



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

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President

NUMBERED MEMO CC21-029

TO: Presidents
Chief Financial Officers

FROM: Elizabeth P. Grovenstein
Vice President and CFO

SUBJECT: Continuing Budget Authority in the Absence of a New State Budget

DATE: June 17, 2021

Given the ongoing work by the General Assembly on the State Budget, it is likely that a new Budget will not be in place before the end of the fiscal year. If an Appropriations Act has not been enacted into law before July 1, 2021, the State will operate under G.S. 143C-5-4, which authorizes and appropriates funds to continue the operations of State government. This legislation permits the Director of the Budget to continue to allocate funds for expenditure at a level not to exceed the recurring certified budget for the prior fiscal year.

It is expected that the Office of State Budget and Management (OSBM) will issue a guidance memorandum regarding operations and funding levels that would go into effect beginning July 1, 2021. OSBM sent similar guidance on June 27, 2019, the last time when there was not a budget in place at the end of the fiscal year.

Several items specific to community colleges would be expected in the OSBM memo, including establishing the funding level available for college operations and setting the State Retirement and State Health Plan rates. It would be expected that this funding level will be the FY 2020-21 certified appropriation minus all nonrecurring items, such as the \$41.5 million for enrollment growth that was funded with nonrecurring coronavirus relief funds.

As has been historically provided to colleges, the System Office Finance Division will provide a budget projection worksheet to colleges to estimate their FY 2021-22 budget. The most recent version of the budget projection worksheet reflecting college Spring 2021 estimated FTE was emailed on March 17, 2021. This worksheet will be updated and emailed to colleges when 2021-22 budget FTE is determined (once Spring 2021 final FTE data is available) in July. Colleges may

use this projection worksheet for budget planning purposes. If the State Budget continues to be delayed, the System Office will create a baseline budget document for State Board approval as was done in September 2019.

The System Office will continue to monitor the progress of the State Budget and will provide updated guidance to colleges as more information becomes available.