



HOUSE BILL 336: Continuing Budget Authority

2013-2014 General Assembly

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| Committee: | Senate Appropriations/Base Budget | Date: | June 24, 2013 |
| Introduced by: | | Prepared by: | Luke Gillenwater |
| Analysis of: | PCS to First Edition H336-CSLE-19 | | Committee Co-Counsel |

SUMMARY: *House Bill 336 authorizes the Director of the Budget to continue expenditures for the 2013-2014 fiscal year at a level not to exceed 95% of the level at which operations were authorized for the 2012-2013 fiscal year and makes various other provisions for the continued operation of State government until a budget bill is enacted.*

BILL ANALYSIS:

Section 1: Does the following:

- Authorizes the Director of the Budget to continue to allocate funds for expenditure for operations by State departments, institutions, and agencies at a level not to exceed 95% of the level at which operations were authorized in S.L. 2012-142, as amended.
- Instructs the Director of the Budget to implement budget reductions set out in Senate Bill 402, 3rd edition, and Senate Bill 402, 5th edition, that are not in controversy.
- Prohibits the Director of the Budget from implementing any transfers set out in either or both editions of Senate Bill 402.
- Except for cash balances subject to transfer in either or both editions of Senate Bill 402, appropriates State funds and cash balances, federal receipts, and departmental receipts required to carry out this section.
- Prohibits filling vacant positions subject to proposed reductions in either or both editions of Senate Bill 402.
- Directs that State employees in positions subject to elimination in both editions of Senate Bill 402 be provided with written notification of termination 30 days prior to the effective date of the termination.
- Prohibits State agencies from making grants awards with funds subject to reductions in either or both editions of Senate Bill 402.
- Provides that limitations and directions for the 2012-2013 fiscal year in S.L. 2011-145, as amended, and S.L. 2012-142, as amended, apply to the funds appropriated and authorized for expenditure under this section.

Section 2: Maintains salary schedules and specific salaries at the level in effect on June 30, 2013 until otherwise authorized by the General Assembly.

Section 3(a): Maintains the State's employer contribution rates budgeted for retirement and related benefits at the rates set in Section 29.22(f) of S.L. 2011-145 and Section 25.10 of S.L. 2012-142.

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House PCS 336

Page 2

Section 3(b): Provides that the State's employer contribution rates are effective until Senate Bill 402 becomes law and are subject to revisions in that Act. If revised, the Director of the Budget is instructed to further modify the rates for the remainder of the 2013-2014 fiscal year to compensate for the different amounts.

Section 4(a): Prohibits the reversion of funds that either or both editions of Senate Bill 402 prohibit from reverting. Also prohibits expending these funds after June 30, 2013 unless (1) the funds were encumbered before June 30, 2013 or (2) a law enacted after June 30, 2013 directs the funds to be expended.

Section 4(b): Provides an effective date of June 30, 2013 for Section 4.

Section 5: Corrects Section 5.1 of S.L. 2011-145, as enacted by Section 5.1 of S.L. 2012-142, to remove language appropriating amounts needed to issue tax refunds, escheat funds needed for escheated property awards, and amounts needed to refund overpayments made to State agencies.

Section 6(a): Prohibits the statutory transfer of funds from the unreserved credit balance to the Repairs and Renovations Account.

Section 6(b): Prohibits the statutory transfer of funds from the unreserved credit balance to the Savings Reserve Account.

Section 6(c): Provides an effective date of June 30, 2013 for Section 6.

Section 7(a): Does the following:

- Appropriates the DHHS federal block grant funds and authorizes the Director of the Budget to continue to allocate the funds at the levels provided in Section 10.25 of S.L. 2012-142 and other relevant law.
- Funds the Quality and Availability Initiatives item under Local Program Expenditures of the Child Care and Development Block Grant at 90% of the 2012-2013 fiscal year funding level.
- Prohibits the funding of (1) the Women's Health and Oral Health items under Local Program Expenditures and (2) the Health Promotion item under the DHHS Program Expenditures of the Maternal and Child Health Block Grant.

Section 7(b): Directs the Director of the Budget to allocate DHHS federal block grant funds at the levels in both editions of Senate Bill 402 for the following block grants that are not in controversy: (1) TANF Funds, (2) TANF Emergency Contingency Funds, and (3) Substance Abuse Prevention and Treatment Block Grant.

Section 7(c): Provides that if funds appropriated for an item in Section 10.25 of S.L. 2012-142 or other relevant laws are not funded in either edition of Senate Bill 402, then that item shall not be funded.

Section 7(d): Provides that appropriations from NER federal block grant funds are made for the 2013-2014 fiscal year according to the schedules enacted for the 2012-2013 fiscal year.

Section 8(a): Directs DHHS to (1) prepare the necessary State Plan amendments to the Centers for Medicare and Medicaid Services that reflect Medicaid reduction items in either edition of Senate Bill 402 and (2) submit the necessary State Plan amendments to the Centers for Medicare and Medicaid Services that reflect identical Medicaid reduction items in both editions of Senate Bill 402.

Section 8(b): Directs DHHS to amend or withdraw unnecessary State Plan amendments when Senate Bill 402 becomes law.

House PCS 336

Page 3

Section 9: Appropriates the sum of \$10,651,329 from the General Fund to DPI to fully fund increases in average daily membership in public schools.

Section 10(a): Sets in-state tuition rates for community college students at \$71.50 per credit hour and out-of-state tuition rates for community college students at \$263.50 per credit hour.

Section 10(b): Sets the fees charged for community college continuing education course based on the following number of hours of class time:

- Classes 1-24 hours - \$70
- Classes 25-50 hours - \$125
- Classes 51+ hours - \$180

Section 11(a): Prohibits the transfer of excess lottery receipts realized in the 2012-2013 fiscal year. These funds shall remain in the Education Lottery Fund until otherwise authorized by the General Assembly.

Section 11(b): Provides an effective date of June 30, 2013 for Section 11.

Section 12(a): Amends Section 6A.5(c1) of S.L. 2012-142 to allow the Office of Information Technology Services to retain \$2,800,000 in excess of its allowed defined contingency basis to provide required refunds to the federal government.

Section 12(b): Provides an effective date of June 30, 2011 for Section 12.

Section 13(a): Amends Section 1 of S.L. 2013-56 to allow the Director of the Budget to effectuate an additional \$45,000,000 in budget adjustments to cover a projected Medicaid budget shortfall during the 2012-2013 fiscal year. This section also clarifies that no other budget adjustments shall be made pursuant to any other provision of law to cover any additional Medicaid budget shortfalls for the 2012-2013 fiscal year.

Section 13(b): Amends Section 2 of S.L. 2013-56 to authorize (1) an additional transfer of \$36,539,900 from projected reversions within DHHS and (2) an additional use of \$8,460,100 in federal block grant funds to effectuate the additional budget adjustments under Section 13(a). The \$8,460,100 in federal block grant funds consists of the following:

- \$6,500,000 appropriated from available TANF Emergency Contingency Funds.
- \$1,960,000 appropriated from available TANF Funds.

Section 13(c): Provides that Section 13 is effective when this Act becomes law.

EFFECTIVE DATE: Effective July 1, 2013, and expires July 31, 2013 at 11:59 P.M.