

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 1182

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

Sponsors: Representatives Moffitt and Brawley (Primary Sponsors).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Finance.

May 30, 2012

A BILL TO BE ENTITLED

AN ACT TO ALLOW CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA TO CARRY FORWARD SEVENTY PERCENT OF THE INSTITUTION'S REALIZED SAVINGS IN THE OPERATION AND MAINTENANCE OF PLANT AND TO USE THOSE FUNDS FOR NONRECURRING CAPITAL AND OPERATING EXPENSES; AND TO ALLOW EACH COMMUNITY COLLEGE TO RETAIN UP TO TWO PERCENT OF THE COLLEGE'S CURRENT OPERATIONS CREDIT BALANCE AND TO USE THOSE FUNDS FOR NONRECURRING EXPENDITURES THAT WILL NOT IMPOSE ADDITIONAL FINANCIAL OBLIGATIONS ON THE STATE.

The General Assembly of North Carolina enacts:

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

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

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

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

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

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



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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.