



HOUSE BILL 111: 2019-2021 Base Budgets/Certain Agencies.

2019-2020 General Assembly

Committee:	Senate Appropriations/Base Budget.	If Date:	October 29, 2019
	favorable, re-refer to Rules and Operations of the Senate		
Introduced by:	Rep. Lambeth	Prepared by:	Luke Gillenwater
Analysis of:	PCS to Second Edition H111-CSMLa-7		Committee Counsel

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 111 enacts a base budget for certain State agencies, departments, and institutions for the 2019-2021 fiscal biennium.*

BILL ANALYSIS: The PCS to H111 does the following:

- **Section 1.1** - Sets out the General Fund base budget appropriations for all State agencies, departments, and institutions other than the Department of Transportation.
 - Please note that the Department of Transportation's base budget is enacted in S.L. 2019-231.
- **Section 1.2** – Makes multiple conforming changes to ensure the base budget is not appropriated twice for certain State agencies, departments, and institutions.
- **Section 2.1** – Sets out the availability statement used in developing the base budget in this act.
- **Section 2.2** – Directs the State Controller to transfer funds to the Savings Reserve in accordance with G.S. 143C-4-2.
- **Section 2.3** – Provides that Medicaid receivables reserved at the end of each fiscal year of the 2019-2021 fiscal biennium, when received, shall be accounted for as nontax revenue.
- **Section 3.1** – Boilerplate language providing that funds appropriated in this act and other legislation enacted during the 2019 Regular Session expressly appropriating funds are for the maximum amounts necessary to provide the services and accomplish the purposes of the applicable agency, department, or institution, and savings shall be effected where total amounts are not necessary to provide the services and accomplish the purposes.
- **Section 3.2** – Boilerplate language providing that this act and other legislation enacted during the 2019 Regular Session expressly appropriating funds represent the total amount of funds appropriated to an agency, a department, or an institution.
- **Section 3.3** – Boilerplate language providing (i) that, except for 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 are appropriated as adjusted by the General Assembly in this act, (ii) that the budget codes for the Community College System in the Governor's Recommended Budget Support Document for the 2019-2021 fiscal biennium are appropriated as adjusted by the

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House PCS 111

Page 2

General Assembly if Senate Bill 61, 2019 Regular Session, does not become law, (iii) that the budget codes for the Department of Information Technology in the Governor's Recommended Budget Support Document for the 2019-2021 fiscal biennium are appropriated as adjusted by the General Assembly if House Bill 398, 2019 Regular Session, does not become law, (iv) that excess receipts collected in a fiscal year shall remain unexpended and unencumbered unless appropriated by the General Assembly or authorized by G.S. 143C-6-4, and (v) that funds may be expended only for the specified programs, purposes, objects, and line items, or as otherwise authorized by the General Assembly.

- **Section 3.4** – Boilerplate language providing that the State Budget Act is reenacted and remains in full force and effect.
- **Section 3.5** – Boilerplate language providing (i) this act is for the maintenance of the various departments, institutions, and other spending agencies for the State for the 2019-2021 fiscal biennium, (ii) this act shall prevail if there is a conflict with the line-item budget certified by the Director of the Budget, and (iii) that the adjustments to the base budget recommended by the Governor are set out in this act and other legislation enacted during the 2019 Regular Session expressly appropriating funds.
- **Section 3.6** – Provides that other legislation enacted during the 2019 Regular Session expressly appropriating funds remains in effect. Additionally, sets forth the limitations and directions from G.S. 143C-5-4(b) that continue to apply during the 2019-2021 fiscal biennium.
- **Section 3.7** – Boilerplate language providing that the textual provisions of this act only apply during the 2019-2021 fiscal biennium.
- **Section 3.8** – Boilerplate language providing that the headings are for reference only and have no legal effect.
- **Section 3.9** – Provides that, for the 2019-2021 fiscal biennium, G.S. 143C-5-4(b) is superseded and replaced by the provisions of this act and other legislation enacted during the 2019 Regular Session expressly appropriating funds. Additionally, provides that House Bill 966, 2019 Regular Session, controls over this act, should House Bill 966 become law.

EFFECTIVE DATE: This act becomes effective July 1, 2019.