

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1991

CHAPTER 812
HOUSE BILL 1245

AN ACT TO MAKE MODIFICATIONS IN THE BASE BUDGET AND EXPANSION BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, FOR THE 1992-93 FISCAL YEAR, TO EXTEND CERTAIN EXPIRING BUDGET PROVISIONS, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

BUDGET CONTINUATION

Section 1. Notwithstanding Chapters 689, 742, 760, and 761 of the 1991 Session Laws, the Director of the Budget shall not allocate funds for any of the purposes set out in the base budget reductions contained in House Bill 1340, 3rd edition, 1991 Session, and House Bill 1340, 5th edition, 1991 Session, that are not in controversy.

This section shall remain in effect until ratification of The Current Operations Appropriations Act of 1992, at which time that act shall become effective and shall govern appropriations and expenditures. Upon ratification of The Current Operations Appropriations Act of 1992, the Director of the Budget shall adjust allocations to give effect to that act from July 1, 1992.

Except as otherwise provided by this act, the limitations and directions for the 1992-93 fiscal year in Chapters 689, 742, 760, and 761 of the 1991 Session Laws shall remain in effect.

BLOCK GRANT PROVISIONS

Sec. 2. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1993, according to the following schedule:

TOTAL JOB TRAINING PARTNERSHIP ACT \$ 52,949,580

COMMUNITY SERVICES BLOCK GRANT

- | | | |
|-----|---|--------------|
| 01. | Community Action Agencies | \$ 9,038,133 |
| 02. | Limited Purpose Agencies | 501,595 |
| 03. | Department of Human Resources
to administer and monitor
the activities of the | |

Community Services Block Grant	478,019
TOTAL COMMUNITY SERVICES BLOCK GRANT	\$ 10,017,747
COMMUNITY DEVELOPMENT BLOCK GRANT	
01. State Administration	\$957,840
02. Urgent Needs and Contingency	2,096,708
03. Housing Development	2,096,708
04. Economic Development	8,386,832
05. Community Revitalization	29,353,912
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT	\$ 42,892,000
MATERNAL AND CHILD HEALTH SERVICES	
01. Healthy Mother/Healthy Children Block Grants to Local Health Departments	\$11,673,617
02. High Risk Maternity Clinic Services, Perinatal Education, and Consultation to Local Health Departments and Other Health Care Providers	1,412,018
03. Services to Disabled Children	5,215,987
04. Reimbursements for Local Health Departments for Contracted Nutritional Services	120,530
TOTAL MATERNAL AND CHILD HEALTH SERVICES	\$ 18,422,152
SOCIAL SERVICES BLOCK GRANT	
01. County Departments of Social Services	\$42,313,005
02. Allocation for State In-Home Services	545,383

03.	Division of Mental Health, Developmental Disabilities, and Substance Abuse	5,514,782
04.	Division of Services for the Blind	3,162,920
05.	Division of Youth Services	1,037,868
06.	Division of Facility Services	330,573
07.	Division of Aging	333,656
08.	Day Care Services	12,158,899
09.	Volunteer Services	55,086
10.	State Administration and State Level Contracts	3,392,468
11.	Voluntary Sterilization Funds	98,710
12.	Transfer to Maternal and Child Health Block Grant	1,585,833
13.	Adult Day Care Services	314,229
14.	Allocation to the Home and Community Care Block Grant Persons Age 60 and Over	1,511,654
15.	County Departments of Social Services for Child Abuse/Prevention and Permanency Planning	394,841
16.	Allocation to Division of Maternal and Child Health for Grants-in-Aid to Prevention Programs	439,261
17.	Transfer to Preventive Health Block Grant for Emergency Medical Services and Basic Public Health Services	486,258
18.	Allocation to Preventive Health Block Grant for AIDS Education	290,577

19.	Allocation to Department of Administration for North Carolina Fund for Children	45,270
20.	Allocation to the Division of Economic Opportunity for Head Start, Elderly, and Handicapped Services	197,421
TOTAL SOCIAL SERVICES BLOCK GRANT		\$ 74,208,694

LOW INCOME ENERGY BLOCK GRANT

01.	Energy Assistance Programs	\$ 5,926,428
02.	Crisis Intervention	1,344,531
03.	Administration	599,749
04.	Indian Affairs	8,226
05.	Transfer to Social Services Block Grant for Adult Day Care Services	126,423
06.	Reserve due to Delayed Federal Funding	20,943,028
TOTAL LOW INCOME ENERGY BLOCK GRANT		\$ 28,948,385

ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH
SERVICES BLOCK GRANT

01.	Allocate funds to the four regional offices on a per capita basis for mental health services	\$ 2,250,173
02.	Programs for the Chronically Mentally Ill	3,323,686
03.	Continuation and expansion of child mental health services in accordance with the Child Mental Health Plan including group homes, specialized foster care,	

	therapeutic homes, professional parenting programs, and respite care	1,079,595
04.	Continuation of community-based alcohol and drug services including prevention, early intervention, treatment, rehabilitation, nonhospital medical detoxification, training and specialized project for the hearing impaired	6,119,504
05.	Continuation and expansion of services to female substance abusers, including specialized services at the ADATCS	2,658,736
06.	Continuation of services to IV drug abusers, including increased capacity for drug screens and IV services at the ADATCS	3,853,579
07.	Services to adolescents, including continuation of services in accordance with the Youth Substance Abuse Plan	3,140,864
08.	Funding to support the provision of Treatment Alternatives to Street Crimes (TASC) programs for adults and four demonstration projects with local jails	577,104
09.	Continuing of funding for detoxification services in the Eastern Region	1,048,110
10.	Administration	1,507,527
	TOTAL ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH SERVICES BLOCK GRANT	\$ 25,558,878
	COMMUNITY YOUTH ACTIVITY PROGRAM BLOCK GRANT	
01.	Development of a Community-Based Substance Abuse Prevention Program	

for Youth \$ 45,288

TOTAL COMMUNITY YOUTH ACTIVITY PROGRAM
BLOCK GRANT \$45,288

CHILD CARE AND DEVELOPMENT BLOCK GRANT

01.	Child Day Care Services	\$ 14,363,594
02.	Head Start Wrap-Around	3,209,984
03.	Revolving Loans/Grants	66,861
04.	County Day Care Coordinators	592,020
05.	Staff/Child Ratio Reduction	212,821
06.	Study of Day Care Salaries	35,286
07.	Child Care Worker Credentials	436,465
08.	Resource and Referral Programs	815,699
09.	Facility Services Administration	648,660
10.	Monitoring Improvement	152,256
11.	Child Care Development Funds	1,222,124

If funds appropriated through the Child Care and Development Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to other programs, in accordance with the federal requirements of the grant, in order to use the federal funds fully.

TOTAL CHILD CARE AND DEVELOPMENT
BLOCK GRANT \$ 21,755,770

(b) Decreases in Federal Fund Availability

If federal funds are reduced below the amounts specified above after the effective date of this act, then every program, in each of the federal block grants listed above, shall be reduced by the same percentage as the reduction in federal funds.

(c) Increases in Federal Fund Availability

Any block grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended as follows:

- (1) For the Community Development Block Grant – each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.
- (2) For the Maternal and Child Health Services Block Grant – thirty percent (30%) of these additional funds shall be allocated to services for children with special health care needs and seventy percent (70%) shall be allocated to local health departments to assist in the reduction of infant mortality.
- (3) For other block grants – these additional funds may be budgeted by the appropriate department, with the approval of the Office of State Budget and Management, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly. All these budgeted increases shall be reported to the Joint Legislative Commission on Governmental Operations and to the Director of the Fiscal Research Division.

This subsection shall not apply to Job Training Partnership Act funds.

(d) Education Setaside of JTPA Funds

The Department of Economic and Community Development shall certify to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office when Job Training Partnership Act funds have been distributed to each agency, the total amount distributed to each agency, and the total amount of eight percent (8%) Education Setaside funds received.

(e) Limitations on Community Development Block Grant Funds

Of the funds appropriated in this section for the Community Development Block Grant, not more than nine hundred fifty-seven thousand eight hundred forty dollars (\$957,840) may be used for State administration; up to two million ninety-six thousand seven hundred eight dollars (\$2,096,708) may be used for Urgent Needs and Contingency; up to two million ninety-six thousand seven hundred eight dollars (\$2,096,708) may be used for Housing Development; up to eight million three hundred eighty-six thousand eight hundred thirty-two dollars (\$8,386,832) may be used for Economic Development; and not less than twenty-nine million three hundred fifty-three thousand nine hundred twelve dollars (\$29,353,912) shall be used for Community Revitalization. If federal block grant funds are reduced or increased by the United States Congress after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

(f) Upon the federal government's release of the funds budgeted in the Low Income Energy Block Grant Reserve in this act, these funds shall be used to restore funding to all programs, if needed, other than the Weatherization Program, that were funded with Low Income Energy Assistance Block Grant funds as identified in Section 5 of Chapter 689 of the 1991 Session Laws.

Sec. 3. The Director of the Budget shall continue to allocate funds for expenditure from the Preventive Health Block Grant at the level at which the expenditures were authorized by the General Assembly for the 1991-92 fiscal year.

To the extent necessary to implement this authorization, there is appropriated from the Preventive Health Block Grant for the 1992-93 fiscal year, funds necessary to carry out this section.

This appropriation and this authorization to allocate and spend funds shall remain in effect until ratification of The Current Operations Appropriations Act of 1992, at which time that act shall become effective and shall govern appropriations and expenditures. Upon ratification of The Current Operations Appropriations Act of 1992, the Director of the Budget shall adjust allocations to give effect to that act from July 1, 1992.

Except as otherwise provided by this section, the limitations and directions for the Preventive Health Block Grant funds for the 1991-92 fiscal year that applied to appropriations of federal block grant funds to particular agencies or for particular purposes apply to the funds appropriated and authorized for expenditure under this section.

EMPLOYEE SALARIES

Sec. 4. The salary schedules and specific salaries established for fiscal year 1991-92 for offices and positions shall remain in effect until the effective date of The Current Operations Appropriations Act of 1992.

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

SALARY RELATED CONTRIBUTIONS/EMPLOYERS

Sec. 5. (a) Section 188(c) of Chapter 689 of the 1991 Session Laws reads as rewritten:

"(c) Effective July 1, 1992, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 1992-93 fiscal year are (i) ten and ninety-three hundredths percent (10.93%) - Teachers and State Employees; (ii) fifteen and ninety-three hundredths percent (15.93%) - State Law Enforcement Officers; (iii) eight and sixty-six hundredths percent (8.66%) - University Employees' Optional Retirement Program; (iv) ~~twenty-nine and forty-six hundredths percent (29.46%)~~ twenty-six and three hundredths percent (26.03%) - Consolidated Judicial Retirement System; and (v) thirty-two and thirty hundredths percent (32.30%) - Legislative Retirement System. Each of the foregoing contribution rates includes two percent (2%) for hospital and medical benefits. The rate for State Law Enforcement Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and State Employees, State Law Enforcement Officers, and for the University Employees' Optional Retirement Program includes forty-two hundredths percent (0.42%) for the Disability Income Plan."

(b) If The Current Operations Appropriations Act of 1992 modifies such rates, the Director of the Budget shall further modify the rates set in that act for the remainder of the 1992-93 fiscal year so as to compensate for the different amount contributed between July 1, 1992, and the effective date of The Current Operations Appropriations

Act of 1992, so that the effective rate for the entire year reflects The Current Operations Appropriations Act of 1992.

BUDGET CLARIFICATIONS

Sec. 6. (a) The General Assembly finds that it is necessary to clarify the provisions of the State budget for the 1991-93 fiscal biennium, the Executive Budget Act, and other statutes that affect the administration of the budget. The provisions of this section are intended to provide this clarification and are not intended to make substantive changes in the law.

(b) G.S. 143-16.3 reads as rewritten:

"§ 143-16.3. No expenditures for purposes for which the General Assembly has considered but not enacted an appropriation.

Notwithstanding any other provision of law, no funds from any source, except for gifts, grants, and funds allocated from the Contingency and Emergency Fund by the Council of State, may be expended for any ~~purpose~~purpose, position, or other expenditure for which the General Assembly has considered but not enacted an appropriation of funds for the current fiscal period. For the purpose of this section, the General Assembly has considered a ~~purpose~~purpose, position, or other expenditure when that purpose is included in a bill or petition or when any committee of the Senate or the House of Representatives deliberates on that purpose."

(c) G.S. 143-23 reads as rewritten:

"§ 143-23. All maintenance funds for itemized purposes; transfers between objects and or line items.

(a) All appropriations now or hereafter made for the maintenance of the various departments, institutions and other spending agencies of the State, are for the (i) purposes or programs and/or and (ii) objects or line items enumerated in the itemized requirements of such departments, institutions and other spending agencies submitted to the General Assembly by the Director of the Budget and the Advisory Budget Commission, ~~and/or~~ as amended by the General Assembly. The function of the Advisory Budget Commission under this subsection applies only if the Director of the Budget consults with the Commission in preparation of the budget.

(a1) No transfers may be made between objects or line items in the budget of any department, institution, or other spending agency; however, with the approval of the Director of the Budget, a department, institution, or other spending agency may spend more than was appropriated for ~~a~~an object or line item if the overexpenditure is:

- (1) In a purpose or program for which funds were appropriated for that fiscal period and the total amount spent for the purpose or program is no more than was appropriated for the purpose or program for the fiscal period;
- (2) Required to continue a purpose or program because of unforeseen events, so long as the scope of the purpose or program is not increased;
- (3) Required by a court, Industrial Commission, or administrative hearing officer's order or award or to match unanticipated federal funds;
- (4) Required to respond to an unanticipated disaster such as a fire, hurricane, or tornado; or

(5) Required to call out the National Guard.

The Director of the Budget shall report on a quarterly basis to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office the reason if the amount expended for a purpose or program is more than the amount appropriated for it from all sources.

Funds appropriated for salaries and wages are also subject to the limitation that they may only be used for (i) salaries and wages or for premium pay, overtime pay, longevity, unemployment compensation, workers' compensation, temporary wages, contracted personal services, moving expenses, payment of accumulated annual leave, certain awards to employees, tort claims, and employer's social security, retirement, and hospitalization payments; provided, however, funds appropriated for salaries and wages may also be used for payments; or (ii) purposes ~~uses~~ for which over expenditures are permitted by subdivisions (3), (4), and (5) of this subsection but the Director of the Budget shall include such use and the reason for it in his quarterly report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office. ~~Lapsed Office.~~

Lapsed salary funds that become available from vacant positions are also subject to the limitation that they may not be used for new permanent employee positions or to raise the salary of existing employees.

~~As used in this subsection, 'program' means a group of expenditure and receipt line items for support of a specific budgeted activity outlined in the certified budget for each department, agency, or institution, as designated by the four digit fund (purpose) number in the Budget Preparation System.~~

The requirements in this section that the Director of the Budget report to the Joint Legislative Commission on Governmental Operations shall not apply to expenditures of receipts by entities that are wholly receipt supported, except for entities supported by the Wildlife Resources Fund.

(b) Repealed by Session Laws 1985, c. 290, s. 8, effective July 1, 1985.

(c) Transfers or changes as between objects ~~and or line~~ items in the budget of the Senate may be made by the President Pro Tempore of the Senate;

(d) Transfers or changes as between objects ~~and or line~~ items in the budget of the House of Representatives may be made by the Speaker of the House of Representatives;

(e) Transfers or changes as between objects ~~and or line~~ items in the budget of the General Assembly other than of the Senate and House of Representatives may be made jointly by the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

(f) As used in this section:

(1) 'Object or line item' means a budgeted expenditure or receipt in the budget enacted by the General Assembly that is designated by (i) a thirteen-digit code in the 1000-object code series or (ii) an eleven-digit code in all other object code series, in accordance with the Budget Code Structure and the State Accounting System Uniform Chart of Accounts set out in the Administrative Policies and Procedures Manual of the Office of the State Controller.

(2) 'Purpose or program' means a group of objects or line items for support of a specific activity outlined in the budget adopted by the General Assembly that is designated by a nine-digit fund code in accordance with the Budget Code Structure and the State Accounting System Uniform Chart of Accounts set out in the Administrative Policies and Procedures Manual of the Office of the State Controller."

(d) Section 351 of Chapter 689 of the 1991 Session Laws reads as rewritten:

"Sec. 351. (a) The Joint Appropriations Committee House/Senate Base and Expansion Budget Report and the Joint Appropriations Committee House/Senate Base and Expansion Budget Conference Report dated July 11, 1991, which were distributed in the House and Senate and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of this act.

(b) The budget enacted by the General Assembly for the maintenance of the various departments, institutions, and other spending agencies of the State for the 1991-93 fiscal biennium is a line item budget, in accordance with the Budget Code Structure and the State Accounting System Uniform Chart of Accounts set out in the Administrative Policies and Procedures Manual of the Office of the State Controller. This budget includes the appropriations made from all sources including the General Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental receipts.

The General Assembly amended the itemized budget requests submitted to the General Assembly by the Director of the Budget and the Advisory Budget Commission, in accordance with the steps that follow and the line item detail in the budget enacted by the General Assembly may be derived accordingly:

- (1) Negative reserves set out in the submitted budget were deleted and the totals were increased accordingly.
- (2) The base budget was adjusted in accordance with the base budget cuts and additions that were set out in the Joint Appropriations Committee House/Senate Base and Expansion Budget and the Joint Appropriations Committee House/Senate Base and Expansion Budget Conference Report dated July 11, 1991.
- (3) The expansion budget items were added in accordance with the Joint Appropriations Committee House/Senate Base and Expansion Budget and the Joint Appropriations Committee House/Senate Base and Expansion Budget Conference Report dated July 11, 1991, and the accompanying correction sheets. Some of those expansion budget items were in the budget submitted to the General Assembly by the Director of the Budget and the Advisory Budget Commission.

Expansion budget items that were funded from new receipts are included in the budget enacted by the General Assembly with program-level detail.

- (4) Transfers of funds supporting programs were made in accordance with the Joint Appropriations Committee House/Senate Base and Expansion Budget and the Joint Appropriations Committee House/Senate Base and Expansion Budget Conference Report dated July 11, 1991, and the accompanying correction sheets.

The budget enacted by the General Assembly shall also be interpreted in accordance with the special provisions in this act and in accordance with other appropriate legislation.

In the event that there is a conflict between the line item budget certified by the Director of the Budget and the budget enacted by the General Assembly, the budget enacted by the General Assembly shall prevail."

(e) G.S. 58-6-25(d) reads as rewritten:

"(d) Use of Proceeds. The Department of Insurance Fund is created in the State treasury. The proceeds of the charge levied in this section and all fees collected under Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General Statutes shall be credited to the Fund. The Fund shall be placed in an interest-bearing account and any interest or other income derived from the Fund shall be credited to the Fund. Moneys in the Fund may be spent only pursuant to appropriation by the General Assembly. Assembly and in accordance with the line item budget enacted by the General Assembly. The Fund is subject to the provisions of the Executive Budget Act, except that no unexpended surplus of the Fund shall revert to the General Fund. All money credited to the Fund shall be used only to pay the expenses of the Commissioner and the Department that are incurred in regulating the insurance industry and other industries in this State and the general administrative expenses of the State incident thereto."

(f) Of the funds appropriated to the Department of Public Education for the 1991-93 fiscal biennium, the funds for the operation and maintenance of the Department of Public Instruction, for State aid to non-State agencies, and for the operation of the State Board of Education are as follows:

DEPARTMENT OF PUBLIC EDUCATION
TOTAL REQUIREMENTS

1991-92

FUND	Department of Public Instruction	Aid to Local School Administrative Units	State Board of Education
1000	2,276,885	—	118,900
1100	11,594,516	—	—
1200	2,542,623	—	—
1300	4,370,254	—	—
1400	12,551,101	—	16,146
1500	2,927,256	—	—
1600	11,386,980	—	17,668

1700	—	—	—
1800	—	3,199,427,158	—
1900	491,734	—	—
TOTAL	48,141,349	3,199,427,158	152,714

1992-93

FUND	Department of Public Instruction	Aid to Local School Administrative Units	State Board of Education
1000	2,271,969	—	93,900
1100	11,578,464	—	—
1200	2,543,364	—	—
1300	4,326,584	—	—
1400	12,826,595	—	16,146
1500	2,923,299	—	—
1600	11,281,018	—	17,668
1700	—	—	—
1800	—	3,267,053,247	—
1900	491,734	—	—
TOTAL	48,243,027	3,267,053,247	127,714.

(g) G.S. 115C-21(a) is amended by adding a new subdivision to read:

"(7) To have solely under his direction and control all matters relating to provision of staff services and support to the State Board of Education, except as otherwise provided in the Current Operations Appropriations Act."

(h) This section is effective upon ratification.

SAVINGS RESERVE ACCOUNT TECHNICAL CHANGE

Sec. 7. (a) G.S. 143-15.2 reads as rewritten:

"§ 143-15.2. Appropriation Use of General Fund credit balance.

The General Assembly shall appropriate. The State Controller shall reserve up to one-fourth of any anticipated credit balance—balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year to the Savings Reserve Account as provided in G.S. 143-15.3. G.S. 143-15.3, unless that would result in the Savings Reserve Account having funds in excess of five percent (5%) of the amount appropriated the preceding year for the General Fund operating budget, including local government tax reimbursements and local government tax-sharing funds; in that case, only funds sufficient to reach the five percent (5%) level shall be reserved. The General Assembly may appropriate that part of the anticipated General Fund credit balance not appropriated—expected to be reserved to the Savings Reserve Account only for capital improvements or other one-time expenditures."

(b) G.S. 143-15.3 reads as rewritten:

"§ 143-15.3. Savings Reserve Account.

(a) There is established a Savings Reserve Account as a ~~special revenue fund in the State treasury~~ restricted reserve in the General Fund. ~~The General Assembly shall appropriate~~ The State Controller shall reserve to the Savings Reserve Account one-fourth of any ~~anticipated~~ unreserved credit balance remaining in the General Fund at the end of each fiscal year until the account contains funds equal to five percent (5%) of the amount appropriated the preceding year for the General Fund operating budget, including local government tax reimbursements and local government tax-sharing funds. If the balance in the Savings Reserve Account falls below this level during a fiscal year, the ~~General Assembly shall appropriate~~ State Controller shall reserve to the Savings Reserve Account for the following fiscal years up to one-fourth of any ~~anticipated~~ unreserved credit balance remaining in the General Fund at the end of each fiscal year until the account again equals five percent (5%) of the amount appropriated the preceding year for the General Fund operating budget, including local government tax reimbursements and local government tax-sharing funds. As used in this section, the term 'unreserved credit balance' means that part of the credit balance, as determined on a cash basis, not already reserved to the Savings Reserve Account.

(b) The Director may not use funds in the Savings Reserve Account unless the use has been approved by an act of the General Assembly."

(c) Section 357(12) of Chapter 689 of the 1991 Session Laws reads as rewritten:

"(12) Part 57 – Budget Reform. G.S. 120-36.7, as enacted by Part 57 of this act, and the amendment to G.S. 143-3.5 in Part 57 of this act, are effective beginning with fiscal estimates addressing the 1992-93 fiscal year. G.S. 143-15.1, as enacted by Part 57 of this act, is effective beginning with the 1992-93 budget. G.S. 143-15.2 and G.S. 143-15.3, as enacted by Part 57 of this act, are effective beginning with the General Fund credit balance at the end of the ~~1992-93~~ 1991-92 fiscal year. G.S. 143-15.4, as enacted by Part 57 of this act, is effective beginning with the 1993-94 General Fund operating budget, and may be used as a guide in preparing the 1992-93 General Fund operating budget. Except as otherwise provided in Part 57 of this act, the remainder of Part 57 of this act is effective upon ratification."

(d) This section is effective upon ratification and applies beginning with the General Fund credit balance at the end of the 1991-92 fiscal year.

CERTAIN GRAPE COUNCIL FUNDS DO NOT REVERT

Sec. 8. (a) Any funds credited to the Department of Agriculture under G.S. 105-113.81A that are not expended by June 30, 1992 do not revert to the General Fund, but are placed in a special reserve to be expended as provided by the General Assembly.

(b) This section is effective on and after July 1, 1991.

LOCAL TAX REIMBURSEMENT TECHNICAL CHANGE

Sec. 9. (a) Article 9 of Chapter 105 of the General Statutes is amended by adding a new section to read:

§ 105-248.1. Reimbursement and tax-sharing distributions.

If the amount appropriated to the Reserve for Reimbursements to Local Governments and Shared Tax Revenues for a fiscal year is less than the amount of the

distributions required by law to be made from that reserve for the fiscal year, the deficiency shall be credited to the reserve from the General Fund. If the amount appropriated to the Reserve for Reimbursements to Local Governments and Shared Tax Revenues for a fiscal year is greater than the amount of the distributions required by law to be made from that reserve for the fiscal year, the excess reverts to the General Fund."

(b) This section is effective on and after July 1, 1991.

USE OF LAPSED SALARY FUNDS

Sec. 10. (a) The Department of Correction may use lapsed salary funds from the 1991-92 fiscal year to pay medical care costs, to pay for extradition services, and to reimburse local governments for the housing of prisoners.

(b) This section becomes effective June 30, 1992.

REDUCE AGENCY SALARIES/RETIRED POSITIONS

Sec. 11. For the 1992-93 fiscal year, the Office of State Budget and Management shall establish rules and procedures which require agencies to transfer salary and benefit funds equivalent to thirty percent (30%) of the State supported salary and fringe benefits of positions from which a retirement occurs to the Reserve for Salary Reduction-Positions Vacated by Retirees as created in this act. This provision does not apply to positions paid from the Public School Fund, community college State aid funds, positions of employees whose salaries are specified by statute, or exceptions granted by the Director of the Budget due to agency hardships. Employees eligible for retirement shall not be transferred to non-State supported positions prior to retirement for the purpose of circumventing this provision. No position impacted by this provision shall be reduced below the minimum salary level established by law unless the position is abolished.

The Office of State Budget and Management shall provide to the 1993 General Assembly a report by May 15, 1993, detailing, by agency and position, the savings implemented under this provision in order that these amounts may be deleted from the 1993-95 authorized budget.

EXTEND SENTENCING AND POLICY ADVISORY COMMISSION

Sec. 12. Section 8 of Chapter 1076 of the 1989 Session Laws reads as rewritten:

"Sec. 8. This act is effective upon ratification, and shall expire July ~~4~~, 8, 1992."

EFFECTIVE DATE

Sec. 13. Except as otherwise provided, this act becomes effective July 1, 1992.

In the General Assembly read three times and ratified this the 30th day of June, 1992.

James C. Gardner
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives