

Return of Biofuels Center of NC Funds

In FY 2007-08, the General Assembly began funding the Biofuels Center of North Carolina. Appropriations made to the Biofuels Center are listed in the table below:

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Actual
Biofuels Center of NC	5,000,000	4,550,000	950,000	4,825,000	4,500,000	4,303,035 ¹
¹ \$2.24 million from TVA funds						

In the 2013 legislative session, the General Assembly eliminated funding for the Biofuels Center of North Carolina. Following the loss of State funding, the Biofuels Center has decided to dissolve the organization.

At a special meeting of the Biofuels Center Board of Directors earlier this month, the Board voted to return unspent State funds in the following manner:

- \$1,626,384 grant to the Department of Agriculture and Consumer Services to continue to administer incomplete grants and projects;
- \$438,583 in unspent Tennessee Valley Authority (TVA) Settlement funds will be returned to the Department of Commerce; and,
- \$500,000 - \$530,000 in unspent State funds will be returned to the Department of Commerce

At this point, it is unclear how the executive branch plans to use these funds, or if the funds shall revert to the General Fund.

Questions for Consideration

- 1) The TVA funds held by the Biofuels Center were originally appropriated by the General Assembly for biofuels related projects. The use of TVA funds is also restricted to certain activities under the Settlement Consent Decree. What does the executive branch plan on doing with these funds?
- 2) The remaining funds returned to the Department of Commerce were provided from the General Fund and do not have the types of restrictions as the TVA funds. What does the executive branch plan on doing with these funds?
- 3) Since all Biofuels Center projects were terminated prior to dissolution, does the Department of Agriculture and Consumer Services plan to use the funds to continue previously awarded grants made by the Biofuels Center or to make new grants?
- 4) Should nonprofits in possession of State funds be permitted to choose the destination of remaining State funds upon dissolution?