GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2005

H D

HOUSE DRH30240-LH-198A (04/13)

Short Title: Zero-Based Budgeting. (Public)

Sponsors: Representative Blust.

Referred to:

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A BILL TO BE ENTITLED

AN ACT TO REQUIRE ZERO-BASED BUDGETING AND TO ESTABLISH A ZERO-BASED BUDGETING CYCLE.

Whereas, the General Assembly finds that the traditional method of budget development, which relies upon incremental adjustments to expenditures made in the previous financial period, insulates governmental activities from the thorough fiscal review expected by taxpaying citizens; and

Whereas, new and changing demands for public services are met through excessive budget growth rather than by pruning obsolete programs and redirecting existing funds; and

Whereas, some programs were established so long ago that the original statutory basis has either been forgotten or is out-of-date; and

Whereas, in time the budget is driven by inertia rather than by clear and defensible purposes; and

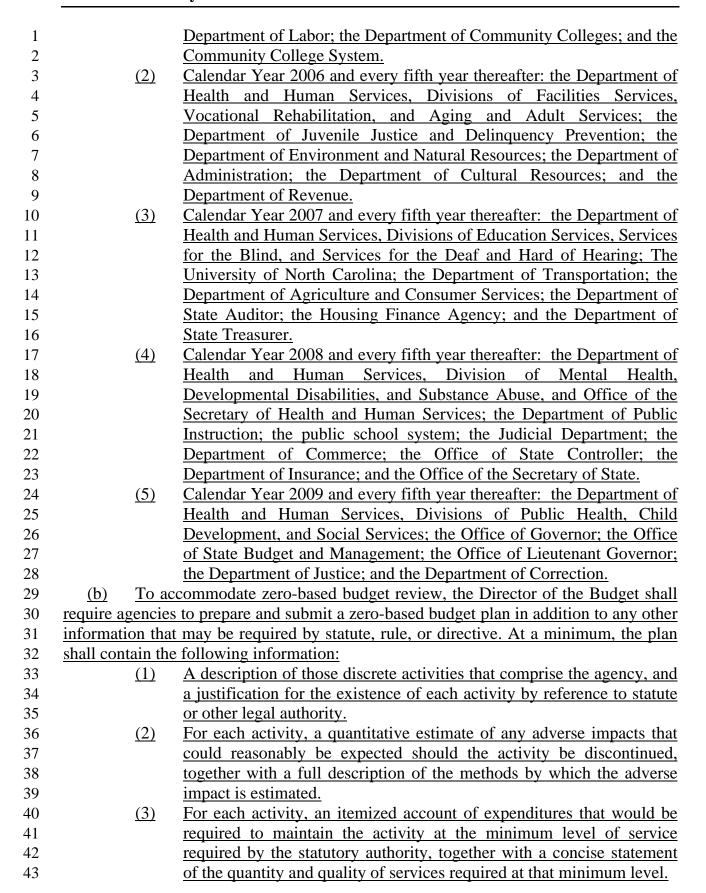
Whereas, the General Assembly finds that zero-based budgeting is an effective method to counter the tendency toward perpetuation of outdated State programs; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-10.8. Zero-based budgeting.

- (a) The Director of the Budget shall subject every program in State government to zero-based budget review according to the following schedule:
 - (1) Calendar Year 2005 and every fifth year thereafter: the Department of Health and Human Services, Division of Medical Assistance, and NC Health Choice; the Department of Crime Control and Public Safety; the Office of Administrative Hearings; the Board of Elections; the



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1	<u>(4)</u>	For each activity, an itemized account of expend	itures required to
2		maintain the activity at current levels of service.	, together with a
3		concise statement of the quantity and quality of	of services being
4		provided.	-
5	<u>(5)</u>	A ranking of all activities that shows the relative co	ntribution of each
6		activity to the overall goals and purposes of the	agency at current
7		service levels."	•
8	SECT	TON 2. This act becomes effective July 1, 2005.	

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