

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 467

Education/Higher Education Committee Substitute Adopted 4/24/95

Short Title: UNC/Uniform Reversion Rate.

(Public)

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Sponsors:

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Referred to: Appropriations

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March 23, 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 (a) Of the General Fund current operations appropriations credit balance  
10 remaining at the end of each fiscal year in each budget code of a special responsibility  
11 constituent institution at the close of a fiscal year, institution, except for the budget code of  
12 the Area Health Education Centers of the University of North Carolina at Chapel Hill,  
13 any amount greater than the percentage of the General Fund appropriations historically  
14 reverted to the State treasury over the preceding five fiscal years, multiplied by the General Fund  
15 appropriations for that budget code, two percent (2%) of the General Fund appropriation for  
16 that fiscal year may be carried forward by the institution to the next fiscal year and may  
17 be used for one-time expenditures that will not impose additional financial obligations on  
18 the State. Of the General Fund current operations appropriations credit balance  
19 remaining in the budget code of the Area Health Education Centers of the University of

1 North Carolina at Chapel Hill, any amount greater than one percent (1%) of the General  
2 Fund appropriation for that fiscal year may be carried forward in that budget code to the  
3 next fiscal year and may be used for one-time expenditures that will not impose  
4 additional financial obligations on the State. However, the amount carried forward under  
5 this section shall not exceed two and one-half percent (2 1/2%) of the General Fund  
6 appropriation. The historic reversion percentage shall be determined by the Director of the  
7 Budget, after making adjustments for allotment reductions made to meet revenue shortfalls and  
8 to force credit balances during the preceding five fiscal years under the authority set forth in G.S.  
9 143-25. The Director of the Budget, under the authority set forth in G.S. 143-25, shall  
10 establish the General Fund current operations credit balance remaining in each budget  
11 code of each institution.

12 ~~(b) Any special responsibility constituent institution that does not revert a~~  
13 ~~percentage of the General Fund appropriations for the budget code equal to the five-year~~  
14 ~~historic reversion rate established in this section. An institution shall cease to be a special~~  
15 ~~responsibility constituent institution under the following circumstances:~~

16 (1) An institution, other than the Area Health Education Centers of the  
17 University of North Carolina, does not revert at least two percent (2%)  
18 of its General Fund current operations credit balance remaining in each  
19 budget code of that institution, or

20 (2) The Area Health Education Centers of the University of North Carolina  
21 at Chapel Hill does not revert at least one percent (1%) of its General  
22 Fund current operations credit balance remaining in its budget code.

23 ~~unless the Board of Governors finds that the low reversion rate is due to adverse and~~  
24 ~~unforeseen conditions. In this instance, However, if the Board of Governors finds that~~  
25 ~~the low reversion rate is due to adverse and unforeseen conditions, the Board may allow~~  
26 ~~the institution to remain a special responsibility constituent institution for one year to~~  
27 ~~come into conformity with this section. The Board may make this exception only one~~  
28 ~~time for any special responsibility constituent institution, and shall report these~~  
29 ~~exceptions to the Joint Legislative Commission on Governmental Operations."~~

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