



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**

BEVERLY EAVES PERDUE
GOVERNOR

ANDY WILLIS
STATE BUDGET DIRECTOR

March 28, 2011

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers
All State Departments, Institutions, and Agencies

FROM: Andy Willis, State Budget Director

A handwritten signature in black ink, appearing to read "Andy Willis".

SUBJECT: Senate Bill 109 – Implementation

Earlier this session, the General Assembly proposed and adopted Senate Bill 109, which calls on the Governor to increase General Fund availability for fiscal year 2011-12 to \$537.7 million. Through Senate Bill 109, the Governor is authorized to *“(1) Take all actions necessary to reduce General Fund expenditures for the remainder of 2010-2011 fiscal year. This grant of authority includes all powers to balance the budget granted to the Governor under Article III, Section 5 of the North Carolina Constitution. and, (2) Identify and not expend funds in non-General Fund accounts for transfer to the General Fund on June 30, 2011.”*

As you are aware, the Office of State Budget and Management began managing the state budget through the allotment process to state agencies. Cabinet and Council of State agencies implemented budget management strategies with goals of reducing General Fund appropriations through a 1% Management Flexibility Reduction enacted in August of 2010 and an additional 2.5% reduction of certified budgets enacted in January 2011. These actions will result in achieving approximately \$400 million of the \$537.7 million stipulated by Senate Bill 109.

Unfortunately, additional funds are needed to address the \$537.7 million that is to be available by year end. To this end, OSBM analysts have identified \$83.2 million in available cash balances that can be used for this effort. The attached spreadsheet highlights these funds and their respective amounts. Based on our analysis, I will ask the Office of State Controller to immediately transfer \$83.2 million in available funds out of their existing accounts into the account used to satisfy the \$537.7 million requirement.

OSBM will continue to work with your agency and will need your support over the next three months to be assured we have a balanced budget as of June 30, 2011. Each of you has done an outstanding job of managing your budgets and I personally appreciate the support you have provided and continue to provide to this Office.

If you have any questions about the information outlined in this memorandum, please contact your OSBM budget analyst at (919) 807-4700.

cc: The Honorable Beverly E. Perdue, Governor
David McCoy, State Controller

**Office of State Budget and Management
Funds to be Acquired per Senate Bill 109**

Budget Code	Description	Amount Available
23511	DPI - Technology Trust	\$ 19,023
63501	DPI - Trust Special	5,516,272
73510	DPI - Internal Service	6,365,870
06010	SEAA- Financial Aid Cash Balances	2,231,786
26800	NCCCS-Special	1,100,000
66801	NCCCS-Trust GF GASB	137,870
24300-2119	Mercury Pollution	1,250,000
24300-2221	Bladen Lake Special Fund	150,000
24300-2865	Aquariums	1,500,000
24300-2911	SWC CREP/Expansion	500,000
24304-2982	EEP	1,000,000
24309-2235	PARTF	3,000,000
64302-6710	NHTF	1,500,000
24611-2200	Industrial Commission	1,500,000
54600-5881	Alcoholic Beverage Control	300,000
63701-6208	Farmland Preservation Trust Fund	2,500,000
Various	DHHS-Vending Receipts	2,000,000
23703	Tobacco Trust Fund	5,000,000
24667	Information Technology Fund	1,000,000
74660	IT Internal Service Fund	7,586,800
64303-6770	Scrap Tire	2,000,000
64303-6780	White Goods	1,600,000
24353	Wildlife Resources	3,000,000
74100	Motor Fleet Management	30,000,000
53750-5130	State Fair	2,400,000
		\$ 83,157,621