

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS55701-LH-308 (05/14)

Short Title: Judicial Branch/Budget Amendments.

(Public)

Sponsors: Senator Clodfelter.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AMEND THE STATE BUDGET ACT TO PROVIDE FOR THE
BUDGETARY INDEPENDENCE OF THE JUDICIAL BRANCH.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143C-1-2(b) reads as rewritten:

"(b) Reversions. – Unless otherwise provided by law, at the end of the fiscal year the unexpended, unencumbered balance of an appropriation reverts to the fund from which the appropriation was made; except that (i) an appropriation to the General Assembly shall not revert unless otherwise provided by the Legislative Services Commission, (ii) an appropriation for a capital improvement project shall revert as provided by G.S. 143C-8-11, ~~and~~ (iii) an appropriation for the implementation of information technology (IT) projects shall not revert until the project is implemented or ~~abandoned~~, ~~abandoned~~, and (iv) an appropriation to the judicial branch shall not revert unless otherwise provided by the Chief Justice and Judicial Council."

SECTION 2. G.S. 143C-3-2 reads as rewritten:

"§ 143C-3-2. Budget estimate for the judicial branch.

The Administrative Officer of the Courts shall give the Director an estimate of the financial needs of the judicial branch for the upcoming fiscal period in accordance with the schedule prescribed by the Director. The estimates for the judiciary shall be approved and certified by the Chief Justice. The estimates shall be itemized in accordance with the accounting classifications adopted by the Controller. The Director shall include these estimates for the judicial branch in the budget the Director submits to the General Assembly. The Director may separately recommend changes to these estimates ~~estimates~~; however, the Director shall not reduce or modify the estimates for the judicial branch in the budget the Director submits to the General Assembly."

SECTION 3. G.S. 143C-4-7 reads as rewritten:

"§ 143C-4-7. Limit on number of permanent positions budgeted.

1 The total number of permanent budgeted positions established in State agencies shall
2 not be increased by the end of any State fiscal year by a greater percentage rate of
3 change than the percentage rate of change of the residential population growth for the
4 State of North Carolina. The Office of State Budget and Management shall be
5 responsible for computing the annual percentage rates of change for each measure. The
6 population growth rate shall be computed by averaging the annual residential population
7 growth rate in each of the preceding 10 fiscal years as stated in the annual estimates of
8 residential population in North Carolina made by the United States Census Bureau. The
9 growth rate of the number of budgeted positions shall be computed by averaging the
10 annual rate of growth of State budgeted positions in each of the preceding 10 fiscal
11 years. The total number of permanent budgeted positions established in State agencies
12 shall be computed by adding the total number of budgeted Full-Time Equivalents from
13 all fund types. This section does not apply to State-funded positions supported by the
14 State in a local public school ~~system~~ or system, local community college
15 ~~institution~~ institution, or local courthouses."

16 **SECTION 4.** G.S. 143C-6-2(b) reads as rewritten:

17 "(b) Revenue Collections. – The Director, with the assistance of the Secretary of
18 Revenue and other officials collecting or receiving appropriated State revenue, shall
19 continuously survey the revenue collections. If the Director finds that revenues to any
20 fund, when added to the beginning unreserved fund balance in that fund, will be
21 insufficient to support appropriations from that fund, the Director shall immediately
22 notify the General Assembly and the Chief Justice that a deficit is anticipated. The
23 Director shall consult with the Chief Justice to identify expenditure reductions and other
24 lawful measures the Chief Justice and Judicial Branch can implement to reduce
25 expenditures. The Director shall report in a timely manner to the General Assembly a
26 plan for the executive branch, and the Chief Justice shall report in a timely manner to
27 the General Assembly a plan for the judicial branch, containing the expenditure
28 reductions and other lawful measures as the Director ~~is~~ and Chief Justice are
29 implementing in order to avert the deficit."

30 **SECTION 5.** G.S. 143C-6-4 is amended by adding a new subsection to read:

31 "(i) Transfers in Programs, Objects, Line Items in the Judicial Branch Budget. –
32 The Chief Justice of the Supreme Court may approve transfers and expenditures for
33 more than was authorized in the enacted budget for programs, objects, or line items in
34 the budget of the judicial branch; however, nonpersonal services funds or lapsed salary
35 funds may not be used to create new positions or to fund salary increases. Program
36 transfers shall not be used to avoid year-end reversions or to inflate increases in the
37 continuation budget. Transfers approved by the Chief Justice in accordance with this
38 section must be reported quarterly, beginning October 31, to the Joint Legislative
39 Commission on Governmental Operations."

40 **SECTION 6.** G.S. 143C-6-6(c) reads as rewritten:

41 "(c) Subsection (a) of this section does not apply to The University of North
42 ~~Carolina~~ Carolina or the judicial branch."

43 **SECTION 7.** This act becomes effective July 1, 2008.