

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015**

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**SENATE BILL 534  
Information Technology Committee Substitute Adopted 4/22/15  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S534-PCS15259-LR-33**

Short Title: 2015 Continuing Budget Authority.

(Public)

Sponsors:

Referred to:

March 30, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT AUTHORIZING THE DIRECTOR OF THE BUDGET TO CONTINUE  
3 EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE LEVEL IN  
4 EFFECT ON JUNE 30, 2015.

5 The General Assembly of North Carolina enacts:

6  
7 **BUDGET CONTINUATION**

8 **SECTION 1.(a)** The Director of the Budget may continue to allocate funds for  
9 recurring expenditures for current operations by State departments, institutions, and agencies at  
10 the level at which these operations were authorized on a recurring basis in S.L. 2014-100, as  
11 amended, except that current operations funded on a nonrecurring basis in the 2014-2015 fiscal  
12 year that are funded at the same level in House Bill 97, 5th edition, and House Bill 97, 7th  
13 edition, may continue to receive funds, unless the items are capital expenditures or related to  
14 capital grants. The Director of the Budget may continue to allocate funds for the Department of  
15 Transportation, Division of Motor Vehicles Tag and Tax Together program for the forty-four  
16 (44) time-limited positions established in S.L. 2012-142, Section 24.10. The Director of the  
17 Budget shall implement the budget reductions set out in House Bill 97, 5th edition, and House  
18 Bill 97, 7th edition, that are not in controversy. The Director of the Budget shall not implement  
19 any transfers set out in House Bill 97, 5th edition, House Bill 97, 7th edition, or both.

20 **SECTION 1.(b)** To the extent necessary to implement this authorization, there is  
21 appropriated from the appropriate State funds and cash balances, federal receipts, and  
22 departmental receipts for 2015-2016 fiscal year funds necessary to carry out this section, except  
23 that cash balances subject to proposed transfer in House Bill 97, 5th edition, House Bill 97, 7th  
24 edition, or both shall not be expended.

25 **SECTION 1.(c)** Vacant positions subject to proposed budget reductions in House  
26 Bill 97, 5th edition, House Bill 97, 7th edition, or both shall not be filled after June 30, 2015.

27 **SECTION 1.(d)** State employees employed in positions subject to elimination in  
28 both House Bill 97, 5th edition, and House Bill 97, 7th edition, because of a reduction, in total  
29 or in part, in the funds used to support the job or its responsibilities shall, as soon as practicable  
30 and in accordance with reduction in force policies, be provided written notification of  
31 termination of employment 30 days prior to the effective date of the termination.

32 **SECTION 1.(e)** State agencies shall not make grant awards with that portion of  
33 funds that is subject to proposed budget reductions in House Bill 97, 5th edition, House Bill 97,  
34 7th edition, or both.



1           **SECTION 1.(f)** Except as otherwise provided by this act, the limitations and  
2 directions for the 2014-2015 fiscal year in S.L. 2013-360, as amended, and in S.L. 2014-100, as  
3 amended, that applied to appropriations to particular agencies or for particular purposes apply  
4 to the funds appropriated and authorized for expenditure under this section.

5           **SECTION 1.(g)** Funds that would not otherwise revert that were appropriated on a  
6 nonrecurring basis in prior fiscal years shall remain available for expenditure in the 2015-2016  
7 fiscal year.

## 8 9 **EMPLOYEE SALARIES**

10           **SECTION 2.(a)** The salary schedules and specific salaries established for the  
11 2014-2015 fiscal year by or under S.L. 2014-100 and in effect on June 30, 2015, for offices and  
12 positions shall remain in effect until the effective date of the Current Operations and Capital  
13 Improvements Appropriations Act of 2015.

14           **SECTION 2.(b)** State employees subject to G.S. 7A-102(c), 7A-171.1, or 20-187.3  
15 shall not move up on salary schedules or receive automatic increases, including automatic step  
16 increases, until authorized by the General Assembly.

17           **SECTION 2.(c)** State employees, including those exempt from the classification  
18 and compensation rules established by the State Human Resources Commission, shall not  
19 receive any automatic step increases, annual, performance, merit, bonuses, or other increments  
20 until authorized by the General Assembly.

21           **SECTION 2.(d)** Public school employees paid on the teacher salary schedule or  
22 school-based administrator salary schedule and other employees shall not move up on salary  
23 schedules or receive automatic step increases, annual, performance, merit, or other increments  
24 until authorized by the General Assembly, except that effective July 1, 2015, (i) the monthly  
25 salary on the "A" salary schedule that corresponds to zero to four years of experience shall be  
26 three thousand five hundred dollars (\$3,500) rather than three thousand three hundred dollars  
27 (\$3,300), (ii) a teacher who received a bonus under section 9.1(e) of S.L. 2014-100 shall not be  
28 paid less pursuant to this section than the teacher was paid in salary and bonus for the  
29 2014-2015 school year, and (iii) a school administrator who received a bonus under section  
30 9.11(i) of S.L. 2014-100 shall not be paid less pursuant to this section than the school  
31 administrator was paid in salary and bonus for the 2014-2015 school year.

## 32 33 **SALARY-RELATED CONTRIBUTIONS**

34           **SECTION 3.(a)** The State's employer contribution rates budgeted for retirement  
35 and related benefits for the 2015-2016 fiscal year shall be as provided for in Section 35.15 of  
36 S.L. 2013-360 and Section 35.13 of S.L. 2014-100.

37           **SECTION 3.(b)** The State's employer contribution rates established by this section  
38 are effective until the Current Operations and Capital Improvements Appropriations Act of  
39 2015 becomes law and are subject to revision in that act. If the Current Operations and Capital  
40 Improvements Appropriations Act of 2015 modifies these rates, the Director of the Budget  
41 shall further modify the rates set in that act for the remainder of the 2015-2016 fiscal year so as  
42 to compensate for the different amount contributed between July 1, 2015, and the date the  
43 Current Operations and Capital Improvements Appropriations Act of 2015 becomes law so that  
44 the effective rates for the entire year reflect the rates set in the Current Operations and Capital  
45 Improvements Appropriations Act of 2015.

## 46 47 **FUNDS SHALL NOT REVERT**

48           **SECTION 4.(a)** If the provisions of either House Bill 97, 5th edition, House Bill  
49 97, 7th edition, or both direct that funds shall not revert, the funds shall not revert on June 30,  
50 2015. Unless these funds are encumbered on or before June 30, 2015, these funds shall not be  
51 expended after June 30, 2015, except as provided by a law enacted after June 30, 2015.

1           **SECTION 4.(b)** This section becomes effective June 30, 2015.

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3           **STATE CONTROLLER SHALL NOT TRANSFER FUNDS ON JUNE 30**

4           **SECTION 5.(a)** Notwithstanding G.S. 143C-4-3, for the 2014-2015 fiscal year  
5 only, funds shall not be reserved to the Repairs and Renovations Reserve Account, and the  
6 State Controller shall not transfer funds from the unreserved credit balance to the Repairs and  
7 Renovation Reserve Account on June 30, 2015.

8           **SECTION 5.(b)** Notwithstanding G.S. 143C-4-2, for the 2014-2015 fiscal year  
9 only, funds shall not be reserved to the Savings Reserve Account, and the State Controller shall  
10 not transfer funds from the unreserved credit balance to the Savings Reserve Account on June  
11 30, 2015.

12           **SECTION 5.(c)** This section becomes effective June 30, 2015.

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14           **FEDERAL BLOCK GRANTS**

15           **SECTION 6.** The Director of the Budget shall continue to allocate federal block  
16 grant funds at the levels provided in Section 12J.1 of S.L. 2014-100, Section 15.14 of S.L.  
17 2013-360, and as otherwise provided by law, and appropriations from federal block grants are  
18 hereby made.

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20           **PUBLIC SCHOOLS**

21           **SECTION 7.(a)** Effective July 1, 2015, there is appropriated from the General  
22 Fund to the Department of Public Instruction the sum of one hundred million two hundred  
23 thirty-six thousand five hundred forty-two dollars (\$100,236,542) for the 2015-2016 fiscal year  
24 to fully fund changes in average daily membership in public schools, subject to adjustment by  
25 the General Assembly. Local boards of education shall use funds available to them, including a  
26 fee for instruction charged to students pursuant to G.S. 115C-216(g), to offer noncredit driver  
27 education courses in high schools. Local school administrative units may transfer funds  
28 between allotment categories under G.S. 115C-105.25.

29           **SECTION 7.(b)** Notwithstanding G.S. 115C-238.51A(c) and G.S. 115C-238.54,  
30 the Watauga Career Academy, Pitt Early College, Wilson Academy of Applied Technology,  
31 Academy at High Point Central, the Academy at Ben L. Smith High School, STEM Early  
32 College at NC A&T State University, Middle College at the University of North Carolina at  
33 Greensboro, Vernon Malone College and Career Academy, and the Northeast Regional School  
34 of Biotechnology and Agriscience shall be permitted to operate in accordance with  
35 G.S. 115C-238.53 and G.S. 115C-238.54 as cooperative innovative high schools approved  
36 under G.S. 115C-238.51A(c) and shall be subject to the evaluation requirements of  
37 G.S. 115C-238.55.

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39           **MEDICAID STATE PLAN AMENDMENTS AND WAIVERS**

40           **SECTION 8.** To achieve the proposed budget reductions or expansions for the  
41 2015-2017 fiscal biennium, the Department of Health and Human Services (Department) shall  
42 prepare the necessary State plan amendments and waivers for the Centers for Medicare and  
43 Medicaid Services (CMS) that reflect the Medicaid reduction or expansion items in House Bill  
44 97, 5th edition, and House Bill 97, 7th edition, so that the State plan amendments and waivers  
45 can be submitted to CMS at the earliest possible date after the Current Operations and Capital  
46 Improvements Appropriations Act of 2015 becomes law.

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48           **EFFECTIVE DATE**

49           **SECTION 9.** Except as otherwise provided, this act becomes effective July 1,  
50 2015, and expires August 14, 2015, at 11:59 P.M.