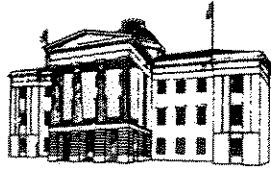


State of North Carolina



BEVERLY EAVES PERDUE
GOVERNOR

EXECUTIVE ORDER NUMBER NO. 20

ESTABLISHING BUDGET MANAGEMENT RESTRICTIONS FOR STATE AGENCIES FOR THE 2009-10 FISCAL YEAR

WHEREAS, the new fiscal year for North Carolina began July 1, 2009; and

WHEREAS, the North Carolina General Assembly has not adopted a State budget for the 2009-11 biennium; and

WHEREAS, without a State budget, State and local agencies continue to be limited in their ability to expend funds and plan for the needs of their agencies and the citizens they serve; and

WHEREAS, the State continues to experience economic and financial adversity; and

WHEREAS, it continues to be important for state agencies to reduce and prioritize expenditures; and

WHEREAS, to ensure that the State does not incur a deficit for the fiscal year covered by a budget, Article III, Sec. 5(3) of the Constitution requires the Governor to effect the necessary economies in State expenditures to keep the budget balanced.

NOW THEREFORE, by the authority vested in me as Governor by Article III, Sec. 5(3) of the Constitution of North Carolina to ensure that a deficit is not incurred in the administration of the budget for fiscal year 2009-10, **IT IS ORDERED:**

The State Budget Director and the Office of State Budget and Management (OSBM), under the Governor's direction, shall take the following steps to continue to reduce and prioritize State expenditures from funds appropriated to operate State departments and institutions:

1. OSBM shall only approve allotments for mandatory obligations, including payroll, utilities, medical supplies, financial aid, required State Aid, and debt service.

2. OSBM shall require that agency heads preapprove and report to OSBM all purchase orders for goods or services that will require the expenditure of State funds.
3. OSBM shall restrict all travel requiring the expenditure of State funds.
4. OSBM shall restrict agencies from filling vacant permanent or temporary positions, except for those for which commitments have been made prior to the date of this Order.
5. OSBM shall restrict agencies from making promotions, reallocations (position reclassifications), career-banding adjustments, in-range adjustments or other salary adjustments.

In implementing this Order, the State Budget Director and OSBM may make special exceptions for direct classroom instruction expenses, federal recovery act compliance and emergency situations related to law enforcement, health care and public safety. The State Budget Director, under the Governor's direction, shall issue any necessary directives to state agencies to implement this Order.

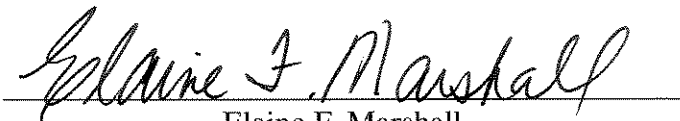
This Executive Order rescinds Executive Order No. 6, issued on January 13, 2009. This Order shall be effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-fourth day of July in the year of our Lord two thousand and nine, and of the Independence of the United States of America the two hundred and thirty-fourth.



Beverly Eaves Perdue
Governor

ATTEST:



Elaine F. Marshall
Secretary of State

