

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 252

Government Performance Audit Select Committee Substitute Adopted 4/8/93

Short Title: GPAC/Program Budgeting.

(Public)

Sponsors:

Referred to:

February 19, 1993

A BILL TO BE ENTITLED

1 AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT
2 PERFORMANCE AUDIT COMMITTEE TO DEVELOP AND MONITOR THE
3 OUTCOME MEASURES FOR MAJOR STATE PROGRAMS, TO ESTABLISH
4 AND IMPLEMENT A STATE STRATEGIC PLANNING PROCESS, AND TO
5 REQUIRE THAT THE GOVERNOR SUBMIT TO THE GENERAL ASSEMBLY
6 AND THE GENERAL ASSEMBLY ENACT A BUDGET THAT FOCUSES ON
7 PROGRAM RESULTS.
8

9 The General Assembly of North Carolina enacts:

10 --STATE STRATEGIC PLANNING PROCESS.

11 Section 1. (a) G.S. 143A-17 is repealed.

12 (b) G.S. 143-3.5 reads as rewritten:

13 **"§ 143-3.5. Coordination of statistics.**

14 It shall be the duty of the ~~Director~~Director, through the Office of State Budget and
15 Management and the Office of State Planning, to coordinate the efforts of governmental
16 agencies in the collection, development, dissemination and analysis of official
17 economic, demographic and social statistics pertinent to State budgeting. The ~~Office~~
18 ~~shall~~Director shall:

- 19 (1) Prepare and release the official demographic and economic estimates
20 and projections for the State;
21 (2) Conduct special economic and demographic analyses and studies to
22 support statewide budgeting;

- 1 (3) Develop and coordinate cooperative arrangements with federal, State
2 and local governmental agencies to facilitate the exchange of data to
3 support State budgeting;
- 4 (4) Compile, maintain, and disseminate information about State programs
5 which involve the distribution of State aid funds to local governments
6 including those variables used in their allocation; and,
- 7 (5) Develop and maintain in cooperation with other State and local
8 governmental agencies, an information system providing comparative
9 data on resources and expenditures of local governments.

10 Every fiscal analysis prepared by the Director or the Office of State Budget and
11 Management addressing the State budget outlook shall encompass the upcoming five-
12 year period. Every fiscal analysis prepared by the Director or the Office of State Budget
13 and Management addressing the impact of proposed legislation on the State budget shall
14 estimate the impact for the first five fiscal years the legislation would be in effect. To
15 minimize duplication of effort in collecting or developing new statistical series pertinent
16 to State planning and budgeting, including contractual arrangements, State agencies
17 must submit to the Director proposed procedures and funding requirements.

18 This section shall not apply to the General Assembly, any of its committees and
19 subcommittees, the Legislative Research Commission, the Legislative Services
20 Commission, or any other committee or commission in the legislative branch."

21 (c) Article 1 of Chapter 143 of the General Statutes is amended by adding a new
22 section to read:

23 "**§ 143-10.3. Strategic planning process.**

24 The Director, through the Office of State Budget and Management and the Office of
25 State Planning, shall establish and implement a strategic planning process for the State.
26 The strategic planning process shall address the following elements:

- 27 (1) Vision. – The State shall consider alternative futures as they pertain to
28 quality of life, safety, health, and the environment.
- 29 (2) Statewide Goals. – The State shall establish concrete goals for the
30 entire State in those areas that matter most to citizens.
- 31 (3) External Assessment. – The State shall solicit ideas, opinions, and
32 concerns from citizens, both as recipients of government services and
33 as taxpayers, regarding how well the State is meeting its goals.
- 34 (4) Internal Assessment. – The process shall involve legislators, top
35 executive branch management, and selected personnel at all levels of
36 State government.
- 37 (5) Agency Goals. – State agencies shall develop clearly defined goals that
38 are consistent with statewide goals.
- 39 (6) Objectives and Measurable Results. – The State shall develop
40 performance measures and indicators of program results or outcome
41 indicators to track the State's progress toward achieving statewide and
42 agency goals.

1 (7) Planning/Budget Document. – The State's long-range plans shall be
2 reflected in the budget proposed by the Governor, as provided in G.S.
3 143-10.4(b).

4 (8) Performance Measuring and Monitoring. – The State shall review the
5 performance of State programs periodically."

6 (d) Article 1 of Chapter 143 of the General Statutes is amended by adding a new
7 section to read:

8 **"§ 143-10.4. Departmental plans.**

9 (a) The Director, through the Office of State Budget and Management and the
10 Office of State Planning, shall have prepared biennially in the even-numbered years, a
11 comprehensive plan for each department, agency, and institution, for which the Director
12 may recommend an appropriation of State funds in the next biennial period. The plans
13 shall implement the statewide and agency goals contained in the strategic plans
14 developed in accordance with G.S. 143-10.3. The plans shall provide the objectives,
15 activities, strategies, and supporting statistics, for each department, agency, and
16 institution for the current biennium and for the following three biennial periods. The
17 plans shall also provide the performance measures and outcome indicators for each
18 department, agency, and institution. These same performance measures and outcome
19 indicators shall be used for ongoing program monitoring and reported in the Governor's
20 biennial budget submission.

21 All organizational levels of each department, agency, and institution shall be
22 involved in preparing the department, agency, or institution's plan. The Office of State
23 Planning shall provide guidance to the departments, agencies, and institutions in the
24 planning process, and shall provide on-site technical assistance and process leadership
25 to the departments, agencies, and institutions, as needed in the course of the planning
26 process.

27 (b) The Director shall provide unified planning and budgeting instructions to the
28 departments, agencies, and institutions for use in developing long-range plans and
29 biennial budgets. The plans shall serve as the basis for the development of biennial
30 budgets for each department, agency, and institution of State government that the
31 Director submits to the General Assembly. Departments, agencies, and institutions shall
32 cooperate in the development of these plans and shall provide the necessary information
33 and data required to prepare these plans, in the format prescribed by the Director."

34 (e) G.S. 143-11 reads as rewritten:

35 **"§ 143-11. Survey of departments.**

36 On or before the fifteenth day of December, biennially in the even-numbered years,
37 the Director shall make a complete, careful survey of the operation and management of
38 all the departments, bureaus, divisions, officers, boards, commissions, institutions, and
39 agencies and undertakings of the State and all persons or corporations who use or
40 expend State funds, in the interest of economy and efficiency, and of obtaining a
41 working knowledge upon which to base recommendations to the General Assembly as
42 to appropriations for maintenance and special funds and capital expenditures for the
43 succeeding biennium. If the Director and the Commission shall agree in their
44 recommendations for the budget for the next biennial period, he shall prepare their

1 report in the form of a proposed budget, together with such comment and
2 recommendations as they may deem proper to make. If the Director and Commission
3 shall not agree in substantial particulars, the Director shall prepare the proposed budget
4 based on his own conclusions and judgment, and the Commission or any of its members
5 retain the right to submit separately to the General Assembly such statement of
6 disagreement and the particulars thereof as representing their views. The budget report
7 shall reflect the State's long-range plans, developed in accordance with G.S. 143-10.4.
8 The budget report shall contain a complete and itemized plan of all proposed
9 expenditures for each State department, bureau, board, division, institution,
10 commission, State agency or undertaking, person or corporation who receives or may
11 receive for use and expenditure any State funds, in accordance with the classification
12 adopted by the State Controller, and of the estimated revenues and borrowings for each
13 year in the ensuing biennial period beginning with the first day of July thereafter.
14 Opposite each item of the proposed expenditures, the budget shall show in separate
15 parallel columns the amount expended for the last preceding appropriation year, for the
16 current appropriation year, and the increase or decrease. The budget shall clearly
17 differentiate between general fund expenditures for operating and maintenance, special
18 fund expenditures for any purpose, and proposed capital outlays.

19 The Director shall accompany the budget with:

- 20 (1) A budget message supporting his recommendations and outlining a
21 financial policy and program for the ensuing biennium. The message
22 will include an explanation of increase or decrease over past
23 expenditures, a discussion of proposed changes in existing revenue
24 laws and proposed bond issues, their purpose, the amount, rate of
25 interest, term, the requirements to be attached to their issuance and the
26 effect such issues will have upon the redemption and annual interest
27 charges of the State debt.
- 28 (2) State Controller reports including:
 - 29 a. An itemized and complete financial statement for the State at
30 the close of the last preceding fiscal year ending June 30.
 - 31 b. A statement of special funds.
- 32 (2a) A statement showing the itemized estimates of the condition of the
33 State treasury as of the beginning and end of each of the next two
34 appropriation years.
- 35 (3) A report on the fees charged by each State department, bureau,
36 division, board, commission, institution, and agency during the
37 previous fiscal year, the statutory or regulatory authority for each fee,
38 the amount of the fee, when the amount of the fee was last changed,
39 the number of times the fee was collected during the prior fiscal year,
40 and the total receipts from the fee during the prior fiscal year.
- 41 (4) A statement showing the State Board of Education's request, in
42 accordance with G.S. 115C-96, for sufficient funds to provide
43 textbooks to public school students.

1 It shall be a compliance with this section by each incoming Governor, at the first
2 session of the General Assembly in his term, to submit the budget report with the
3 message of the outgoing Governor, if he shall deem it proper to prepare such message,
4 together with any comments or recommendations thereon that he may see fit to make,
5 either at the time of the submission of the said report to the General Assembly, or at
6 such other time, or times, as he may elect and fix.

7 The function of the Advisory Budget Commission under this section applies only if
8 the Director of the Budget consults with the Commission in preparation of the budget."

9 (f) This section becomes effective July 1, 1993.

10 --DEVELOP OUTCOME MEASURES.

11 Sec. 2. (a) Article 1 of Chapter 143 of the General Statutes is amended by adding a
12 new section to read:

13 **"§ 143-10.3. Development of performance measures for major programs.**

14 (a) The Director of the Budget, through the Office of State Budget and
15 Management, the Office of State Policy and Planning and State agencies, departments,
16 and institutions, shall develop qualitative performance measures for the major programs
17 for each State agency, department, and institution. These qualitative performance
18 measures shall be developed as part of the biennial comprehensive plan and serve as the
19 basis for the development of the biennial budget, beginning with the 1995-97 fiscal
20 biennium.

21 (b) The Director shall institute a standard process for developing program
22 performance measures and for monitoring qualitative performance results, uniform
23 performance measurement terms, and a standardized format for presentation.

24 (c) The program performance measurement system shall include:

25 (1) Description of the key qualitative performance measures for the
26 program. Performance measures should include: program efficiency
27 or unit cost, outputs or program activity, and outcomes or performance
28 results, with emphasis on the use of program outcome measures.

29 (2) Identification of the current level of performance.

30 (3) Targets for the desired level of performance.

31 (4) Identification of future performance measures that should be
32 developed and a time frame for development.

33 (5) A methodology for regular monitoring of department, agency, and
34 institution performance in relation to the measure.

35 (6) A methodology for assessing programs that have achieved desired
36 performance targets through innovative management actions.

37 (d) The Director of the Budget shall prepare a comprehensive plan for
38 implementation of a performance measurement system and present the plan to the
39 General Assembly by October 1, 1993. With regard to programs for which it is
40 anticipated that performance measures will not be fully developed by October 1, 1993,
41 the Director of the Budget shall submit to the General Assembly a plan and timetable
42 for development and implementation of such performance measures by May 1, 1994. In
43 developing the plan, consideration shall be given to any recommendations and reports
44 of the Governmental Accounting Standards Board. In the event the Director shall

1 conclude that it is not feasible to develop performance measures for particular
2 programs, the Director shall set forth detailed reasons for such conclusion in the report.

3 (e) The Director of the Budget shall report annually to the General Assembly on:

4 (1) The status of the development of the program performance
5 measurement system.

6 (2) The programs that have not achieved the desired level of performance
7 and the reasons performance targets were not achieved.

8 (3) The programs that have achieved performance targets through
9 management innovation."

10 (b) This section is effective upon ratification.

11 --PROGRAM BUDGETING IMPLEMENTED.

12 Sec. 3. (a) To the extent feasible, the Director of the Budget shall develop a
13 plan for preparing the 1995-97 fiscal biennium budget in a performance budget format.
14 The plan shall define the major programs for which funding shall be provided. The
15 Director of the Budget shall present an interim report on the status of the plan to the
16 General Assembly prior to June 1, 1993, and a final report by May 1, 1994.

17 (b) Effective for budgets developed for fiscal bienniums beginning with the
18 1995-97 fiscal biennium, G.S. 143-11 reads as rewritten:

19 "**§ 143-11. Survey of departments.**

20 (a) On or before the fifteenth day of December, biennially in the even-numbered
21 years, the Director shall make a complete, careful survey of the operation and
22 management of all the departments, bureaus, divisions, officers, boards, commissions,
23 institutions, and agencies and undertakings of the State and all persons or corporations
24 who use or expend State funds, in the interest of economy and efficiency, and of
25 obtaining a working knowledge upon which to base recommendations to the General
26 Assembly as to appropriations for maintenance and special funds and capital
27 expenditures for the succeeding biennium. If the Director and the Commission shall
28 agree in their recommendations for the budget for the next biennial period, he shall
29 prepare their report in the form of a proposed budget, together with such comment and
30 recommendations as they may deem proper to make. If the Director and Commission
31 shall not agree in substantial particulars, the Director shall prepare the proposed budget
32 based on his own conclusions and judgment, and the Commission or any of its members
33 retain the right to submit separately to the General Assembly such statement of
34 disagreement and the particulars thereof as representing their views. The budget report
35 shall contain a complete and itemized plan of all proposed expenditures for each State
36 department, bureau, board, division, institution, commission, State agency or
37 undertaking, person or corporation who receives or may receive for use and expenditure
38 any State funds, ~~in accordance with the classification adopted by the State Controller, in a~~
39 format to identify and evaluate each principal program within and among each
40 department, bureau, board, division, institution, commission, State agency or
41 undertaking, person or corporation, and of the estimated revenues and borrowings for
42 each year in the ensuing biennial period beginning with the first day of July thereafter.
43 ~~Opposite each item of the proposed expenditures, the budget shall show in separate parallel~~
44 ~~columns the amount expended for the last preceding appropriation year, for the current~~

1 ~~appropriation year, and the increase or decrease.~~—The budget shall clearly differentiate
2 between general fund expenditures for operating and maintenance, special fund
3 expenditures for any purpose, and proposed capital outlays. Except as provided in G.S.
4 143-10.1A, the budget document shall not include any distinction between continuation
5 and expansion items; it shall include only the total amount proposed.

6 The classifications of expenditures adopted by the State Controller shall be for
7 reporting purposes only.

8 (b) The Director shall accompany the budget with:

9 (1) A budget message supporting his recommendations and outlining a
10 financial policy and program for the ensuing biennium. The message
11 will include an explanation of increase or decrease over past
12 expenditures, a discussion of proposed changes in existing revenue
13 laws and proposed bond issues, their purpose, the amount, rate of
14 interest, term, the requirements to be attached to their issuance and the
15 effect such issues will have upon the redemption and annual interest
16 charges of the State debt.

17 (2) State Controller reports including:

18 a. An itemized and complete financial statement for the State at
19 the close of the last preceding fiscal year ending June 30.

20 b. A statement of special funds.

21 (2a) A statement showing the itemized estimates of the condition of the
22 State treasury as of the beginning and end of each of the next two
23 appropriation years.

24 (3) A report on the fees charged by each State department, bureau,
25 division, board, commission, institution, and agency during the
26 previous fiscal year, the statutory or regulatory authority for each fee,
27 the amount of the fee, when the amount of the fee was last changed,
28 the number of times the fee was collected during the prior fiscal year,
29 and the total receipts from the fee during the prior fiscal year.

30 (4) A statement showing the State Board of Education's request, in
31 accordance with G.S. 115C-96, for sufficient funds to provide
32 textbooks to public school students.

33 It shall be a compliance with this section by each incoming Governor, at the first
34 session of the General Assembly in his term, to submit the budget report with the
35 message of the outgoing Governor, if he shall deem it proper to prepare such message,
36 together with any comments or recommendations thereon that he may see fit to make,
37 either at the time of the submission of the said report to the General Assembly, or at
38 such other time, or times, as he may elect and fix.

39 The function of the Advisory Budget Commission under this section applies only if
40 the Director of the Budget consults with the Commission in preparation of the budget."

41 (c) Effective for programs for which the General Assembly enacted program
42 budgets, G.S. 143-16.3 reads as rewritten:

43 **"§ 143-16.3. No expenditures for purposes for which the General Assembly has**
44 **considered but not enacted an appropriation.**

1 Notwithstanding any other provision of law, no funds from any source, except for
2 gifts, grants, and funds allocated from the Contingency and Emergency Fund by the
3 Council of State, may be expended for any purpose, position, or other expenditure for
4 which the General Assembly has considered but not enacted an appropriation of funds
5 for the current fiscal period. For the purpose of this section, the General Assembly has
6 considered a purpose, position, or other expenditure when that purpose is included in a
7 bill or petition or when any committee of the Senate or the House of Representatives
8 deliberates on that purpose. If any State department, institution, or agency plans to
9 spend funds for any purpose for which the General Assembly has considered but not
10 enacted an appropriation of funds for the current fiscal period, the agency shall report its
11 intent with supporting documentation of changes in program performance to the Joint
12 Legislative Commission on Governmental Operations one month prior to the planned
13 change. The changed expenditure shall not be continued for subsequent fiscal years
14 without the approval of the General Assembly."

15 (d) Effective for programs for which the General Assembly enacted program
16 budgets, G.S. 143-23 reads as rewritten:

17 "**§ 143-23. All maintenance funds for itemized budgeted purposes; transfers between**
18 **objects or line items. movement of funds.**

19 (a) All appropriations now or hereafter made for the maintenance of the various
20 departments, institutions and other spending agencies of the State, are for the (i) purposes
21 or programs and (ii) objects or line items enumerated in the itemized requirements of such
22 departments, institutions and other spending agencies budget purposes within the
23 subprograms of the performance budget submitted to the General Assembly by the
24 Director of the Budget and the Advisory Budget Commission, as amended by the
25 General Assembly. The function of the Advisory Budget Commission under this
26 subsection applies only if the Director of the Budget consults with the Commission in
27 preparation of the budget.

28 (a1) ~~No transfers may be made between objects or line items in the budget of any~~
29 ~~department, institution, or other spending agency; however, with the approval of the~~
30 ~~Director of the Budget, a department, institution, or other spending agency may spend~~
31 ~~more than was appropriated for an object or line item if the overexpenditure is:~~

- 32 (1) ~~In a purpose or program for which funds were appropriated for that~~
33 ~~fiscal period and the total amount spent for the purpose or program is~~
34 ~~no more than was appropriated for the purpose or program for the~~
35 ~~fiscal period;~~
- 36 (2) ~~Required to continue a purpose or program because of unforeseen~~
37 ~~events, so long as the scope of the purpose or program is not increased;~~
- 38 (3) ~~Required by a court, Industrial Commission, or administrative hearing~~
39 ~~officer's order or award or to match unanticipated federal funds;~~
- 40 (4) ~~Required to respond to an unanticipated disaster such as a fire,~~
41 ~~hurricane, or tornado; or~~
- 42 (5) ~~Required to call out the National Guard.~~

43 ~~The Director of the Budget shall report on a quarterly basis to the Joint Legislative~~
44 ~~Commission on Governmental Operations and to the Fiscal Research Division of the~~

1 ~~Legislative Services Office the reason if the amount expended for a purpose or program~~
2 ~~is more than the amount appropriated for it from all sources. If the overexpenditure was~~
3 ~~authorized under subdivision (2) of this subsection, the Director of the Budget shall~~
4 ~~identify in the report the unforeseen event that required the overexpenditure.~~

5 ~~Funds appropriated for salaries and wages are also subject to the limitation that they~~
6 ~~may only be used for (i) salaries and wages or for premium pay, overtime pay,~~
7 ~~longevity, unemployment compensation, workers' compensation, temporary wages,~~
8 ~~contracted personal services, moving expenses, payment of accumulated annual leave,~~
9 ~~certain awards to employees, tort claims, and employer's social security, retirement, and~~
10 ~~hospitalization payments; or (ii) uses for which over expenditures are permitted by~~
11 ~~subdivisions (3), (4), and (5) of this subsection but the Director of the Budget shall~~
12 ~~include such use and the reason for it in his quarterly report to the Joint Legislative~~
13 ~~Commission on Governmental Operations and to the Fiscal Research Division of the~~
14 ~~Legislative Services Office.~~

15 ~~Lapsed salary funds that become available from vacant positions are also subject to~~
16 ~~the limitation that they may not be used for new permanent employee positions or to~~
17 ~~raise the salary of existing employees.~~

18 ~~The requirements in this section that the Director of the Budget report to the Joint~~
19 ~~Legislative Commission on Governmental Operations shall not apply to expenditures of~~
20 ~~receipts by entities that are wholly receipt supported, except for entities supported by~~
21 ~~the Wildlife Resources Fund. The Director of the Budget may authorize the movement~~
22 ~~of funds from one budget purpose to another if both budget purposes are within the~~
23 ~~same subprogram of the performance budget and are within the same department. The~~
24 ~~Director of the Budget may also authorize the movement of funds from one program to~~
25 ~~another of up to five percent (5%) of the total appropriation for a program.~~

26 (b) ~~Repealed by Session Laws 1985, c. 290, s. 8, effective July 1, 1985.~~

27 (c) ~~Transfers or changes as between objects or line items in the budget of the Senate~~
28 ~~may be made by the President Pro Tempore of the Senate;~~

29 (d) ~~Transfers or changes as between objects or line items in the budget of the House~~
30 ~~of Representatives may be made by the Speaker of the House of Representatives;~~

31 (e) ~~Transfers or changes as between objects or line items in the budget of the~~
32 ~~General Assembly other than of the Senate and House of Representatives may be made~~
33 ~~jointly by the President Pro Tempore of the Senate and the Speaker of the House of~~
34 ~~Representatives.~~

35 (f) ~~As used in this section:~~

36 (1) ~~'Object or line item' means a budgeted expenditure or receipt in the~~
37 ~~budget enacted by the General Assembly that is designated by (i) a~~
38 ~~thirteen digit code in the 1000 object code series or (ii) an eleven digit~~
39 ~~code in all other object code series, in accordance with the Budget~~
40 ~~Code Structure and the State Accounting System Uniform Chart of~~
41 ~~Accounts set out in the Administrative Policies and Procedures Manual~~
42 ~~of the Office of the State Controller.~~

43 (2) ~~'Purpose or program' means a group of objects or line items for support~~
44 ~~of a specific activity outlined in the budget adopted by the General~~

~~Assembly that is designated by a nine-digit fund code in accordance with the Budget Code Structure and the State Accounting System Uniform Chart of Accounts set out in the Administrative Policies and Procedures Manual of the Office of the State Controller."~~

(e) Effective for programs for which the General Assembly enacted program budgets, G.S. 143-6 reads as rewritten:

"§ 143-6. Information from departments and agencies asking State aid.

(a) On or before the first day of September in the even-numbered years, each of the departments, bureaus, divisions, officers, boards, commissions, institutions, and other State agencies and undertakings receiving or asking financial aid from the State, or receiving or collecting funds under the authority of any general law of the State, shall furnish the Director all the information, data and estimates which he may request with reference to past, present and future appropriations and expenditures, receipts, revenue, and income.

The Director may require any department, bureau, division, officer, board, commission, institution, or other State agency or undertaking receiving or asking financial aid from the State, to submit its request for future appropriations within target levels established by the Director to reflect anticipated revenues and proposed expenditure priorities.

(b) Any department, bureau, division, officer, board, commission, institution, or other State agency or undertaking desiring to request financial aid from the State for the purpose of constructing or renovating any State building, utility, or other property development (except a railroad, highway, or bridge structure) shall, before making any such request for State financial aid, submit to the Department of Administration a statement of its needs in terms of space and other physical requirements, and shall furnish the Department with such additional information as it may request. The Department of Administration shall then prepare preliminary studies and cost estimates for the use of the requesting department, bureau, division, officer, board, commission, institution, or other State agency or undertaking in presenting its request to the Director of the Budget.

(c) On or before the first day of September in the even-numbered years, each of the departments, bureaus, divisions, officers, boards, commissions, institutions, and other State agencies receiving or asking financial aid or support from the State, under the authority of any general law of the State, shall furnish the Director with the following information:

(1) The amount of State funds disbursed in the immediately preceding two fiscal years and the purpose for which the funds were disbursed and used, the amount being requested as ~~continuation funds~~ for the upcoming fiscal year, and the justification for continued State support; and

(2) Justification for continued State support shall include information on the extent of the public benefit being derived from State support.

(d) The Office of State Budget and Management and the Director of the Budget shall provide to the General Assembly, on or before January 15 of each odd-numbered

1 year, a report that adequately and fairly presents the information required in this
2 section."

3 (f) Effective for programs for which the General Assembly enacted program
4 budgets, G.S. 143-12.1(e) reads as rewritten:

5 "(e) Budgets for vending facilities prepared under subsection (d) of this section
6 shall reflect total receipts from the facilities, and the total costs to staff, stock, and
7 operate the vending facilities, shall set out the total net proceeds, and shall ~~contain, in~~
8 ~~line item detail, contain~~ requests the departments and institutions have submitted to
9 expend the net proceeds. If a State agency or institution receives payments on account
10 of vending facilities but does not actually operate the facilities, the budget shall contain
11 a statement of the payments and shall ~~contain, in line item detail, contain~~ requests the
12 departments and institutions have submitted to expend the net proceeds."

13 (g) This section is effective upon ratification.