



Statewide Reserves  
For FY 2013-14

Report to the Joint Legislative Commission  
On Governmental Operations

Office of State Budget and Management

January 28, 2014

## **GLOBAL TRANSPARK LOAN REPAYMENT**

Section 6.3.(a) of Session Law 2013-360 specifies that the Office of State Budget and Management shall transfer funds from the Reserve for Global TransPark Loan Repayment to the Escheat Fund as payment-in-full for the outstanding loan from the Escheat Fund to the Global TransPark Authority originally authorized under G.S. 63A-4(a)(22) and G.S. 147-69.2(b)(11). The general fund appropriation in the Reserve for Global TransPark Loan Repayment is \$27,000,000. A summary of the amount transferred is included in Attachment A.

## GLOBAL TRANSPARK LOAN REPAYMENT

### Attachment A

Date	Description	Amount Transferred
9/18/2013	Loan Repayment - Transferred to the Escheat Fund From Global TransPark	\$ 27,000,000
		<b>\$ 27,000,000</b>

<b>Total Amount Appropriated</b>	<b>\$ 27,000,000</b>
<b>Total Amount Transferred</b>	<b>\$ 27,000,000</b>
<b>Total Available Balance</b>	<b>\$ -</b>

## **RESERVE FOR PENDING LEGISLATION**

Session Law 2013-360 creates a reserve to fund the following House bills should they be enacted into law:

- H B 473 - Department of Insurance to regulate captive insurance companies.
- H B 675 - General Fund portion (80%) of the total impact on the State Health Plan from changes in the Pharmacy Laws.
- H B 498 - General Fund portion (80%) of the total impact on the State Health Plan from changes in autism health insurance coverage.
- H B 269 - State Education Assistance Authority and the Department of Public Instruction to implement the bill.
- HB 392 - Department of Health and Human Services to implement the bill. (Drug Screening)

A summary of agency allocations is included in Attachment A and all pending allocations are included in Attachment B. (Next Page)

Distribution of Reserve for Pending Legislation in 2013 Conference Report				
(Bills listed in order in which they appear in the Conference Report)		Estimated Requirements		Distribution
		FY 2013-14	FY 2014-15	FY 2013-14
HB 473	Captive Insurance Act	\$256,632	\$369,429	\$246,053
HB 675	Amend Pharmacy Laws	\$100,000	\$200,000	\$83,447
HB 269	Special Education Scholarship Grants for Children with Disabilities	\$3,670,500	\$4,341,000	\$3,670,500
HB 392	Warrant Status/Drug Screen Public Assist.* – Background Checks – Drug Testing	\$144,841 \$155,500		\$ - \$ -
<b>Total</b>	<b>Total Requirements</b>	<b>\$4,327,473</b>	<b>\$5,057,641</b>	<b>\$4,000,000</b>
	<b>Total Reserve</b>		<b>\$4,500,000</b>	<b>\$4,000,000</b>

\*Reserve for FY 2013-14 was insufficient to fund all estimated requirements. Funding requirements for FY 2013-14 for HB 392 are for the purpose of making changes to the NC FAST system in DHHS. Due to other time-sensitive changes required for the NC FAST system, changes required for HB 392 were not yet scheduled at the time of the distribution of the reserve. Since total requirements exceeded the reserve amount, reserve funds for FY 2013-14 were prioritized based on the order in which the bills appeared in the Conference Report and on timeframe of expected expenditure.

# RESERVE FOR PENDING LEGISLATION

## Attachment A

### Agency Allocations

Agency	Description	FY 13-14 Expenditures	FY 14-15 Expenditures
Aid to Private Institutions	HB 269 -Special Education Scholarship Grants for Children with Disabilities	\$ 3,670,500	\$ 3,978,166
Department of Insurance	HB 473 - Captive Insurance Act	\$ 246,053	\$ 338,551
State Health Plan	HB 498 - Autism Health Insurance Coverage (Not Enacted)	\$ -	\$ -
	<b>Total</b>	<b>\$ 3,916,553</b>	<b>\$ 4,316,717</b>

**Total Amount Appropriated**

\$ 4,000,000 \$ 4,500,000

**Total Expenditures**

\$ 3,916,553 \$ 4,316,717

**Total Available Balance**

**\$ 83,447 \$ 183,283**

**\*\*Note: Please see pending expenditures on Attachment B. (Next Page)**

## RESERVE FOR PENDING LEGISLATION

### Attachment B Pending Allocations

Budget Code	Description	FY 13-14 Pending	FY 14-15 Pending
Health and Human Services	HB 675 - Amend Pharmacy Laws	\$ 83,447	\$ 183,283
Health and Human Services	HB 392 - DHHS Drug Screening	\$ -	\$ -
	<b>Total</b>	<b>\$ 83,447</b>	<b>\$ 183,283</b>

<b>Total Amount Appropriated</b>	\$ 4,000,000	\$ 4,500,000
<b>Total Expenditures - Attachment A</b>	\$ 3,916,553	\$ 4,316,717
<b>Total Amount Pending - Attachment B</b>	\$ 83,447	\$ 183,283
<b>Total Available Balance</b>	<u>\$ -</u>	<u>\$ -</u>

### **UNEMPLOYMENT INSURANCE (UI) RESERVE**

Session Law 2013-360 establishes a reserve for the requirements of Session Law 2012-2, UI Fund Solvency and Program Changes. The Office of State Budget and Management shall distribute the reserve to State agencies to fund the 1% UI reserve requirements for General Fund supports employees and State-funded teachers. Total funding appropriated in FY 2013-14 is \$23,800,000 and \$13,600,000 in FY 2014-15.

A summary of agency allocations is included in Attachment A and all pending allocations are included in Attachment B. (Following Pages)



## UNEMPLOYMENT INSURANCE (UI) RESERVE

### Attachment A

#### Agency Allocations

Agency/Department	FY 13-14 Amount Distributed	FY 14-15 Amount Distributed
N.C. General Assembly	\$47,931	\$27,421
Office of the Governor	\$7,573	\$2,524
Office of State Budget & Management	\$8,342	\$2,780
Office of the Lieutenant Governor	\$1,881	\$627
Secretary of State	\$15,792	\$9,034
Office of the State Auditor	\$11,115	\$6,359
Department of Insurance	\$33,247	\$19,021
Administration	\$44,158	\$25,263
Office of the State Controller	\$16,488	\$9,433
Department of Revenue	\$84,064	\$48,093
Cultural Resources	\$57,412	\$32,846
State Board of Elections	\$8,465	\$2,822
Office of Administrative Hearings	\$7,054	\$2,351
Administrative Office of the Courts	\$527,145	\$301,580
AOC Indigent Defense	\$46,426	\$26,561
Justice	\$86,391	\$49,425
Department of Public Safety	\$2,172,937	\$1,243,139
Agriculture & Consumer Services	\$120,984	\$69,215
Labor	\$21,102	\$12,072
Environment & Natural Resources	\$146,815	\$83,993
Wildlife Resources Commission	\$26,072	\$14,916
Commerce	\$23,848	\$13,643
Central Management & Support	\$38,979	\$22,300
Aging	\$4,496	\$1,499
Child Development	\$14,288	\$4,763
Social Services	\$16,261	\$9,303
Services for Blind/Deaf	\$8,888	\$2,963
Facility Services	\$20,723	\$11,856
Vocational Rehabilitation	\$27,541	\$15,756
UNC General Administration	\$19,682	\$11,260
University of North Carolina at Chapel Hill, AA	\$353,112	\$202,015
University of North Carolina at Chapel Hill, HA	\$144,742	\$82,807
University of North Carolina-CH, AHEC	\$36,012	\$20,602
North Carolina State University	\$488,338	\$279,379
North Carolina State University - Ag. Research	\$61,513	\$35,192
North Carolina State University - Ag. Ext.	\$48,274	\$27,618

## UNEMPLOYMENT INSURANCE (UI) RESERVE

### Attachment A

#### Agency Allocations

Agency/Department	FY 13-14 Amount Distributed	FY 14-15 Amount Distributed
University of North Carolina at Greensboro	\$199,270	\$114,002
University of North Carolina at Charlotte	\$257,412	\$147,266
University of North Carolina at Asheville	\$53,489	\$30,601
University of North Carolina at Wilmington	\$154,483	\$88,380
East Carolina -- Academic Affairs	\$295,321	\$168,954
East Carolina -- Health Affairs	\$49,747	\$28,461
North Carolina A&T	\$136,907	\$78,325
Western Carolina University	\$110,863	\$63,425
Appalachian State University	\$180,446	\$103,233
University of North Carolina at Pembroke	\$71,689	\$41,013
Winston-Salem State University	\$85,687	\$49,021
Elizabeth City State University	\$44,127	\$25,245
Fayetteville State University	\$66,709	\$38,165
North Carolina Central University	\$110,068	\$62,970
North Carolina School of the Arts	\$35,641	\$20,390
North Carolina School of Science and Math	\$19,194	\$10,981
Community College System (Admin.)	\$14,865	\$8,505
Community College System	\$1,746,707	\$999,293
Public Instruction	\$81,105	\$46,400
Public School Fund	\$14,800,975	\$8,467,654
<b>Total Expenditures</b>	<b>\$ 23,312,796</b>	<b>\$ 13,322,715</b>

<b>Total Appropriation</b>	<b>\$23,800,000</b>	<b>\$13,600,000</b>
<b>Total Expenditures</b>	<b>\$23,312,796</b>	<b>\$13,322,715</b>
<b>Total Available Balance</b>	<b>\$487,204</b>	<b>\$277,285</b>

**\*\*Note: Please see pending expenditures on Attachment B. (next page)**

# UNEMPLOYMENT INSURANCE (UI) RESERVE

## Attachment B

### Pending Allocations

Agency/Department	FY 2013-14 Allocations	FY 2014-15 Allocations
Department of the State Treasurer	\$5,855	\$1,952
DHHS - Public Health	\$65,826	\$37,659
DHHS - Medical Assistance	\$16,039	\$9,176
DHHS - Health Choice	\$196	\$65
DHHS - Mental Health	\$399,288	\$228,433
<b>Total Pending</b>	<b>\$487,204</b>	<b>\$277,285</b>

<b>Total Appropriation</b>	<b>\$23,800,000</b>	<b>\$13,600,000</b>
<b>Total Expenditures - Attachment A</b>	<b>\$23,312,796</b>	<b>\$13,322,715</b>
<b>Total Pending - Attachment B</b>	<b>\$487,204</b>	<b>\$277,285</b>
<b>Total Available Balance</b>	<b>\$0</b>	<b>\$0</b>

## **SEVERANCE EXPENDITURE RESERVE**

Section 35.10.(a) of Session Law 2013-360 established in the Office of State Budget and Management General Fund and Highway Fund reserve budget codes for the purpose of funding severance-related obligations to State employees subject to the State Personnel Act, and employees exempt from the State Personnel Act, who are separated from service due to a reduction-in-force action. Severance-related expenditures from these reserves shall include obligations to fund:

- (1) A State employee's severance salary continuation with an age adjustment factor as authorized by G.S. 126-8.5, including employer-related contributions for social security,
- (2) Noncontributory health premiums for up to 12 months as authorized by G.S. 135-48.40(b) (8) for employees of employing units as defined by 36 G.S. 135-48.1(11).

Section 35.10.(b) of Session Law 2013-360 authorizes The Director of the Budget to allocate funds appropriated in Sections 2.1 and 3.1 of this act to the Severance Expenditure Reserve to public agencies to fund severance-related obligations incurred by the agencies as a result of reduction-in-force actions that cause State-supported public employees to be terminated from public employment. Funds appropriated to the Severance Expenditure Reserve shall be expended in their entirety before funds appropriated to a public agency for State-supported personal services expenditures may be used to fund any severance-related obligations.

Funds appropriated to the Severance Expenditure Reserve may be allocated to public agencies for positions that are funded by the General Fund or Highway Fund. Funds appropriated to the Severance Expenditure Reserve may also be allocated to public agencies for positions that are funded partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund but only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.

A summary of agency allocations is included in Attachment A and all pending allocations are included in Attachment B. (Following Pages)

## SEVERANCE EXPENDITURE RESERVE

### Attachment A Agency Allocations

Agency/Department	Total Amount Distributed
Administrative Office of the Courts	\$ 103,088
Secretary of State	\$ 22,397
Department of Justice	\$ 134,076
Department of Insurance	\$ 157,033
Department of Administration	\$ 24,914
Department of Environment and Natural Resources	\$ 111,224
Department of Public Safety	\$ 1,440,565
Department of Commerce	\$ 63,731
Department of Cultural of Resources	\$ 163,520
UNC- Chapel Hill	\$ 142,997
UNC Greensboro	\$ 8,989
UNC Asheville	\$ 10,570
UNC Wilmington	\$ 3,631
Western Carolina	\$ 25,449
UNC Pembroke	\$ 59,271
Elizabeth City State University	\$ 513,598
	<b>\$ 2,985,053</b>

<b>Total Amount Appropriated</b>	\$ 16,000,000
<b>Total Expenditures</b>	\$ 2,985,053
<b>Total Available Balance</b>	<b>\$ 13,014,947</b>

**\*\* Note: Please see pending allocations on Attachment B  
(Next Page)**

## SEVERANCE EXPENDITURE RESERVE

### Attachment B

#### Pending Severance Allocations and RTR

Agency/Department	Total Amount Distributed
Department of Justice	\$ 6,717
Department of Environment and Natural Resources	\$ 208,238
DHHS - Central Admin	\$ 60,885
DHHS - Public Health	\$ 221,164
Department of Public Safety	\$ 5,954,155
Department of Commerce*	\$ -
North Carolina State University	\$ 653,422
North Carolina A & T State University	\$ 238,175
	<b>\$ 7,342,756</b>

\*Originally \$2,562,650 had been allocated to the Department of Commerce for pending severance due to the proposed re-organization. As of this date the re-organization has not been finalized and approved, and it is expected that any severance expenditures will be substantially less and effective in Fiscal Year 14-15.

#### REORGANIZATION THROUGH REDUCTION (RTR)

The Reorganization through Reduction (RTR) Program is a voluntary employee separation program created by the General Assembly and established under the direction of the Office of State Human Resources (OSHR) to enable an agency to restructure or reorganize to gain financial and/or skill set efficiencies and therefore increase agency effectiveness and achieve agency business needs, objectives and goals. The RTR Program may be utilized within the departments and offices listed in G.S. 126-5(d) (1).

Agency/Department	Total Amount Distributed
Department of Administration - RTR	\$ 416,535
<b>Total Pending RTR</b>	<b>\$ 416,535</b>

<b>Total Amount Appropriated</b>	<b>\$ 16,000,000</b>
<b>Total Expenditures - Attachment A</b>	<b>\$ 2,985,053</b>
<b>Total Pending - Attachment B</b>	<b>\$ 7,759,291</b>
<b>Total Available Balance</b>	<b>\$ 5,255,656</b>