/Ext. Center-Greenhouses/headhouses	500,000	0	
H 0064	James		Ag. Ext. program at NCSU-Transfer College between colleges	200,000	0	
H 0146	DeVane	S 1049	Park land Acquisition Funds	2,100,000	0	
H 0226	Brown, D.		Eradicate Hydrilla in Lake Gaston (Use Water Res. Funds)	0	0	
H 0255	Barnes	S 0449	Teacher Training Task Force	10,000	0	
H 0260	Bowman	S 0553	Piedmont Agricultural Center	4,400,000	0	
H 0295	Sutton	S 0426	Golf Course Funds, Indian Cultural Center	750,000	0	
H 0425	Gist	S 0471	Piedmont Triad Regional Water Authority	500,000	0	
H 0475	Miller	S 0454	Adoption Resources Center—Children's Home Society	500,000	0	
H 0477	Rogers	S 0486	Eastern Ag. Ctr Funds (received \$300,000 Planning last yr)	3,400,000	0	
H 0478	Hunter, H.	S 0556	NC Housing Trust Fund	2,500,000	0	
H 0479	Hunter, H.	S 0503	Rural Economic Development	2,250,000	0	
H 0510	James	S 1294	Museum of Albemarle Construction	1,000,000	0	S 35
H 0512	Nye	S 0827	UNC Infection Control Funds	75,000	0	
H 0526	Redwine		Farm Loan Reserve Interest Use	0	0	S 97
H 0527	Redwine		Farm Loan Reserve Fund	1,000,000	0	
H 0531	Robinson		Caldwell Comm College—Truck Driver Training Range	50,000	0	
H 0597	Hackney	S 0567	Carrboro Farmers Market	236,000	0	
H 0655	Bowen	S 0530	Agriculture Medical Waste Funds (Gov's Recommendation)	712,900	0	

BILLS INCLUDED IN SB 26 (CHAPTER 561)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
H 0660	Gist		A&T Agric Research Funds	500,000	0	
H 0777	Michaux		Credit for Prior Year Safekeepers Payments	0	0	S 74
H 0789	Rogers		Terrell Bldg. Renovations-UNC CH	496,000	0	
H 0846	Cole	S 0858	Chinqua Penn Funds—Planning for re-opening	75,000	0	
H 0871	Michaux	S 0835	Minority/Women Contract Study	950,000	0	
H 0878	Luebke		Falls Lake Watershed Study	150,000	0	
H 0916	Ramsey	S 1014	WCU MCNC Link-Capital (equipment) Incorporated into H1422	0	0	
H 0979	Redwine	S 0869	Master Application/Business License Office	350,000	0	
H 1159	Hunter, H.	S 0926	Regulate Hog Operations Study	15,000	0	
H 1159	Hunter, H.	S 0926	Regulate Hog Operations (Study only funded)	85,000	0	
H 1170	Redwine		NCSU-Turfgrass research	250,000	0	
H 1182	Ramsey		Graham County Forestry Funds (Bldg.)	89,000	0	
H 1186	Kinney	S 0888	State Veterans Home	3,000,000	0	S 31
H 1192	Nesbitt		School Technology Funds	5,000,000	0	
H 1214	Hunter, H.		Economic Development	3,025,000	0	
H 1218	Bowen		Southeastern Agricultural (reallocation)	0	0	S 96
H 1223	Rogers		Somerset Place-Reconstruction	300,000	0	
H 1228	Nye		Future Farmers Funds	300,000	0	S 60
H 1229	Baddour	S 0713	Wayne County Forestry Bldg/Eq Shed	162,500	0	
H 1234	Holt		Child Care Resources-Referral Funds	500,000	0	
H 1246	Richardson	S 1120	Process Leadership Program Funds at Fayetteville State	50,000	0	
H 1252	Gottovi		NC Clean Water Funds	0	0	S 23
H 1255	Hill	S 1004	Columbus Co. Gas Line Funds	1,000,000	0	
H 1258	Redwine		Beaver Control Program/Funds	146,000	0	S 111
H 1259	Redwine	S 1106	ECU Minges Coliseum Funds	2,500,000	0	
H 1269	Holt		Displaced Homemaker Funds	375,000	0	
H 1271	Preston, J.		NC Board of Health Funds	0	0	S 108
H 1280	Nye		Parent Volunteer Grant Funds	100,000	0	
H 1281	Nye		Senior Centers' Maintenance/Renovation/Upkeep (\$10,000 ea.)	100,000	0	
H 1294	Arnold		Rocky Mt. Farmers's Market Fund Reallocation	0	0	S 94
H 1296	Green		Blind at-risk Children at Gov Morehead School	300,000	0	

BILLS INCLUDED IN SB 26 (CHAPTER 561)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
H 1297	Hunter, H.		Biotechnology Initiative Funds for Black Colleges/Univ.	1,000,000	0	
H 1298	Hunter, H.		Development Banking Funds	1,000,000	0	
H 1315	Kuczmarski		Cued Speech Center, Wake County	95,000	0	
H 1316	Kuczmarski	S 1024	Baille Literacy/Establish Resource Center	300,000	0	
H 1322	Bowman		Alamance Dispute Settlement Center	5,000	0	
H 1325	Nesbitt		Construct new wing for voc/ed/recreation-Women's unit at BM	0	0	S 75b
H 1329	Baddour		Classification/Compensation Study	0	0	S 24
H 1334	Bowman		Expansion of Computerized Linkage	750,000	0	
H 1339	Fussell		Senior Citizens Grants (See HB 1281)	0	0	
H 1340	Miller, G.		Microelectronics Center ATM Networking Technology	2,000,000	0	S 101
H 1348	DeVane		Cotton promotion Funds Appropriation (GS 106-435)	0	0	S 95
H 1350	Baddour		Parent-Child Centers (Headstart Program)	1,100,000	0	
H 1354	Holt		Sheltered Workshops Capital Needs	500,000	0	
H 1366	Diamont	S 1219	SBI Complex Funds (Lab only funded)	18,600,000	0	
H 1367	Nesbitt		WNC Farmers Market-Truck Shed & Wholesale Bldg. Addition	697,415	0	
H 1368	Nesbitt		Western Ag Center-Covered show-ring/parking area/etc.	2,580,000	0	
H 1369	Nesbitt		Fletcher Crop Station Capital	258,000	0	
H 1374	Cummings		Historic Sites (Local) Preservation	1,000,000	0	S 36
H 1376	DeVane	S 1173	Construct Southeastern Farmers' Mkt/Ag Center	2,500,000	0	
H 1380	Hunter, R.		NC Court Commission	54,438	0	
H 1383	Jenkins		Rural Tourism Development	200,000	0	
H 1387	James	S 1183	Mycotoxin Analyses/Research	160,000	0	
H 1405	Warner		Law Officers' Hall of Fame	45,000	0	
H 1415	Gottovi	S 1170	Water Resources Development Funds	9,088,000	0	
H 1418	Richardson		Juvenile Justice Pilot Project	30,000	0	
H 1420	Hunter, H.		Child Care Loans/Funds	500,000	0	
H 1422	DeVane		MCNC Network to Campuses	2,118,000	0	S 6
H 1427	Colton	S 1177	Arboretum Funds	2,000,000	0	
H 1437	Crawford		Western NC Genetic Center	355,000	0	Also SB 27
H 1440	McAllister		Minority Bond Pilot Program	0	0	S 39

BILLS INCLUDED IN SB 27 (CHAPTER 321)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
S 0003	Daniel		Caring for Children (Health Insurance)	500,000	500,000	
S 0006	Daniel	H 1232	Rural/Primary Care Initiatives	2,160,000	2,160,000	
S 0006	Daniel	H 1232	Rural/Primary Care Initiatives	2,100,000	2,100,000	S 101.3
S 0047	Albertson	H 0073	Inmate Incentive Pay (from \$1 to \$3 per hour)	0	0	S 175
S 0048	Perdue	H 0134	Local Financial Security	0	0	S 26
S 0072	Parnell	H 0086	Hazardous Materials Emergency Response	2,639,818	948,343	
S 0080	Plexico	H 0009	Independent Living Program (Expand to statewide)	554,000	1,243,392	
S 0098	Perdue		Shellfish Enhancement Program	240,149	127,962	
S 0104	Plyler	H 0108	Cancer Control Program	100,000	100,000	
S 0105	Plyler	H 0109	Cancer Control Program Eligibility Expansion	1,450,000	1,664,000	
S 0134	Martin, W.	H 0306	UNC Inventory GPAC	0	0	S 76
S 0144	Martin, W.	H 0306	State Surplus Management System Implementation	60,000	0	
S 0156	Plexico	H 0119	WCU-Mountain Aquaculture Funds	200,000	200,000	S 96
S 0180	Winner, D.		Emergency Judges' Per Diem	0	0	S 200.3
S 0197	Warren	H 0212	ECU Med School Receipts	0	0	S 87
S 0197	Warren	H 0264	ECU Medical School Receipts use	0	0	S 87
S 0209	Martin, W.	H 0375	ICF/MR Reimbursement Methodology Changed	0	0	
S 0224	Plexico	H 0106	Establish Need-Based Cytotechnology Scholarships	0	0	S 101.4
S 0226	Plexico	H 0128	Cancer Control Advisory Funds	75,000	75,000	
S 0239	Martin, W.	H 0299	Integrated Tax Admin. GPAC	0	0	
S 0240	Martin, W.	H 0301	Consolidate Community Correction Programs	0	0	S 178.1
S 0243	Martin, W.	H 0274	Prison Consolidation	0	0	S 177
S 0244	Martin, W.	H 0369	Marine Affairs to DEHNR GPAC	0	0	S 28
S 0253	Martin, W.	H 0330	Strategic Planning Process GPAC	0	0	
S 0254	Speed	H 0197	Tobacco Farm Life Museum Grant-in-aid	15,000	0	
S 0260	Martin, W.	H 0330	GPAC/Capital Budget Process	0	0	
S 0261	Martin, W.	H 0330	Program Budgeting GPAC	0	0	
S 0268	Martin, W.	H 0299	Revenue-End In-Person Assistance GPAC	0	0	S 44
S 0269	Martin, W.	H 0299	Revenue Office Consolidation GPAC	0	0	S 44
S 0270	Martin, W.	H 0315	Community Colleges Costs GPAC	0	0	
S 0271	Martin, W.	H 0315	Community Colleges Accountability Measures	0	0	
S 0280	Martin, W.	H 0370	MRC Reduction/Community Based	0	0	
S 0281	Martin, W.	H 0370	MRC Downsizing	0	0	
S 0283	Martin, W.	H 0370	Downsized MH Institutions—Shift to Community Based	0	0	

BILLS INCLUDED IN SB 27 (CHAPTER 321)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
S 0311	Martin, W.	H 0288	GPAC/Annual Employee Survey	0	0	
S 0369	Martin, W.	H 0373	Cultural Resources Security Officers Civilized GPAC	0	0	S 34
S 0370	Martin, W.	H 0378	Reorganize DPI GPAC	0	0	S 144.1
S 0412	Martin, W.	H 0330	Evaluate Program Results GPAC	0	0	
S 0420	Perdue	H 0259	Seafood Laboratory Program Funds	125,000	125,000	S 99
S 0421	Seymour	H 0348	Grassroots Science Programs-Grants to Museums	450,000	450,000	S 260.2
S 0423	Richardson	H 0350	Emergency Assistance Funds (AFDC)	500,000	500,000	
S 0450	Warren	H 0285	School Admin. Standards Funds	150,000	250,000	
S 0451	Warren	H 0258	School Leadership Academy	150,000	0	
S 0456	Speed	H 0386	Dental Hygienists funds for 3 counties	44,081	44,081	
S 0460	Warren	H 0253	Principal Fellow Funds (Implementation of HB 254)	198,000	1,190,000	
S 0469	Richardson	H 0223	ARC of North Carolina, Inc., for LIFEguardianship Program	35,000	35,000	
S 0494	Cooper	H 0359	Child Fatality Prevention System-establish in 10 counties	112,685	146,987	
S 0503	Perdue	H 0479	Rural Economic Development (Industrial Dev. Fund included)	1,000,000	-	
S 0504	Perdue	H 0294	GPAC/Economic Development	200,000	200,000	
S 0520	Albertson	H 0511	Expand Domestic Markets for Ag. Products (Gov's Rec.)	164,597	155,408	
S 0527	Harris		Increase Retirement Formula/COLA for Retirees (SCS 527)	0	0	
S 0534	Walker	H 0530	Aid to Public Libraries	250,000	250,000	S 38
S 0541	Richardson	H 0628	Early Intervention-EHNR	100,000	200,000	
S 0541	Richardson	H 0628	Early Intervention-DHR	5,751,634	6,257,507	
S 0548	Kerr	H 1261	OSHA Funds (Includes Gov's Recommendation)	939,000	970,620	
S 0573	Odom	H 0444	Diploma Nursing Program	200,000	200,000	S 124.1
S 0605	Seymour	H 0641	Art in State Buildings (Establish Formula/Selection Process)	0	0	
S 0614	Richardson	H 0381	Nurses' Salary Adjustment Fund	892,196	892,196	
S 0615	Odom		Death benefit Date Change	0	0	S 74.2
S 0640	Cooper	H 0482	Fire/Rescue Commission Staff Permitted	0	0	S 41
S 0644	Cooper	H 0722	Early Intervention for Deaf	250,000	274,000	
S 0662	Perdue	H 0676	NCSU Textbook Publication Funds-Humanities Ext. Program	204,000	174,000	
S 0665	Gunter	H 0640	Teacher Assistant Salary Schedule	0	0	S 133
S 0669	Cooper	H 0582	Differentiated Pay Funds	38,827,392	38,827,392	
S 0674	Walker	H 0719	Children's Immunization (Gov's Supplemental Item)	3,500,000	7,200,000	
S 0695	Ballance	H 0738	HIV (Medication for eligible Persons)	350,000	350,000	
S 0745	Sherron		Food Protection Program (Gov's Recommendations)	445,000	509,415	
S 0781	Winner	H 0782	Legal Education Assistance Funds	25,000	0	

BILLS INCLUDED IN SB 27 (CHAPTER 321)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
S 0810	Daniel		Caswell/Person Court District 9A	261,186	322,883	
S 0814	Daniel		Repairs/Renovation Reserve	57,000,000	0	SB 27/26
S 0815	Daniel		Restore June 30 Pay Day	214,200,000	0	S 21.1
S 0826	Perdue	H 1176	Travel and Tourism Funds (Governor's Recommendations)	1,000,000	500,000	
S 0847	Parnell		Sentencing Commission Extended	0	0	S 200.1
S 0870	Plyler	H 1222	Milk Sanitation Program Funds (Personnel Costs)	183,608	183,608	
S 0896	Odom	H 0931	Indigent Persons' Attorney Fee Fund	0	0	S 195
S 0934	Conder	H 1177	Mental Health Study and Coalition 2001 Plan	9,875,239	9,187,175	
S 0938	Sands	H 1304	Hosiery Technology Center within Comm. College System	0	0	S 116
S 0962	Daniel	H 0388	Legislative Retirement Option	0	0	
S 0964	Walker	H 0725	Community Based Services Expansion, Youth Services	500,000	500,000	
S 0967	Lee	H 0557	Teacher Academies for Training PS Teachers Created	200,000	200,000	S 142
S 0969	Daniel	H 1195	Small and Low-Wealth Schools	13,000,000	13,000,000	
S 0979	Tally	H 1211	Local and State Water Supply/Mgmt Studies, etc.	498,034	474,681	
S 1001	Winner, L.	H 1237	Juvenile Sex Offender Funds (HB 1331 Rep. Baddour)	500,000	500,000	
S 1002	Winner, L.		School Teachnology Commission	300,000	0	
S 1005	Carpenter		Acquaculture Production in western N.C.—See H119/S156	0	0	S 96
S 1029	Walker	H 0534	Adolescent Parenting Funds—Social Services	300,000	300,000	
S 1029	Walker	H 1217	Infant Mortality Funds	453,000	604,000	
S 1029	Walker	H 1217	Infant Mortality Funds	2,142,889	1,125,000	
S 1038	Odom	H 1233	Harriet's House Funds	200,000	0	
S 1040	Perdue	H 0534	Adolescent Parenting Funds	75,000	75,000	
S 1052	Sherron		Geodetic Survey Funds	50,000	50,000	
S 1085	Walker	H 1328	Data Control Clerks/Computer Sys. analysts—Corp. Div.	117,702	113,500	
S 1086	Walker	H 1377	State Treasurer Office Personnel (Gov's Expansion Recomm.)	693,663	1,161,411	
S 1102	Walker	H 0361	Social Worker Caseload	2,000,000	2,000,000	
S 1104	Walker	H 1414	Crime Control Funds	500,000	0	
S 1107	Martin, R.		Pitt Mediation Center Funds	0	0	S 200.2
S 1109	Walker	H 0535	MH/MR/SA-Trng in Home and Community Living Arrangements	200,000	200,000	
S 1110	Daniel	H 1441	Educational Consortia Funds	600,000	600,000	S 101.2
S 1127	Gunter	H 1308	Public School Access to Learning Link (Public Television)	100,000	100,000	S 100
S 1131	Walker	H 0009	DD Independent Living Funds (See S0080)	0	0	
S 1133	Walker	H 0596	Personal Needs Allowance Increase	200,000	200,000	
S 1205	Perdue	H 1203	School Employees Convert Leave (HCS 1307 Below)	1,000,000	1,000,000	

BILLS INCLUDED IN SB 27 (CHAPTER 321)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
H 0009	Ramsey	S 0080	Independent Living Program (Expand to statewide)	554,000	1,243,392	
H 0009	Ramsey	S 1131	DD Independent Living Funds	0	0	
H 0063	James		Tidewater Research Personnel	500,000	500,000	S 90
H 0073	Cunningham	S 0047	Inmate Incentive Pay (from \$1 to \$3 per hour)	0	0	S 175
H 0086	Hightower	S 0072	Hazardous Materials Emergency Response	2,639,818	948,343	
H 0106	Dickson	S 0224	Establish Need-Based Cytotechnology Scholarships	0	0	S 101.4
H 0108	Dickson	S 0104	Cancer Control Program	100,000	100,000	
H 0109	Dickson	S 0105	Cancer Control Program Eligibility Expansion	1,450,000	1,664,000	
H 0119	Jenkins	S 0156	WCU-Mountain Aquaculture Funds	200,000	200,000	S 96
H 0128	Bowman	S 0226	Cancer Control Advisory Funds	75,000	75,000	
H 0134	Nesbitt	S 0048	Local Financial Security	0	0	S 26
H 0147	DeVane		State Parks (Funded Architect)	42,000	42,000	
H 0147	DeVane		State Parks (Funded Clerical Staff for Parks)	343,132	525,860	
H 0197	Daughtry	S 0254	Tobacco Farm Life Museum Grant-in-aid	15,000	0	
H 0212	Rogers	S 0197	ECU Med School Receipts	0	0	S 87
H 0223	Fitch	S 0469	ARC of North Carolina, Inc., for LIFEguardianship Program	35,000	35,000	
H 0253	Barnes	S 0460	Principal Fellow Funds (Implementation of HB 254)	198,000	1,190,000	
H 0258	Barnes	S 0451	School Leadership Academy	150,000	0	
H 0259	Smith	S 0420	Seafood Laboratory Program Funds	125,000	125,000	S 99
H 0264	Nesbitt	S 0197	ECU Medical School Receipts Use	0	0	S 87
H 0268	Diamont		Tax Proceeds from Hwy Trust Fund	7,000,000	7,000,000	S 164
H 0274	Diamont	S 0243	Prison Consolidation	0	0	S 177
H 0285	Barnes	S 0450	School Admin. Standards Funds	150,000	250,000	
H 0288	Blue	S 0311	GPAC/Annual Employee Survey	0	0	
H 0294	Barnes	S 0504	GPAC/Economic Development	200,000	200,000	
H 0299	Hensly	S 0239	Integrated Tax Admin GPAC	0	0	
H 0299	Hensly	S 0269	Revenue Office Consolidation GPAC	0	0	S 44
H 0299	Hensly	S 0268	Revenue-End In-Person Assistance GPAC	0	0	S 44
H 0301	Hensly	S 0240	Consolidate Community Correction Program	0	0	S 178.1
H 0306	Hensly	S 0134	UNC inventory GPAC	0	0	S 76
H 0306	Hensly	S 0144	State Surplus Management System Implementation	60,000	0	
H 0315	Miller, G.	S 0271	Community Colleges Accountability Measures	0	0	
H 0315	Miller, G.	S 0270	Community Colleges Costs GPAC	0	0	
H 0330	Diamont	S 0253	Strategic Planning Process GPAC	0	0	

BILLS INCLUDED IN SB 27 (CHAPTER 321)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
H 0330	Diamont	S 0261	Program Budgeting GPAC	0	0	
H 0330	Diamont	S 0412	Evaluate Program Results GPAC	0	0	
H 0330	Diamont	S 0260	GPAC/Capital Budget Process	0	0	
H 0333	Nye		Project TEACCH	150,000	150,000	
H 0334	Nye		Autism Camp Operating Funds-Summer School	49,000	49,000	
H 0348	Easterling	S 0421	Grassroots Science Programs-Grants to Museums	450,000	450,000	S 260.2
H 0350	Easterling	S 0423	Emergency Assistance Funds (AFDC)	500,000	500,000	
H 0359	Easterling	S 0494	Child Fatality Prevention System-establish in 10 counties	112,685	146,987	
H 0361	Easterling	S 1102	Social Worker Caseload	2,000,000	2,000,000	
H 0369	Robinson	S 0244	Marine Affairs to DEHNR GPAC	0	0	S 28
H 0370	Robinson	S 0280	MRC Reduction/Community Based	0	0	
H 0370	Robinson	S 0281	MH/CB Initiatives—Shift cont. funds to Community Based	0	0	
H 0370	Robinson	S 0282	MRC Downsizing	0	0	
H 0370	Robinson	S 0283	Downsized MH Institutions—Shift to Community Based	0	0	
H 0373	Robinson	S 0369	Cultural Resources Security Officers Civilianized GPAC	0	0	S 34
H 0375	Robinson	S 0209	ICF/MR Reimbursement Methodology Changed	0	0	
H 0378	Robinson	S 0370	Reorganize DPI GPAC	0	0	S 144.1
H 0381	Barnes	S 0614	Nurses' Salary Adjustment Fund	892,196	892,196	
H 0386	Moore	S 456	Dental Hygienist Funds	44,081	44,081	
H 0388	Mavretic	S 0962	Legislative Retirement Option	0	0	
H 0422	Wilkins		4-H Youth Development Funds	250,000	0	
H 0438	Fussell		Nurse Anesthetist Training (AHEC's)	50,000	50,000	S 98
H 0444	Michaux	S 0573	Diploma Nursing Program	200,000	200,000	S 124.1
H 0454	Hightower		Incorporated into HB 0086	0	0	
H 0460	DeVane		State Park-Lumber River Staff	151,000	165,000	
H 0479	Hunter, H.	S 0503	Rural Economic Development (Industrial Dev. Fund included)	1,000,000	0	
H 0481	DeVane		Agriculture's Automated Network	126,940	0	
H 0482	DeVane	S 0640	Fire/Rescue Commission Staff Permitted	0	0	S 41
H 0511	James	S 0520	Expand Domestic Markets for Ag. Products (Gov's Rec.)	164,597	155,408	
H 0513	Nye		Single Portal of Entry for DD Services	1,076,250	1,435,000	
H 0515	Nye		Home Care Licensure Funds (implements 1991 Act)	121,000	121,000	
H 0530	Gottovi	S 0534	Aid to Public Libraries	250,000	250,000	S 38
H 0534	Hunter, H.	S 1040	Adolescent Parenting Funds	75,000	75,000	
H 0534	Hunter, H.	S 1029	Adolescent Parenting Funds—Social Services	300,000	300,000	

BILLS INCLUDED IN SB 27 (CHAPTER 321)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
H 0535	Nye	S 1109	MH/MR/SA-Trng in Home and Community Living Arrangements	200,000	200,000	
H 0557	Black		Center for Advancement of Teaching	200,000	200,000	
H 0557	Black	S 0967	Teacher Academies for Training PS Teachers Created	200,000	200,000	S 142
H 0577	Crawford		Allows Grassroot Arts Funds be used for Salaries (GS 143B-125)	0	0	S 33
H 0579	Flaherty		Dental Hygienist Funds	44,081	44,081	
H 0582	Barnes	S 0669	Differentiated Pay Funds	38,827,392	38,827,392	
H 0596	Nye	S 1133	Personal Needs Allowance Increase	200,000	200,000	
H 0615	Kuczmarski		Parents as Teachers Program	100,000	0	
H 0626	Easterling		Adoption Subsidy Increase (from \$200 to \$265 per month)	648,540	670,303	
H 0628	Easterling	S 0541	Early Intervention-EHNR	100,000	200,000	
H 0628	Easterling	S 0541	Early Intervention	5,751,634	6,257,507	
H 0640	Colton	S 0665	Teacher Assistant Salary Schedule	0	0	S 133
H 0641	Colton	S 0605	Art in State Buildings (Establish Formula/Selection Process)	0	0	
H 0652	Baddour		NG Disaster Training (Use of C&E Funds)	0	0	S 181
H 0662	Gist		A&T Transportation Institute	250,000	0	
H 0667	Miller, G.		Prequalify bidders for projects on State Capital Bldg.	0	0	S 27
H 0676	Barnes	S 0662	NCSU Textbook Publication Funds-Humanities Ext. Program	204,000	174,000	
H 0683	Wainwright		Craven County innovative & Alternative Demonstration Prog.	25,000	25,000	
H 0718	Easterling		Early Childhood Initiatives (Governor's Recommendations)	20,000,000	27,640,000	
H 0719	Easterling	S 0674	Children's Immunization (Gov's Supplemental Item)	3,500,000	7,200,000	
H 0722	Green	S 0644	Early Intervention for Deaf	250,000	274,000	
H 0725	Diamont	S 0964	Community Based Services Expansion, Youth Services	500,000	500,000	
H 0729	Nesbitt		Small Employer Health Plan/Other Initiatives	5,500,000	2,500,000	
H 0738	Hunter, H.	S 0695	HIV (Medication for eligible Persons)	350,000	350,000	
H 0782	Michaux	S 0781	Legal Education Assistance Funds	25,000	0	
H 0809	Cummings		Childhood Hunger Study (UNC CH School of Public Health)	0	0	S 94
H 0834	Diamont		Safe School Grant Funds (Aid to Local Unit-Grants)	2,500,000	2,500,000	S 139
H 0931	Holt	S 0896	Indigent Persons' Attorney Fee Fund	0	0	S 195
H 1050	Richardson		DNA Database and Databank	113,197	34,000	
H 1063	Fitch		Economic and Family justice (Access to Civil Justice Act)	250,000	250,000	
H 1176	Gottovi	S 0826	Travel and Tourism Funds (Governor's Recommendations)	1,000,000	500,000	
H 1177	Hunter, H.	S 0934	Mental Health Study and Coalition 2001 Plan	9,875,239	9,187,175	
H 1188	Nesbitt		Exceptional Children's Formula Revised	5,583,598	4,583,598	S 134-5
H 1193	Crawford		NC Arts Council Funds	0	0	

BILLS INCLUDED IN SB 27 (CHAPTER 321)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
H 1195	Rogers	S 0969	Small and Low-Wealth Schools	13,000,000	13,000,000	
H 1202	Nesbitt		State Employees Convert Leave (HCS 1307 below)	0	0	
H 1203	Nesbitt	S 1205	School Employees Convert Leave (HCS 1307 below)	1,000,000	1,000,000	
H 1208	Hunter, R.		Mobile Preschool Program	50,000	0	
H 1211	DeVane	S 0979	Local & State Water Supply/Mgmt Studies, etc.	498,034	474,681	
H 1217	Diamont	S 1029	Infant Mortality Funds	453,000	604,000	
H 1217	Diamont	S 1029	Infant Mortality Funds	2,142,889	1,125,000	
H 1218	Bowen		Southeastern Agricultural Marketing	151,978	121,402	
H 1222	DeVane	S 0870	Milk Sanitation Program Funds (Personnel Costs)	183,608	183,608	
H 1223	Rogers		Somerset Place-Staff	70,545	70,545	
H 1231	Nesbitt		School-Based Administrators Pay	0	0	S 132
H 1232	Diamont	S 0006	Rural/Primary Care Initiatives	2,160,000	2,160,000	
H 1232	Diamont	S 0006	Rural/Primary Care Initiatives	2,100,000	2,100,000	S 101.3
H 1233	Holt	S 1038	Harriet's House Funds	200,000	0	
H 1237	Easterling	S 1001	Juvenile Sex Offender Funds (HB 1331 Rep. Baddour)	500,000	500,000	
H 1243	Ramsey		State Mileage Allowance to IRS allowance	0	0	S 24
H 1260	Wainwright		Martin Luther King Commission (Funds Only)	75,000	75,000	
H 1261	Nesbitt	S 0548	OSHA Funds (Includes Gov's Recommendation)	939,000	970,620	
H 1265	Culp		Soil Survey Positions Funds	100,354	0	
H 1277	Diamont		UNC Conifer/Pest Mgmt Funds (NCSU Cooperative Extension)	64,000	64,000	S 95
H 1279	Nye		Head injury Projects/Fund-MHDDSA	300,000	300,000	
H 1298	Hunter, H.		Development Banking Funds	1,500,000	0	
H 1304	Bowman	S 0938	Hosiery Technology Center within Comm. College System	0	0	S 116
H 1306	Barnes		Raise Floor Salary for Lowest Paid Employees	135,500	135,500	S 68
H 1307	Lee/Nesbitt		Formula Increase/COLA for Retirees/Leave Conversion	0	0	
H 1308	Alphin	S 1127	Public School Access to Learning Link (Public Television)	100,000	100,000	S 100
H 1328	Baddour	S 1085	Data Control Clerks/Computer sys. analysts—Corp. Div.	117,702	113,500	
H 1331	Baddour		Pilot Extended Year Program on 3 campuses	200,000	300,000	
H 1331	Baddour		Juvenile Sex Offender Funds (See HB 1237 Rep. Easterling)	0	0	
H 1333	DeVane		Additional Staff/Equipment	528,905	542,815	
H 1335	Wright		Rabies Vaccine Globulin for Medically Indigent	25,000	25,000	
H 1346	Gottovi		Enhance Activities to control HIV, AIDS, STD and TB	250,000	250,000	
H 1349	Baddour		Diabetes Program at UNC CH School of Medicine	225,000	225,000	S 97

BILLS INCLUDED IN SB 27 (CHAPTER 321)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>Section</u>
H 1367	Nesbitt		Western Farmers Market staff	53,752	53,752	
H 1371	Robinson		Mountain Area Fire Fighting positions (3)	132,728	132,728	
H 1377	Baddour	S 1086	State Treasurer Office Personnel (Gov's Expansion Recom.)	693,663	1,161,411	
H 1381	Black		NC REAL Enterprises (WTTF Appropriation of \$300,000 each yr.)	0	0	S 306
H 1414	Baddour	S 1104	Crime Control Funds	500,000	0	
H 1437	Crawford		Western NC Genetic Center	120,000	120,000	Also SB 26
H 1441	Jeffus	S 1110	Educational Consortia Funds	600,000	600,000	S 101.2
H 1444	Nesbitt		Earthquake Program	48,750	65,000	
H 1463	Gottovi		CAMA Commissin/Env. Index	100,000	50,000	
H 1466	Nesbitt		Western NC Regional Economic Dev. Commission	600,000	1,250,000	
H 1485	Holt		NG Pension Fund Actuarial Needs	65,234	65,234	

BILLS INCLUDED IN SB 14

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 93-94</u>
S 0081	Warren	H 0238	ECU-Purchase of Rose High School Property	5,000,000
S 0082	Warren	H 0239	ECU Library Construction	28,900,000
S 0712	Kerr	H 1230	Wayne CC Campus Building	6,328,622
S 0723	Cochrane	H 0682	Film School Construction-NC School of the Arts	6,999,200
S 0946	Carpenter	H 1198	Tri-Country CC Classroom Bldg/Child Care Center	480,000
S 1047	Plexico		Blue Ridge CC Allied Health Building	5,000,000
S 1177	Winner, D.	H 1427	Arboretum Funds	2,500,000
S 1182	Warren		Beaufort CC Student Services Center	2,900,000

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 93-94</u>
H 0238	Rogers	S 0081	ECU-Purchase of Rose High School Property	5,000,000
H 0239	Rogers	S 0082	ECU Library Construction	28,900,000
H 0603	Beall		Haywood CC Classroom	1,100,000
H 0664	Miller, G.		Education, Clean Water bond Act (See SB 14)	0
H 0682	Gray	S 0723	Film School Construction-NC School of the Arts	6,999,200
H 0893	Lee		Richmond CC Arts Bldg. Fund	2,251,414
H 0917	Ramsey		Southwestern CC General Classroom Building	2,000,000
H 0917	Ramsey		Southwestern CC Classroom, lab, & office Bldg. Swain Co.	900,000
H 0918	Ramsey		WCU Belk Bldg. Completion	3,280,200
H 0918	Ramsey		WCU Moore Hall (Phase II) Renovations	2,043,900
H 0918	Ramsey		WCU Renovate Camp Lab School	1,896,500
H 0918	Ramsey		WCU Reid Gym Renovations	2,379,400
H 1198	Jenkins	S 0946	Tri-County CC Classroom Bldg/Child Care Ctr (See SB 946)	480,000
H 1199	Jenkins		Tri-County/Graham Class/Lab/Student Building	480,000
H 1230	Baddour	S 0712	Wayne CC Campus Building	6,328,622
H 1242	Hightower		Anson CC Auditorium Funds (SB 14 has Advanced Tech. Ctr.)	2,998,465
H 1266	Braswell		James Sprunt CC Funds—Small Business Ctr/Library/Etc.	3,708,406
H 1295	Hunt, J.		Caldwell Comm College Classroom/Lab Watagua Co. Campus	2,261,539
H 1427	Colton	S 1177	Arboretum Funds	2,500,000
H 1491	Black		Central Piedmont Sciences Lab Bldg. Expansion	3,950,000

1994 ACTIONS

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Sections</u>
S 866	Speed		Agricultural Survey Funds	134,600	3
S 1300	Simpson		Glen Alpine Sewer Funds (Reserve Created)	750,000	a 3
S 1305	Ward	H 1626	School Psychologist Salary Adjustment	498,476	19.6 (c)
S 1306	Ward	H 1611	UNC Infection Control Funds	75,000	3
S 1307	Ward		Nurse Scholars Changes/Funds	24,000	3, 17.10
S 1310	Harris		Legislative Retirement Change	0	7.29
S 1311	Harris	H 1554	Increase Retirement Benefits	0	7.30
S 1313	Soles	H 1705	Oak Island Senior Funds (Reserve Created)	100,000	b 3
S 1319	Soles		Columbus Economic Development Funds (Reserve Created)	750,000	a 3
S 1325	Tally		Boards of Health Funds	100,000	3
S 1326	Plyler		Agriculture Funds	214,413	3
S 1329	Plyler		World Languages Center Funds	500,000	3
S 1330	Plyler		Aquaculture Funds	167,969	3
S 1337	Plyler	H 1805	Hall of Honor Funds	100,000	3
S 1339	Conder	H 1523	Coalition 2001 Cap. Funds	6,000,000	3
S 1341	Conder	H 1657	Haltiwanger Retreat Funds	150,000	3
S 1342	Conder		Richmond Waste Site Funds (Reserve for 4 sites created)	800,000	c 3
S 1344	Hyde		Maternity Home and Adoption Funds	665,000	3
S 1345	Walker	H 1758	Senior Center Funds (Reserve Created)	100,000	b 3
S 1346	R. Martin		Pesticide Expansion Funds	766,708	3

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Sections</u>
S 1348	R. Martin		Eastern NC AG Center Funds	3,600,000	32
S 1351	R. Martin		Grassroots Science Program Funds	450,000	3
S 1352	Warren		Partnership For The Sounds Funds	3,067,250	3
S 1353	Warren	H 1561	4-H Youth Dev. Funds	500,000	32, 37.1
S 1354	Warren	H 1562	4-H- Camp Funds	2,000,000	32
S 1355	Soles	H 1546	Marine Sciences Funds	1,100,000	32
S 1356	Warren	H 1699	ECU Medical School Funds	0	See S1552
S 1357	Hoyle		Funds/ALE Additional Staff	0	See S1523
S 1358	Richardson	H 1607	Medicaid Funds	23,146,992	3
S 1359	Plexico	H 1520	TDA Infrastructure Funds	1,250,000	3
S 1360	Plexico	H 1735	Year Of The Mountains Funds	25,000	3
S 1364	Plexico	H 1733	Wildlife Mgt. Depot Funds	80,000	3
S 1365	Plexico		Swain Dispute Resolution Funds	6,000	3
S 1366	Plexico		Kellogg Community Center Funds	250,000	32
S 1368	Richardson		Discovery Place/Capital Funds	2,600,000	3
S 1370	Perdue		UNC Gerontology Inst. Funds	50,000	3
S 1372	Hoyle		Polymers Program Funds	400,000	3, 28.11
S 1373	Hoyle		Housing Funds (Housing Trust)	4,000,000	3
S 1375	Hoyle	H 1649	Center For Applied Tech/Funds	600,000	3, 32
S 1376	Sands	H 1593	Funds For Chinqua-Penn	181,650	3
S 1379	Walker	H 1512	Day Care Provider Records (Legis. Not Ratified)	250,000	3
S 1385	L. Winner	H 1614	School TECH. Plans/Fund (Reserve Created)	42,000,000	3, 19.26
S 1387	Gulley	H 1630	Psychologist Class. Funds	195,000	3
S 1392	Gulley	H 1526	LEP Student Funds	1,000,000	19.5
S 1393	Gulley		Magistrates' Qual./Pay Plan	0	7.13
S 1394	Gulley	H 1893	Grassroots Science Funds	0	See S1351
S 1396	Conder	H 1677	Richmond Educ. Ctr. Funds	87,500	3
S 1398	Gunter		Sex Offender Registration/Funds (Legis. Not Rat.)	32,810	3

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Sections</u>
S 1400	Plexico		Voter Registration Rewrite	1,000,000	3, 16, 16.1 & 16.2
S 1402	Albertson		Warsaw Armory Repair Funds	12,500	32
S 1403	Albertson	H 1548	Oyster Blue Ribbon Adv. Coun.	100,000	3, 27.16
S 1404	Ballance		Substance Abuse Funds	100,000	3
S 1405	Parnell	H 1602	Farmers' Market Funds	3,600,000	32
S 1407	Parnell	H 1641	Hurricane Evac. Restudy Funds	105,000	3
S 1414	Cooper	H 1629	NC Special Care CTR Funds	200,000	3
S 1415	Smith	H 1686	Spencer Shops Funds	300,000	32
S 1416	Conder	H 1579	Independent Living Prog/Fund	1,362,000	3
S 1417	Conder	H 1769	Coalition 2001 Expansion Funds	10,455,000	3
S 1419	Speed		Beaver Damage Funds	150,000	3
S 1423	Lee	H 1874	UNC-CH Capital Funds	2,550,000	32
S 1426	Lee	H 1585	Leadership Academy Fac. Funds	100,000	32
S 1427	Lee	H 1586	UNC-CH Consortium Funds	150,000	3
S 1428	Albertson		Funds For Mycotoxin Research	110,000	3
S 1429	Albertson		Beulaville Armory Repair Funds	50,000	32
S 1433	Albertson	H 1534	Small Hort. Crops Pos. Funds	100,000	3
S 1434	Albertson	H 1601	Funds for Prof. Soil Science	100,000	3
S 1435	Albertson	H 1541	Fund Endorse. To Sell Program	200,000	3
S 1436	Albertson	H 1540	Crab Lic./Fish. Moratorium	225,000	3, 17.7
S 1439	Odom		AOC Presumptive Fee/Funds	2,640,000	3

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Sections</u>
S 1441	Tally	H 1734	Department of Labor Funds	1,029,221	3
S 1442	Kerr	H 1824	Lenoir County Arts/Civic Funds	200,000	3
S 1446	W. Martin		NC A&T Funds	0	37.3
S 1447	W. Martin		NC A&T Research Funds	450,000	3
S 1450	W. Martin	H 1580	Uplift Funds	300,000	3
S 1451	Odom		Mt. Island Park Study Funds	15,000	3
S 1454	Sherron		Centennial Center Funds	6,500,000	32
S 1457	Sherron		Ballentine Bldg. Funds	111,500	26
S 1458	Sherron		Raise Substitute Teacher Pay	3,398,815	3.19.13
S 1463	Lee		Chatham Waste Site Funds (Reserve for 4 sites created)	800,000	^c 3
S 1468	W. Martin		Afro-American Tourism Site Comm.	0	36
S 1474	Kerr	H 1782	UNC-CH Law School/IOG Funds	1,700,000	32
S 1477	Edwards		FSU Fine Arts Building	750,000	32
S 1481	Kaplan		Old Salem Museum Funds	150,000	3
S 1502	Daniel		Low-Wealth/Small School Funds	10,000,000	3, 19.32
S 1508	Soles	H 1545	Bird Island Funds	0	27.18
S 1510	Parnell		Extend Sentencing Commission (See H 1605 Sec. 6)	0	0
S 1513	Odom		Increase Judicial Compensation	0	7.9
S 1515	Odom	H 1783	Harriet's House Funds	200,000	3
S 1516	Odom		NC Leaf Funds	25,000	3
S 1518	Gunter	H 1690	Western Wake Senior Funds (Reserve Created)	100,000	^b 0
S 1523	Jordan	H 1797	Add ALE Staff/Funds	811,781	3
S 1524	Jordan		Add Victim/Justice Staff	44,449	3
S 1525	Jordan		Crime Reduction Initiative Funds	231,240	3
S 1529	Ballance	H 1589	Chips Program Funds	335,000	3
S 1530	Ballance		Warren County Ranger Funds	30,000	3
S 1531	Ballance		Drug Task Force Funds	250,000	3

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>S-Bill</u>	<u>Legislator</u>	<u>H-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Sections</u>
S 1537	Soles	H 1539	Brunswick Tire Recov. Funds	200,000	3
S 1542	R. Martin	H 1764	Eastern NC Job Training Fund	100,000	3.28.1(d)
S 1545	Plyler		National Guard Ed. Assistance/Funds	350,000	3
S 1546	Plyler	H 1684	National Guard Repair Funds	200,000	0
S 1552	Warren		ECU Medical School Funds	5,054,665	Sec. 37
S 1556	Perdue		Bulkhead Project Funds/Pamlico	91,000	32
S 1557	Perdue		Water Resource Dev. Funds	2,750,000	32, 41
S 1560	Perdue		School Admin. Salary Funds	0	19.7
S 1567	Sands		Butner Fire Truck Funds	273,263	3
S 1570	Kaplan		Regional Development Partnership (Language Amended)	2,200,000	3, 28.7
S 1572	Seymour		Randleman Dam Funds	1,000,000	3
S 1573	Lee	H 1588	UNC Budget Flexibility	0	17.6
S 1574	R. Martin		Soil and Water Conservation Funds	200,000	3
S 1580	Sherron		Increase TSERS Retirement Allowance	0	See S1311
S 1581	Sherron		Increase To TSERS Retirees	0	See S1311
S 1583	Gulley	H 1692	Butner Public Safety Fire TRK	0	See S1567
S 1588	Daniel	H 1517	Funds/Ergonomics Res. Center	691,016	3
S 1589	Daniel	S 1529	CHIPS Program Funds	0	See S1529
S 1592	Daniel		Children's Center Funds	100,000	3
S 1593	Daniel	H 1856	NCSU Funds	1,360,000	3, 17.8
S 1597	Warren		ECU Life Sciences Bldg. Funds	4,850,000	32
S 1598	Warren		Global Transpark Authority Funds (Highway Fund)	2,870,000	4
S 1599	Warren		Lenoir County Arts/Civic Center Funds	0	See S1442
S 1600	Warren	H 1618	UNC Tuition Surcharge Except	0	17.10
S 1626	Sherron		Increase Fire Pension Benefits	2,200,000	3
S 1640	Marshall		Medicaid Estate Recovery Plan	104,750	3, 25.47
S 1695	Daniel		Piedmont Sports and Ent. Authority	0	28.21

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

- NOTES:**
- (1) No specific senior center appropriation was made; a reserve of \$100,000 was funded; centers are to apply for grant which is capped at \$10,000 each.
 - (2) Reserve of \$800,000 created; Richmond, Wake, and Chatham Counties to receive \$250,000 each; Northampton County to receive \$50,000.

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Section</u>
H 276	Crawford		Alzheimers Chapters	100,000	3
H 1256	Kinney		Sickle Cell Grant	500,000	3
H 1270	Colton		Female Offender Program	105,000	3
H 1271	J. Preston		Local Boards of Health Training	100,000	3
H 1327	Baddour		Social Workers Ed. Loan Fund	150,000	3, 17.16
H 1338	Michaux		Women's Health Service Funds	750,000	3, 27.8
H 1510	Bowman		Cancer Coord. and Control Funds	50,000	3
H 1512	H. Hunter	S 1379	Day Care Provider Records (Enabling legislation not ratified)	250,000	3
H 1517	H. Hunter	S 1588	Funds/Ergonomics Res. Ctr.	691,016	3
H 1518	H. Hunter		Funds/Drug Task Forces Grants	250,000	3
H 1519	H. Hunter		Mental Health Serv. for Deaf Funds	145,000	3
H 1520	H. Hunter	S 1359	TDA Infrastructure Funds	1,250,000	3
H 1521	H. Hunter		Home Ownership Funds (Community Self-Help)	5,000,000	3
H 1522	H. Hunter		Housing Funds (HFA)	4,000,000	3
H 1523	Alexander	S 1339	Coalition 2001 Cap. Funds	6,000,000	3
H 1525	Black		Agricultural Survey Program Funds	134,600	3
H 1526	Black	S 1392	LEP Student Funds	1,000,000	19.5
H 1528	Black		Small Business Center Funds	231,241	3
H 1533	James		Funds for Tidewater Center	283,600	32
H 1534	James	S 1433	Small Hort. Crops Pos. Funds	100,000	3

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Section</u>
H 1539	Redwine	S 1537	Brunswick Tire Recov. Funds	200,000	3
H 1540	Redwine	S 1436	Crab Lic./Fish Moratorium	225,000	3, 17.7
H 1541	Redwine	S 1435	Fund Endors. to Sell Program	200,000	3
H 1545	Redwine	S 1508	Bird Island Funds	—	27.18
H 1546	Redwine	S 1355	Marine Sciences Funds	1,100,000	32
H 1548	Redwine	S 1403	Oyster Blue Rib. Avd. Coun.	100,000	3, 27.16
H 1554	Lee	S 1311	Increase Ret. Benefits	0	7.30
H 1558	McLawhorn		Mycotoxin Research Funds	110,000	3
H 1561	Wilkins	S 1353	4-H Youth Dev. Funds	500,000	32, 37.1
H 1562	Wilkins	S 1354	4-H Youth Dev. Prog.	2,000,000	32
H 1564	Nye		Future Farmers Funds	250,000	3
H 1566	Nye		Parent Involvement Funds	100,000	3
H 1567	Nye		Personal Needs Allowance Funds	469,876	3
H 1571	Nye		Gov. Morehead School Ctr. Funds	100,000	3
H 1572	Nye		Senior Centers Funds (Reserve Created)	100,000	3
H 1573	Nye		Autism Services Funds	244,000	3
H 1575	Nye		Thomas S. Funds	2,000,000	3
H 1576	Nye		Mental Health/Deaf Funds	—	See H 1519
H 1577	Nye		Deaf-Blind Ind. Living Funds	100,000	3
H 1578	Nye		Crisis Stabilization Funds	1,200,000	3
H 1579	Nye	S 1416	Indep. Liv. Prog./Funds	1,362,000	3
H 1580	Nye	S 1450	Uplift Funds	300,000	3
H 1581	Nye		Rural Health Funds	900,000	3
H 1585	Barnes	S 1426	Leadership Acad. Fac. Funds	100,000	32
H 1586	Barnes	S 1427	UNC-CH Consortium Funds	150,000	3
H 1587	Barnes		Differentiated Pay//Noncert. Employees	10,408,950	3
H 1588	Barnes	S 1573	UNC Budget Flexibility	0	17.6
H 1590	Bowman		Small Business Center Funds	—	See H 1528

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Section</u>
H 1593	Cole	S 1376	Funds for Chinqua-Penn	181,650	3
H 1597	H. Hunter		Butner Fire Truck Funds (See H 1692)	273,263	3
H 1599	Gray	S 1480	Noncert. School/Empl. Sal.	0	19
H 1601	James	S 1434	Funds/Prof. Soil Science	100,000	3
H 1602	Sutton	S 1405	Farmers' Market Funds	3,600,000	32
H 1603	Sutton		UNC Am. Ind. Scholarship Funds	333,000	3
H 1607	Diamont	S 1358	Medicaid Funds	23,146,992	3, See H 1876
H 1610	Diamont		Foster Care Funds	3,648,651	3
H 1611	Diamont	S 1306	UNC Infection Control Funds	75,000	3
H 1613	Diamont		Maternity Home & Adoption Funds	1,415,000	3
H 1614	Diamont	S 1385	School Tech. Plans/Fund (Reserve Created)	42,000,000	3, 19.26
H 1615	Wainwright		Craven Sewer Treatment Funds	25,000	3
H 1617	Thompson		Mountain Conifer Funds	70,000	3
H 1618	Oldham		UNC Tuition Surcharge Exception	0	17.10
H 1624	Rogers		Eastern NC Agric. Center Funds	3,600,000	32
H 1625	Rogers		Low-Wealth School Supp. Funds	10,000,000	3, 19.32
H 1626	Rogers	S 1305	Sch. Psychologist Sal. Adj.	498,476	19.6(c)
H 1627	Kuczmariski		Cued Speech Funds	95,000	3
H 1629	Arnold	S 1414	NC Special Care Ctr. Funds	200,000	3
H 1630	Baddour	S 1387	Psychologist Class. Funds	195,000	3
H 1631	Culpepper		Dare School Pay Date	0	19.18
H 1637	Hensley		Additional State Troopers (Highway Fund)	2,735,235	3
H 1639	Hensley		Increase Judicial Salaries	0	7.9
H 1641	Hightower	S 1407	Hurricane Evac. Restudy Funds	105,000	3
H 1645	Yongue		Scotland School Pay Date	0	19.19
H 1646	Gottovi		Fort Fisher Funds	4,170,000	32
H 1647	Gottovi	S 1416	Independ. Living Prog./Funds	0	See H 1579

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Section</u>
H 1648	Dickson		Dispute Settlement Funds	15,000	3
H 1649	Dickson	S 1375	Ctr. for Applied Tech./Funds	600,000	3, 32
H 1651	H. Hunter		ALE Funds	40,800	3
H 1652	H. Hunter		CAP Repairs/Maintenance Funds	9,000	3
H 1653	H. Hunter		Child Caring Inst. Funds	500,000	3
H 1654	H. Hunter		ALE DCI Terminal Access	46,800	3
H 1657	H. Hunter		Victim Comp./Rape Assistance Staff	44,449	3
H 1658	Colton		Child Caring Agency Funds	755,059	3
H 1659	Lutz		Repeal Cleveland School Pay Date	0	19.20
H 1665	H. Hunter	S 1529	CHIPS Program Funds	335,000	3
H 1670	Nesbitt		BEP Full Implementation Funds (Partial)	45,856,438	3
H 1671	Nesbitt	S 1307	Nurse Scholars Change/Funds	24,000	3, 17.11
H 1677	Lee	S 1396	Richmond Educ. Ctr. Funds	87,500	3
H 1678	Lee	S 1342	Richmond Waste Site Funds (Reserve Created for 4 sites)	800,000 *	3
H 1679	Lee	S 1341	Haltiwanger Retreat Funds	150,000	3
H 1681	Black		UNC Teaching Improv. Funds	3,660,700	17.9(a)
H 1683	Mercer	S 1553	Firemen/Rescue Sq. Bene.	2,200,000	3
H 1684	Baddour	S 1546	National Guard Repair Funds	200,000	3
H 1685	Baddour	S 1545	Nat'l Guard Ed. Assist/Funds	350,000	3
H 1686	Gardner	S 1415	Spencer Shops Funds	300,000	32
H 1688	H. Hunter		In-Home Funds	500,000	3
H 1689	H. Hunter		HIV Foster Care Funds	499,500	3
H 1690	Mosley	S 1518	Western Wake Senior Funds (Reserve Created)	100,000 *	3
H 1692	Wilkins	S 1583	Butner Pub. Safety Fire Truck	—	See H 1597
H 1695	Hensley	S 1580	Increase TSERS Ret. Allow.	0	See H 1554
H 1696	Hensley	S 1581	Increase to TSERS Retirees	0	See H 1554
H 1698	Rogers		ECU Life Sciences Design Funds	—	See H 1724

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Section</u>
H 1699	Rogers	S 1356	ECU Medical School Funds (Amended)	5,054,665	37
H 1705	Hill	S 1313	Oak Island Senior Funds (Reserve Created)	100,000 *	3
H 1714	Fitch		Wilson Tech. Oil Cleanup Funds	108,500	3
H 1718	Redwine	S 1510	Extend Sentencing Commn. (See H 1605, Sec. 6)	0	
H 1724	Rogers		ECU Life Sciences Bldg. Funds	4,850,000	32
H 1728	Burton		Funds for NC A & T	1,000,000	32
H 1729	Jeffus		UNC-G Land/Street Project Funds	5,000,000	32
H 1731	Jenkins		Mountain State Fair Funds-1	—	See H 1787
H 1732	Jenkins		Rural Tourism Funds	400,000	3
H 1733	Jenkins	S 1364	Wildlife Mgt. Depot Funds	80,000	3
H 1734	Jenkins	S 1441	Dept. of Labor Funds	1,029,221	3
H 1735	Jenkins	S 1360	Year of the Mountains Funds	25,000	3
H 1737	H. Hunter		Minority Health Funds	100,000	3, 27.6
H 1738	Bowie		B.A.S.S. Masters Classic Funds	150,000	3
H 1741	Nichols	S 1556	Bulkhead Proj. Funds/Pamlico	91,000	32
H 1746	Gottovi	S 1398	Sex Offender Regist./Funds (Legislation not ratified)	32,810	3
H 1750	Nye		Deaf Human Services Funds	1,662,249	3
H 1751	Nye		Eastern Sch. for Deaf Cap. Funds	3,019,100	32
H 1753	Nye		Schools for Deaf Funds	1,000,000	3
H 1757	Church		NC A&T Research Funds	300,000	3
H 1758	Hackney	S 1345	Senior Center Funds (Reserve Created)	100,000 *	3
H 1760	Hackney	H 1885	Funds/Purchase Occoneechee Mt.	—	27.18
H 1764	H. Hunter	S 1542	Eastern NC Job Training Funds	100,000	3, 28.1(d)
H 1765	H. Hunter		WTTF Funds/Common Follow-up Sys.	225,000	28
H 1769	Alexander	S 1417	Coalition 2001 Exp. Funds	10,455,000	3
H 1771	Richardson		Half-way House Funds	125,000	3
H 1776	Luebke	S 1400	Voter Registration Rewrite	1,000,000	3,16,16.1

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Section</u>
					& 16.2
H 1781	Holt		Alamance Dispute Settle. Funds	5,000	3
H 1782	Holt	S 1474	UNC-CH Law School/IOG Funds	1,700,000	32
H 1783	Holt	S 1515	Harriet's House Funds	200,000	3
H 1784	Holt	S 1423	UNC-CH Capital Funds	850,000	32,
					See H 1782
H 1785	Colton		Western Farmers Market Funds	400,000	32
H 1787	Colton		Mountain State Fair Funds-2	150,000	3
H 1788	Colton		WNC Agricultural Center Funds	1,500,000	32
H 1792	Bowman		National Envirothon Funds	25,000	3
H 1796	Wright		Add Victims/Justice Staff	44,449	3
H 1797	Wright	S 1523	Add ALE Staff/Funds	811,781	3
H 1798	Wright		Crime Reduction Initiative Funds	230,790	3
H 1800	Wright		Burn Pit Cleanup Funds	100,000	3
H 1801	Wright	S 1522	African-American Ctr. Study	—	36
H 1804	Hayes		Family to Family Funds	—	25.36
H 1805	Warner	S 1337	Hall of Honor Funds	100,000	3
H 1811	J. Brown		Watts Waste Site Cleanup Funds	—	27.5
H 1814	Richardson		Funds/ALE Additional Staff	—	See H 1797
H 1820	H. Hunter		Min. Infant Mort. Funds	750,000	3, 27.6
H 1824	Baddour	S 1442	Lenoir Co. Arts/Civic Funds	200,000	3
H 1830	Diamont		"First Step" Campaign Funds	150,000	3
H 1832	R. Hunter		McSmiles Program Funds	50,000	3
H 1840	Black		Comm. Coll. Trustee Educ. Funds	25,000	3
H 1843	McLaughlin		Emissions Inspection Changes (Highway Fund)	230,000	4
H 1848	Bowen		Topsail Assembly Bldg. Funds	200,000	3
H 1849	Hensley		Funds/Centennial Center	6,500,000	32
H 1851	Wilmoth		Watauga School Pay Date	0	19.21

BILLS INCLUDED IN SB 1505 (CHAPTER 769)

<u>H-Bill</u>	<u>Legislator</u>	<u>S-Bill</u>	<u>Title</u>	<u>FY 94-95</u>	<u>Section</u>
H 1852	Warner		FSU Fine Arts Bldg. Funds	750,000	32
H 1854	Ellis		Vehicle Window Glazing (Highway Fund)	5,000	3
H 1856	Nesbitt	S 1593	NCSU Funds	1,360,000	3, 17.8
H 1867	Luebke/Easterling		Extend Child Fatality Task Force	85,000	3, 27.8
H 1869	Wilkins		Warren Co. Ranger Funds	30,000	3
H 1870	Hayes		Abstinence Education Funds	—	27.10
H 1875	Easterling		Discovery Place/Capital Funds	2,600,000	3, 34.3
H 1876	Easterling	S 1358	Medicaid Funds	—	See H 1607
H 1877	Easterling		Special Care Center Funds	—	See H 1629
H 1879	Thompson		Mitchell Sr. Citizens Ctr. Funds (Reserve Created)	100,000 *	3
H 1885	G. Miller	H 1760	Funds/Purchase Occoneechee Mt.	—	27.18
H 1893	Luebke	S 1394	Grassroots Science Funds (Partial)	—	3
H 1905	Wainwright		Tryon's Palace Artifacts	0	12.2
H 1906	Wainwright		Cul. Res. May Sell Artifacts	0	12.3
H 1907	Nesbitt		Reg. Econ. Dev. Comm. Changes	0	28.7, 28.8
H 1911	H. Hunter		HIV Counseling Funds	1,174,032	3
H 1924	Diamont		WCU/ECU Legislator School Funds	50,000	3
H 1930	Culp		Soil Survey Positions Funds	103,000	3
H 1931	Holt		NC Leaf Funds	25,000	3
H 1932	Holt		AOC Presumptive Fee/Funds	2,640,000	3
H 1945	Redwine	S 1570	Reg. Dev. Partnership (Language Amended)	2,200,000	3, 28.7
H 1948	Culpepper		Northeastern Reg. Comm'n Funds (Lang. Adopted)	—	28.9
H 1982	Jeffus	S 1572	Randleman Dam Funds	1,000,000	3
H 2005	Beall		Sanitary Dist. Util. Relocations	0	20.12
H 2026	Alphin		Agricultural Engineer Positions	180,000	3
H 2057	Cunningham		Small Business Surety Bonds (Legislation Not Adopted)	1,000,000	3, 28.14

TOTAL STATE BUDGET BY SOURCE OF FUNDS
1963-64 TO 1994-95
(In Millions)

	General Fund	Federal Revenue Sharing	Highway Funds	Federal	Other	Total
1963-64	\$ 534.0	—	\$158.3	\$152.4	\$127.4	\$ 972.1
1964-65	468.7	—	161.8	153.3	91.3	875.1
1965-66	608.8	—	181.7	188.8	185.2	1,164.5
1966-67	580.6	—	188.8	175.8	107.7	1,052.8
1967-68	791.7	—	219.6	236.4	180.3	1,428.0
1968-69	735.1	—	226.9	221.3	135.3	1,318.6
1969-70	969.6	—	303.7	349.9	193.4	1,816.6
1970-71	961.4	—	304.7	335.1	171.2	1,772.3
1971-72	1,198.0	—	344.8	476.7	218.6	2,238.2
1972-73	1,173.6	—	352.4	491.7	199.5	2,217.2
1973-74	1,607.3	105.2	381.7	519.3	264.4	2,877.9
1974-75	1,734.6	57.2	392.7	648.6	247.8	3,080.9
1975-76	1,733.2	51.7	422.8	747.6	292.3	3,247.6
1976-77	1,922.4	67.1	414.6	776.8	282.9	3,463.8
1977-78	2,158.0	66.9	433.1	967.9	351.4	3,977.3
1978-79	2,515.4	62.5	461.8	1,042.7	328.5	4,410.9
1979-80	2,787.7	57.0	497.6	1,240.5	448.8	5,031.7
1980-81	3,216.4	28.4	506.1	1,296.5	395.7	5,443.1
1981-82	3,435.0	—	535.0	1,312.7	470.0	5,752.8
1982-83	3,623.6	—	555.6	1,322.3	485.9	5,987.4
1983-84	3,857.6	—	664.0	1,597.4	584.9	6,703.9
1984-85	4,516.6	—	713.6	1,655.8	551.7	7,437.7
1985-86	5,130.5	—	735.5	1,838.1	696.4	8,400.5
1986-87	5,516.0	—	839.4	1,887.4	698.3	8,941.0
1987-88	5,977.9	—	882.4	2,026.8	837.1	9,724.2
1988-89	6,586.1	—	918.7	2,117.4	788.2	10,410.4
1989-90	7,360.0	—	1,236.6	2,366.8	1,033.0	11,996.4
1990-91	8,149.0	—	1,223.8	2,617.0	949.4	12,939.2
1991-92	7,983.0	—	1,323.3	3,127.8	1,176.3	13,610.4
1992-93	8,209.5	—	1,318.4	3,617.5	1,363.2	14,508.6
1993-94	9,317.9	—	1,363.3	4,516.4	1,544.0	16,741.6
1994-95	10,268.4	—	1,480.9	4,639.9	1,580.7	17,969.9

SOURCE: STATE BUDGET OFFICE

CONDITION OF GENERAL FUND

<i>Fiscal Year</i>	<i>Credit Balance July 1</i>	<i>General Fund Revenue Net Collections</i>	<i>Total Availability</i>	<i>Appropriation Expenditures Current Op.</i>	<i>Appropriation Expenditures Cap. Improv.</i>	<i>Total Appropriation Expenditures</i>	<i>Credit Balance June 30</i>
1971-72	147,217,428	1,093,909,181	1,241,126,609	1,031,353,080	64,891,192	1,096,244,272	144,882,337
1972-73	144,882,337	1,259,415,819	1,404,298,156	1,139,500,643	—	1,139,500,643	264,797,513
1973-74	264,797,513	1,429,764,463	1,694,561,976	1,433,241,642	86,622,446	1,519,864,088	174,697,888
1974-75	174,697,888	1,544,097,052	1,718,794,940	1,627,703,631	36,165,337	1,663,868,968	54,925,972
1975-76	54,925,972	1,696,857,730	1,751,783,702	1,670,011,262	23,948,648	1,693,959,910	57,823,792
1976-77	57,823,792	2,003,528,637	2,061,352,429	1,890,839,697	28,969,937	1,919,809,634	141,542,795
1977-78	141,542,795	2,173,337,915	2,314,880,710	2,131,150,750	4,749,000	2,135,899,750	178,980,960
1978-79	178,980,960	2,460,579,454	2,639,560,414	2,358,332,842	93,778,818	2,452,111,660	187,448,754
1979-80	187,448,754	2,842,170,811	3,029,619,565	2,660,272,289	84,378,719	2,744,651,008	284,968,557
1980-81	284,968,557	3,023,812,433	3,308,780,990	3,030,012,908	104,141,290	3,154,154,198	154,626,792
1981-82	154,626,793	3,229,540,852	3,384,167,644	3,244,758,733	30,861,142	3,275,619,875	108,547,769
1982-83	108,547,769	3,403,842,753	3,512,390,522	3,374,921,984	65,772,358	3,440,694,342	71,696,180
1983-84	71,696,180	3,957,317,512	4,029,013,692	3,715,794,836	59,782,244	3,775,487,080	253,526,612
1984-85	253,526,612	4,527,094,671	4,780,621,283	4,187,988,291	212,535,238	4,400,523,529	380,097,754
1985-86	380,097,754	4,910,870,016	5,290,967,770	4,718,355,241	253,503,234	4,971,858,475	319,109,295
1986-87	319,109,295	5,392,076,697	5,711,185,992	5,051,335,794	297,667,245	5,349,003,039	362,182,953
1987-88	362,182,953	5,804,527,342	6,166,710,295	5,600,754,989	173,020,035	5,773,774,884	392,935,408
1988-89	392,935,408	6,154,529,607	6,547,465,015	6,131,757,409	258,659,030	6,390,416,439	157,048,576
1989-90	157,048,576	6,988,406,674	7,145,455,250	6,773,120,129	150,092,738	6,923,212,867	222,242,383 a
1990-91	222,242,383	7,207,815,194	7,430,057,577	7,323,218,884	106,400,195	7,429,617,079	440,498

SEE NEXT PAGE

a The 1990 credit balance was inflated by deferring the 12th month pay day (\$163.9 million) until the 1991 fiscal year

CONDITION OF GENERAL FUND

	1991-92 Actual	FISCAL YEARS		1994-95 Authorized
		1992-93 Actual	1993-94 Actual	
Credit Balance July 1 (Unreserved)	\$.4	\$123.6	\$346.0	\$407.0
Reserve — Disproportionate Share Receipts	—	—	—	209.9
Repairs/Renovations Reserve — Earmarked	—	—	57.0	60.0
GENERAL FUND REVENUES (TOTAL)	\$7,817.1	\$8,292.8	\$9,433.2	\$9,653.1
Tax Revenues	7,438.5	7,883.0	\$8,516.7	\$9,090.6
Non-Tax Revenues	199.9	230.4	312.5	788.2
Transfers In:				
Highway Trust Fund	170.0	170.0	170.0	170.0
Sales Tax Refund — Highway Fund	8.7	9.4	9.9	10.3
Disproportionate Share Receipts	—	—	303.1 ^a	94.0
Savings Reserve	—	—	121.0	—
TOTAL AVAILABILITY	\$7,817.5	\$8,416.4	\$9,836.2	\$10,330.0
Appropriation Expenditures (Total)	\$7,652.7	\$7,879.1	\$9,003.6	\$10,268.4
Current Operations	7,108.3	7,472.6	8,489.3	9,600.7
Debt Service	75.8	80.2	86.4	114.8
Local Government Tax Reimbursement	468.2	231.1	235.5	236.8
Capital Improvements — Direct Appropriation	—	95.2	135.4	189.4
Savings Reserve — Direct Appropriation	.4	—	—	66.7
Repairs/Renovations — Earmarked	—	—	57.0	60.0
Credit Balance June 30	\$164.8	\$537.3	\$832.6	\$61.6
Reserve for Tax Relief	—	—	—	(\$28.1)
Savings Reserve Earmarking	\$41.6	\$134.3	\$155.7	—
Repairs/Renovations Reserve Earmarking	—	\$57.0	\$60.0	—
Reserve — Disproportionate Shared Receipts	—	—	\$209.9	—
UNRESERVED CREDIT BALANCE	\$ —	\$346.0	\$407.0	\$33.5

^a Includes total collections; excess above \$93.2 million were reserved for future use.

SUMMARY OF GENERAL FUND REVENUE
(\$'s in Thousands)

Fiscal Year	Income Tax	Sales & Use Tax	Other Taxes	Total Tax Revenue	Treasurer's Investments	Capital Improvement Reversions	Federal Revenue Funds ^a	Other Sources	Total Non-Tax Revenues	Total General Fund Revenue
1965-66	252,736	188,246	114,432	555,415	10,322	1,933		5,577	17,834	573,249
1966-67	284,807	201,641	118,755	605,204	12,337			6,166	18,504	623,709
1967-68	311,192	216,173	125,115	652,482	19,266			7,450	26,716	679,198
1968-69	350,145	239,525	149,839	739,510	20,284	5,402		10,868	36,555	776,065
1969-70	380,063	264,350	197,300	841,714	22,624	26		14,185	36,835	878,550
1970-71	413,596	285,893	221,954	921,444	29,369	1,669		15,153	46,191	967,636
1971-72	483,850	324,824	243,224	1,051,899	24,325	456		17,227	42,009	1,093,909
1972-73	566,308	368,746	278,942	1,213,997	26,816	437		18,165	45,418	1,259,415
1973-74	653,067	409,393	295,723	1,358,185	53,574	542		17,462	71,578	1,429,764
1974-75	715,401	423,006	312,775	1,451,184	73,317	1,657		17,937	92,912	1,544,097
1975-76	760,478	464,756	346,610	1,571,845	48,641	4,268	48,779	23,322	125,012	1,696,857
1976-77	985,489	510,295	374,181	1,869,966	43,165	446	50,954	38,995	133,561	2,003,528
1977-78	1,076,941	578,960	404,579	2,060,481	44,086	620	38,516	29,632	112,856	2,173,337
1978-79	1,248,931	646,729	441,557	2,337,218	59,238	1,125	30,284	32,713	123,361	2,460,579
1979-80	1,471,139	691,902	476,172	2,639,213	110,401	1,133	56,911	34,510	202,956	2,842,170
1980-81	1,583,321	737,098	525,534	2,845,448	108,546	4,950	28,391	35,969	177,858	3,023,812
1981-82	1,726,818	777,449	573,445	3,077,712	115,633	1,179	262	34,751	151,828	3,229,540
1982-83	1,856,624	823,400	599,000	3,279,024	88,017	1,427	0	35,373	124,817	3,403,842
1983-84	2,152,810	998,987	662,579	3,814,377	96,291	52	39	46,556	142,939	3,957,317
1984-85	2,513,419	1,155,845	667,457	4,336,722	131,037	177	1,456	57,701	190,372	4,527,094
1985-86	2,717,424	1,380,409	596,687	4,694,520	151,004	317	0	65,027	216,349	4,910,870
1986-87	3,129,406	1,451,612	599,542	5,180,562	139,317	5,870	0	66,326	211,514	5,392,076
1987-88	3,312,804	1,555,266	683,217	5,551,288	166,899	2,342	0	83,995	253,238	5,804,527
1988-89	3,551,755	1,681,724	695,061	5,928,542	141,780	603	0	83,603	225,987	6,154,529
1989-90	3,948,153	1,762,717	850,551	6,561,423	118,572	43,306	0	100,410	262,290 ^b	6,823,713
1990-91	4,027,687	1,682,340	982,476	6,692,505	78,623	35,176	0	153,429	267,229 ^c	6,959,734
1991-92	4,189,213	2,161,362	1,087,869	7,438,445	57,242	67	0	151,294	208,605 ^d	7,647,050

Fiscal Year	Income Tax	Sales & Use Tax	Other Taxes	Total Tax Revenue	Treasurer's Investments	Capital Improvement Reversions	Federal Revenue Funds ^a	Other Sources	Total Non-Tax Revenues	Total General Fund Revenue
1992-93	4,421,864	2,344,073	1,117,078	7,883,016	75,732	97,606	0	163,950	239,780 ^d	8,122,796
1993-94	4,742,303	2,578,846	1,195,608	8,516,757	118,235	150	93,200 ^e	203,993	415,578 ^d	8,932,335

^a Includes Federal Revenue Sharing and Anti-Recession funds during 1975-76 through 1984-85 and disproportionate Shared payments in 1993-94.

^b Does not include Transfer from Highway Trust Fund of \$164,693 (in thousands)

^c Does not include Transfers from Highway Trust Fund nor Highway Fund of \$248,081 (in thousands)

^d Does not include Transfer from Highway Trust Fund of \$170 million, but includes sales tax refund from Highway Fund and Reimbursement from Insurance Department's Special Fund for Operation of Department

^e Total Disproportionate Shared payments were \$303,132,954; balance in excess of \$93.2 million were placed in a Reserve.

SUMMARY OF GENERAL FUND APPROPRIATIONS

APPROPRIATION

FISCAL YEAR	CURRENT OPERATIONS	CAPITAL	PLUS CARRY FORWARD	TOTAL	EXPENDITURES	UNEXPENDED APPROPRIATION	LESS CARRY FORWARD	NET REVERSIONS
1965-66	548,887,603	41,639,578	—	590,527,181	558,762,459	31,764,722	10,573,247	21,191,475
1966-67	580,566,081	—	10,573,247	591,139,328	565,195,417	25,943,911	—	25,943,911
1967-68	679,797,594	112,356,788	—	792,154,382	756,349,426	35,804,956	9,118,376	26,686,580
1968-69	735,615,110	—	9,118,376	744,733,486	718,259,774	26,473,712	—	26,473,712
1969-70	894,518,284	75,588,603	—	970,106,887	912,993,508	57,113,379	18,348,925	38,764,454
1970-71	962,778,883	—	18,348,925	981,127,808	939,311,030	41,816,778	—	41,816,778
1971-72	1,087,143,307	64,891,192	—	1,152,034,499	1,096,244,272	55,790,227	13,853,736	41,936,491
1972-73	1,173,589,394	—	13,853,736	1,187,443,130	1,139,500,643	47,942,487	—	47,942,487
1973-74	1,520,694,407	86,622,446	—	1,607,316,853	1,519,864,088	87,452,765	—	87,452,765
1974-75	1,698,417,672	36,165,337	—	1,734,583,009	1,663,868,968	70,714,041	—	70,714,041
1975-76	1,756,230,449	23,948,648	—	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	—	72,136,909
1977-78	2,193,540,024	4,749,000	—	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	—	93,678,253
1979-80	2,761,002,481	84,378,719	—	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	—	100,950,571
1981-82	3,404,824,224	30,861,142	—	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	—	186,220,906
1983-84	3,812,808,921	59,782,244	—	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	—	131,579,882
1985-86	4,877,060,744	253,503,234	—	5,130,563,978	4,971,858,475	158,705,503	—	158,705,503
1986-87	5,233,678,633	297,667,245	—	5,531,345,878	5,349,003,039	182,342,839	—	182,342,839
1987-88	5,805,245,729	173,020,035	—	5,978,265,764	5,773,774,884	204,490,880	—	204,490,880
1988-89	6,302,733,865	258,659,030	—	6,561,392,895	6,390,416,439	170,976,456	—	170,976,456

SUMMARY OF GENERAL FUND APPROPRIATIONS (Continued)

FISCAL YEAR	APPROPRIATION		PLUS CARRY FORWARD	TOTAL	EXPENDITURES	UNEXPENDED APPROPRIATION	LESS CARRY FORWARD	NET REVERSIONS
	CURRENT OPERATIONS	CAPITAL						
1989-90	7,116,587,717	150,092,738	—	7,266,680,455	6,923,212,860 ^a	343,467,595 ^a	—	343,467,595 ^a
1990-91	7,867,424,607	106,400,195	—	7,973,824,802	7,429,617,079	544,207,723 ^b	—	544,207,723 ^b
1991-92	7,825,732,308	—	—	7,825,732,308	7,652,718,443	173,013,865	—	173,013,865
1992-93	8,114,332,336	95,205,570	—	8,209,537,906	7,879,046,069	330,491,837 ^c	—	330,491,837 ^c
1993-94	9,125,534,906	192,371,704	—	9,317,906,610	9,003,619,539	314,287,071	—	314,287,071

^a Reflects the deferment of the June 30, 1990 payroll into the next fiscal year - \$163.9 million.

^b Reflects \$57.4 million retirement matching withheld from Retirement System and delay of 12th pay period (\$106.0 million) until 1991-92 and \$141.0 million Rainy Day Fund appropriation.

^c Reflects \$158.7 million in unbudgeted Disproportionate shared payments.

GENERAL FUND APPROPRIATIONS
(Millions)
(May Not Add Due to Rounding)

Fiscal Year Ending June 30	Department Totals	Debt Service	Reserves Unallocated	Subtotal Current Operations	Rainy Day Fund	Local Governments	Transfer to Highway Fund	Capital Improvements^B	Total Appropriations
1966	\$525.2	\$11.9	\$1.2	\$538.3	\$ -	\$ - A	\$ -	\$41.7	\$580.0
1967	573.2	17.2	.7	591.1	-	- A	-	-	591.1
1968	652.9	17.5	.3	670.7	-	- A	-	112.4	783.1
1969	726.8	17.8	.1	744.7	-	- A	-	-	744.7
1970	856.2	17.8	2.2	876.2	-	- A	-	75.6	951.8
1971	961.9	17.8	1.5	981.1	-	- A	-	-	981.1
1972	1,052.2	18.6	2.5	1,073.3	-	- A	-	64.9	1,138.2
1973	1,159.1	21.5	6.9	1,187.4	-	- A	-	-	1,187.4
1974	1,468.5	48.1	4.1	1,520.7	-	- A	-	86.6	1,607.3
1975	1,692.3	-	6.1	1,698.4	-	- A	-	36.2	1,734.6
1976	1,700.1	34.9	2.7	1,737.7	-	- A	-	23.9	1,761.6
1977	1,917.7	40.0	5.2	1,963.0	-	- A	-	29.0	1,992.0
1978	2,141.1	49.2	3.1	2,193.4	-	- A	-	4.7	2,198.1
1979	2,389.7	53.0	9.3	2,452.0	-	- A	-	93.8	2,545.8
1980	2,687.4	55.3	8.2	2,751.0	-	- A	-	84.4	2,835.4
1981	3,083.0	62.2	5.8	3,151.0	-	- A	-	104.1	3,255.1
1982	3,327.8	65.1	8.8	3,401.7	-	- A	-	30.9	3,432.6
1983	3,474.8	75.0	11.4	3,561.1	-	- A	-	65.8	3,626.9
1984	3,689.6	79.5	2.9	3,772.0	-	- A	25.8	59.8	3,857.6
1985	4,237.2	76.1	6.3	4,319.6	-	- A	-	212.5	4,532.1
1986	4,793.0	75.8	8.3	4,877.1	-	- A	-	253.5	5,130.6
1987	5,162.2	64.5	7.0	5,233.7	-	- A	-	297.7	5,531.3
1988	5,712.6	73.9	18.7	5,805.2	-	- A	-	173.0	5,978.3

Fiscal Year Ending June 30	Department Totals	Debt Service	Reserves Unallocated	Subtotal Current Operations	Rainy Day Fund	Local Governments	Transfer to Highway Fund	Capital Improvements^B	Total Appropriations
1989	6,228.5	71.6	2.6	6,302.7	-	- A	-	258.7	6,561.4
1990	6,807.0	70.0	6.0	6,883.0	-	233.6	-	150.1	7,266.7
1991	7,172.1	71.3	6.3	7,249.6	141.0	476.8	-	106.4	7,973.8
1992	7,276.9	79.7	.5	7,357.1	.4	468.2	-	-	7,825.7
1993	7,798.3	89.0	(5.4)	7,881.9	-	232.4	-	95.2	8,209.5
1994	8,788.5	92.3	7.9	8,888.7	-	236.8	-	192.4 C	9,317.9

A Revenues earmarked for local governments.

B Does not include Federal-Revenue Sharing authorizations.

C Includes earmarked portion of prior year's credit balance as required by Budget Reform.

SUMMARY OF CHANGES BY 1994 SESSION

	Recurring			Non-Recurring		
	Increases	Reductions*	Net Change	Increases	Reductions	Net Change
DEPARTMENTS						
<u>Education</u>						
Public Education						
Career Development	—	(8,176,938)	(8,176,938)	8,176,938	—	8,176,938
SB2 Shift to Salary Increase	—	(38,827,392)	(38,827,392)	—	—	—
SB2 1% Funding	—	—	—	19,400,000	—	19,400,000
Other	60,459,643	(22,445,146)	38,014,497	48,865,405	—	48,865,405
Total Pub.-Ed.	60,459,643	(69,449,476)	(8,989,833)	76,442,343	—	76,442,343
University	27,834,562	(21,033,987)	6,800,575	15,691,519	(161,642)	15,529,877
Community Colleges	18,679,299	(9,115,633)	9,563,666	13,208,500	—	13,208,500
Subtotal-Educ.	106,973,504	(99,599,096)	7,374,408	105,342,362	(161,642)	105,180,720
<u>General Government</u>						
Administration	1,697,272	(1,309,494)	387,778	62,545	—	62,545
Office of St. Planning	184,536	—	184,536	—	—	—
Office of State Budget	93,342	(56,253)	37,089	—	—	—
Special Appropriations	—	—	—	7,397,500	—	7,397,500
Insurance	1,266,791	(120,000)	1,146,791	—	—	—
Revenue	5,377,518	(357,326)	5,020,192	5,180,776	—	5,180,776
State Controller	2,903,007	(554,163)	2,348,844	12,000,000	—	12,000,000
Office of Governor	217,085	(22,107)	194,978	—	—	—
Cultural Resources	497,741	(210,314)	287,427	4,067,500	—	4,067,500
General Assembly	3,131,250	—	3,131,250	4,010,000	—	4,010,000
Secretary of State	229,931	(63,319)	166,612	—	—	—
State Auditor	701,766	—	701,766	387,130	(6,400)	380,730
Board of Elections	319,421	(23,280)	296,141	1,657,500	—	1,657,500
Treasurer	2,835,000	(71,910)	2,763,090	—	—	—
Subtotal - General Government	19,454,660	(2,788,166)	16,666,494	34,762,951	(6,400)	34,756,551

*Includes vacant position deletions

	Recurring			Non-Recurring		
	Increases	Reductions*	Net Change	Increases	Reductions	Net Change
<u>Justice & Public Safety</u>						
Judicial	6,506,948	(2,015,561)	4,491,387	5,387,990	—	5,387,990
Correction	1,783,404	(6,940,949)	(5,157,545)	1,839,639	(3,500,000)	(1,660,361)
Justice	901,721	(536,954)	364,767	789,565	—	789,565
Crime Control	1,804,221	(206,369)	1,597,852	709,662	—	709,662
Subtotal - Justice & Pub. Safety	10,996,294	(9,699,833)	1,296,461	8,726,856	(3,500,000)	5,226,856
<u>Human Resources</u>	96,972,190	(108,927,613)	(11,955,423)	12,265,167	—	12,265,167
<u>Natural & Econ. Resources</u>						
Agriculture	2,262,114	(411,348)	1,850,766	650,000	—	650,000
Commerce	6,733,017	(522,491)	6,210,526	18,785,509	—	18,785,509
Microelectronics C.	3,900,000	—	3,900,000	—	—	—
Biotechnology Center	1,000,000	—	1,000,000	1,000,000	—	1,000,000
Rural Economic Dev.	2,100,000	—	2,100,000	5,675,000	—	5,675,000
Technological Dev. Authority	—	—	—	1,250,000	—	1,250,000
Environment Health & Natural Resources	10,130,902	(6,909,030)	3,221,872	8,106,546	—	8,106,546
Labor	959,187	(188,049)	771,138	761,050	—	761,050
Housing Finance	—	—	—	5,150,000	—	5,150,000
Subtotal - NER	27,085,220	(8,030,918)	19,054,302	41,378,105	—	41,378,105
<u>Reserves/Other:</u>						
Debt Service	25,723,695	—	25,723,695	—	—	—
Salary Adjustment Fund	500,000	—	500,000	—	—	—
OSHA-Bloodborne Path.	—	—	—	1,000,000	—	1,000,000
Match Statewide Prog.	—	—	—	3,000,000	—	3,000,000
Reserve for Retirees	—	(16,318)	(16,318)	—	—	—
Subsistence Increase	1,600,000	—	1,600,000	—	—	—

	Recurring			Non-Recurring		
	Increases	Reductions*	Net Change	Increases	Reductions	Net Change
Reserves/Other (Continued)						
Reserve for Voter Reg.	—	—	—	1,000,000	—	1,000,000
Education Technology	—	—	—	42,000,000	—	42,000,000
Justice/Human Resources						
Record Check of Day						
Care Providers	250,000	—	250,000	—	—	—
Tort Claims	400,000	—	400,000	—	—	—
Compensation Incr.	^A 282,926,584	^b (2,213,278)	280,713,306	35,421,158	—	35,421,158
Subtotal - Reserves/						
Other	311,400,279	(2,229,596)	309,170,683	82,421,158	—	82,421,158
Savings Reserve	—	—	—	66,700,000	—	66,700,000
Teacher Paydate Restored	—	—	—	120,000,000	—	120,000,000
Capital Improvements	—	—	—	152,766,050	—	152,766,050
GRAND TOTAL	572,882,147	(231,275,222)	341,606,925	624,362,649	(3,668,042)	620,694,607

A/ Includes \$38.8 million shifted from Senate Bill 2

b/ Includes adjustment to expansion increases related to the deletion of vacant positions.

**NORTH CAROLINA STATE GENERAL FUND OPERATING APPROPRIATIONS
FOR PUBLIC SCHOOLS, COMMUNITY COLLEGES, AND HIGHER EDUCATION
1965-66 TO 1994-95**

Year	General Fund Total Current Operations	Public Schools		Community Colleges		Higher Education		Percent of Total General Fund Current Oper. for Education
		Amount	Percent	Amount	Percent	Amount	Percent	
1965-66	\$538,302,356	\$315,924,120	58.69%	\$11,626,558	2.16%	\$70,177,054	13.04%	73.89%
1966-67	591,139,328	335,127,904	56.69	20,078,492	3.40	78,559,545	13.29	73.38
1967-68	670,679,218	371,207,691	55.34	19,625,725	2.93	95,037,544	14.17	72.44
1968-69	744,733,486	406,208,538	54.54	32,436,358	4.36	104,894,567	14.08	72.98
1969-70	876,169,359	459,814,709	52.48	41,431,965	4.73	130,344,741	14.88	72.09
1970-71	981,127,808	510,055,771	51.99	44,935,256	4.58	147,326,678	15.02	71.59
1971-72	1,073,289,571	533,536,652	49.71	55,958,450	5.21	163,331,175	15.22	70.14
1972-73	1,187,443,130	575,012,350	48.42	63,193,535	5.32	179,910,706	15.15	68.89
1973-74	1,520,694,407	718,947,864	47.28	99,582,404	6.55	222,838,796	14.65	68.48
1974-75	1,698,417,672	789,391,908	46.48	109,218,752	6.43	280,638,400	16.52	69.43
1975-76	1,737,659,496	800,937,335	46.09	105,465,494	6.07	270,526,549	15.57	67.73
1976-77	1,962,976,606	899,151,043	45.81	116,481,854	5.93	307,123,340	15.65	67.39
1977-78	2,193,405,714	997,654,527	45.48	114,065,103	5.20	357,790,592	16.31	66.99
1978-79	2,452,011,095	1,098,173,958	44.79	139,794,869	5.70	394,767,166	16.10	66.59
1979-80	2,750,988,834	1,230,099,474	44.71	145,243,264	5.28	436,949,552	15.88	65.87
1980-81	3,150,963,479	1,390,907,313	44.14	174,996,965	5.55	515,255,082	16.35	66.04
1981-82	3,401,694,904	1,495,263,953	43.96	194,452,082	5.72	567,573,821	16.69	66.37
1982-83	3,561,142,890	1,515,742,033	42.56	205,585,837	5.77	599,235,054	16.83	65.16
1983-84	3,812,808,921	1,620,044,340	42.49	232,195,091	6.09	653,091,405	17.13	65.71
1984-85	4,319,568,173	1,886,700,077	43.68	259,101,105	6.00	746,998,910	17.29	66.97
1985-86	4,877,060,744	2,185,803,123	44.82	281,875,727	5.78	840,311,094	17.23	67.83
1986-87	5,233,438,532	2,346,139,866	44.83	307,102,490	5.87	909,134,150	17.37	68.07
1987-88	5,805,245,729	2,639,237,658	45.46	326,296,294	5.62	980,746,492	16.89	67.97
1988-89	6,302,733,865	2,930,643,866	46.50	332,064,381	5.27	1,039,510,499	16.49	68.26
1989-90	6,883,018,393 a	3,134,428,215	45.54	365,537,274	5.31	1,109,917,895	16.13	66.98
1990-91	7,249,630,710 b	3,329,171,720	45.92	387,611,956 a	5.35	1,143,216,957	15.77	67.04
1991-92	7,357,101,134 b	3,293,699,663	44.77	344,131,858	4.68	1,121,976,740	15.25	64.70

Year	General Fund Total Current Operations	Public Schools		Community Colleges		Higher Education		Percent of Total General Fund Current Oper. for Education
		Amount	Percent	Amount	Percent	Amount	Percent	
1992-93	7,881,908,182 ^c	3,435,634,234	43.59	398,689,471	5.06	1,170,947,533	14.86	63.50
1993-94 ^c	8,674,510,752	3,632,087,114	41.83	423,253,702	4.88	1,229,449,670	14.08	60.90
1994-95	9,662,209,023	3,961,666,091 ^e	41.00	454,852,712	4.70	1,278,506,582	13.20	58.90

a Excludes Local Government Tax Reimbursement/Shared Revenues

b Excludes Local Government Tax Reimbursement/Shared Revenues and Budget Stabilization Reserve

c Excludes Local Government Tax Reimbursement

d Will change through actions of the 1994 General Assembly

e Includes \$42 million in reserve for Technology

**GENERAL FUND OPERATING EXPENDITURES
BY DEPARTMENT/FUNCTIONS OF GOVERNMENT
(In Thousands)**

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	517,111	11,905	305,141	66,241	11,412	68,773	2,492	19,697	31,449	
1966-67	565,195	16,115	324,216	73,013	18,698	74,427	3,976	20,418	34,332	
1967-68	643,993	17,518	366,025	88,272	18,311	82,251	5,769	23,859	41,988	
1968-69	718,260	17,781	400,823	104,895	31,282	89,042	12,464	25,447	36,527	
1969-70	837,405	17,774	450,688	122,253	39,689	106,633	18,831	30,659	50,878	
1970-71	939,311	17,758	496,906	138,609	43,642	122,069	22,057	35,074	63,197	
1971-72	1,031,353	18,171	527,938	148,865	55,955	148,919	26,333	40,872	64,299	
1972-73	1,139,501	21,355	569,793	166,209	60,636	168,820	28,926	45,542	78,219	
1973-74	1,433,242	45,897	702,789	207,225	92,459	198,201	34,037	56,488	96,144	
1974-75	1,627,704	(98)	772,145	267,090	106,414	246,757	39,385	70,744	125,267	
1975-76	1,670,011	30,131	792,213	249,604	99,817	274,169	40,989	66,428	116,660	
1976-77	1,890,840	39,694	888,450	289,972	110,825	313,022	45,565	73,566	129,745	
1977-78	2,131,151	48,772	988,190	337,633	113,169	351,655	54,340	91,140	146,251	
1978-79	2,358,333	49,570	1,092,015	379,306	133,975	372,632	62,230	102,026	166,579	
1979-80	2,660,272	53,796	1,230,099	414,752	145,243	429,814	71,077	120,052	195,438	
1980-81	3,050,013	60,044	1,390,907	487,919	169,012	488,202	81,230	141,576	231,123	
1981-82	3,244,759	61,723	1,477,037	534,144	185,809	501,928	88,507	151,195	244,416	
1982-83	3,374,922	74,763	1,455,408	560,439	191,750	547,208	91,115	167,419	286,819	
1983-84	3,715,705	79,051	1,615,216	615,766	226,495	584,129	108,968	186,536	273,744	25,800
1984-85	4,187,988	75,954	1,854,958	714,513	257,231	629,978	119,320	208,505	327,530	
1985-86	4,718,355	73,358	2,156,921	793,114	277,815	707,152	131,506	226,241	352,246	
1986-87	5,051,336	63,573	2,293,922	853,233	299,359	771,115	143,311	245,628	381,196	
1987-88	5,600,755	73,800	2,571,180	936,874	317,666	824,078	157,700	268,139	451,317	
1988-89	6,131,757	71,514	2,857,740	996,188	324,207	939,216	174,698	311,078	457,117	
1989-90	6,539,692a	69,854	3,111,034	989,230	346,856	943,280	184,388	342,490	552,560	

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
1990-91	6,877,865 ^b	64,572	3,176,190	1,089,670	374,186	1,071,202	202,594	410,670	488,782	
1991-92	7,184,090 ^c	75,808	3,235,476	1,092,166	338,051	1,223,468	214,638	446,456	558,027	
1992-93	7,552,788 ^d	80,219	3,399,654	1,140,308	391,403	1,222,684	227,728	488,716	602,076	
1993-94	8,575,733 ^d	86,368	3,587,786	1,266,773	447,100	1,865,435	262,455	561,301	498,515	

^a Excludes Local Government Tax Reimbursement; expenditures reflect the deferment of the June 30, 1990 payroll into the next fiscal year (1990-91).

^b Excludes Local Government Tax Reimbursements/Shared Revenues; and, reflects delay of 12th pay period (Public Schools - \$106.0 million) until 1991-92; and the withholding of \$57.4 million from the Retirement System.

^c Excludes Local Government Tax Reimbursements/Shared Revenues and the \$400,000 Transfer to Savings Reserve.

^d Excludes Local Government Revenues

REVERSIONS AND PERCENT OF ADJUSTED APPROPRIATIONS

	<u>Public Schools</u>		<u>University</u>		<u>Human Resources</u>		<u>TOTAL</u>	
	<i>Reversions</i>	<i>% of Adjusted Approp.</i>	<i>Reversions</i>	<i>% of Adjusted Approp.</i>	<i>Reversions</i>	<i>% of Adjusted Approp.</i>	<i>Reversions</i>	<i>% of Adjusted Approp.</i>
1965-66	\$10,783,218	3.4%	\$3,935,954	5.6%	\$2,625,601	3.7%	\$21,191,475	3.9%
1966-67	10,911,675	3.3	5,546,453	7.1	3,022,897	3.9	25,943,911	4.4
1967-68	5,183,169	1.4	6,765,051	7.2	8,836,926	9.7	26,686,580	4.0
1968-69	5,385,562	1.6	6,464,296	6.2	7,725,398	8.0	26,473,712	3.6
1969-70	9,126,274	2.0	8,092,085	6.2	8,611,475	7.5	38,764,454	4.4
1970-71	13,149,929	2.6	8,718,177	5.9	9,414,690	7.2	41,816,778	4.3
1971-72	5,598,470	1.0	14,466,311	8.9	11,688,271	7.3	41,936,491	3.9
1972-73	5,219,405	0.9	13,702,171	7.6	11,942,333	6.6	47,942,487	4.0
1973-74	16,158,464	2.2	15,613,376	7.1	26,413,504	11.8	87,452,765	5.8
1974-75	17,246,464	2.2	13,548,240	4.8	23,677,556	8.8	70,714,040	4.2
1975-76	8,724,085	1.1	20,922,267	7.7	8,380,099	3.0	67,648,234	3.9
1976-77	10,701,298	1.2	17,151,194	5.6	22,820,056	6.8	72,136,909	3.7
1977-78	9,464,987	0.9	20,157,513	5.6	16,514,132	4.5	62,254,964	2.8
1978-79	6,158,650	0.6	15,461,528	3.9	39,927,495	9.7	93,678,253	3.8
1979-80	1	-	22,197,589	5.1	43,891,741	9.3	90,716,545	3.3
1980-81	-	-	27,335,659	5.3	44,573,299	8.4	100,950,571	3.2
1981-82	18,227,349	1.2	33,430,261	5.9	60,576,029	10.8	156,936,171	4.6
1982-83	60,333,713	a 4.0	38,796,095	6.5	42,321,853	7.2	186,220,906	5.2
1983-84	3,833,404	0.2	26,145,906	4.1	31,496,804	5.1	82,077,008	2.2
1984-85	31,742,484	1.7	32,485,790	4.3	46,604,125	6.9	131,579,882	3.0
1985-86	28,881,795	1.3	47,196,655	5.6	40,463,453	5.4	158,705,503	3.3
1986-87	52,218,365	2.2	55,901,583	6.1	33,818,204	4.2	182,342,839	3.5
1987-88	68,057,911	2.6	43,872,193	4.5	50,316,667	5.6	204,490,880	3.5
1988-89	72,903,553	2.5	43,323,023	4.2	21,988,892	2.3	170,976,456	2.7
1989-90 ^b	23,393,488	0.7	120,687,429	10.9	67,357,953	6.6	343,467,595	4.8
1990-91	152,981,497	c 4.6	53,547,285	4.7	27,025,993	2.5	544,207,723	d 6.9
1991-92	58,223,544	1.8	29,810,346	2.7	13,854,390	1.1	173,013,865	2.2

	<u>Public Schools</u>		<u>University</u>		<u>Human Resources</u>		<u>TOTAL</u>	
	<i>Reversions</i>	<i>% of Adjusted Approp.</i>	<i>Reversions</i>	<i>% of Adjusted Approp.</i>	<i>Reversions</i>	<i>% of Adjusted Approp.</i>	<i>Reversions</i>	<i>% of Adjusted Approp.</i>
1992-93	35,980,506	1.0	30,639,398	2.6	187,572,058	13.3	330,491,837	4.1
1993-94	46,269,518	1.3	33,093,156	2.5	111,459,566	6.3	314,287,071	3.4

- a General Assembly directed that \$29.8M of funds needed for 11th and 12th pay periods be part of the credit balance.
- b Reversions include June 30, 1990 payroll requirements that were deferred into the 1990-91 fiscal year.
- c Includes \$106.0M for 12th month pay period deferred into 1991-92 fiscal year.
- d Includes c above, \$141.0 million Budget Stabilization Reserve, \$31.4 million Local Shared Revenues/Reimbursements and \$57.4 million employer retirement contribution withheld from Retirement System.

**DISTRIBUTION OF 93-94 RESERVES
(EXCLUDING C & E)
93-94 DISTRIBUTION**

	<u>93-94 Salary Increase</u>	<u>Retirement Change</u>	<u>Bonus</u>	<u>Payroll Return to June 30</u>	<u>Salary Adjustment</u>	<u>Min. Sal. Level Adjustment</u>	<u>Savings Positions Vacated by Retirement* (Continues 92-93 Actions)</u>	<u>Bloodborne Pathogens</u>
General Government								
General Assembly	154,435	5,519	75,083	681,786	0	0	0	
Governor's Office	62,333	924	31,786	275,948	968	0	0	
State Budget	47,998	671	26,022	225,033	66,254	0	0	
State Planning	11,086	136	5,992	51,095	0	0	0	
Lt. Governor	8,554	131	5,366	46,382	13,901	0	0	
Sec. of State	60,968	0	33,858	279,733	17,187	0	0	
State Auditor	118,243	1,712	65,968	590,065	0	0	0	
State Treasurer	42,536	0	24,494	202,619	0	0	-11,247	
Insurance	168,696	0	97,315	804,078	0	0	0	
Administration	460,775	6,687	256,264	2,139,250	0	3,127	-122,673	6,152
State Controller	73,385	968	37,205	343,447	0	0	0	
Revenue	689,047	9,803	397,325	3,357,725	0	0	-257,663	
Cultural Resources	330,813	4,597	181,511	1,556,073	40,356	7,764	-61,560	
Bd. of Elections	3,195	63	2,491	23,378	0	0	0	
Adm. Hearings	28,901	0	15,743	126,456	0	0	0	
Rules Review	3,367	45	1,518	12,599	0	0	0	
Gen. Gov. Total	2,264,332	31,256	1,257,941	10,715,667	138,666	10,891	-453,143	6,152
Education								
Public Ed.	57,921,290	718,415	6,472,035	1,968,597	0	0	-74,123	0
Comm. Colleges	7,117,529	97,243	3,214,497	27,628,789	0	0	-43,027	69,519
University	19,079,226	236,852	9,309,501	70,416,235	0	700,009	-1,577,115	130,326
Education Total	84,118,045	1,052,510	18,996,033	100,013,621	-	700,009	-1,694,265	199,845

DISTRIBUTION OF 93-94 RESERVES (Continued)

	<u>93-94 Salary Increase</u>	<u>Retirement Change</u>	<u>Bonus</u>	<u>Payroll Return to June 30</u>	<u>Salary Adjustment</u>	<u>Min. Sal. Level Adjustment</u>	<u>Savings Positions Vacated by Retirement*</u>	<u>Bloodborne Pathogens</u>
Justice and Public Safety								
Judicial	2,767,313		1,413,649	15,492,075	0	0	-576,979	121,039
Justice	691,918	9,171	382,563	3,244,661	0	0	0	2,663
Correction	6,782,122	93,087	3,561,023	32,201,661	300,000	2,083	-1,252,050	163,780
Crime Control	282,061	3,898	156,484	1,348,479	0	1,330	-110,289	0
JPS Total	10,523,414	106,156	5,513,719	52,286,876	300,000	3,413	-1,939,318	287,482
Natural & Economic Resources								
Agriculture	597,993	8,532	325,875	2,692,570	19,534	7,166	-70,605	-
Labor	183,518	3,385	100,841	905,278	0	0	-21,806	-
En./Health/ Nat. Res.	1,876,011	20,139	1,029,091	8,885,805	34,002	17,650	-483,217	34,000
Commerce	238,104	3,393	130,725	1,131,602	7,798	0	-36,200	-
NER Total	2,895,626	35,449	1,586,532	13,615,255	61,334	24,816	-611,828	34,000
Human Resources								
Sec's Office	120,980	3,854	73,351	662,520	0	0	-20,307	
Aging	5,245	159	3,906	32,398	0	0	-2,362	
Child Development	3,650	0	23,137	246,338	0	0	0	
Svcs. for Deaf & HH	292,022	4,152	90,725	1,151,081	0	30,702	-88,585	7,355
Social Services	163,174	2,117	88,245	776,461	0	0	-39,216	149
Medical Asst.	580,150	16,929	37,968	359,458	0	0	-23,029	
Blind Services	144,018	3,528	52,566	630,827	0	12,429	-68,320	56,438
Mental Health	3,138,885	36,150	1,674,809	27,283,998	0	584,702	-2,120,855	336,760
Facility Services	154,775	13,988	53,217	437,292	0	0	-52,805	
Voc. Rehab.	166,965	9,356	258,862	2,921,745	0	678	-43,360	
Youth Services	381,204	0	207,467	2,389,522	0	7,598	-106,223	34,495
Human Res. Total	5,151,068	90,233	2,564,253	36,891,640	0	636,109	-2,565,062	435,197
	104,952,485	1,315,604	29,918,478	213,523,059	500,000	1,375,238	-7,263,616	962,67

**CONTINUATION OF 93-94 RESERVE ALLOCATIONS
(94-95)**

	Cont. of 93-94 <u>Salary Increase</u>	Cont. of 93-94 <u>Retirement Change</u>	Cont. of 93-94 <u>Salary Adjustment</u>	Cont. of 93-94 <u>Min. Level Adjustment</u>	Savings Positions Vacated by <u>Retirement</u> Continues 92-93 Actions
General Government					
General Assembly	168,452	5,519	0	0	0
Governor's Office	68,255	924	11,600	0	0
State Budget	52,711	671	14,325	0	0
State Planning	12,591	136	0	0	0
Lt. Governor	9,330	131	13,901	0	0
Sec. of State	66,532	0	17,187	0	0
State Auditor	129,761	1,712	0	0	0
State Treasurer	46,355	0	0	0	-11,247
Insurance	184,013	0	0	0	0
Administration	503,796	6,687	0	3,127	-122,673
State Controller	80,227	968	0	0	0
Revenue	753,792	9,803	0	0	-257,663
Cultural Resources	361,775	4,597	68,315	7,764	-61,560
Bd. of Elections	3,481	63	0	0	0
Adm. Hearings	31,527	0	0	0	0
Rules Review	3,674	45	0	0	0
Gen. Gov. Total	2,476,272	31,256	125,328	10,891	-453,143
Education					
Public Education	57,961,841	718,415	-	-	-74,123
Community Colleges	7,678,486	97,243	-	-	-43,027
University	20,576,410	236,852	-	700,009	-1,577,115
Education Total	86,216,737	1,052,510	-	700,009	-1,694,265

CONTINUATION OF 93-94 RESERVE ALLOCATIONS (94-95) (Continued)

	Cont. of 93-94 Salary <u>Increase</u>	Cont. of 93-94 Retirement <u>Change</u>	Cont. of 93-94 Salary <u>Adjustment</u>	Cont. of 93-94 Min. Level <u>Adjustment</u>	Savings Positions Vacated by Retirement Continues 92-93 Actions
Justice & Public Safety					
Judicial	3,052,075		0	0	-576,979
Justice	746,789	9,171	0	0	0
Correction	7,631,467	93,087	300,000	2,083	-1,252,050
Crime Control	309,292	3,898	0	1,330	-110,289
JPS Total	11,739,623	106,156	300,000	3,413	-1,939,318
Natural & Economic Resources					
Agriculture	654,903	8,532	19,534	7,166	-70,605
Labor	200,207	3,385	0	0	-21,806
En./Health/Nat. Res.	2,056,765	20,139	43,442	17,650	-483,217
Commerce	260,010	3,393	11,696	0	-36,200
NER Total	3,171,885	35,449	74,672	24,816	-611,828
Human Resources					
Sec.'s Office	131,968	3,854	0	0	-20,307
Aging	5,791	159	0	0	-2,362
Child Development	6,282	0	0	0	0
Svcs. for Deaf & HH	324,045	4,152	0	30,702	-88,585
Social Services	178,105	2,117	0	0	-39,216
Medical Assistance	636,252	16,929	0	0	-23,029
Blind Services	152,805	3,528	0	12,429	-68,320

CONTINUATION OF 93-94 RESERVE ALLOCATIONS (94-95) (Continued)

	Cont. of 93-94 Salary <u>Increase</u>	Cont. of 93-94 Retirement <u>Change</u>	Cont. of 93-94 Salary <u>Adjustment</u>	Cont. of 93-94 Min. Level <u>Adjustment</u>	Savings Positions Vacated by <u>Retirement</u> Continues 92-93 Actions
Human Resources (Continued)					
Mental Health	3,411,281	36,150	0	584,702	-2,120,855
Facility Services	168,841	2,009	0	0	-52,805
Voc. Rehab.	182,282	9,356	0	678	-43,360
Youth Services	415,833	0	0	7,598	-106,223
HR Total	5,613,485	78,254	0	636,109	-2,565,062
	109,218,002	1,303,625	500,000	1,375,238	-7,263,616

**LOCAL GOVERNMENT TAX AID - HISTORICAL DATA
(\$ MILLION)**

<i>FISCAL YEAR</i>	<i>LOCAL SALES TAX</i>	<i>TAX SHARING *</i>	<i>TAX REIMBURSEMENTS ***</i>	<i>POWELL BILL</i>	<i>TOTAL TAX AID</i>	<i>PROPERTY TAX *****</i>
1973-74	\$98.4	\$57.3	—	\$29.3	\$185.0	\$548.4
1978-79	175.8	89.3	—	33.5	298.6	867.4
1983-84	296.5	158.3	—	43.2	498.0	1,468.5
1988-89	831.7	206.7	226.9	66.7	1,332.0	2,016.1
1993-94	1,040.6	236.8	237.8	92.7	1,607.9	3,019.0
1994-95	1,047.9	236.8	237.8	94.7	1,617.2	3,094.5
 % Increase Since 1973-74	 950.0%	 313.3%	 —	 309.6%	 715.0%	 464.4%
 Average Annual % Increase Since 1971-72	 12.5%	 8.8%	 —	 5.8%	 11.1%	 9.1%

* Includes intangibles tax (stocks and bonds), beer and wine excise tax, utility gross receipts tax (cities only).

** Includes State reimbursement for elimination of property tax on business inventories, intangibles tax on money on deposit and certain accounts receivables, sales tax exemption on food stamp purchases, and homestead exemption relief expansion since 1981.

*** Shown for comparison purposes.

LOCAL GROWTH MONEY ISSUE

1989 LEGISLATIVE ACTION

At the request of the State Auditor, the General Assembly changed the method of accounting for \$238 million of local tax reimbursements (inventory tax, etc.) from an earmarking of state taxes to an annual appropriation approved during the budget process. This action had no state or local fiscal impact.

1990 ACTION BY GOVERNOR

To deal with the 1989-90 budget shortfall, the Governor requested legislation to take unearmark the other pot of local tax aid, \$237 million of tax sharing monies (intangibles tax, beer and wine tax, franchise tax). Because \$120 million of these revenues were collected in one fiscal year but not sent out until the next year, the state received a \$120 million one-time windfall by unearmarking these funds. This action did not have a negative impact on local units because in 1990-91 and future years local units would receive an appropriation equal to a share of a full-year of current revenues. The funding would be subject to the budget process.

1991 ACTION BY GOVERNOR

The \$237 million of tax sharing monies and \$238 million of tax reimbursement funds represents a total of \$475 million of local tax aid. Because of the actions discussed above, both items were now subject to the annual appropriations process.

During the 1990-91 budget shortfall the Governor cut each unit's share of this aid by 6.2%, or \$32.1 million.

1991 LEGISLATIVE ACTIONS

The 1991 General Assembly restored the Governor's 6.2% cut to the base and then froze the tax funds for 1991-92 and 1992-93 at the restored level. This action led to a loss of growth of the two funds. The growth savings were considered local government's contribution to resolving the \$1.2 state budget shortfall.

LOCAL GROWTH MONEY ISSUE (Continued)

1992 LEGISLATIVE ACTION

The interim report of the Fiscal Trends Commission recommended unearmarking the \$238 million of tax reimbursements, but not to allow growth (about 2% per year). This recommendation was adopted by the 1992 General Assembly.

1993 LEGISLATIVE ACTION

The final report of the Fiscal Trends Commission recommended that the tax sharing funds (\$237 million) be taken out of the budget process and that growth be allowed (about 6% per year). The recommendation was that both changes be made effective beginning with 1993-94. The General Assembly adopted this recommendation, effective beginning with the 1995-96 fiscal year.

1994 LEGISLATIVE ACTION

No action.

PERMANENT STATE POSITIONS

	GENERAL FUND			TOTAL HIGHWAY FUND	RECEIPTS SUPPORTED	GRAND TOTAL
	PUBLIC SCHOOLS	OTHER	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
1989-90	105,244	74,011	179,255	14,488	13,938	207,681
1990-91	107,077	75,152	182,229	15,044	12,890	210,163
1991-92	106,847	75,580	182,427	15,020	13,197	210,644
1992-93	108,539	78,491	187,030	15,486	14,408	216,924
1993-94	108,649	78,674	187,323	15,364	14,484	217,171

**SUMMARY OF PERMANENT POSITIONS BY DEPARTMENT
JULY 1, 1993**

<i>DEPARTMENT/OFFICE</i>	<i>GENERAL FUND</i>	<i>HIGHWAY FUND</i>	<i>RECEIPTS- SUPPORTED</i>	<i>TOTAL POSITIONS</i>
Administration	799.7	—	221.5	1,021.2
Agriculture	1,064.9	69.0	203.5	1,337.4
Board of Governors	24,202.4	—	5,408.9	29,611.3
Economic and Community Development	367.0	—	2,241.0	2,608.0
Community Colleges	182.7	—	18.5	201.2
Correction	13,254.7	—	338.0	13,592.7
Crime Control and Public Safety	506.2	1,683.0	120.8	2,310.0
Cultural Resources	640.8	—	50.3	691.1
General Assembly	157.0	—	—	157.0
Governor's Office	87.2	—	1.0	88.2
Housing Finance Agency	—	—	57.0	57.0
Human Resources	14,891.3	—	2,982.3	17,873.6
Insurance	241.5	—	117.9	359.4
Judicial	4,779.4	—	135.8	4,915.2
Justice	922.5	—	118.8	1,041.3
Labor	367.9	—	72.6	440.5
Lieutenant Governor's Office	11.0	—	—	11.0
Miscellaneous Boards and Commissions	—	—	55.0	55.0
Environment, Health, and Natural Resources	3,086.1	16.0	1,531.1	4,633.2
Office of Administrative Hearings	37.0	—	—	37.0
Administrative Rules Review	4.0	—	—	4.0
Office of State Budget and Management	51.0	—	—	51.0
Office of State Planning	12.6	—	36.0	48.6
Public Instruction	589.6	—	232.4	822.0
Revenue	1,111.5	44.0	26.0	1,181.5
Secretary of State	112.8	—	4.0	116.8
State Auditor	144.0	—	13.0	157.0
State Board of Elections	7.0	—	—	7.0
State Controller	80.0	—	234.5	314.5
State Treasurer	70.0	—	180.5	250.5
Transportation	—	13,551.9	84.0	13,635.9
Subtotal	67,781.8	15,363.9	14,484.4	97,630.1
Community Colleges	10,892.3	—	—	10,892.3
Public School System	108,648.7	—	—	108,648.7
GRAND TOTAL	187,322.8	15,363.9	14,484.4	217,171.1

**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	25.14 a	2.51 a
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	40.84 b	2.72
1988-89	45.40	2.93
1989-90	47.75	2.93
1990-91	55.90	3.35
1991-92	No Increase Granted	
1992-93	54.11	3.39
1993-94	55.75	3.48
1994-95	58.28	3.64

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.

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%

LEGISLATIVE INCREASES (Continued)

YEAR	STATE EMPLOYEES	TEACHERS
1989-90	4% + 2% merit funds	6.65% average
1990-91	4% + 2% merit funds	6.15% average
1991-92	-0-	-0-
1992-93	\$522	2% average
1993-94	2% + 1% one-time bonus payment	3% average
1994-95	4% + 1% one-time bonus payment	5% - 1-3 years 7% - 4-29 years

a Salary increment program frozen

b Conditional upon continuous employment for one year

AVERAGE SALARY OF EMPLOYEES SUBJECT TO THE PERSONNEL ACT

YEAR	AVERAGE SALARY
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
1989-90	23,105
1990-91	23,397
1991-92	24,665
1992-93	25,152
1993-94	25,645
1994-95	26,605

- NOTE: (1) Prior to 1972 computations were only made every two year.
- (2) The average salary figures show all permanent SPA employees at a particular point in time. During these years, new programs were added and SPA 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.**

**CRITICAL SCHOOL FACILITY NEEDS FUND:
COUNTIES AS RANKED BY THE COMMISSION
ON SCHOOL FACILITY NEEDS IN 1988**

<i>County</i>	<i>Amount</i>	<i>Awarded</i>	<i>County</i>	<i>Amount</i>	<i>Awarded</i>
Hoke	\$9,977,477	5-13-88	Washington	\$4,663,472	10-20-1990
Robeson	10,000,000	5-13-88	Perquimans	2,000,000	10-20-1990
Northampton	3,000,000	5-13-88	Gates	2,000,000	10-20-1990
Caswell	2,000,000	5-13-88	Pender	5,438,176	10-20-1990
Harnett	10,000,000	5-13-88	Lenoir	2,000,000	8-13-1991
Bertie	2,000,000	5-13-88	McDowell	3,781,402	8-13-1991
Madison	5,591,300	5-13-88	Montgomery	2,000,000	9-11-92
Columbus	10,000,000	5-13-88	Camden	2,000,000	9-11-92
Halifax	9,015,252	5-13-88	Onslow	10,000,000	9-11-92
Hertford	2,175,174	5-13-88	Tyrrell	2,000,000	9-11-92 *
Scotland	2,000,000	5-13-88	Ashe	2,000,000	8-93
Richmond	8,660,673	5-13-88	Caldwell	8,000,000	8-93
Anson	2,216,236	5-13-88	Caldwell	2,000,000	9-94
Bladen	2,000,000	5-13-88	Alexander	2,000,000	9-94
Sampson	2,000,000	5-13-88	Craven	4,641,498	9-94
Duplin	2,000,000	5-13-88	Chowan	2,013,466	9-94
Granville	2,000,000	5-13-88	Currituck	5,273,900	
Franklin	2,000,000	5-13-88	Pamlico	2,000,000	
Jones	2,000,000	5-13-88	Yadkin	2,000,000	
Warren	2,000,000	5-13-88	Rutherford	10,000,000	
Swain	4,824,445	5-13-88	Jackson	2,000,000	
Greene	2,000,000	5-13-88	Pasquotank	2,000,000	
Graham	3,300,000	5-13-88	Beaufort	8,723,310	
Cherokee	2,000,000	5-13-88	Surry	10,000,000	
Wayne	2,002,563	5-13-88	Mitchell	2,000,000	
Rocky Mount			Lincoln	4,184,361	
City	450,000	5-13-88	Burke	5,125,351	
Edgecombe	1,550,000	5-13-88	Carteret	2,000,000	
Clay City	2,437,450	5-13-88	Rocky Mount		
Vance	5,671,827	5-13-88	City	1,260,000	
Yancey	4,980,929	5-13-88	Nash County	8,740,000	
Johnston	10,000,000	10-12-89	Wake	7,337,296	

* Section 20, Chapter 1044, 1991 Session Laws - \$2,000,000 Direct Appropriation

SCHOOL FACILITIES FINANCE ACT OF 1987**PUBLIC SCHOOL CAPITAL BUILDING FUND****(ADM Fund)****(MAY NOT ADD DUE TO ROUNDING)****FUNDING HISTORY**

<i>Date</i>	<i>Tax Deposits</i>	<i>Less DPI Transfer</i>	<i>Tax Funds Available</i>	<i>Interest Earnings</i>	<i>Annual Total</i>	<i>Cumulative Availability</i>
6-30-88	\$79,926,467	\$122,019	\$79,804,448	\$2,025,970	\$81,830,418	\$81,830,418
6-30-89	60,290,342	—	60,290,342	9,824,853	70,115,196	151,945,614
6-30-90	37,593,993	462,004	37,131,989	10,955,301	48,087,290	200,032,904
6-30-91	27,375,000	305,880	27,069,120	8,592,719	35,661,839	235,694,744
6-30-92	27,669,428	289,240	27,380,188	5,241,429	32,621,617	268,316,361
6-30-93	32,340,599	295,448	32,045,151	4,257,122	36,302,273	304,618,634
6-30-94	34,972,492	335,029	34,637,467	4,058,682	38,696,145	343,314,778
TOTAL	\$300,168,322	\$1,809,620	\$298,358,702	\$44,956,076	\$343,314,778	

**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	20,498,903 *	—	—	—	—	20,498,903
1990-91	75,000,000	—	—	75,000,000	—	75,000,000
1991-92	45,000,000	14,300,000	—	—	—	30,700,000

* Authorization of \$25.0 million adjusted to amount issued prior to end of fiscal year (1988-89), the only year authorized for issuance by statute (Chapter 1048, 1987 Session).

VOTE OF THE PEOPLE BOND ISSUES

	Clean Water Program	State Parks	Public School Facilities	University	Community Colleges	Prison Facilities
1972	\$150,000,000	—	—	—	—	—
1973	—	—	\$300,000,000	—	—	—
1975	—	—	—	\$43,250,000	—	—
1977	230,000,000	—	—	—	—	—
1990	—	—	—	—	—	\$200,000,000 *
1993	145,000,000	35,000,000	—	312,000,000	250,000,000	—

* Subject to vote-of-the-people in November, 1990; the 1991 Session appropriated \$112.5 million of the bond proceeds for construction; the 1993 Session appropriated the balance of \$87.5 million.

**PUBLIC EDUCATION
LOW WEALTH AND SMALL SCHOOL
SUPPLEMENTAL FUNDING**

Low Wealth and Small County Supplemental Funding **FY 1994-95**

LEA #	LEA Name	Low Wealth Supplemental Funding			Small County Supplemental Funding		
		FY 1993-94	FY 1994-95	Change From FY 1993-94	FY 1993-94	FY 1994-95	Change From FY 1993-94
010	Alamance County	\$0	\$0	\$0	\$0	\$0	\$0
011	Burlington City	0	0	0	0	0	0
020	Alexander County	71,371	158,951	87,580	0	0	0
030	Alleghany County	12,963	2,054	(10,909)	509,433	617,021	107,588
040	Anson County	228,569	404,995	176,426	0	0	0
050	Ashe County	75,913	119,387	43,474	0	0	0
060	Avery County	0	0	0	401,983	518,348	116,365
070	Beaufort County	180,557	360,345	179,788	0	0	0
080	Bertie County	262,432	500,363	237,931	0	631,805	631,805
090	Bladen County	268,851	452,020	183,169	0	0	0
100	Brunswick County	0	0	0	0	0	0
110	Buncombe County	0	0	0	0	0	0
111	Asheville City	0	0	0	0	0	0
120	Burke County	216,119	575,084	358,965	0	0	0
130	Cabarrus County	0	0	0	0	0	0
132	Kannapolis City	9,227	23,384	14,157	0	0	0
140	Caldwell County	301,865	587,365	285,500	0	0	0
150	Camden County	40,776	106,527	65,751	520,142	561,460	41,318
160	Carteret County	0	0	0	0	0	0
170	Caswell County	195,834	267,058	71,224	452,191	521,874	69,683
180	Catawba County	0	0	0	0	0	0

Changes to Low Wealth Supplemental Funding:

- Additional \$10 million appropriated in the Crime Session.
- Additional \$7 million appropriated in the Short Session; plus \$220,232 for legislated salary increases.
- Formula revised to reflect the most recent data to calculate a county's ability to generate revenue for public schools.

Changes to Small County Supplemental Funding:

- Additional \$3 million appropriated in the Short Session; plus \$258,383 for legislated salary increases.

Low Wealth and Small County Supplemental Funding FY 1994-95

LEA #	LEA Name	Low Wealth Supplemental Funding			Small County Supplemental Funding		
		FY 1993-94	FY 1994-95	Change From FY 1993-94	FY 1993-94	FY 1994-95	Change From FY 1993-94
181	Hickory City	0	0	0	0	0	0
182	Newton City	0	0	0	0	0	0
190	Chatham County	0	0	0	0	0	0
200	Cherokee County	81,093	195,094	114,001	393,132	571,594	178,462
210	Chowan County	96,029	181,276	85,247	385,277	592,045	206,768
220	Clay County	20,671	38,343	17,672	506,938	604,698	97,760
230	Cleveland County	69,158	286,269	217,111	0	0	0
231	Kings Mountain City	30,156	129,206	99,050	0	0	0
232	Shelby City	26,336	109,115	82,779	0	0	0
240	Columbus County	436,884	629,938	193,054	0	0	0
241	Whiteville City	155,984	232,282	76,298	0	0	0
250	Craven County	383,373	714,228	330,855	0	0	0
260	Cumberland County	1,251,203	2,041,430	790,227	0	0	0
270	Currituck County	0	0	0	481,108	538,392	57,284
280	Dare County	0	0	0	0	0	0
290	Davidson County	141,126	228,487	87,361	0	0	0
291	Lexington City	24,598	38,946	14,348	0	0	0
292	Thomasville City	17,843	28,957	11,114	0	0	0
300	Davie County	0	0	0	0	0	0
310	Duplin County	436,892	488,569	51,677	0	0	0
320	Durham Public	0	0	0	0	0	0

Changes to Low Wealth Supplemental Funding:

- Additional \$10 million appropriated in the Crime Session.
- Additional \$7 million appropriated in the Short Session; plus \$220,232 for legislated salary increases.
- Formula revised to reflect the most recent data to calculate a county's ability to generate revenue for public schools.

Changes to Small County Supplemental Funding:

- Additional \$3 million appropriated in the Short Session; plus \$258,383 for legislated salary increases.

Low Wealth and Small County Supplemental Funding **FY 1994-95**

LEA #	LEA Name	Low Wealth Supplemental Funding			Small County Supplemental Funding		
		FY 1993-94	FY 1994-95	Change From FY 1993-94	FY 1993-94	FY 1994-95	Change From FY 1993-94
330	Edgecombe County	200,845	548,565	347,720	0	0	0
340	Forsyth County	0	0	0	0	0	0
350	Franklin County	318,951	619,083	300,132	0	0	0
360	Gaston County	0	0	0	0	0	0
370	Gates County	81,590	192,376	110,786	484,818	601,472	116,654
380	Graham County	36,723	69,684	32,961	512,527	594,428	81,901
390	Granville County	266,478	582,650	316,172	0	0	0
400	Greene County	135,753	232,254	96,501	433,385	529,303	95,918
410	Guilford County	0	0	0	0	0	0
420	Halifax County	333,346	620,880	287,534	0	0	0
421	Roanoke Rapids City	161,067	318,270	157,203	0	0	0
422	Weldon City	66,209	118,928	52,719	0	0	0
430	Harnett County	746,082	1,462,094	716,012	0	0	0
440	Haywood County	74,851	50,130	(24,721)	0	0	0
450	Henderson County	0	0	0	0	0	0
460	Hertford County	260,411	528,087	267,676	0	0	0
470	Hoke County	424,741	874,766	450,025	0	0	0
480	Hyde County	0	0	0	523,077	635,187	112,110
490	Iredell County	0	0	0	0	0	0
491	Mooreville City	0	0	0	0	0	0
500	Jackson County	0	0	0	0	0	0

Changes to Low Wealth Supplemental Funding:

- Additional \$10 million appropriated in the Crime Session.
- Additional \$7 million appropriated in the Short Session; plus \$220,232 for legislated salary increases.
- Formula revised to reflect the most recent data to calculate a county's ability to generate revenue for public schools.

Changes to Small County Supplemental Funding:

- Additional \$3 million appropriated in the Short Session; plus \$258,383 for legislated salary increases.

Low Wealth and Small County Supplemental Funding FY 1994-95

LEA #	LEA Name	Low Wealth Supplemental Funding			Small County Supplemental Funding		
		FY 1993-94	FY 1994-95	Change From FY 1993-94	FY 1993-94	FY 1994-95	Change From FY 1993-94
510	Johnston County	520,849	1,045,218	524,369	0	0	0
520	Jones County	80,644	106,250	25,606	574,407	619,517	45,110
530	Lee County	29,680	106,113	76,433	0	0	0
540	Lenoir County	258,758	499,929	241,171	0	0	0
550	Lincoln County	81,566	159,994	78,428	0	0	0
560	Macon County	0	0	0	0	0	0
570	Madison County	59,661	140,410	80,749	390,303	552,706	162,403
580	Martin County	161,532	362,107	200,575	0	0	0
590	McDowell County	187,856	391,996	204,140	0	0	0
600	Mecklenburg County	0	0	0	0	0	0
610	Mitchell County	66,814	115,116	48,302	396,817	525,848	129,031
620	Montgomery County	108,418	246,419	138,001	0	0	0
630	Moore County	0	0	0	0	0	0
640	Nash County	366,215	707,325	341,110	0	0	0
650	New Hanover County	0	0	0	0	0	0
660	Northampton County	193,104	416,370	223,266	419,909	521,520	101,611
670	Onslow County	925,312	1,755,236	829,924	0	0	0
680	Orange County	0	0	0	0	0	0
681	Chapel Hill City	0	0	0	0	0	0
690	Pamlico County	50,966	135,816	84,850	440,533	541,287	100,754
700	Pasquotank County	255,410	495,603	240,193	0	0	0

Changes to Low Wealth Supplemental Funding:

- Additional \$10 million appropriated in the Crime Session.
- Additional \$7 million appropriated in the Short Session; plus \$220,232 for legislated salary increases.
- Formula revised to reflect the most recent data to calculate a county's ability to generate revenue for public schools.

Changes to Small County Supplemental Funding:

- Additional \$3 million appropriated in the Short Session; plus \$258,383 for legislated salary increases.

Low Wealth and Small County Supplemental Funding **FY 1994-95**

LEA # LEA Name		Low Wealth Supplemental Funding			Small County Supplemental Funding		
		FY 1993-94	FY 1994-95	Change From FY 1993-94	FY 1993-94	FY 1994-95	Change From FY 1993-94
710	Pender County	157,727	350,052	192,325	0	0	0
720	Perquimans County	103,584	195,205	91,621	425,062	544,822	119,760
730	Person County	17,258	0	(17,258)	0	0	0
740	Pitt County	330,358	690,101	359,743	0	0	0
750	Polk County	0	0	0	423,531	544,135	120,604
760	Randolph County	169,582	335,311	165,729	0	0	0
761	Asheboro City	43,702	89,510	45,808	0	0	0
770	Richmond County	452,763	844,425	391,662	0	0	0
780	Robeson County	1,614,695	3,066,840	1,452,145	0	0	0
790	Rockingham County	222,697	593,952	371,255	0	0	0
800	Rowan County	159,460	437,830	278,370	0	0	0
810	Rutherford County	203,987	492,221	288,234	0	0	0
820	Sampson County	213,916	409,621	195,705	0	0	0
821	Clinton City	85,560	150,660	65,100	0	0	0
830	Scotland County	337,040	677,107	340,067	0	0	0
840	Stanly County	123,794	295,039	171,245	0	0	0
841	Albemarle City	38,007	88,926	50,919	0	0	0
850	Stokes County	121,951	186,061	64,110	0	0	0
860	Surry County	87,483	172,244	84,761	0	0	0
861	Elkin City	11,613	23,988	12,375	0	0	0
862	Mount Airy City	22,764	42,930	20,166	0	0	0

Changes to Low Wealth Supplemental Funding:

- Additional \$10 million appropriated in the Crime Session.
- Additional \$7 million appropriated in the Short Session; plus \$220,232 for legislated salary increases.
- Formula revised to reflect the most recent data to calculate a county's ability to generate revenue for public schools.

Changes to Small County Supplemental Funding:

- Additional \$3 million appropriated in the Short Session; plus \$258,383 for legislated salary increases.

Low Wealth and Small County Supplemental Funding FY 1994-95

LEA #	LEA Name	Low Wealth Supplemental Funding			Small County Supplemental Funding		
		FY 1993-94	FY 1994-95	Change From FY 1993-94	FY 1993-94	FY 1994-95	Change From FY 1993-94
870	Swain County	61,957	110,715	48,758	532,758	667,872	135,114
880	Transylvania County	0	0	0	0	0	0
890	Tyrrell County	30,996	49,914	18,918	602,883	686,571	83,688
900	Union County	2,822	370,286	367,464	0	0	0
910	Vance County	268,754	497,751	228,997	0	0	0
920	Wake County	0	0	0	0	0	0
930	Warren County	145,159	335,555	190,396	394,055	558,497	164,442
940	Washington County	168,635	271,135	102,500	470,161	555,314	85,153
950	Watauga County	0	0	0	0	0	0
960	Wayne County	820,780	1,547,345	726,565	0	0	0
970	Wilkes County	229,156	464,442	235,286	0	0	0
980	Wilson County	165,998	303,983	137,985	0	0	0
990	Yadkin County	104,031	278,771	174,740	0	0	0
995	Yancey County	57,693	110,547	52,854	456,912	554,009	97,097
Total		\$18,063,577	\$35,283,809	\$17,220,232	\$11,131,342	\$14,389,725	\$3,258,383

Changes to Low Wealth Supplemental Funding:

- Additional \$10 million appropriated in the Crime Session.
- Additional \$7 million appropriated in the Short Session; plus \$220,232 for legislated salary increases.
- Formula revised to reflect the most recent data to calculate a county's ability to generate revenue for public schools.

Changes to Small County Supplemental Funding:

- Additional \$3 million appropriated in the Short Session; plus \$258,383 for legislated salary increases.

**ADDITIONAL
PUBLIC EDUCATION
FUNDING**

**1994 SPECIAL SESSION
1994 SESSION**

Additional Public Education Funding

FY 1994-95

All Dollars Reflect Legislated Salary Increases and FY 1994-95 ADM

LEA # LEA Name	Short Session (Basic Education Program [BEP])							Crime Session	
	Instructional Support		Teachers & Teacher Asst. Grade K			Textbooks	Small Cities	Instructional Support	
	Positions	Dollars	Teachers	Assistants	Dollars	\$8.30	Rounding	Positions	Dollars
010 Alamance County	3.0	118,032	5.5	6.0	303,304	\$93,956		5.0	\$196,720
011 Burlington City	1.0	39,344	3.0	3.0	160,785	52,705		2.0	78,688
020 Alexander County	1.0	39,344	2.0	3.0	124,253	41,027		2.0	78,688
030 Alleghany County	0.0	0	0.5	0.5	26,798	12,218		1.0	39,344
040 Anson County	1.0	39,344	1.5	1.5	80,393	36,279		2.0	78,688
050 Ashe County	1.0	39,344	1.5	1.5	80,393	28,917		2.0	78,688
060 Avery County	1.0	39,344	1.0	0.5	45,064	20,883		1.0	39,344
070 Beaufort County	2.0	78,688	3.0	3.5	169,317	65,545		4.0	157,376
080 Bertie County	1.0	39,344	1.5	2.0	88,924	33,242		2.0	78,688
090 Bladen County	1.0	39,344	2.5	3.0	142,519	45,127		2.0	78,688
100 Brunswick County	2.0	78,688	3.5	4.0	196,114	74,600		4.0	157,376
110 Buncombe County	6.0	236,064	10.0	11.0	553,013	197,756		10.0	393,440
111 Asheville City	1.0	39,344	2.0	2.5	115,722	39,060		1.0	39,344
120 Burke County	3.0	118,032	5.5	6.5	311,836	107,394		5.0	196,720
130 Cabarrus County	4.0	157,376	6.5	7.5	365,431	126,700		6.0	236,064
132 Kannapolis City	1.0	39,344	2.0	2.5	115,722	33,225		2.0	78,688
140 Caldwell County	3.0	118,032	5.0	6.0	285,038	96,853		5.0	196,720
150 Camden County	1.0	39,344	0.5	0.0	18,266	9,678		1.0	39,344
160 Carteret County	2.0	78,688	3.0	3.5	169,317	66,682		3.0	118,032
170 Caswell County	1.0	39,344	1.5	1.5	80,393	27,963		1.0	39,344
180 Catawba County	3.0	118,032	5.5	6.5	311,836	110,606		5.0	196,720
181 Hickory City	1.0	39,344	2.0	2.0	107,190	36,462		2.0	78,688
182 Newton City	1.0	39,344	1.0	1.0	53,595	23,298	53,672	1.0	39,344
190 Chatham County	1.0	39,344	3.0	3.5	169,317	52,448		3.0	118,032
200 Cherokee County	1.0	39,344	1.5	2.0	88,924	28,701		2.0	78,688
210 Chowan County	0.0	0	1.0	1.5	62,127	21,829		1.0	39,344
220 Clay County	0.0	0	0.0	0.5	8,532	10,093		1.0	39,344
230 Cleveland County	2.0	78,688	4.0	4.5	222,912	70,094		3.0	118,032

Additional Public Education Funding

FY 1994-95

All Dollars Reflect Legislated Salary Increases and FY 1994-95 ADM

LEA # LEA Name	Short Session (Basic Education Program [BEP])							Crime Session	
	Instructional Support		Teachers & Teacher Asst. Grade K			Textbooks	Small Cities	Instructional Support	
	Positions	Dollars	Teachers	Assistants	Dollars	\$8.30	Rounding	Total	Positions Dollars
231 Kings Mountain City	1.0	39,344	2.0	2.0	107,190	33,084		179,618	2.0 78,688
232 Shelby City	1.0	39,344	1.5	2.0	88,924	26,718		154,986	1.0 39,344
240 Columbus County	1.0	39,344	3.0	3.5	169,317	64,051		272,712	4.0 157,376
241 Whiteville City	0.0	0	1.5	1.5	80,393	23,614	62,092	166,099	2.0 78,688
250 Craven County	4.0	157,376	6.0	7.0	338,633	118,682		614,691	6.0 236,064
260 Cumberland County	12.0	472,128	21.5	24.0	1,194,950	414,726		2,081,804	21.0 826,224
270 Currituck County	1.0	39,344	1.0	1.0	53,595	24,875		117,814	1.0 39,344
280 Dare County	1.0	39,344	1.5	1.5	80,393	33,034		152,771	2.0 78,688
290 Davidson County	4.0	157,376	7.0	8.0	392,228	142,727		692,331	7.0 275,408
291 Lexington City	0.0	0	1.5	2.0	88,924	24,319	116,890	230,133	1.0 39,344
292 Thomasville City	1.0	39,344	1.0	0.5	45,064	18,094	113,029	215,531	1.0 39,344
300 Davie County	1.0	39,344	2.0	2.5	115,722	38,869		193,935	2.0 78,688
310 Duplin County	2.0	78,688	3.5	3.5	187,583	67,230		333,501	3.0 118,032
320 Durham Public	6.0	236,064	12.0	13.5	668,735	228,922		1,133,721	11.0 432,784
330 Edgecombe County	2.0	78,688	3.5	4.0	196,114	66,433		341,235	3.0 118,032
340 Forsyth County	10.0	393,440	18.0	20.5	1,007,368	325,999		1,726,807	17.0 668,848
350 Franklin County	1.0	39,344	3.0	3.0	160,785	54,523		254,652	2.0 78,688
360 Gaston County	7.0	275,408	12.0	14.0	677,266	238,733		1,191,407	12.0 472,128
370 Gates County	1.0	39,344	1.0	0.5	45,064	15,322		99,730	1.0 39,344
380 Graham County	0.0	0	0.5	1.0	35,329	10,491		45,820	1.0 39,344
390 Granville County	2.0	78,688	3.0	3.0	160,785	57,585		297,058	3.0 118,032
400 Greene County	1.0	39,344	1.5	1.5	80,393	22,410		142,147	1.0 39,344
410 Gullford County	13.0	511,472	24.5	28.0	1,372,798	455,371		2,339,641	23.0 904,912
420 Halifax County	1.0	39,344	3.0	3.5	169,317	52,622		261,283	2.0 78,688
421 Roanoke Rapids City	1.0	39,344	1.5	2.0	88,924	26,975		155,243	2.0 78,688
422 Weldon City	0.0	0	0.5	0.5	26,798	10,076	52,545	89,419	1.0 39,344
430 Harnett County	3.0	118,032	6.0	7.0	338,633	109,062		565,727	5.0 196,720
440 Haywood County	2.0	78,688	3.0	3.5	169,317	59,229		307,234	3.0 118,032

Additional Public Education Funding

FY 1994-95

All Dollars Reflect Legislated Salary Increases and FY 1994-95 ADM

All Dollars Reflect Legislated Salary Increases and 7.75% COLA

LEA # LEA Name	Short Session (Basic Education Program [BEP])							Crime Session		
	Instructional Support		Teachers & Teacher Asst. Grade K			Textbooks	Small Cities	Total	Instructional Support	
	Positions	Dollars	Teachers	Assistants	Dollars	\$8.30	Rounding		Positions	Dollars
450 Henderson County	2.0	78,688	4.0	5.0	231,443	87,324		397,455	4.0	157,376
460 Hertford County	1.0	39,344	1.5	2.0	88,924	36,562		164,830	2.0	78,688
470 Hoke County	2.0	78,688	2.5	3.5	151,051	47,982		277,721	3.0	118,032
480 Hyde County	0.0	0	0.5	0.0	18,266	7,005		25,271	1.0	39,344
490 Iredell County	3.0	118,032	6.0	7.0	338,633	112,191		568,856	6.0	236,064
491 Mooresville City	0.0	0	1.5	1.5	80,393	27,398		107,791	2.0	78,688
500 Jackson County	1.0	39,344	1.0	1.0	53,595	29,191		122,130	2.0	78,688
510 Johnston County	4.0	157,376	7.0	8.0	392,228	131,489		681,093	7.0	275,408
520 Jones County	0.0	0	0.5	1.0	35,329	12,699		48,028	1.0	39,344
530 Lee County	2.0	78,688	3.5	4.0	196,114	66,998		341,800	3.0	118,032
540 Lenoir County	3.0	118,032	4.0	5.0	231,443	86,021		435,496	4.0	157,376
550 Lincoln County	2.0	78,688	4.0	5.0	231,443	76,576		386,707	4.0	157,376
560 Macon County	1.0	39,344	1.0	1.0	53,595	30,328		123,267	1.0	39,344
570 Madison County	1.0	39,344	1.0	1.0	53,595	21,364		114,303	1.0	39,344
580 Martin County	1.0	39,344	2.0	2.0	107,190	41,799		188,333	2.0	78,688
590 McDowell County	1.0	39,344	2.5	3.0	142,519	50,987		232,850	2.0	78,688
600 Mecklenburg County	20.0	786,880	38.0	43.5	2,130,457	701,798		3,619,135	35.0	1,377,040
610 Mitchell County	1.0	39,344	1.0	1.0	53,595	19,638		112,577	1.0	39,344
620 Montgomery County	1.0	39,344	1.5	1.5	80,393	34,993		154,730	2.0	78,688
630 Moore County	2.0	78,688	4.0	4.5	222,912	81,880		383,480	4.0	157,376
640 Nash County	4.0	157,376	8.5	9.5	472,621	143,839		773,836	7.0	275,408
650 New Hanover County	5.0	196,720	8.5	10.0	481,152	172,225		850,097	8.0	314,752
660 Northampton County	1.0	39,344	2.0	2.0	107,190	31,158		177,692	2.0	78,688
670 Onslow County	4.0	157,376	8.5	10.0	481,152	164,025		802,553	9.0	354,096
680 Orange County	2.0	78,688	2.0	3.0	124,253	46,422		249,363	3.0	118,032
681 Chapel Hill City	2.0	78,688	3.0	3.5	169,317	63,055		311,060	3.0	118,032
690 Pamlico County	0.0	0	1.0	1.0	53,595	18,136		71,731	1.0	39,344
700 Pasquotank County	2.0	78,688	2.5	3.0	142,519	52,265		273,472	3.0	118,032

515

Additional Public Education Funding
FY 1994-95
All Dollars Reflect Legislated Salary Increases and FY 1994-95 ADM

LEA # LEA Name	Short Session (Basic Education Program [BEP])										Crime Session	
	Instructional Support		Teachers & Teacher Asst. Grade K			Textbooks		Small Cities		Total	Instructional Support	
	Positions	Dollars	Teachers	Assistants	Dollars			Rounding			Positions	Dollars
710 Pender County	1.0	39,344	2.0	2.5	115,722	\$8.30				199,894	2.0	78,688
720 Perquimans County	0.0	0	1.0	1.5	62,127		44,828			78,611	1.0	39,344
730 Person County	2.0	78,688	2.0	2.5	115,722		16,484			238,508	2.0	78,688
740 Pitt County	4.0	157,376	8.0	9.0	445,823		44,098			761,596	8.0	314,752
750 Polk County	0.0	0	1.0	1.0	53,595		158,397			71,581	1.0	39,344
760 Randolph County	3.0	118,032	7.5	8.5	419,026		17,986			659,317	6.0	236,064
761 Asheboro City	1.0	39,344	2.0	2.0	107,190		122,259			179,161	2.0	78,688
770 Richmond County	2.0	78,688	3.5	4.0	196,114		32,627			343,094	3.0	118,032
780 Robeson County	5.0	196,720	10.0	11.5	561,545		68,292			951,024	10.0	393,440
790 Rockingham County	3.0	118,032	6.5	7.0	356,899		192,759			593,430	6.0	236,064
800 Rowan County	4.0	157,376	7.5	8.5	419,026		118,499			727,329	7.0	275,408
810 Rutherford County	2.0	78,688	4.5	5.5	258,241		150,927			419,199	4.0	157,376
820 Sampson County	2.0	78,688	3.0	3.5	169,317		82,270			305,059	3.0	118,032
821 Clinton City	1.0	39,344	1.0	1.0	53,595		57,054			154,314	1.0	39,344
830 Scotland County	1.0	39,344	3.0	3.0	160,785		20,982	40,393		258,677	3.0	118,032
840 Stanly County	2.0	78,688	3.5	3.5	187,583		58,548			325,741	3.0	118,032
841 Albemarle City	0.0	0	1.0	1.0	53,595		59,470			161,719	1.0	39,344
850 Stokes County	2.0	78,688	2.5	3.0	142,519		17,920	90,204		274,867	3.0	118,032
860 Surry County	2.0	78,688	3.5	4.0	196,114		53,660			338,505	3.0	118,032
861 Elkin City	0.0	0	0.5	0.5	26,798		63,703			92,077	1.0	39,344
862 Mount Airy City	0.0	0	1.0	1.0	53,595		8,873	56,406		203,502	1.0	39,344
870 Swain County	0.0	0	0.5	0.5	26,798		15,878	134,029		40,767	1.0	39,344
880 Transylvania County	0.0	0	1.5	2.0	88,924		13,969			122,091	2.0	78,688
890 Tyrrell County	1.0	39,344	0.0	0.0	0		33,167			45,544	1.0	39,344
900 Union County	4.0	157,376	8.5	9.5	472,621		6,200			776,724	8.0	314,752
910 Vance County	1.0	39,344	3.5	4.5	204,646		146,727			302,472	3.0	118,032
920 Wake County	19.0	747,536	34.5	39.5	1,934,343		58,482			3,316,920	31.0	1,219,664
930 Warren County	0.0	0	1.0	1.5	62,127		635,041			87,625	2.0	78,688
							25,498					

Additional Public Education Funding

FY 1994-95

All Dollars Reflect Legislated Salary Increases and FY 1994-95 ADM

LEA # LEA Name	Short Session (Basic Education Program [BEP])							Crime Session	
	Instructional Support		Teachers & Teacher Asst. Grade K			Textbooks	Small Cities	Instructional Support	
	Positions	Dollars	Teachers	Assistants	Dollars	\$8.30	Rounding	Total	Positions Dollars
940 Washington County	1.0	39,344	1.0	1.5	62,127	22,642		124,113	1.0 39,344
950 Watauga County	1.0	39,344	2.0	2.5	115,722	40,778		195,844	2.0 78,688
960 Wayne County	4.0	157,376	8.0	9.0	445,823	154,355		757,554	8.0 314,752
970 Wilkes County	3.0	118,032	4.0	4.5	222,912	81,058		422,002	4.0 157,376
980 Wilson County	3.0	118,032	5.0	6.0	285,038	98,148		501,218	5.0 196,720
990 Yadkin County	2.0	78,688	2.5	3.0	142,519	42,289		263,496	2.0 78,688
995 Yancey County	0.0	0	1.0	1.5	62,127	20,061		82,188	1.0 39,344
Total	268.0	\$10,544,192	496.0	567.5	\$27,803,152	\$9,506,394	\$719,260	\$48,572,998	484.0 \$19,042,496

Grand Total: \$67,615,494

All Salaries include legislated increases for FY 1994-95.

Short Session (BEP):

Instructional Support

- An additional 268 positions for BEP Instructional Support Personnel. \$39,344 per position.

Teachers & Teacher Assts. Grade K

- Complete the BEP in Grade K (496 teachers). Reduces Ratio to 1 teacher per 23 students (\$36,532 per position). Includes Teacher Assistants (\$17,063 per position).

Increase Textbooks by \$8.30

- Increase Textbook funding to maintain the buying power in constant 1985 dollars. Total funding \$36.30 per ADM.

Rounding Up Positions - Small City's

- Round all fractions of positions to the next whole position for city LEAs less than 3,000 in ADM.

Crime Session (BEP):

Instructional Support

- An additional 484 positions for Instructional Support Personnel. \$39,344 per position. Cannot be used for Media Coordinators.

