

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

**HOUSE BILL 111
RATIFIED BILL**

AN ACT TO ENACT A BASE BUDGET FOR CERTAIN STATE AGENCIES,
DEPARTMENTS, AND INSTITUTIONS FOR THE 2019-2021 FISCAL BIENNIUM.

The General Assembly of North Carolina enacts:

PART I. BASE BUDGET APPROPRIATIONS

GENERAL FUND BASE BUDGET APPROPRIATIONS

SECTION 1.1.(a) Appropriations from the General Fund for the budgets of the State agencies, departments, and institutions, and for other purposes as enumerated, are made for each year of the 2019-2021 fiscal biennium, according to the following schedule:

Current Operations – General Fund	FY 2019-2020	FY 2020-2021
EDUCATION		
Community College System		
Requirements	1,561,623,007	1,561,623,007
Less: Receipts	393,206,608	393,206,608
Net Appropriation	1,168,416,399	1,168,416,399
Public Instruction		
Requirements	11,766,939,802	11,828,299,027
Less: Receipts	2,180,566,432	2,180,566,432
Net Appropriation	9,586,373,370	9,647,732,595
University of North Carolina		
NC A&T University		
Requirements	179,603,455	179,603,455
Less: Receipts	87,002,310	87,002,310
Net Appropriation	92,601,145	92,601,145
NC School of Science and Mathematics		
Requirements	24,434,049	24,434,049
Less: Receipts	1,796,561	1,796,561
Net Appropriation	22,637,488	22,637,488
NC State University-Academic Affairs		
Requirements	842,422,995	842,422,995
Less: Receipts	422,169,898	422,169,898
Net Appropriation	420,253,097	420,253,097
NC State University-Agric. Research		
Requirements	72,542,781	72,542,781



Less: Receipts	17,721,640	17,721,640
Net Appropriation	54,821,141	54,821,141
NC State University-Coop. Extension		
Requirements	55,529,168	55,529,168
Less: Receipts	14,833,163	14,833,163
Net Appropriation	40,696,005	40,696,005
North Carolina Central University		
Requirements	136,655,404	136,655,404
Less: Receipts	51,822,380	51,822,380
Net Appropriation	84,833,024	84,833,024
UNC at Asheville		
Requirements	61,661,158	61,661,158
Less: Receipts	21,876,242	21,876,242
Net Appropriation	39,784,916	39,784,916
UNC at Chapel Hill-Academic Affairs		
Requirements	648,856,478	648,856,478
Less: Receipts	371,403,527	371,403,527
Net Appropriation	277,452,951	277,452,951
UNC at Chapel Hill-Area Health Education		
Requirements	49,864,072	49,864,072
Less: Receipts	0	0
Net Appropriation	49,864,072	49,864,072
UNC at Chapel Hill-Health Affairs		
Requirements	322,923,444	322,923,444
Less: Receipts	122,612,306	122,612,306
Net Appropriation	200,311,138	200,311,138
UNC at Charlotte		
Requirements	420,146,272	420,146,272
Less: Receipts	164,780,562	164,780,562
Net Appropriation	255,365,710	255,365,710
UNC at Greensboro		
Requirements	287,718,420	287,718,420
Less: Receipts	109,591,257	109,591,257
Net Appropriation	178,127,163	178,127,163
UNC at Pembroke		
Requirements	90,161,357	90,165,578
Less: Receipts	13,264,333	13,264,333
Net Appropriation	76,897,024	76,901,245
UNC at Wilmington		
Requirements	244,118,982	244,118,982
Less: Receipts	98,550,341	98,550,341

Net Appropriation	145,568,641	145,568,641
UNC Board of Governors		
Requirements	42,592,385	42,592,385
Less: Receipts	46,899	46,899
Net Appropriation	42,545,486	42,545,486
UNC BOG – Institutional Programs		
Requirements	43,905,784	43,905,784
Less: Receipts	0	0
Net Appropriation	43,905,784	43,905,784
UNC BOG – Related Educational Programs		
Requirements	164,000,476	164,000,476
Less: Receipts	54,031,975	54,031,975
Net Appropriation	109,968,501	109,968,501
UNC General Administration		
Requirements	181,349,756	191,349,756
Less: Receipts	0	0
Net Appropriation	181,349,756	191,349,756
UNC School of the Arts		
Requirements	49,623,526	49,623,526
Less: Receipts	16,359,089	16,359,089
Net Appropriation	33,264,437	33,264,437
Western Carolina University		
Requirements	159,162,027	159,195,028
Less: Receipts	27,714,804	27,714,804
Net Appropriation	131,447,223	131,480,224
Winston-Salem State University		
Requirements	86,145,805	86,145,805
Less: Receipts	22,495,553	22,495,553
Net Appropriation	63,650,252	63,650,252
East Carolina Univ-Academic Affairs		
Requirements	414,348,327	414,348,327
Less: Receipts	182,150,292	182,150,292
Net Appropriation	232,198,035	232,198,035
East Carolina Univ-Health Affairs		
Requirements	90,335,813	90,335,813
Less: Receipts	12,400,019	12,400,019
Net Appropriation	77,935,794	77,935,794
Elizabeth City State University		
Requirements	38,867,498	38,867,498
Less: Receipts	3,564,271	3,564,271
Net Appropriation	35,303,227	35,303,227

Appalachian State University		
Requirements	261,386,484	261,386,484
Less: Receipts	113,583,731	113,583,731
Net Appropriation	147,802,753	147,802,753
Fayetteville State University		
Requirements	75,646,019	75,646,019
Less: Receipts	21,734,797	21,734,797
Net Appropriation	53,911,222	53,911,222
HEALTH AND HUMAN SERVICES		
Aging and Adult Services		
Requirements	108,121,012	108,121,012
Less: Receipts	63,085,564	63,085,564
Net Appropriation	45,035,448	45,035,448
Central Management and Support		
Requirements	197,603,008	197,603,008
Less: Receipts	81,506,582	81,506,582
Net Appropriation	116,096,426	116,096,426
Child Development and Early Education		
Requirements	322,175,882	331,525,882
Less: Receipts	84,536,615	84,536,615
Net Appropriation	237,639,267	246,989,267
Health Benefits (Medicaid and Health Choice)		
Requirements	14,875,059,304	14,875,069,384
Less: Receipts	10,950,483,105	10,950,486,002
Net Appropriation	3,924,576,199	3,924,583,382
Health Service Regulation		
Requirements	70,770,955	70,770,955
Less: Receipts	51,912,899	51,912,899
Net Appropriation	18,858,056	18,858,056
Mental Hlth/Dev. Disabl./Subs. Abuse Serv.		
Requirements	1,459,185,326	1,459,185,326
Less: Receipts	717,067,519	717,067,519
Net Appropriation	742,117,807	742,117,807
Public Health		
Requirements	868,242,868	867,943,612
Less: Receipts	714,141,856	713,798,147
Net Appropriation	154,101,012	154,145,465
Services for the Blind/Deaf/Hard of Hearing		
Requirements	42,677,017	42,694,285
Less: Receipts	34,123,474	34,140,186
Net Appropriation	8,553,543	8,554,099

Social Services		
Requirements	1,557,782,580	1,557,783,872
Less: Receipts	1,363,651,976	1,363,652,866
Net Appropriation	194,130,604	194,131,006
Vocational Rehabilitation Services		
Requirements	150,494,601	150,528,124
Less: Receipts	111,221,410	111,246,271
Net Appropriation	39,273,191	39,281,853
AGRICULTURE, NATURAL, AND ECONOMIC RESOURCES		
Agriculture and Consumer Services		
Requirements	185,965,999	185,971,419
Less: Receipts	59,329,628	59,329,628
Net Appropriation	126,636,371	126,641,791
Commerce		
Requirements	267,812,887	267,812,887
Less: Receipts	90,449,190	90,449,190
Net Appropriation	177,363,697	177,363,697
Environmental Quality		
Requirements	193,918,082	193,892,959
Less: Receipts	114,576,705	114,576,705
Net Appropriation	79,341,377	79,316,254
Labor		
Requirements	37,106,127	37,126,948
Less: Receipts	18,968,296	18,968,296
Net Appropriation	18,137,831	18,158,652
Natural and Cultural Resources		
Requirements	220,996,431	221,000,740
Less: Receipts	42,487,651	42,487,651
Net Appropriation	178,508,780	178,513,089
Wildlife Resources Commission		
Requirements	75,630,859	75,630,859
Less: Receipts	64,486,379	64,486,379
Net Appropriation	11,144,480	11,144,480
JUSTICE AND PUBLIC SAFETY		
Administrative Office of the Courts		
Requirements	557,476,262	557,694,915
Less: Receipts	1,136,462	1,136,462
Net Appropriation	556,339,800	556,558,453
Indigent Defense Services		
Requirements	133,735,671	133,739,847
Less: Receipts	10,182,323	10,182,323

Net Appropriation	123,553,348	123,557,524
Justice		
Requirements	88,131,669	88,136,232
Less: Receipts	40,484,546	40,487,512
Net Appropriation	47,647,123	47,648,720
Public Safety		
Requirements	2,332,787,149	2,332,876,685
Less: Receipts	258,254,879	258,254,879
Net Appropriation	2,074,532,270	2,074,621,806
GENERAL GOVERNMENT		
Administration		
Requirements	73,387,880	73,387,880
Less: Receipts	9,887,542	9,887,542
Net Appropriation	63,500,338	63,500,338
Administrative Hearings		
Requirements	7,853,519	7,860,093
Less: Receipts	1,684,910	1,684,910
Net Appropriation	6,168,609	6,175,183
Auditor		
Requirements	20,143,575	20,143,575
Less: Receipts	6,199,884	6,199,884
Net Appropriation	13,943,691	13,943,691
Budget and Management		
Requirements	8,290,273	8,290,273
Less: Receipts	0	0
Net Appropriation	8,290,273	8,290,273
Budget and Management – Special Approp.		
Requirements	2,000,000	2,000,000
Less: Receipts	0	0
Net Appropriation	2,000,000	2,000,000
Controller		
Requirements	25,174,460	25,188,476
Less: Receipts	846,028	846,028
Net Appropriation	24,328,432	24,342,448
Elections		
Requirements	6,935,297	6,935,297
Less: Receipts	102,000	102,000
Net Appropriation	6,833,297	6,833,297
General Assembly		
Requirements	70,475,420	70,475,420
Less: Receipts	861,000	861,000

Net Appropriation	69,614,420	69,614,420
Governor		
Requirements	6,037,114	6,037,114
Less: Receipts	898,760	898,760
Net Appropriation	5,138,354	5,138,354
Housing Finance Agency		
Requirements	10,660,000	10,660,000
Less: Receipts	0	0
Net Appropriation	10,660,000	10,660,000
Insurance		
Requirements	49,109,619	49,112,642
Less: Receipts	8,137,431	8,137,431
Net Appropriation	40,972,188	40,975,211
Insurance – Industrial Commission		
Requirements	22,363,107	22,363,707
Less: Receipts	13,053,262	13,053,262
Net Appropriation	9,309,845	9,310,445
Lieutenant Governor		
Requirements	873,753	873,753
Less: Receipts	0	0
Net Appropriation	873,753	873,753
Military and Veterans Affairs		
Requirements	62,353,064	62,353,064
Less: Receipts	53,160,945	53,160,945
Net Appropriation	9,192,119	9,192,119
Revenue		
Requirements	146,213,204	146,280,481
Less: Receipts	59,236,207	59,268,852
Net Appropriation	86,976,997	87,011,629
Secretary of State		
Requirements	14,044,797	14,044,797
Less: Receipts	291,456	291,456
Net Appropriation	13,753,341	13,753,341
Treasurer		
Requirements	62,424,683	62,458,796
Less: Receipts	57,559,579	57,593,692
Net Appropriation	4,865,104	4,865,104
Treasurer – Additional Retirement Systems		
Requirements	29,360,641	29,360,641
Less: Receipts	0	0
Net Appropriation	29,360,641	29,360,641

INFORMATION TECHNOLOGY

Department of Information Technology

Requirements	53,914,125	53,914,125
Less: Receipts	395,579	395,579
Net Appropriation	53,518,546	53,518,546

RESERVES, DEBT, AND OTHER BUDGETS

General Debt Service

Requirements	734,545,038	734,545,038
Less: Receipts	18,653,595	18,653,595
Net Appropriation	715,891,443	715,891,443

Federal Debt Service

Requirements	1,616,380	1,616,380
Less: Receipts	0	0
Net Appropriation	1,616,380	1,616,380

Statewide Enterprise Resource Planning

Requirements	0	0
Less: Receipts	0	0
Net Appropriation	0	0

Statewide Reserves

Requirements	0	0
Less: Receipts	0	0
Net Appropriation	0	0

OSHR Minimum of Market Adjustment

Requirements	2,624,316	2,624,316
Less: Receipts	0	0
Net Appropriation	2,624,316	2,624,316

Total Requirements	43,528,638,698	43,609,596,010
Less: Total Receipts	19,628,334,227	19,628,105,602
Total Net Appropriation	23,900,304,471	23,981,490,408

SECTION 1.1.(b) Consistent with the definition for the term "base budget" set forth in G.S. 143C-1-1, total requirements for the Department of Justice, Legal Services (Budget Code 13600, Fund Code 1200), are reduced by the recurring sum of three million fifty-five thousand nine hundred seventy-three dollars (\$3,055,973) in each fiscal year of the 2019-2021 fiscal biennium.

CONFORMING CHANGES

SECTION 1.2.(a) Subdivision (11) of Section 5 of S.L. 2019-229 is repealed.

SECTION 1.2.(b) Section 5 of S.L. 2019-229, as amended by subsection (a) of this section, reads as rewritten:

"SECTION 5. To support implementation of the Raise the Age legislation, the sum of ~~thirty million nine hundred fifteen thousand four hundred thirty one dollars (\$30,915,431)~~ twenty-seven million twenty-three thousand thirty-seven dollars (\$27,023,037) for the 2019-2020 fiscal year and the sum of ~~forty-three million five hundred thirty-eight thousand seven hundred four dollars (\$43,538,704)~~ thirty-nine million six hundred forty-six thousand three

hundred ten dollars (\$39,646,310) for the 2020-2021 fiscal year are appropriated from the General Fund to the Department of Public Safety as follows:

...."

SECTION 1.2.(c) If Senate Bill 61, 2019 Regular Session, becomes law, Section 1.2 of that act reads as rewritten:

"**SECTION 1.2.** In addition to the appropriations set forth in S.L. 2019-209 for the Community College System, ~~System, and any other legislation enacted during the 2019 Regular Session expressly appropriating funds to the Community College System,~~ appropriations from the General Fund for the budget of the Community College System are made for the fiscal biennium ending June 30, 2021, as follows:

Current Operations – General Fund	FY 2019-2020	FY 2020-2021
Community College System		
Requirements	\$1,577,080,779	<u>\$15,457,772</u>
\$1,574,065,397	<u>\$12,442,390</u>	
Less: Receipts	380,447,392	<u>(12,759,216)</u>
380,212,392	<u>(12,994,216)</u>	
Net Appropriation	1,196,633,387	<u>28,216,988</u>
1,193,853,005	<u>25,436,606.</u> "	

SECTION 1.2.(d) Subsection (ff) of Section 1.1 of S.L. 2019-192 is repealed.

SECTION 1.2.(e) If House Bill 398, 2019 Regular Session, becomes law, then Section 1.2 of that act reads as rewritten:

"**SECTION 1.2.** In addition to the appropriations set forth in S.L. 2019-230 for the Department of Information Technology and any other legislation enacted during the 2019 Regular Session expressly appropriating funds to the DIT, appropriations from the General Fund for the budget of the Department of Information Technology are made for the fiscal biennium ending June 30, 2021, as follows:

Current Operations – General Fund	FY 2019-2020	FY 2020-2021
Department of Information Technology		
Requirements	\$67,818,037	<u>\$13,759,233</u>
\$69,342,683	<u>\$15,283,879</u>	
Less: Receipts	395,5790	<u>395,5790</u>
Net Appropriation	67,422,458	<u>13,759,233</u>
68,947,104	<u>15,283,879."</u>	

SECTION 1.2.(f) If Senate Bill 683, 2019 Regular Session, becomes law, then Section 5.2 of that act reads as rewritten:

"**SECTION 5.2.** ~~Appropriations~~ In addition to the appropriations set forth in S.L. 2019-209 for the State Board of Elections, appropriations from the General Fund for the budget of the State Board of Elections are made for the fiscal biennium ending June 30, 2021, as follows:

Current Operations – General Fund	FY 2019-2020	FY 2020-2021
Elections		
Requirements	\$8,091,301	<u>\$1,156,004</u>
\$6,980,220	<u>\$44,923</u>	
Less: Receipts	\$102,000	<u>\$0</u>
\$102,000	<u>\$0</u>	<u>\$102,000</u>
Net Appropriation	\$7,989,301	<u>\$1,156,004</u>
\$6,878,220	<u>\$44,923."</u>	

PART II. AVAILABILITY STATEMENT

GENERAL FUND AVAILABILITY

SECTION 2.1. The General Fund availability derived from State tax revenue, nontax revenue, and other adjustments used in developing the base budget for each year of the 2019-2021 fiscal biennium is as follows:

	FY 2019-2020	FY 2020-2021
Unappropriated Balance	645,592,678	2,484,667,747
Actual and Anticipated Reversions	287,029,354	200,000,000
Over Collections	896,662,617	-
Highway Fund Recovery Act (S.L. 2019-15)	(120,000,000)	-
Total, Prior Year-End Fund Balance	1,709,284,649	2,684,667,747
Tax Revenues		
Personal Income	13,110,400,000	13,700,300,000
Sales and Use	8,141,200,000	8,486,500,000
Corporate Income	732,600,000	787,600,000
Franchise	749,700,000	769,900,000
Insurance	565,300,000	579,800,000
Alcoholic Beverage	411,500,000	425,700,000
Tobacco Products	256,200,000	254,900,000
Other Tax Revenues	132,700,000	136,400,000
Subtotal, Tax Revenues	24,099,600,000	25,141,100,000
Nontax Revenues		
Judicial Fees	228,800,000	225,300,000
Investment Income	167,200,000	168,300,000
Disproportionate Share	165,300,000	130,000,000
Master Settlement Agreement	136,200,000	131,800,000
Insurance	87,800,000	90,100,000
Other Nontax Revenues	202,800,000	204,300,000
Subtotal, Nontax Revenues	988,100,000	949,800,000
Total, Net Revenues	25,087,700,000	26,090,900,000
Adjustment to Tax Revenue: 2019 Session		
Extend Tax Credits/Other Finance Changes (HB 399, Ratified)	(3,900,000)	(16,500,000)
Subtotal, Adjustments to Tax Revenue	(3,900,000)	(16,500,000)
Reservations of Tax Revenue		
Savings Reserve	(38,850,000)	(154,335,000)
Subtotal, Statutory Reservations of Revenue	(38,850,000)	(154,335,000)
Other Adjustments to Availability		
Adjustment to Transfer from Department of Insurance (S.L. 2019-209)	1,249,541	2,700,421
Adjustment to Transfer from State Treasurer (S.L. 2019-209)	41,913	91,132
NC G.R.E.A.T. Program Funding (S.L. 2019-230)	(15,000,000)	(15,000,000)

Subtotal, Other Adjustments to Availability	(13,708,546)	(12,208,447)
Revised Total Net General Fund Availability	26,779,376,103	28,746,859,300
General Fund Appropriations		
Base Budget (HB 111)	(23,900,304,471)	(23,981,490,408)
Ensuring Authorization of Federal Funds (S.L. 2019-192, as amended)	5,326,726	15,223,842
Salary Increases/Adult Correctional Employees (S.L. 2019-208)	(35,914,734)	(56,829,468)
Pay Increases/State Employees (S.L. 2019-209)	(239,220,554)	(572,705,157)
Pay Increases/State Highway Patrol (S.L. 2019-210)	(3,600,000)	(7,200,000)
Pay Increases/SBI & ALE (S.L. 2019-211)	(2,680,000)	(3,360,000)
Standing Up for Rape Victims Act of 2019 (S.L. 2019-221)	(3,000,000)	(3,000,000)
School Safety Funds, Programs, and Reports (S.L. 2019-222)	(38,833,333)	(29,800,000)
Prison Safety/TANF State Plan/Clarifications (S.L. 2019-223)	(4,471,149)	-
Raise the Age Funding (S.L. 2019-229, as amended)	(28,878,616)	(43,402,450)
Community Colleges Budget/2019-2021 Biennium (SB 61, Ratified, as amended)	(28,216,988)	(25,436,606)
Info. Tech Budget/2019-2021 Fiscal Biennium (HB 398, as amended)	(13,759,233)	(15,283,879)
Combat Absentee Ballot Fraud (SB 683, as amended)	(1,156,004)	(44,923)
Total General Fund Net Appropriations	(24,294,708,356)	(24,723,329,049)
Unappropriated Balance Remaining	2,484,667,747	4,023,530,251

SECTION 2.2. The State Controller shall transfer funds to the Savings Reserve in accordance with G.S. 143C-4-2. Funds reserved in the Savings Reserve do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 2.3.(a) Receivables described in subsection (b) of this section reserved at the end of the 2019-2020 and 2020-2021 fiscal years shall, when received, be accounted for as nontax revenue for each of those fiscal years.

SECTION 2.3.(b) For the 2019-2020 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred sixty-five million three hundred thousand dollars (\$165,300,000) with the Department of State Treasurer to be accounted for as nontax revenue. For the 2020-2021 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred thirty million dollars (\$130,000,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of General Fund appropriations, nonfederal revenue, fund balances, or other resources from State-owned and State-operated hospitals that are used to provide indigent and nonindigent care services. The return from State-owned and State-operated hospitals to the Department of Health and Human Services will be made from nonfederal resources in an amount equal to the amount of the payments from the Division of Health Benefits for uncompensated care. The treatment of any revenue derived from federal programs shall be in accordance with the requirements specified in the Title 2, Code of Federal Regulations, Part 225.

PART III. GENERAL PROVISIONS

INTRODUCTION

SECTION 3.1. The appropriations made in this act, and any other legislation enacted during the 2019 Regular Session expressly appropriating funds to an agency, a department, or an institution covered under this act, are for maximum amounts necessary to provide the services and accomplish the purposes for the applicable agency, department, or institution in accordance with the State Budget Act. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes, and the savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise provided by law.

TOTAL FUNDS APPROPRIATED

SECTION 3.2. The requirements set forth in this act, and any other legislation enacted during the 2019 Regular Session expressly appropriating funds to an agency, a department, or an institution covered under this act, represent the total amount of funds, including agency receipts, appropriated to an agency, a department, or an institution.

OTHER APPROPRIATIONS

SECTION 3.3.(a) Except for the budget codes for the Community College System, the Department of Transportation, and the Department of Information Technology, all budget codes listed in the Governor's Recommended Budget Support Document for the 2019-2021 fiscal biennium, submitted pursuant to G.S. 143C-3-5, are appropriated up to the amounts specified, as adjusted by the General Assembly in this act. If Senate Bill 61, 2019 Regular Session, does not become law, all budget codes for the Community College System listed in the Governor's Recommended Budget Support Document for the 2019-2021 fiscal biennium, submitted pursuant to G.S. 143C-3-5, are appropriated up to the amounts specified, as adjusted by the General Assembly in this act. If House Bill 398, 2019 Regular Session, does not become law, all budget codes for the Department of Information Technology listed in the Governor's Recommended Budget Support Document for the 2019-2021 fiscal biennium, submitted pursuant to G.S. 143C-3-5, are appropriated up to the amounts specified, as adjusted by the General Assembly in this act.

SECTION 3.3.(b) Receipts collected in a fiscal year in excess of the amounts appropriated by this section shall remain unexpended and unencumbered until appropriated by the General Assembly, unless the expenditure of overrealized receipts in the fiscal year in which the receipts were collected is authorized by G.S. 143C-6-4. Overrealized receipts are appropriated in the amounts necessary to implement this subsection.

SECTION 3.3.(c) Funds may be expended only for the specified programs, purposes, objects, and line items or as otherwise authorized by the General Assembly.

STATE BUDGET ACT APPLIES

SECTION 3.4. The provisions of the State Budget Act, Chapter 143C of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

CONSTRUCTION

SECTION 3.5.(a) This act is for the maintenance of the various departments, institutions, and other spending agencies of the State for the 2019-2021 biennial budget as provided in G.S. 143C-3-5. This act includes the appropriations of State funds as defined in G.S. 143C-1-1(d)(25). In the event that there is a conflict between the line-item budget certified by the Director of the Budget and this act, this act shall prevail.

SECTION 3.5.(b) The Director of the Budget submitted a recommended base budget to the General Assembly in the Governor's Recommended Budget for the 2019-2021 fiscal biennium, dated March 2019, and in the Budget Support Document for the various departments,

institutions, and other spending agencies of the State. The adjustments to the recommended base budget made by the General Assembly are set out in this act and any other legislation enacted during the 2019 Regular Session expressly appropriating funds to an agency, a department, or an institution covered under this act.

ADDITIONAL LIMITATIONS AND DIRECTIONS

SECTION 3.6.(a) Except where expressly repealed or amended by this act, the provisions of S.L. 2019-9, 2019-15, 2019-192, 2019-208, 2019-209, 2019-210, 2019-211, 2019-221, 2019-222, 2019-223, 2019-224, and any other legislation enacted during the 2019 Regular Session expressly appropriating funds to an agency, a department, or an institution covered under this act, shall remain in effect.

SECTION 3.6.(b) All of the following limitations and directions apply:

- (1) Except as otherwise provided in this act and any other legislation enacted during the 2019 Regular Session expressly appropriating funds to an agency, a department, or an institution covered under this act, the limitations and directions on the expenditure of funds for the prior fiscal biennium shall remain in effect.
- (2) Vacant positions subject to proposed budget reductions in the ratified version of House Bill 966, 2019 Regular Session, shall not be filled.
- (3) Public school employees paid on the teacher salary schedule, the school-based administrator salary schedule, or any other salary schedule established by State law shall not move up on salary schedules or receive automatic step increases until authorized by the General Assembly. If House Bill 377, 2019 Regular Session, becomes law, this subdivision is repealed.
- (4) Funds shall not be reserved to the Repairs and Renovations Reserve or the State Capital and Infrastructure Fund, and the State Controller shall not transfer funds from the unreserved fund balance to those reserves on June 30 of the prior fiscal year.

MOST TEXT APPLIES ONLY TO THE 2019-2021 FISCAL BIENNIUM

SECTION 3.7. The textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2019-2021 fiscal biennium.

EFFECT OF HEADINGS

SECTION 3.8. The headings to the Parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

APPLICABILITY OF STATUTORY CONTINUING RESOLUTION AND HOUSE BILL 966, 2019 REGULAR SESSION

SECTION 3.9. This act, and any other legislation enacted during the 2019 Regular Session expressly appropriating funds to an agency, a department, or an institution covered under this act, collectively supersedes and replaces the provisions of G.S. 143C-5-4(b). The appropriations and the authorizations to allocate and spend funds which are set out in this act shall remain in effect until House Bill 966, 2019 Regular Session, becomes law, at which time that act shall become effective and shall govern appropriations and expenditures. When the provisions of House Bill 966, 2019 Regular Session, covering that fiscal year becomes law, the Director of the Budget shall adjust allotments to give effect to that act from July 1 of the fiscal year.

PART IV. EFFECTIVE DATE

SECTION 4. This act becomes effective July 1, 2019.

In the General Assembly read three times and ratified this the 31st day of October,
2019.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

Roy Cooper
Governor

Approved _____m. this _____ day of _____, 2019