

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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**SENATE BILL 42
Appropriations/Base Budget Committee Substitute Adopted 6/26/01
Third Edition Engrossed 6/27/01**

Short Title: Continuing Budget Authority.

(Public)

Sponsors:

Referred to:

February 5, 2001

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE DIRECTOR OF THE BUDGET TO CONTINUE
2 EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE LEVEL
3 IN EFFECT ON JUNE 30, 2001, AND TO EXTEND EXPIRING PROVISIONS
4 OF LAW.
5

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** The Director of the Budget may continue to allocate funds for
8 expenditure for current operations by State departments, institutions, and agencies at a
9 level not to exceed the level of the recurring baseline budget submitted to the General
10 Assembly by the Director of the Budget on March 12, 2001, in the document "The
11 North Carolina State Budget, Summary of Recommendations for 2001-2003". The
12 Director of the Budget shall not allocate funds for any of the purposes set out in the
13 budget reductions contained in Senate Bill 1005, 3rd edition, and Senate Bill 1005, as it
14 passes the House of Representatives, that are not in controversy.

15 Vacant positions subject to the proposed budget reductions in either Senate
16 Bill 1005, 3rd edition, or Senate Bill 1005, as it passes the House of Representatives,
17 shall not be filled. State employees in positions funded with nonrecurring funds for the
18 2000-2001 fiscal year shall be given notice of termination as required by law.

19 To the extent necessary to implement this authorization, there are
20 appropriated from the appropriate State funds and cash balances, federal receipts, and
21 departmental receipts for the 2001-2002 fiscal year funds necessary to carry out this
22 section.

23 The appropriations and the authorizations to allocate and spend funds, which
24 are set out in this section, shall remain in effect until the Current Operations and Capital
25 Improvements Appropriations Act of 2001 becomes law, at which time that act shall
26 become effective and shall govern appropriations and expenditures. When the Current
27 Operations and Capital Improvements Appropriations Act of 2001 becomes law, the

1 Director of the Budget shall adjust allocations to give effect to that act from July 1,
2 2001.

3 Except as otherwise provided by this act, the limitations and directions for the
4 2000-2001 fiscal year in S.L. 1999-237 and in S.L. 2000-67 remain in effect. Session
5 laws that applied to appropriations to particular agencies or for particular purposes
6 apply to the funds appropriated and authorized for expenditure under this section.
7

8 **BLOCK GRANT PROVISIONS**

9 **SECTION 2.** The Director of the Budget shall continue to allocate federal
10 block grant funds at the levels provided in Sections 5 and 5.1 of S.L. 2000-67 and as
11 otherwise provided by law.
12

13 **EMPLOYEE SALARIES**

14 **SECTION 3.** The salary schedules and specific salaries established for the
15 2000-2001 fiscal year by or under S.L. 2000-67 for offices and positions shall remain in
16 effect until the effective date of the Current Operations and Capital Improvements
17 Appropriations Act of 2001.

18 Teachers and other employees shall not move up on these salary schedules or
19 receive automatic, annual, performance, merit, or other increments until authorized by
20 the General Assembly.
21

22 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

23 **SECTION 4.** Required employer salary-related contributions for employees
24 whose salaries are paid from department, office, institution, or agency receipts shall be
25 paid from the same source as the source of the employees' salaries. If an employee's
26 salary is paid in part from the General Fund or Highway Fund and in part from
27 department, office, institution, or agency receipts, required employer salary-related
28 contributions may be paid from the General Fund or Highway Fund only to the extent of
29 the proportionate part paid from the General Fund or Highway Fund in support of the
30 salary of the employee, and the remainder of the employer's requirements shall be paid
31 from the source that supplies the remainder of the employee's salary. The requirements
32 of this section as to source of payment are also applicable to payments on behalf of the
33 employee for hospital-medical benefits, longevity pay, unemployment compensation,
34 accumulated leave, workers' compensation, severance pay, separation allowances, and
35 applicable disability income benefits.

36 The State's employer contribution rates budgeted for retirement and related
37 benefits as percentage of covered salaries for the 2001-2002 fiscal year and the
38 2002-2003 fiscal year are (i) four and thirty-five hundredths percent (4.35%) - Teachers
39 and State Employees; (ii) nine and thirty-five hundredths percent (9.35%) - State Law
40 Enforcement Officers; (iii) nine and seventy-one hundredths percent (9.71%) -
41 University Employees' Optional Retirement System; (iv) fifteen and sixty-one
42 hundredths percent (15.61%) - Consolidated Judicial Retirement System; and (v)
43 twenty-five and fifty-five hundredths percent (25.55%) - Legislative Retirement

1 System. Each of the foregoing contribution rates includes two and thirty-five
2 hundredths percent (2.35%) for hospital and medical benefits. The rate for Teachers
3 and State Employees, State Law Enforcement Officers, and for the University
4 Employees' Optional Retirement Program includes fifty-two hundredths percent
5 (0.52%) for the Disability Income Plan. The rates for Teachers and State Employees
6 and State Law Enforcement Officers include sixteen-hundredths percent (0.16%) for the
7 Death Benefits Plan. The rate for State Law Enforcement Officers includes five percent
8 (5%) for Supplemental Retirement Income.

9 The State's employer contribution rates established by this section are
10 effective only until this section expires. They are subject to revision in the Current
11 Operations and Capital Improvements Appropriations Act of 2001. If the Current
12 Operations and Capital Improvements Appropriations Act of 2001 modifies these rates,
13 the Director of the Budget shall further modify the rates set in that act for the remainder
14 of the 2001-2002 fiscal year so as to compensate for the different amount contributed
15 between July 1, 2001, and the date the Current Operations and Capital Improvements
16 Appropriations Act of 2001 becomes law, so that the effective rates for the entire year
17 reflect the rates set in the Current Operations and Capital Improvements Appropriations
18 Act of 2001.

19 20 **DISBURSEMENTS TO NONPROFITS**

21 **SECTION 5.** G.S. 143-26 reads as rewritten:

22 "**§ 143-26. Director to have discretion as to manner of paying annual**
23 **appropriations.**

24 (a) Unless otherwise provided, Except as provided in subsection (b) of this
25 section or as otherwise provided by law, it shall be discretionary with the Director of the
26 Budget whether any annual appropriation shall be paid in monthly, quarterly or
27 semiannual installments or in a single payment.

28 (b) Except as otherwise provided by law, an annual appropriation of one hundred
29 thousand dollars (\$100,000) or less to or for the use of a nonprofit corporation shall be
30 paid in a single annual payment. An annual appropriation of more than one hundred
31 thousand dollars (\$100,000) to or for the use of a nonprofit corporation shall be paid in
32 quarterly or monthly installments, in the discretion of the Director of the Budget."

33 34 **FUNDS SHALL NOT REVERT**

35 **SECTION 6.(a)** If the provisions of either Senate Bill 1005, 3rd edition,
36 Senate Bill 1005, as it passes the House of Representatives, or both, direct that funds
37 shall not revert, the funds shall not revert on June 30, 2001. Unless these funds are
38 encumbered on or before June 30, 2001, these funds shall not be expended after June
39 30, 2001, except as provided by a statute that becomes effective after June 30, 2001.

40 **SECTION 6.(b)** This section becomes effective June 30, 2001.

41 42 **STATE CONTROLLER SHALL NOT TRANSFER FUNDS ON JUNE 30**

1 **SECTION 7.(a)** Notwithstanding G.S. 143-15.2 and G.S. 143-15.3A, for the
2 2000-2001 fiscal year only, funds shall not be reserved to the Repairs and Renovations
3 Reserve Account, and the State Controller shall not transfer funds from the unreserved
4 credit balance to the Repairs and Renovations Reserve Account on June 30, 2001.

5 **SECTION 7.(b)** Notwithstanding G.S. 143-15.2 and G.S. 143-15.3, for the
6 2000-2001 fiscal year only, funds shall not be reserved to the Savings Reserve Account,
7 and the State Controller shall not transfer funds from the unreserved credit balance to
8 the Savings Reserve Account on June 30, 2001.

9 **SECTION 7.(c)** This section becomes effective June 30, 2001.

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11 **EFFECTIVE DATE**

12 **SECTION 8.** Except as otherwise provided, this act becomes effective July
13 1, 2001. This act expires July 16, 2001.