

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

S

2

**SENATE BILL 1111
Appropriations/Base Budget Committee Substitute Adopted 6/25/02**

Short Title: Certain 2001 Appropriations Act Modifications

(Public)

Sponsors:

Referred to:

May 29, 2002

A BILL TO BE ENTITLED

1 AN ACT TO CONTINUE CURRENT DIRECTIONS AND LIMITATIONS ON THE
2 EXPENDITURES OF STATE FUNDS, TO AUTHORIZE THE USE OF THE
3 SAVINGS RESERVE ACCOUNT TO BALANCE THE BUDGET, TO PROVIDE
4 THAT THERE BE NO AUTOMATIC STEP INCREASES FOR STATE AND
5 PUBLIC SCHOOL EMPLOYEES, TO SET THE CONTRIBUTION RATE TO
6 THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, TO
7 APPROPRIATE FUNDS FOR HEALTH AND HUMAN SERVICES BLOCK
8 GRANTS, NATURAL AND ECONOMIC RESOURCES BLOCK GRANTS, AND
9 FOR WORKER TRAINING TRUST FUND PROGRAMS, AND TO MAINTAIN
10 2001-2002 PARTICIPATION LEVELS IN THE AIDS DRUG ASSISTANCE
11 PROGRAM.
12

13 The General Assembly of North Carolina enacts:

14
15 **DIRECTIONS AND LIMITATIONS ON EXPENDITURES OF STATE FUNDS**

16 **SECTION 1.(a)** The appropriations and the authorizations to allocate and
17 spend funds, which are set out in this act, shall remain in effect until the Current
18 Operations and Capital Improvements Appropriations Act of 2002 becomes law, at
19 which time that act shall become effective and shall govern appropriations and
20 expenditures. When the Current Operations and Capital Improvements Appropriations
21 Act of 2002 becomes law, the Director of the Budget shall adjust allocations to give
22 effect to that act from July 1, 2002.

23 Except as otherwise provided by this act, the limitations and directions for the
24 2002-2003 fiscal year in S.L. 2001-424, S.L. 2001-457, S.L. 2001-514, S.L. 2001-513,
25 S.L. 2001-496, and S.L. 2001-487 remain in effect. Session laws that applied to
26 appropriations to particular agencies or for particular purposes apply to the funds
27 appropriated and authorized for expenditure under this act.

28 **SECTION 1.(b)** If the provisions of either Senate Bill 1115, 3rd Edition or
29 Senate Bill 1115, as it passes the House of Representatives; or both, direct that funds

1 shall not revert, the funds shall not revert on June 30, 2002. Unless these funds are
2 encumbered on or before June 30, 2002, these funds shall not be expended after June
3 30, 2002, except as provided by a statute that becomes effective after June 30, 2002.

4 **SECTION 1.(c)** Subsection (b) of this section becomes effective June 30,
5 2002.

6 7 **USE OF SAVINGS RESERVE ACCOUNT TO BALANCE BUDGET**

8 **SECTION 2.** G.S. 143-15.3(b) prohibits the Director of the Budget from
9 using funds in the Savings Reserve Account unless the use has been approved by an act
10 of the General Assembly. The General Assembly hereby authorizes the Director of the
11 Budget to use funds that were credited to the Savings Reserve Account on or before
12 June 30, 2002, to the extent necessary to balance the State budget for the 2001-2002
13 fiscal year, and funds are hereby appropriated from the Savings Reserve Account for
14 this purpose.

15 16 **NO AUTOMATIC STEP INCREASES FOR STATE AND PUBLIC SCHOOL** 17 **EMPLOYEES**

18 **SECTION 3.** State employees subject to G.S. 7A-102(c), 7A-171.1, or
19 20-187.3 shall not move up on salary schedules or receive automatic increases,
20 including automatic step increases, until authorized by the General Assembly.

21 Public school employees paid on the teacher salary schedule or the
22 school-based administrator salary schedule shall not move up on salary schedules or
23 receive automatic step increases until authorized by the General Assembly.

24 25 **RETIREMENT CONTRIBUTION RATE**

26 **SECTION 4.** Section 32.21(b) of S.L. 2001-424 reads as rewritten:

27 **"SECTION 32.21.(b)** The State's employer contribution rates budgeted for
28 retirement and related benefits as percentage of covered salaries for the ~~2001-2002~~
29 ~~fiscal year and the~~ 2002-2003 fiscal year are (i) ~~five percent (5.00%)~~ three and three
30 hundredths percent (3.03%) – Teachers and State Employees; (ii) ~~ten percent (10.00%)~~
31 eight and three hundredths percent (8.03%) – State Law Enforcement Officers; (iii) nine
32 and seventy-one hundredths percent (9.71%) – University Employees' Optional
33 Retirement System; (iv) nine and seventy-one hundredths percent (9.71%) –
34 Community College Optional Retirement Program; (v) ~~sixteen and forty hundredths~~
35 ~~percent (16.40%)~~ thirteen and sixty-seven hundredths percent (13.67%) – Consolidated
36 Judicial Retirement System; and (vi) ~~twenty five and fifty five hundredths percent~~
37 ~~(25.55%)~~ two and thirty-five hundredths percent (2.35%) – Legislative Retirement
38 System. Each of the foregoing contribution rates includes two and thirty-five hundredths
39 percent (2.35%) for hospital and medical benefits. The rate for Teachers and State
40 Employees, State Law Enforcement Officers, Community College Optional Retirement
41 Program, and for the University Employees' Optional Retirement Program includes
42 fifty-two hundredths percent (0.52%) for the Disability Income Plan. The rates for
43 Teachers and State Employees and State Law Enforcement Officers include

1 sixteen-hundredths percent (0.16%) for the Death Benefits Plan. The rate for State Law
2 Enforcement Officers includes five percent (5%) for Supplemental Retirement Income."
3

4 **DHHS BLOCK GRANTS**

5 **SECTION 5.(a)** Appropriations from federal block grant funds are made for
6 the fiscal year ending June 30, 2003, according to the following schedule:
7

8 **COMMUNITY SERVICES BLOCK GRANT**

9		
10	01. Community Action Agencies	\$ 14,160,375
11		
12	02. Limited Purpose Agencies	979,017
13		
14	03. Department of Health and Human Services	
15	to administer and monitor	
16	the activities of the	
17	Community Services Block Grant	500,000
18		

19 **TOTAL COMMUNITY SERVICES BLOCK GRANT** \$ 15,639,392

20 **SOCIAL SERVICES BLOCK GRANT**

21		
22		
23	01. County departments of social services	\$ 22,895,663
24		
25	02. Allocation for in-home services provided	
26	by county departments of	
27	social services	2,101,113
28		
29	03. Adult day care services	2,155,301
30		
31	04. Department of Administration	
32	for the N.C. State Commission of Indian Affairs	
33	In-Home Services Program for the Elderly	203,198
34		

35 **TOTAL SOCIAL SERVICES BLOCK GRANT** \$ 27,355,275

36 **LOW-INCOME ENERGY BLOCK GRANT**

37		
38		
39	01. Energy Assistance Programs	\$ 8,092,113
40		
41	02. Crisis Intervention	5,795,825
42		
43	03. Administration	1,984,934
44		

1	04.	Weatherization Program	2,684,116
2			
3	05.	Department of Administration –	
4		N.C. State Commission of Indian Affairs	39,765
5			
6	06.	Heating Air Repair and Replacement Program	1,252,588
7			
8		TOTAL LOW-INCOME ENERGY BLOCK GRANT	\$ 19,849,342
9			
10		MENTAL HEALTH SERVICES BLOCK GRANT	
11			
12	01.	Provision of community-based	
13		services for severe and persistently	
14		mentally ill adults	\$ 5,192,826
15			
16	02.	Provision of community-based	
17		services to children	2,378,540
18			
19	03.	Comprehensive Treatment Services	
20		Program for Children	1,500,000
21			
22	04.	Administration	783,911
23			
24		TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$ 9,855,277
25			
26		SUBSTANCE ABUSE PREVENTION	
27		AND TREATMENT BLOCK GRANT	
28			
29	01.	Provision of community-based	
30		alcohol and drug abuse services,	
31		tuberculosis services, and services	
32		provided by the Alcohol and Drug Abuse	
33		Treatment Centers	\$ 14,501,711
34			
35	02.	Continuation of services for	
36		pregnant women and women	
37		with dependent children	6,007,303
38			
39	03.	Continuation of services to	
40		IV drug abusers and others at risk	
41		for HIV diseases	5,209,934
42			
43	04.	Provision of services to children	
44		and adolescents	6,839,190

1		
2	05. Juvenile Services – Family Focus	774,414
3		
4	06. Comprehensive Treatment Services Program	700,000
5		
6	07. Administration	2,423,049
7		
8	TOTAL SUBSTANCE ABUSE PREVENTION	
9	AND TREATMENT BLOCK GRANT	\$ 36,455,601
10		
11	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	
12		
13	01. Child care subsidies	\$148,343,839
14		
15	02. Quality and availability initiatives	17,259,661
16		
17	TOTAL CHILD CARE AND DEVELOPMENT FUND	
18	BLOCK GRANT	\$165,603,500
19		
20	TEMPORARY ASSISTANCE TO NEEDY FAMILIES	
21	(TANF) BLOCK GRANT	
22		
23	01. Work First Cash Assistance	\$114,181,958
24		
25	02. Work First County Block Grants	92,018,855
26		
27	TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES	
28	(TANF) BLOCK GRANT	\$206,200,813
29		
30	MATERNAL AND CHILD HEALTH BLOCK GRANT	
31		
32	01. Healthy Mothers/Healthy Children	
33	Block Grants to Local Health	
34	Departments	9,838,074
35		
36	02. High-Risk Maternity Clinic Services,	
37	Perinatal Education and Training,	
38	Childhood Injury Prevention,	
39	Public Information and Education, and	
40	Technical Assistance to Local Health	
41	Departments	2,012,102
42		
43	03. Services to Children With Special Health	
44	Care Needs	5,078,647

1		
2	TOTAL MATERNAL AND CHILD	
3	HEALTH BLOCK GRANT	\$ 16,928,823
4		
5	PREVENTIVE HEALTH SERVICES BLOCK GRANT	
6		
7	01. Statewide Health Promotion Programs	\$3,061,182
8		
9	TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	\$3,061,182
10		

11 **SECTION 5.(b)** Decreases in Federal Fund Availability. – If the United
12 States Congress reduces federal fund availability in the Social Services Block Grant
13 below the amounts appropriated in this section, then the Department of Health and
14 Human Services shall allocate these decreases giving priority first to those direct
15 services mandated by State or federal law, then to those programs providing direct
16 services that have demonstrated effectiveness in meeting the federally and
17 State-mandated services goals established for the Social Services Block Grant. The
18 Department shall not include transfers from TANF for specified purposes in any
19 calculations of reductions to the Social Services Block Grant.

20 If the United States Congress reduces the amount of TANF funds below the
21 amounts appropriated in this section after the effective date of this act, then the
22 Department shall allocate the decrease in funds after considering any underutilization of
23 the budget and the effectiveness of the current level of services. Any TANF Block
24 Grant fund changes shall be reported to the Senate Appropriations Committee on Health
25 and Human Services, the House of Representatives Appropriations Subcommittee on
26 Health and Human Services, and the Fiscal Research Division.

27 Decreases in federal fund availability shall be allocated for the Maternal and
28 Child Health and Preventive Health Services federal block grants by the Department of
29 Health and Human Services after considering the effectiveness of the current level of
30 services.

31 **SECTION 5.(c)** Changes to the budgeted allocations to the block grants
32 appropriated in this act and new allocations from the block grants not specified in this
33 act shall be submitted to the Joint Legislative Commission on Governmental Operations
34 for review prior to the change and shall be reported immediately to the Senate
35 Appropriations Committee on Health and Human Services, the House of
36 Representatives Appropriations Subcommittee on Health and Human Services, and the
37 Fiscal Research Division.

38 **SECTION 5.(d)** The appropriations and the authorizations to allocate and
39 spend funds, which are set out in this section, shall remain in effect until the Current
40 Operations and Capital Improvements Appropriations Act of 2002 becomes law, at
41 which time that act shall become effective and shall govern appropriations and
42 expenditures. When the Current Operations and Capital Improvements Appropriations
43 Act of 2002 becomes law, the Director of the Budget shall adjust allocations to give
44 effect to that act from July 1, 2002.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

MAINTAIN AIDS DRUG ASSISTANCE PROGRAM (ADAP)

SECTION 6. Notwithstanding Section 21.90 of S.L. 2001-424, eligibility for participation in the Aids Drug Assistance Program between July 1, 2002, and August 1, 2002, shall continue at the levels established for the 2001-2002 fiscal year in S.L. 2001-424.

NER BLOCK GRANT PROVISIONS

SECTION 7. The Director of the Budget shall continue to allocate federal block grant funds at the levels provided in Section 5.2 of S.L. 2001-424 and as otherwise provided by law, and appropriations from federal block grants are hereby made.

WORKER TRAINING TRUST FUND APPROPRIATIONS

SECTION 8. The Director of the Budget shall appropriate funds from the Worker Training Trust Fund at the levels provided in Section 20.6 of S.L. 2001-424 and as otherwise provided by law. If the funds available for appropriation from the Worker Training Trust Fund in the 2002-2003 fiscal year are less than those appropriated from the Fund in the 2001-2002 fiscal year, then every program receiving an appropriation from the Fund in the 2001-2002 fiscal year shall receive an appropriation in the 2002-2003 fiscal year that is reduced by the same percentage as the reduction availability in the Fund.

EFFECTIVE DATE

SECTION 9. Except as otherwise provided in this act, this act becomes effective July 1, 2002, and expires July 31, 2002.