

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 1094  
Appropriations Committee Substitute Adopted 7/24/92

Short Title: Capital Needs/1992.

(Public)

Sponsors:

Referred to:

June 2, 1992

1 A BILL TO BE ENTITLED  
2 AN ACT TO APPROPRIATE FUNDS FOR ESSENTIAL CAPITAL  
3 IMPROVEMENTS FOR THE 1992-93 FISCAL YEAR, TO MAKE  
4 CONFORMING STATUTORY CHANGES, AND TO MAKE TECHNICAL  
5 CORRECTIONS ESSENTIAL TO EFFECT THE BUDGET OPERATION OF  
6 THE STATE.

7 The General Assembly of North Carolina enacts:

8

9 **PART 1. INTRODUCTION**

10

11 Section 1. The appropriations made by the 1992 General Assembly for  
12 capital improvements are for constructing, repairing, or renovating State buildings,  
13 utilities, and other capital facilities, for acquiring sites for them where necessary, and for  
14 acquiring buildings and land for State government purposes.

15

16 **PART 2. TITLE**

17

18 Sec. 2. This act shall be known as "The Capital Improvements  
19 Appropriations Act of 1992".

20

21 **PART 3. PROCEDURES FOR DISBURSEMENTS**

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1           Sec. 3. The appropriations made by the 1992 General Assembly for capital  
2 improvements shall be disbursed for the purposes provided by this act. Expenditure of  
3 funds shall not be made by any State department, institution, or agency, until an  
4 allotment has been approved by the Governor as Director of the Budget. The allotment  
5 shall be approved only after full compliance with the Executive Budget Act, Article 1 of  
6 Chapter 143 of the General Statutes. Prior to the award of construction contracts for  
7 projects to be financed in whole or in part with self-liquidating appropriations, the  
8 Director of the Budget shall approve the elements of the method of financing of those  
9 projects including the source of funds, interest rate, and liquidation period. Provided,  
10 however, that if the Director of the Budget approves the method of financing a project,  
11 he shall report that action to the Joint Legislative Commission on Governmental  
12 Operations at its next meeting.

13           Where direct capital improvement appropriations include the purpose of  
14 furnishing fixed and movable equipment for any project, those funds for equipment  
15 shall not be subject to transfer into construction accounts except as authorized by the  
16 Director of the Budget. The expenditure of funds for fixed and movable equipment and  
17 furnishings shall be reviewed and approved by the Director of the Budget prior to  
18 commitment of funds.

19           Capital improvement projects authorized by the 1992 General Assembly shall  
20 be completed, including fixed and movable equipment and furnishings, within the limits  
21 of the amounts of the direct or self-liquidating appropriations provided, except as  
22 otherwise provided in this act.

#### 23 24 **PART 4. CAPITAL IMPROVEMENTS/GENERAL FUND**

25  
26           Sec. 4. Appropriations are made from the General Fund for the 1992-93  
27 fiscal year for use by the State departments, institutions, and agencies to provide for  
28 capital improvement projects according to the following schedule:

29		
30	Department of Human Resources	
31	(Total)	\$ 10,504,300
32	1. Dix Campus-Male Wing Renovation	\$ 3,004,600
33	2. Umstead Hospital-New Psychiatric Unit	7,499,700
34		
35	University Board of Governors	
36	1. Hazardous Waste Facility at North Carolina	
37	State University	2,722,300
38		
39	Office of State Budget & Management	
40	(Total)	104,973,400
41	1. Reserve for Repairs and Renovations-Statewide	15,000,000
42	2. Reserve for Appropriation by 1993	
43	General Assembly	89,973,400
44		

1 TOTAL CAPITAL IMPROVEMENTS/GENERAL FUND \$118,200,000

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3 **PART 4A. NONRECURRING APPROPRIATIONS/GENERAL FUND**

4

5 Sec. 4.1. Appropriations are made from the General Fund for the 1992-93  
6 fiscal year for use by the State departments, institutions, and agencies to provide for  
7 one-time expenditures according to the following schedule:

8

9 1. North Carolina State University-  
10 Study of cleanup requirements for  
11 former disposal site for hazardous  
12 waste near Carter-Finley stadium and  
13 reimbursement to EPA - Consent  
14 agreement 600,000

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16 TOTAL NONRECURRING/GENERAL FUND 600,000

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18 GRAND TOTAL GENERAL FUND \$118,800,000

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20 **PART 5. OFFICE OF STATE BUDGET AND MANAGEMENT**

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22 **BUDGET REFORM STATEMENTS/APPROPRIATIONS ADJUSTMENTS**

23 Sec. 5. (a) The General Fund appropriations availability upon which the  
24 modifications contained in this act to the General Fund budget for the 1992-93 fiscal  
25 year are based is one hundred eighteen million eight hundred thousand dollars  
26 (\$118,800,000). This amount is comprised of the following components:

27

28 (1) 1991-92 Revenue Collections:  
29 a. Budgeted \$ 7,647,025,000  
30 b. Actual (latest estimate) 7,638,025,000  
31 c. Difference (9,000,000)

32

33 (2) 1991-92 Unexpended Appropriations  
34 a. Reversions 169,000,000

35

36 Estimated June 30, 1992 Credit  
37 Balance 160,000,000

38

39 (3) Earmarked for Savings Reserve (40,000,000)

40

41 (4) Credit Balance used in Chapter  
42 900, 1991 Session Laws (1,200,000).

43

44 (b) Funds appropriated in this act to the Reserve for Appropriation by the  
1993 General Assembly shall not be expended or withdrawn for any purpose except by  
act of the General Assembly.

45

46 **PERMIT DEVIATION FROM EXPENDITURE OF FUNDS RESTRICTION**

47

48 Sec. 6. For the 1992-93 fiscal year only, G.S. 143-16.3 does not apply to  
49 items for which appropriations were included in the Second or Third Edition of Senate

1 Bill 1205 of the 1991 General Assembly. Also, notwithstanding G.S. 143-16.3, for the  
2 1992-93 fiscal year only, the Director of the Budget may authorize the Department of  
3 Correction, Division of Adult Probation and Parole, to hire temporary employees to  
4 work on data entry.

5 The Director of the Budget shall notify the President Pro Tempore of the  
6 Senate, the Speaker of the House of Representatives, and the Fiscal Research Division  
7 of the Legislative Services Office that he intends to authorize an expenditure pursuant to  
8 this section at least 10 days before he authorizes such an expenditure.

9 The Director of the Budget shall report on a monthly basis to the Joint  
10 Legislative Commission on Governmental Operations and to the Fiscal Research  
11 Division of the Legislative Services Office on any expenditures that he authorizes under  
12 this section.

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## 14 PART 6. GENERAL ASSEMBLY

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### 16 TECHNICAL CORRECTIONS

17 Sec. 7. (a) Section 41 of Chapter 900, 1991 Session Laws, is amended by  
18 deleting the phrase "G.S. 7A-171.1(4)" and substituting the phrase "G.S. 7A-  
19 171.1(a)(4)".

20 (b) This section is effective July 1, 1992.

21 Sec. 8. (a) Section 136(a) of Chapter 900, 1991 Session Laws, reads as rewritten:

22 "(a) Of the funds appropriated in this act to the Department of Human Resources,  
23 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,  
24 the sum of nine million dollars (\$9,000,000) for the 1992-93 fiscal year shall be  
25 expended in accordance with the plans developed by the Mental Health Study  
26 Commission and adopted by the General Assembly.

27 These funds shall be allocated as follows:

28 (1) Services for the mentally ill \$3,000,000;

29 (2) Services for the developmentally

30 disabled \$3,00,000;

31 \$3,000,000;

32 and

33 (3) Services for substance abusers \$3,000,000.

34 (b) This section is effective July 1, 1992.

35 Sec. 9. Section 180 of Chapter 900, 1991 Session Laws, reads as rewritten:

36 "(a) Except where expressly repealed or amended by this act, the provisions of  
37 Chapters 689, 742, 760, 761, and 812 of the 1991 Session Laws remain in effect.

38 (b) Notwithstanding any modifications by this act in the amounts appropriated,  
39 except where expressly repealed or amended, the limitations and directions for the  
40 1992-93 fiscal year in Chapters 689, 742, 760, 761, and 812 of the 1991 Session Laws  
41 that applied to appropriations to particular agencies or for particular purposes apply to  
42 the newly enacted appropriations and budget reductions of this act for those same  
43 particular purposes."

1       Sec. 10. (a)       G.S. 36A-59.21, as enacted by Chapter 768 of the 1991 Session  
2 Laws, is repealed.

3       (b)       This section is effective July 1, 1992.  
4

## 5 **PART 7. MISCELLANEOUS PROVISIONS**

### 6 **RESERVE FOR ADVANCE PLANNING**

7       Sec. 11. The Office of State Budget and Management shall report to the Joint  
8 Legislative Commission on Governmental Operations and to the Fiscal Research  
9 Division on how it intends to spend funds from the Reserve for Advance Planning at  
10 least 45 days before it spends the funds.

11       The Office of State Budget and Management shall also report the results of  
12 any project on which it uses funds from the Reserve for Advance Planning to the Joint  
13 Legislative Commission on Governmental Operations and to the Fiscal Research  
14 Division.  
15

### 16 **ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND**

17       Sec. 12. When each capital improvement project appropriated by the 1992  
18 General Assembly, other than those projects under the Board of Governors of The  
19 University of North Carolina, is placed under construction contract, direct  
20 appropriations shall be encumbered to include all costs for construction, design,  
21 investigation, administration, movable equipment, and a reasonable contingency.  
22 Unencumbered direct appropriations remaining in the project budget shall be placed in a  
23 project reserve fund credited to the Office of State Budget and Management. Funds in  
24 the project reserve may be used for emergency repair and renovation projects at State  
25 facilities with the approval of the Director of the Budget. The project reserve fund may  
26 be used, at the discretion of the Director of the Budget, to allow for award of contracts  
27 where bids exceed appropriated funds, if those projects supplemented were designed  
28 within the scope intended by the applicable appropriation or any authorized change in it,  
29 and if, in the opinion of the Director of the Budget, all means to award contracts within  
30 the appropriation were reasonably attempted. At the discretion of the Director of the  
31 Budget, any balances in the project reserve fund shall revert to the original source.  
32

### 33 **PROJECT COST INCREASE**

34       Sec. 13. Upon the request of the administration of a State department or  
35 institution, the Director of the Budget may, when in his opinion it is in the best interest  
36 of the State to do so, increase the cost of a capital improvement project. Provided,  
37 however, that if the Director of the Budget increases the cost of a project, he shall report  
38 that action to the Joint Legislative Commission on Governmental Operations at its next  
39 meeting. The increase may be funded from gifts, federal or private grants, special fund  
40 receipts, excess patient receipts above those budgeted at University of North Carolina  
41 Hospitals at Chapel Hill, or direct capital improvement appropriations to that  
42 department or institution.  
43  
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**1 NEW PROJECT AUTHORIZATION**

2           Sec. 14. Upon the request of the administration of any State department or  
3 institution, the Governor may authorize the construction of a capital improvement  
4 project not specifically authorized by the General Assembly if such project is to be  
5 funded by gifts, federal or private grants, special fund receipts, excess patient receipts  
6 above those budgeted at University of North Carolina Hospitals at Chapel Hill, or self-  
7 liquidating indebtedness. Provided, however, that if the Director of the Budget  
8 authorizes the construction of such a capital improvement project, he shall report that  
9 action to the Joint Legislative Commission on Governmental Operations at its next  
10 meeting.

**11**  
**12 ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS**

13           Sec. 15. Funds which become available by gifts, excess patient receipts  
14 above those budgeted at University of North Carolina Hospitals at Chapel Hill, federal  
15 or private grants, receipts becoming a part of special funds by act of the General  
16 Assembly or any other funds available to a State department or institution may be  
17 utilized for advance planning through the working drawing phase of capital  
18 improvement projects, upon approval of the Director of the Budget. The Director of the  
19 Budget may make allocations from the Advance Planning Fund for advance planning  
20 through the working drawing phase of capital improvement projects, except that this  
21 revolving fund may not be utilized by the Board of Governors of The University of  
22 North Carolina or the State Board of Community Colleges.

**23**  
**24 APPROPRIATIONS LIMITS/REVERSION OR LAPSE**

25           Sec. 16. Except as permitted in previous sections of this act, the  
26 appropriations for capital improvements made by the 1991 General Assembly may be  
27 expended only for specific projects set out by the 1991 General Assembly and for no  
28 other purpose. Construction of all capital improvement projects enumerated by the  
29 1992 General Assembly shall be commenced, or self-liquidating indebtedness with  
30 respect to them shall be incurred, within 12 months following the first day of the fiscal  
31 year in which the funds are available. If construction contracts on those projects have  
32 not been awarded or self-liquidating indebtedness has not been incurred within that  
33 period, the direct appropriation for those projects shall revert to the original source, and  
34 the self-liquidating appropriation shall lapse; except that direct appropriations may be  
35 placed in a reserve fund as authorized in this act. This deadline with respect to both  
36 direct and self-liquidating appropriations may be extended with the approval of the  
37 Director of the Budget up to an additional 12 months if circumstances and conditions  
38 warrant such extension.

**39**  
**40 1991-92 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

41           Sec. 17. (a) Except where expressly repealed or amended by this act, the  
42 provisions of Chapters 689, 742, 760, 761, 812, and 900 of the 1991 Session Laws  
43 remain in effect.

1 (b) Notwithstanding any modifications by this act in the amounts appropriated,  
2 except where expressly repealed or amended, the limitations and directions for the  
3 1992-93 fiscal year in Chapters 689, 742, 760, 761, 812, and 900 of the 1991 Session  
4 Laws that applied to appropriations to particular agencies or for particular purposes  
5 apply to the newly enacted appropriations and budget reductions of this act for those  
6 same particular purposes.

7

8 **EFFECT OF HEADINGS**

9 Sec. 18. The headings to the parts and sections of this act are a convenience  
10 to the reader and are for reference only. The headings do no expand, limit, or define the  
11 text of this act.

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13 Requested by: Senators Basnight, Plyler

14 **EFFECTIVE DATE**

15 Sec. 19. This act is effective July 1, 1992.