

Glossary of Frequently Used Fiscal Terms

A-D FELONIES: The most serious and violent felonies. These felony classes automatically result in an active prison sentence. They typically involve crimes against people.

ACTIVE SENTENCE: An active prison sentence requires that the offender be incarcerated, either in the prison system if a felon or in a county jail if a misdemeanor.

APPROPRIATION: An action by the General Assembly authorizing the withdrawal of funds from the State treasury pursuant to Article V, Section 7 of the NC Constitution. An enactment by the General Assembly that authorizes, specifies, or otherwise provides that funds may be used for a particular purpose is not an appropriation.

AUTHORIZED BUDGET: The working budget composed of the certified budget plus allowable budget revisions and adjustments authorized in G.S. 143C-6-4.

BASE BUDGET: That part of the State budget that provides the baseline for the next biennium. The authorized budget is used as the starting point and may be adjusted only for the following:

- a. Annualization of programs and positions.
- b. Reductions or increases to adjust for items funded with nonrecurring funds during the prior fiscal biennium
- c. Adjustments for federal payroll tax changes.
- d. Rate increases in accordance with the terms of existing leases of real property.
- e. Adjustments to receipt projections, made in accordance with G.S. 143C-3-5(b)(2)c.
- f. Reconciliation of intragovernmental and intergovernmental transfers.
- g. Adjustments for statutory appropriations and other adjustments as directed by the General Assembly.

BOILERPLATE: Budget language that is typically repeated year after year without alteration in the budget bill. For example, seized-asset expenditure reporting requirements are boilerplate.

CARRY-FORWARDS: Funds appropriated but unspent in a fiscal year that are brought forward for expenditure in the following year.

CERTIFIED BUDGET: The budget as enacted by the General Assembly including adjustments made for (i) distributions to State agencies from statewide reserves appropriated by the General Assembly, (ii) distributions of reserves appropriated to a specific agency by the General Assembly, and (iii) organizational or budget changes mandated by the General Assembly.

COMMITTEE REPORT: A compilation of all legislative adjustments made to the Governor's Recommended Base Budget. The Committee Report lists each adjustment and provides a brief description along with guidance on specific items or explicit legislative intent. This report is used to construe the intent of the appropriations act (G.S. 143C-5-5).

CONFINEMENT IN RESPONSE TO VIOLATION (CRV): A new sanction created by JRA. An offender who repeatedly violates the terms of their probation may be subjected to a 90-day CRV term rather than having their probation revoked entirely.

E-I FELONIES: Less serious crimes that can result in an active or suspended sentence, depending upon the crime and the prior record level of offender. These are typically crimes against property.

ENACTED BUDGET: The budget as enacted by the General Assembly in the annual Current Operations Appropriations Act in accordance with Article 5 of Chapter 143C. The enacted budget usually includes items funded through various reserves but not yet distributed to State agencies. Examples include the funding needed to bring a new building online during the fiscal year and funds anticipated for economic incentive projects.

ENTERPRISE FUNDS: Accounts for any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Each of these criteria should be applied in the context of the activity's principal revenue sources.

- a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
- b. Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues.
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

EXPANSION BUDGET: The recommendations to increase funding for existing programs, to establish new programs, to provide for salary increases, and to provide for increases in enrollments, caseloads and institutional populations.

FISCAL NOTE: A formal fiscal estimate, including a brief statement of costs and revenue impact, for the first five fiscal years the legislation would be in effect. G.S. 143C-2-3 requires a State agency proposing a bill that affects the State budget to prepare a fiscal analysis for the bill and submit the analysis to the Fiscal Research Division upon introduction of the bill.

FULL-TIME EQUIVALENT (FTE): The figure arrived at by converting an unduplicated head-count of full-time and part-time program participants to an equivalent full-time count. For example one forty-hour per week employee plus one twenty-hour per week employee equals 1.5 FTE.

GENERAL FUND OPERATING BUDGET: The sum of all appropriations from the General Fund for a fiscal year, except appropriations for (i) capital improvements, including repairs and renovations, and (ii) one-time expenditures due to natural disasters or other emergencies.

HABITUAL FELON: A habitual felon is an offender with at least three prior felony convictions (each conviction having occurred before he or she committed the next offense) who has currently been convicted of a felony offense and who has been found by a jury to be a habitual felon. Habitual felons are sentenced four classes higher (up to Class C) than other offenders would be for the same crime.

INCARCERATION NOTE: An estimate of the cost of a bill that increases or creates new criminal penalties. G.S. 120-36.7(d) requires an incarceration note be prepared on every bill, resolution, or amendment introduced in the General Assembly “proposing any change in the law that could cause a net increase in the length of time for which persons are incarcerated or the number of persons incarcerated, whether by increasing penalties for violating existing laws, by criminalizing behavior, or by any other means.” Incarceration Notes generally take two weeks to complete.

INTERMEDIATE PUNISHMENT: The second type of non-active sentences that may be imposed by the courts. The Justice Reinvestment Act changed the definition of an intermediate punishment so that the court is no longer required to impose any particular conditions to define the sentence as intermediate. The same conditions may be placed on an offender under either community or intermediate punishment, depending on the risk-needs level of the offender. The only mandatory component of an intermediate sentence as redefined by JRA is that the offender is placed on supervised probation.

JUSTICE REINVESTMENT ACT (JRA): A law passed in 2011 that made significant changes to corrections and sentencing laws in North Carolina. JRA expanded the requirement for post-release supervision to include all felons, increased the authority delegated to probation officers, limited the authority of judges to revoke probation, created a new early release program called Advanced Supervised Release, and modified the habitual felon law. The law applies to crimes committed after December 1, 2011.

JUVENILE CRIME PREVENTION COUNCIL (JCPC): Each JCPC Council is comprised of members appointed by the county commissioners of each county. Councils provide county-specific planning and oversight of community based programs, substance abuse treatment, and gang prevention strategies. There are 99 councils (Orange and Chatham have a joint council).

JUVENILE JUSTICE REINVESTMENT ACT (JJRA): Commonly known as “Raise the Age,” this law was included in the 2017 budget bill. It raises the age of juvenile jurisdiction from 16 to 18 years old for crimes committed after December 1, 2019.

LAPSED SALARY FUNDS: Surplus funds resulting from the salary and associated benefits not expended for temporarily vacant positions. G.S. 143C-6-9 prohibits the use of lapsed salaries for recurring purposes.

MANAGEMENT FLEXIBILITY RESERVE: A method by which a legislatively mandated budget reduction is imposed without detailing the specific lines of expenditure to be decreased. This method is also known as a negative reserve.

MISDEMEANANTS: Misdemeanor crimes are classified into four classes (Class A1, Class 1, Class 2 and Class 3). The most serious misdemeanor crimes are in Class A1 and the least serious are in Class 3. Misdemeanants serve active sentences in county jails.

NEGATIVE RESERVE: A budget reduction imposed without detailing the specific lines of expenditure to be decreased. (See also management flexibility reserve.)

NONRECURRING: A term applied to revenue or expenditures that are for one-year only.

POST-RELEASE SUPERVISION (PRS): Mandatory supervision of previously incarcerated individuals by probation officers in the community. All B-1 through E felons are required to serve twelve months of PRS. F through I felons must serve nine months of PRS.

RECIDIVISM: For our Subcommittee's purposes, we define recidivism as rearrests.

RECURRING: Term used to denote revenues or expenditures that will be continuing, such as sales and personal income taxes, or salaries, fringe benefits, and utilities.

REVERSIONS: The unexpended, unencumbered balance of an appropriation at fiscal year end that reverts, as required by law, to the fund from which the appropriation was made.

SALARY RESERVE: Funds that accumulate when a position is downgraded or filled at a salary amount less than the amount at which it was budgeted. Salary reserve can be used to increase the salary of other positions due to promotion and/or reclassification or filling a position at a salary higher than that at which the position was vacated.

SENTENCING COMMISSION: The North Carolina Sentencing and Policy Advisory Commission (SPAC). The 28-member commission makes recommendations to the General Assembly for the modification of sentencing laws and policies, and for the addition, deletion, or expansion of sentencing options as necessary to achieve policy goals.

SPECIAL PROVISIONS: Language contained in the appropriations bill pertaining to State fiscal matters, the management, evaluation, and oversight of State government programs or policy, and the expenditure of appropriations contained in the Bill.

SPECIAL REVENUE FUND: A fund used to account for revenue designated by law for a specific purpose; revenue deposited must remain in the fund until expended for that purpose.

STATE AID FOR NONSTATE ENTITIES: Funds appropriated by the General Assembly to nongovernmental entities for a variety of purposes. Funds may or may not carry restrictions on expenditures.

STATEWIDE MISDEMEANANT CONFINEMENT PROGRAM: A program that pays counties for voluntarily housing misdemeanants and DWI offenders. It is managed by the NC Sheriffs' Association.

STRUCTURED SENTENCING: The method of sentencing and punishing criminals in North Carolina. Sentencing policies should be rational, transparent, and consistent. The system classifies offenders on the basis of the severity of their crime and on the extent and gravity of their prior criminal record. Based on these two factors, structured sentencing provides judges with sentencing options for the type and length of sentences which may be imposed.

SWORN POSITION: A law enforcement position which, by law, has general power of arrest and requires the successful completion of the Basic Law Enforcement Training curriculum offered by the State and an independent oath of office providing for the execution of the laws of the State. Sworn positions receive a higher retirement contribution than regular State employees.

TREATMENT FOR EFFECTIVE COMMUNITY SUPERVISION (TECS): Program within the Division of Adult Correction, Community Corrections Section that provides community treatment services through fee-for-service contracts with local providers.

TRUST FUNDS: Accounts consisting of resources received and held by the State as trusted to be expended or invested in accordance with the conditions of the trust. In other words, Trust Funds are accounts where the State acts as a trustee. The State can only execute the terms of the trust; it cannot change the purpose for which the trust was created. Trust funds are classified as to what assets, if any, may be paid out of the fund. The three classifications are (1) expendable, (2) non-expendable, or (3) expendable as to income but unexpendable as to principal.