

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE DRH10246-MDa-83 (03/16)

Short Title: Accountability & Transparency in Budgeting. (Public)

Sponsors: Representative Jackson.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE ADDITIONAL ACCOUNTABILITY AND TRANSPARENCY IN
3 STATE BUDGETING AND TO MAKE THE CONTINUATION BUDGET THE
4 STARTING POINT FOR STATE AGENCY BUDGETING.

5 The General Assembly of North Carolina enacts:

6
7 **PART I. REQUIRE ADDITIONAL ACCOUNTABILITY AND TRANSPARENCY IN**
8 **STATE BUDGETING**

9 SECTION 1. G.S. 143C-5-3 reads as rewritten:

10 "§ 143C-5-3. ~~Availability statement required.~~ Accountability and transparency in
11 budgeting.

12 The Current Operations Appropriations Act enacted by the General Assembly shall ~~state the~~
13 include the following information to ensure accountability and transparency in budgeting:

- 14 (1) The General Fund, Highway Fund, and Highway Trust Fund availability
15 used as basis for appropriations from those funds.
16 (2) The amount of funds the Controller was required to reserve to the Savings
17 Reserve Account on June 30 pursuant to G.S. 143C-4-2(a) and the amount
18 actually reserved to the Account.
19 (3) The amount of funds required to be in the Savings Reserve Account in order
20 to meet the goal set forth in G.S. 143C-4-2(c) and the amount actually in the
21 Account.
22 (4) The amount of funds the Controller was required to reserve to the Repairs
23 and Renovations Reserve on June 30 pursuant to G.S. 143C-4-3(a) and the
24 amount actually reserved to the Reserve.
25 (5) The (i) enrollment increases projected by the State Board of Education for
26 the public schools, State Board of Community Colleges for the community
27 colleges system, and the Board of Governors of The University of North
28 Carolina for The University of North Carolina system, (ii) the cost of fully
29 funding each of them, and (iii) the amount actually appropriated for each of
30 them.
31 (6) A fiscal analysis that addresses the State's budget outlook for the upcoming
32 five-year period and the assumptions underlying the analysis."
33

34 **PART II. MAKE CONTINUATION BUDGET THE STARTING POINT FOR STATE**
35 **AGENCY BUDGETING**



1 **SECTION 2.(a)** G.S. 143C-1-1(d)(7a) is reenacted as it existed immediately prior
2 to its repeal in Section 6.4 of S.L. 2014-100.

3 **SECTION 2.(b)** G.S. 143C-1-1(d)(7a), as reenacted by Section 2(a) of this act,
4 reads as rewritten:

5 "(7a) Continuation budget. – That part of the Recommended State Budget
6 necessary to continue the same level of services in the next biennium as is
7 provided in the current fiscal year, including (i) mandated Social Security
8 rate adjustments; (ii) annualization of programs and positions; (iii)
9 enrollment adjustments for public ~~schools and Medicaid;~~schools, Medicaid,
10 universities, and community colleges; (iv) reductions to adjust for items
11 funded with nonrecurring funds during the prior fiscal biennium; (v)
12 increases to adjust for nonrecurring reductions during the prior fiscal
13 biennium; and (vi) if deemed necessary by the Director, other adjustments
14 such as inflation, building reserves, and equipment replacement."

15 **SECTION 2.(c)** G.S. 143C-1-1(d)(1c) is repealed.

16 **SECTION 2.(d)** G.S. 143C-3-5(b) reads as rewritten:

17 **"§ 143C-3-5. Budget recommendations and budget message.**

18 ...

19 (b) Odd-Numbered Years. – In odd-numbered years the budget recommendations shall
20 include the following components:

21 (1) A Recommended State Budget setting forth goals for improving the State
22 with recommended expenditure requirements, funding sources, and
23 performance information for each State government program and for each
24 proposed capital improvement. The Recommended State Budget may be
25 presented in a format chosen by the Director, except that the Recommended
26 State Budget shall clearly distinguish program ~~base budget~~continuation
27 requirements, program reductions, program eliminations, program
28 expansions, and new programs, and shall explain all proposed capital
29 improvements in the context of the Six-Year Capital Improvements Plan and
30 as required by G.S. 143C-8-6.

31 (1a) The Governor's Recommended State Budget shall include a ~~base~~
32 continuation budget, which shall be presented in the budget support
33 document pursuant to subdivision (2) of this subsection.

34 (2) A Budget Support Document showing, for each budget code and purpose or
35 program in State government, accounting detail corresponding to the
36 Recommended State Budget.

37 a. The Budget Support Document shall employ the North Carolina
38 Accounting System Uniform Chart of Accounts adopted by the State
39 Controller to show both uses and sources of funds and shall display
40 in separate parallel columns all of the following: (i) actual
41 expenditures and receipts for the most recent fiscal year for which
42 actual information is available, (ii) the certified budget for the
43 preceding fiscal year, (iii) the currently authorized budget for the
44 preceding fiscal year, (iv) program ~~base budget~~continuation
45 requirements for each fiscal year of the biennium, (v) proposed
46 expenditures and receipts for each fiscal year of the biennium, and
47 (vi) proposed increases and decreases.

48 ...

49 (5) A list of budget adjustments made during the prior fiscal year pursuant to
50 G.S. 143C-6-4 that are included in the proposed ~~base~~continuation budget for
51 the upcoming fiscal year."

1 **SECTION 2.(e)** G.S. 58-2-215(c) reads as rewritten:

2 "(c) Moneys appropriated by the General Assembly shall be deposited in the Fund and
3 shall become a part of the ~~base-continuation~~ budget of the Department of Insurance. Such ~~base~~
4 ~~continuation~~ budget amount shall equal the actual expenditures drawn from the Fund during the
5 prior fiscal year plus the official inflation rate designated by the Director of the Budget in the
6 preparation of the State Budget for each ensuing fiscal year; provided that if interest income on
7 the Fund exceeds the amount yielded by the application of the official inflation rate, such ~~base~~
8 ~~continuation~~ budget amount shall be the actual expenditures drawn from the Fund. In the event
9 the amount in the Fund exceeds two hundred fifty thousand dollars (\$250,000) at the end of any
10 fiscal year, such excess shall revert to the General Fund."

11 **SECTION 2.(f)** G.S. 116-30.3B(b) reads as rewritten:

12 "(b) It is the intent of the General Assembly that appropriations to the Board of
13 Governors on behalf of a constituent institution not be reduced as a result of the institution's
14 realization of energy savings. Instead, the General Assembly intends that the amount of
15 appropriations be determined as if no energy savings had been realized. The Director of the
16 Budget shall not decrease the recommended ~~base-continuation~~ budget requirements for utilities
17 for constituent institutions by the amount of energy savings realized from implementing energy
18 conservation measures, including savings achieved through a guaranteed energy savings
19 contract."

20 **SECTION 2.(g)** G.S. 116-30.7 reads as rewritten:

21 "**§ 116-30.7. Biennial projection of enrollment growth for The University of North**
22 **Carolina.**

23 By October 15 of each even-numbered year, the General Administration of The University
24 of North Carolina shall provide to the Joint Education Legislative Oversight Committee and to
25 the Office of State Budget and Management a projection of the total student enrollment in The
26 University of North Carolina that is anticipated for the next biennium. The enrollment
27 projection shall be divided into the following categories and shall include the projected growth
28 for each year of the biennium in each category at each of the constituent institutions:
29 undergraduate students, graduate students (students earning master's and doctoral degrees), first
30 professional students, and any other categories deemed appropriate by General Administration.
31 The projection shall also distinguish between on-campus and distance education students. The
32 projections shall be considered by the Director of the Budget when determining the amount the
33 Director proposes to ~~appropriate to The University of North Carolina in the Recommended~~
34 ~~State Budget submitted pursuant to G.S. 143C-3-5(b).~~ fund as the continuation requirement for
35 the enrollment increase in the university system pursuant to G.S. 143C-3-5(b).

36 **SECTION 2.(h)** G.S. 121-6(c) reads as rewritten:

37 "(c) It shall be the duty and the responsibility for the Department of Cultural Resources
38 to edit and publish a second or new series of the most significant records of colonial North
39 Carolina. From records which have been compiled in the North Carolina State Archives
40 concerning the colonial period of North Carolina, a selection of the most significant documents
41 shall be made therefrom by a skilled and competent editor. The editor shall edit, according to
42 acceptable scholarly standards, the selected materials which shall be published in documentary
43 volumes not to exceed approximately 700 pages each in length until full and representative
44 published colonial records of North Carolina shall have been achieved. The number of copies
45 of each volume to be so printed shall be determined by the Department of Cultural Resources,
46 and such determination shall be based on the number of copies the Department can reasonably
47 expect to sell in a period of 10 years from the date of publication. In any year during which the
48 Department of Cultural Resources has completed a volume and has it ready for publication, the
49 Department may include in its ~~base-continuation~~ budget for that year sufficient funds to pay the
50 estimated costs of publishing the volume. In the event that the volume is not published during

1 that year, the appropriation made, or any unencumbered balance, shall revert to the general
2 fund."
3

4 **PART III. EFFECTIVE DATE**

5 **SECTION 3.** Section 1 of this act becomes effective July 1, 2015, and applies to
6 Current Operations Appropriations Acts enacted on or after that date. Section 2 of this act
7 becomes effective July 1, 2015, and applies beginning with the recommended State budget for
8 the 2017-2019 fiscal biennium.