

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

1

HOUSE BILL 2346

Short Title: Budget Flexibility/1990-91.

(Public)

Sponsors: Representatives Pope; Abernethy, Brawley, Creech, Diggs, Dockham, Esposito, Gardner, Gray, Grimmer, Hege, Howard, Huffman, Justus, Ligon, Loflin, Privette, Rhyne, Sizemore, Stam, Walker, Weatherly, P. Wilson, and Wood.

Referred to: Finance.

June 6, 1990

A BILL TO BE ENTITLED

1 AN ACT TO AMEND THE EXECUTIVE BUDGET ACT TO PROVIDE
2 ADDITIONAL MANAGEMENT FLEXIBILITY.
3

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 143-27 reads as rewritten:

6 "**§ 143-27. Appropriations to educational, charitable and correctional institutions**
7 **are in addition to receipts by them.**

8 All appropriations now or hereafter made to the educational institutions, and to the
9 charitable and correctional institutions, and to such other departments and agencies of
10 the State as receive moneys available for expenditure by them are declared to be in
11 addition to such receipts of said institutions, departments or agencies, and are to be
12 available as and to the extent that such receipts are insufficient to meet the costs
13 anticipated in the budget authorized by the General Assembly, of maintenance of such
14 institutions, departments, and agencies; ~~Provided, however, that if the receipts, other than~~
15 ~~gifts and grants that are unanticipated and are for a specific purpose only, collected in a fiscal~~
16 ~~year by an institution, department, or agency exceed the receipts certified for it in General Fund~~
17 ~~Codes or Highway Fund Codes, the Director of the Budget shall decrease the amount he allots~~
18 ~~to that institution, department, or agency from appropriations from that Fund by the amount of~~
19 ~~the excess, unless the Director of the Budget finds that the appropriations from that Fund are~~
20 ~~necessary to maintain the function that generated the receipts at the level anticipated in the~~
21 ~~certified Budget Codes for that Fund.~~ agencies.

22 ~~The Office of State Budget and Management shall report to the Joint Legislative~~
23 ~~Commission on Governmental Operations and to the Fiscal Research Division of the~~

1 ~~Legislative Services Office within 30 days after the end of each quarter on expenditures~~
2 ~~of receipts in excess of the amounts certified in General Fund Codes or Highway Fund~~
3 ~~Codes that did not result in a corresponding reduced allotment from appropriations from~~
4 ~~that Fund."~~

5 Sec. 2. G.S. 143-16.3 is repealed.

6 Sec. 3. G.S. 143-23 reads as rewritten:

7 **"§ 143-23. All maintenance funds for itemized purposes; transfers between objects**
8 **and items.**

9 (a) All appropriations now or hereafter made for the maintenance of the various
10 departments, institutions and other spending agencies of the State, are for the purposes
11 and/or objects enumerated in the itemized requirements of such departments,
12 institutions and other spending agencies submitted to the General Assembly by the
13 Director of the Budget and the Advisory Budget Commission, and/or as amended by the
14 General Assembly. The function of the Advisory Budget Commission under this
15 subsection applies only if the Director of the Budget consults with the Commission in
16 preparation of the budget.

17 (a1) No transfers may be made between line items in the budget of any
18 department, institution, or other spending agency; however, with the approval of the
19 Director of the Budget, a department, institution, or other spending agency may spend
20 more than was appropriated for a line item if the overexpenditure is:

- 21 (1) In a program for which funds were appropriated for that fiscal period
22 and the total amount spent for the program is no more than was
23 appropriated for the program for the fiscal period;
- 24 (2) Required to continue a program because of unforeseen events, so long
25 as the scope of the program is not increased;
- 26 (3) Required by a court, Industrial Commission, or administrative hearing
27 officer's order or award or to match unanticipated federal funds;
- 28 (4) Required to respond to an unanticipated disaster such as a fire,
29 hurricane, or tornado; or
- 30 (5) Required to call out the National ~~Guard~~-Guard; or
- 31 (6) Necessary to implement an executive order of the Governor.

32 The Director of the Budget shall report on a quarterly basis to the Joint Legislative
33 Commission on Governmental Operations and to the Fiscal Research Division of the
34 Legislative Services Office the reason if the amount expended for a program is more
35 than the amount appropriated for it from all sources.

36 Funds appropriated for salaries and wages may ~~only be used for salaries and wages~~
37 ~~or for premium pay, overtime pay, longevity, unemployment compensation, workers'~~
38 ~~compensation, temporary wages, contracted personal services, moving expenses,~~
39 ~~payment of accumulated annual leave, certain awards to employees, tort claims, and~~
40 ~~employer's social security, retirement, and hospitalization payments: provided, however,~~
41 ~~funds appropriated for salaries and wages may also be used for purposes for which over~~
42 ~~expenditures are permitted by subdivisions (3), (4), and (5) of this subsection but the~~
43 ~~Director of the Budget shall include such use and the reason for it in his quarterly report~~
44 ~~to the Joint Legislative Commission on Governmental Operations and to the Fiscal~~

1 ~~Research Division of the Legislative Services Office.~~ be used for any operating
2 expenses of departments, institutions, and agencies. Lapsed salary funds that become
3 available from vacant positions may not be used for new permanent employee positions
4 or to raise the salary of existing employees.

5 As used in this subsection, 'program' means a group of expenditure and receipt line
6 items for support of a specific budgeted activity outlined in the certified budget for each
7 department, agency, or institution, as designated by the four-digit fund (purpose)
8 number in the Budget Preparation System.

9 The requirements in this section that the Director of the Budget report to the Joint
10 Legislative Commission on Governmental Operations shall not apply to expenditures of
11 receipts by entities that are wholly receipt supported, except for entities supported by
12 the Wildlife Resources Fund.

13 (b) Repealed by Session Laws 1985, c. 290, s. 8, effective July 1, 1985.

14 (b1) A department, institution, or other spending agency may, with the approval of
15 the Director of the Budget, combine or eliminate fund codes.

16 (c) Transfers or changes as between objects and items in the budget of the Senate
17 may be made by the President Pro Tempore of the Senate;

18 (d) Transfers or changes as between objects and items in the budget of the House
19 of Representatives may be made by the Speaker of the House of Representatives;

20 (e) Transfers or changes as between objects and items in the budget of the
21 General Assembly other than of the Senate and House of Representatives may be made
22 jointly by the President Pro Tempore of the Senate and the Speaker of the House of
23 Representatives."

24 Sec. 4. Section 48 of Chapter 752 of the 1989 Session Laws reads as
25 rewritten:

26 "Sec. 48. Sections 156 through 160 of Chapter 479 of the 1985 Session Laws, as
27 amended, do not apply to the extent that the Director of the Budget finds that
28 compliance is impossible and that deviation is necessary because of complications in the
29 budget process that were not contemplated when the budget for the 1989-91 fiscal
30 biennium was enacted.

31 The Director of the Budget shall report, on a monthly basis to the Joint Legislative
32 Commission on Governmental Operations and to the Fiscal Research Division of the
33 Legislative Services Office on any deviations from Sections 156 through 160 of Chapter
34 479 of the 1985 Session Laws, as amended, and the reasons it was impossible to
35 comply.

36 ~~This section does not authorize deviations from Sections 156 through 160 of Chapter~~
37 ~~479 of the 1985 Session Laws, as amended, to combine fund codes."~~

38 Sec. 5. There is appropriated from the General Fund to the Office of State
39 Budget and Management the sum of \$5,000 for the 1990-91 fiscal year to implement the
40 provisions of this act.

41 Sec. 6. Sections 1 through 4 of this act shall become effective July 1, 1990,
42 and shall remain in effect through June 30, 1991. The remainder of this act shall become
43 effective July 1, 1990.