

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS75075-LN-40A (2/1)

Short Title: Phase Out County Share/Special Assistance. (Public)

Sponsors: Senator Dalton.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PHASE OUT THE COUNTY SHARE OF THE COST OF THE STATE-COUNTY SPECIAL ASSISTANCE PROGRAM IN CERTAIN COUNTIES CONDITIONED UPON THE COUNTY MAINTAINING LOCAL FUNDING LEVELS FOR PUBLIC SCHOOL STUDENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Effective July 1, 2006, a qualifying county shall have its county share of the nonfederal costs of Medicaid services paid to adult care homes under the State-County Special Assistance Program reduced by ten percent (10%) in each fiscal year that the county maintains or exceeds its per-student expense appropriation from the immediately preceding fiscal year until the county share reaches zero percent (0%) for the qualifying county, at which time the State will pay one hundred percent (100%) of the nonfederal costs for that county for each fiscal year in which the county is a qualifying county and has met the requirements of this section. As used in this section, a qualifying county is a county in which:

- (1) The county share on July 1 of the fiscal year exceeds one percent (1%) of county expenditures for that fiscal year, and
- (2) County expenditures of county funds for the fiscal year do not exceed one hundred million dollars (\$100,000,000).

If a qualifying county fails to maintain its per-student expense appropriation for the current fiscal year, then the ten percent (10%) reduction in county share shall be reduced by the percentage of the reduction in per-student expense appropriation for that fiscal year. In the event a qualifying county that has attained zero percent (0%) county share fails to maintain its per-student expense appropriation for the current fiscal year, the qualifying county's county share shall be increased by ten percent (10%) in each fiscal year that the per-student expense appropriation is not maintained, but shall not be higher than the county share applicable to all nonqualifying counties for that fiscal year.

1 If a county loses its status as a qualifying county, the county share for that county shall
2 revert to the full county share applicable to all nonqualifying counties for that fiscal
3 year.

4 **SECTION 2.** This act is effective when it becomes law.