

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

H.B. 1182  
May 29, 2012  
HOUSE PRINCIPAL CLERK

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HOUSE DRH80358-LH-190A (5/9)

Short Title: UNC & Comm Colleges/Savings Incentives. (Public)

Sponsors: Representatives Moffitt and Brawley (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF  
3 NORTH CAROLINA TO CARRY FORWARD SEVENTY PERCENT OF THE  
4 INSTITUTION'S REALIZED SAVINGS IN THE OPERATION AND MAINTENANCE  
5 OF PLANT AND TO USE THOSE FUNDS FOR NONRECURRING CAPITAL AND  
6 OPERATING EXPENSES; AND TO ALLOW EACH COMMUNITY COLLEGE TO  
7 RETAIN UP TO TWO PERCENT OF THE COLLEGE'S CURRENT OPERATIONS  
8 CREDIT BALANCE AND TO USE THOSE FUNDS FOR NONRECURRING  
9 EXPENDITURES THAT WILL NOT IMPOSE ADDITIONAL FINANCIAL  
10 OBLIGATIONS ON THE STATE.

11 The General Assembly of North Carolina enacts:

12 SECTION 1. Article 1 of Chapter 116 of the General Statutes is amended by  
13 adding a new section to read:

14 "**§ 116-30.3C. Availability of General Fund realized savings.**

15 (a) In addition to the funds carried forward under G.S. 116-30.3, up to a maximum of  
16 seventy percent (70%) of the General Fund current operations appropriations credit balance  
17 remaining at the end of each fiscal year that represents realized savings in the operations and  
18 maintenance of plant may be carried forward by the institution to the next fiscal year. These  
19 funds shall be used only for nonrecurring capital and operating expenditures that will not  
20 impose additional financial obligations on the State, and may include one-time staff bonuses.  
21 The Director of the Budget, under the authority set forth in G.S. 143C-6-2, and in consultation  
22 with the Office of General Administration of The University of North Carolina, shall determine  
23 the portion of the General Fund current operations appropriations credit balance remaining in  
24 each budget code of each institution that represents realized savings in operations and  
25 maintenance of plant.

26 (b) It is the intent of the General Assembly that appropriations to the Board of  
27 Governors on behalf of a constituent institution not be reduced as a result of the institution's  
28 General Fund realized savings. Instead, the General Assembly intends that the amount of  
29 appropriations be determined as if no General Fund savings had been realized. The Director of  
30 the Budget shall not decrease the recommended continuation budget requirements for  
31 constituent institutions by the amount of General Fund realized savings.

32 (c) Constituent institutions shall submit annual reports to the Board of Governors on the  
33 use of funds authorized pursuant to this section."

34 SECTION 2. Article 3 of Chapter 115D of the General Statutes is amended by  
35 adding a new section to read:



1 "§ 115D-31.4. Reversions.

2 At the end of each fiscal year, each community college may carry forward up to two  
3 percent (2%) of the credit balance of the General Fund current operations funds allocated to the  
4 community college by the State Board of Community Colleges. At the end of each fiscal year,  
5 the System Office shall identify to the Office of State Budget and Management the current  
6 operations credit balance remaining for each community college and the amount of funds that  
7 may be carried forward under this section.

8 Funds retained by colleges pursuant to this section shall be used only for nonrecurring  
9 expenditures that will not impose additional financial obligations of the State. These funds shall  
10 not be used for obligations beyond the fiscal year into which they were carried forward. These  
11 funds shall be encumbered within 12 months of the fiscal year into which they were carried  
12 forward."

13 **SECTION 3.** This act becomes effective July 1, 2012.