

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 242*

Short Title: UNC/Uniform Reversion Rate.

(Public)

Sponsors: Representatives Cummings, Barnes, Black, Gray, Oldham, Rogers; Baker, Grady, Lemmond, McMahan, Pate, Preston, Sutton, and Weatherly.

Referred to: Appropriations, Subcommittee on Education.

February 22, 1995

A BILL TO BE ENTITLED

1 AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT
2 LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ESTABLISH A
3 UNIFORM REVERSION RATE UNDER THE UNC MANAGEMENT
4 FLEXIBILITY AND ACCOUNTABILITY ACT.
5

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 116-30.3 reads as rewritten:

8 **"§ 116-30.3. Reversions.**

9 Of the General Fund current operations appropriations credit balance remaining in
10 each budget ~~code~~ code, except for that of the Area Health Education Centers of the
11 University of North Carolina at Chapel Hill, of a special responsibility constituent
12 institution at the close of a fiscal year, any amount greater than ~~the percentage of the~~
13 ~~General Fund appropriations historically reverted to the State treasury over the preceding five~~
14 ~~fiscal years, multiplied by the General Fund appropriations for that budget code, two percent~~
15 (2%) of the General Fund appropriation for that fiscal year may be carried forward by the
16 institution to the next fiscal year and may be used for one-time expenditures that will not
17 impose additional financial obligations on the State. Of the General Fund current
18 operations appropriations credit balance remaining in the budget code of the Area Health
19 Education Centers of the University of North Carolina at Chapel Hill, any amount greater

1 than one percent (1%) of the General Fund appropriation for that fiscal year may be
2 carried forward in that budget code to the next fiscal year and may be used for one-time
3 expenditures that will not impose additional financial obligations on the State. ~~The~~
4 historic reversion percentage shall be determined by the However, the amount carried forward
5 under this section shall not exceed two and one-half percent (2 1/2%) of the General
6 Fund appropriation. The Director of the Budget, after making adjustments for allotment
7 reductions made to meet revenue shortfalls and to force credit balances during the
8 preceding five fiscal years under the authority set forth in ~~G.S. 143-25.~~ G.S. 143-25, shall
9 establish the General Fund current operations credit balance remaining in each budget
10 code of each institution. Any special responsibility constituent institution that does not
11 revert a percentage of the General Fund appropriations for the budget code equal to the five-year
12 historic reversion rate established in this section at least two percent (2%) of its General Fund
13 current operations credit balance remaining in each budget code of that institution shall
14 cease to be a special responsibility constituent institution unless the Board of Governors
15 finds that the low reversion rate is due to adverse and unforeseen conditions. In this
16 instance, the Board may allow the institution to remain a special responsibility
17 constituent institution for one year to come into conformity with this section. The Board
18 may make this exception only one time for any special responsibility constituent
19 institution, and shall report these exceptions to the Joint Legislative Commission on
20 Governmental Operations."

21 Sec. 2. This act becomes effective July 1, 1995.