

February 25, 2009

S 311. FUNDS FOR SPECIAL FOCUS UNIVERSITIES. Filed 2/25/09. *TO APPROPRIATE FUNDS FOR SPECIAL FOCUS UNIVERSITIES.*

Appropriates \$6 million for 2009-10 and \$6 million for 2010-11 from the General Fund to the UNC Board of Governors to provide special focus institution funding. Provides that the funding be divided equally between the UNC School of Arts and UNC Asheville. States that the funds are needed because the mission and limited size of these institutions creates difficulty in generating sufficient funds from the student credit hour enrollment funding model and other sources to provide necessary student services. Effective July 1, 2009.

Intro. by Garrou.

APPROP

June 23, 2009

S 311. CONTINUING BUDGET AUTHORITY (NEW). Filed 2/25/09. Senate committee substitute makes the following changes to 1st edition. Deletes contents of the 1st edition and replaces it with *AN ACT AUTHORIZING THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT A PERCENTAGE OF THE LEVEL IN EFFECT ON JUNE 30, 2009.*

Budget Continuation. Authorizes the Director of the Budget (Director) to continue to allocate funds for expenditures for current operations by state departments, institutions, and agencies at a level not to exceed 85% of the level at which those operations were authorized in SL 2008-107, as amended. Prohibits, if subject to proposed budget reductions in Senate Bill 202, 3rd edition, Senate Bill 202, 6th edition, or both, (1) vacant positions from being filled after June 30, 2009 and (2) use of such funds by state agencies to make grant awards. Appropriates from appropriate state funds and cash balances, federal receipts, and departmental receipts for 2009-10 the funds necessary to implement this authorization. Provides that the authorization and appropriation remains in effect until ratification of the Current Operations and Capital Improvements Appropriations Act of 2009 (Appropriations Act of 2009), at which time that act is effective and governs appropriations and expenditures. Requires the Director to adjust allocations to give effect to the Appropriations Act of 2009 from July 1, 2009. Except as otherwise provided in this act, the limitations and directions for 2008-09 in SL 2007-323, as amended, and SL 2008-107, as amended, that applied to appropriations to particular agencies or for particular purposes apply to funds appropriated and authorized for expenditure under this act.

No Automatic Step Increases. Prohibits (1) state employees subject to GS 7A-102(c) (incremental salary plan for assistant clerks and for deputy clerks), GS 7A-171.1 (incremental salary plan for magistrates), or GS 20-187.3 (incremental salary plan for members of the Highway Patrol) and (2) public school employees paid on the teacher salary schedule or the school-based administrator salary schedule from moving up on salary schedules or receiving automatic increases, including automatic step increases, until authorized by the General Assembly.

Salary-Related Contributions/Employer. Provides that the state's employer contribution rates budgeted for retirement and related benefits for 2009-10 remain the same as they are on June 30, 2009, until the Appropriations Act of 2009 becomes law and subjects those rates to revision. Requires that, if the rates are modified by the Appropriations Act of 2009, then the Director must modify rates set in that act for the remainder of 2009-10 so as to compensate for the different amount contributed between July 1, 2009, and the date that act becomes law.

Funds Shall Not Revert. Provides that if the provisions of Senate Bill 202, 3rd edition, Senate Bill 202, 6th edition, or both, direct that funds must not revert, then funds do not revert on June 30, 2009. Prohibits these funds from being expended after June 30, 2009, unless the funds are unencumbered on or before June 30, 2009, or except as provided by a law enacted after June 30, 2009. Effective June 30, 2009.

State Controller Shall Not Transfer Funds on June 30. Notwithstanding GS 143-15.3A, prohibits (1) funds, for 2008-09 only, from being reserved to the Repairs and Renovations Reserve Account (Account) and (2) the State Controller from transferring funds from the unreserved credit balance to the Account on June 30, 2009. Notwithstanding GS 143-15.2 and GS 143-15.3, prohibits (1) funds, for 2008-09 only, from being reserved to the Savings Reserve

Account and (2) the State Controller from transferring funds from the unreserved credit balance to the Savings Reserve Account on June 30, 2009. Effective June 30, 2009.

Appropriation of ARRA Funds. Appropriates funds received under the American Recovery and Reinvestment Act (ARRA) in the amounts provided in the notification of award from the federal government or any entity acting on behalf of the federal government to administer the funds. Requires the Office of State Budget and Management (OSBM) and affected state agencies to report notification of the award to the Joint Legislative Commission on Governmental Operations. Prohibits state agencies from allocating or otherwise obligating any ARRA funds appropriated in this act (1) for a purpose or program not authorized by the General Assembly for the 2007-09 biennium or (2) for expanding the scope of a purpose or program authorized by the General Assembly for the 2007-09 biennium, unless the federal government has issued rules or formal guidance stipulating that the state's lack of obligation or allocation would jeopardize the receipt of the funds. Requires OSBM to work with recipient state agencies to budget federal receipts awarded according to the annual program needs and within the parameters of the respective granting entities and to incorporate federal funds into the certified budgets of the recipient state agency. Prohibits state agencies from using ARRA funds for recurring purposes unless provided for in this act. Allows additional state personnel to be employed on a temporary or time-limited basis depending on the nature of the award. Authorizes the State Office of Economic Investment and Recovery to use up to \$1 million during 2009-10 for operating expenses. Effective when the act becomes law.

Appropriation from the Savings Reserve Account for 2008-09. Authorizes the Director to use funds credited to the Savings Reserve Account on or before June 30, 2009, to the extent necessary to balance the state budget for 2008-09, and appropriates funds from the Savings Reserve Account for this purpose. Effective when the act becomes law.

Effective Date. Effective July 1, 2009, unless otherwise noted, and expires when the Appropriations Act of 2009 becomes law.

June 25, 2009

S 311. CONTINUING BUDGET AUTHORITY. Filed 2/25/09. House committee substitute makes the following changes to 2nd edition.

Budget Continuation. Adds that state employees in positions subject to the proposed base budget cuts and state employees in positions funded with nonrecurring funds for 2008-09 must be given 30 days' notice of termination.

Deletes the appropriation from the appropriate state funds and cash balances, federal receipts, and departmental receipts for 2009-10 of funds necessary to carry out the section. Also deletes that this appropriation and authorization to allocate and spend funds remains in effect until ratification of the Current Operations and Capital Improvements Appropriations Act of 2009 (Appropriations Act of 2009).

Employee Salaries (was, No Automatic Step Increases). Provides that the salary schedules and specific salaries established for 2008-09 by or under SL 2008-107 and in effect June 30, 2009, for offices and positions remain in effect until the effective date of the Appropriations Act of 2009. Clarifies that public school employees paid on the teacher salary schedule or the school-based administrator salary schedule *and other employees* are prohibited from moving up on salary schedules or receiving automatic step increases, *annual, performance, merit, or other increments* until authorized by the General Assembly.

Salary-Related Contributions/Employer. Requires that the state's employer contribution rates budgeted for retirement and related benefits for 2009-10 must be as provided in Section 6(b) of SL 2009-16 (was, remain the same as they are on June 30, 2009).

Appropriation of ARRA Funds. Clarifies that the \$1 million authorized to be used by the State Office of Economic Investment and Recovery during 2009-10 for operating expenses must be from appropriated funds received under the American Recovery and Reinvestment Act of 2009.

Appropriation from the Savings Reserve Account for 2008-2009. Specifies that GS 143C-4-2(b) prohibits the Director of the Budget from using funds in the Savings Reserve Account unless the use has been approved by an act of the General Assembly.

Medicaid State Plan Amendments. Requires the Department of Health and Human Services (DHHS) to prepare and submit necessary State Plan amendments to the Centers for Medicare and Medicaid Services that reflect the Medicaid reduction items in Senate Bill 202, 3rd edition, Senate Bill 202, 6th edition, or both. Requires that DHHS amends or withdraws any unnecessary State Plan amendments when reductions enacted in the Appropriations Act of 2009 become law.

Community College Tuition Increase. Establishes the community college tuition as \$50 per credit hour. Requires that the fees charged for community college continuing education courses be based on the number of hours of class time as follows:

<u>Class hours</u>	<u>Cost</u>
1-24	\$65
24-50	\$120
51+	\$175

Provides that this section expires December 31, 2009.

Effective Date. Changes the expiration date of the act to July 15, 2009, at 11:59 PM (was, expires when the Appropriations Act of 2009 becomes law).

Amends the title.

June 29, 2009

S 311. CONTINUING BUDGET AUTHORITY. Filed 2/25/09. House amendments make the following changes to 3rd edition. Amendment #1, as perfected by amendment #2, clarifies that the tuition rate for community college students is #(1) \$50 per credit hour for in-state-students, and #(2) \$241.30 per credit hour for out-of-state students. Provides that the fee for 25-50 (was 24-50) class hours in continuing education courses is \$120. Clarifies that state employees holding positions subject to elimination in Senate Bill 202, 3rd edition, Senate Bill 202, 6th edition, or both, because of a reduction in the funds used to support the job or its responsibilities, must be provided with written notification of termination of employment 30-days prior to the effective date of the termination.

Amendment #3 inserts a new section 8A, **ACCELERATED DHHS PROCUREMENT PROCESS TO ACHIEVE BUDGET REDUCTIONS.** Provides that the Department of Health and Human Services (DHHS) may (1) modify or extend existing contracts, or (2) as necessary, enter into sole sources contracts, in order to achieve savings in a timely manner. Requires any modifications or contract extensions to be approved by the Governor and reported to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Fiscal Research Division, and the Office of State Budget and Management. Specifies the activities to which these provisions apply and provides that the provisions expire six months from the date of the enactment of this act. Requires DHHS to report on the activities conducted under this section to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on or before April 1, 2010.

July 1, 2009

SL 2009-215 (S 311). CONTINUING BUDGET AUTHORITY. AN ACT AUTHORIZING THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT A LEVEL NOT TO EXCEED EIGHTY-FIVE PERCENT OF THE LEVEL AT WHICH THOSE OPERATIONS WERE AUTHORIZED IN S.L. 2008-107, AS AMENDED, UNTIL JULY 15, 2009, AT 11:59 P.M. Summarized in *Daily Bulletin* 6/23/09, 6/25/09, and 6/29/09. Enacted June 30, 2009. Effective July 1, 2009.