

**THE JOINT CONFERENCE COMMITTEE REPORT
ON THE
CONTINUATION, EXPANSION,
AND CAPITAL BUDGETS**

Senate Bill 402

North Carolina General Assembly

July 21, 2013

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General Fund Availability Statement

	FY 2013-14	FY 2014-15
1 Unappropriated Balance Remaining from Previous Year	213,432,877	250,510,043
2 Projected Overcollections FY 2012-13	458,483,783	0
3 Overcollections Due to Disputed MSA Payments	71,516,217	0
4 Projected Reversions FY 2012-13	225,000,000	0
5 Net Supplemental Medicaid Appropriations (S.L. 2013-56 as amended by Section 13 of S.L. 2013-184)	(308,100,000)	0
6 Less Earmarkings of Year End Fund Balance		0
7 Savings Reserve	(232,537,942)	(37,122,346)
8 Repairs and Renovations	(150,000,000)	(12,751,137)
9 Beginning Unreserved Fund Balance	277,794,935	200,636,560
10		
11 Revenues Based on Existing Tax Structure	19,628,100,000	20,549,000,000
12		
13 Non-tax Revenues		
14 Investment Income	13,700,000	14,100,000
15 Judicial Fees	250,200,000	251,400,000
16 Disproportionate Share	110,000,000	109,000,000
17 Insurance	72,500,000	73,400,000
18 Other Non-Tax Revenues	173,000,000	175,000,000
19 Highway Trust Fund/Use Tax Reimbursement Transfer	0	0
20 Highway Fund Transfer	218,100,000	215,900,000
21 Subtotal Non-tax Revenues	837,500,000	838,800,000
22		
23 Total General Fund Availability	20,743,394,935	21,588,436,560
24		
25 Adjustments to Availability: 2013 Session		
26 Reserve for Tax Simplification and Reduction Act (HB 998)	(86,600,000)	(437,800,000)
27 Repeal Certain Real Estate Conveyance Tax Earmarks	37,400,000	37,400,000
28 Repeal Certain Scrap Tire Disposal Tax Earmarks	3,475,291	3,475,291
29 Repeal Certain White Goods Management Tax Earmarks	1,217,796	1,217,796
30 Direct Portion of Solid Waste Disposal Tax to General Fund	2,300,000	2,300,000
31 Adjust Gross Premiums Tax for Volunteer Safety Workers' Workers' Compensation Fund	(3,000,000)	(3,000,000)
32 Reserve for Repeal of Education Expenses Credit (HB 269)	0	1,500,000
33 Extend Aviation Fuel Tax Refunds	(3,186,000)	0
34 Tobacco Master Settlement Agreement (MSA)	137,500,000	137,500,000
35 MSA Disputed Payments Erroneously Paid to Golden LEAF (S.L. 2011-145)	24,639,357	0
36 Repeal North Carolina Public Campaign Fund	3,500,000	0
37 Transfer from NC Flex FICA Fund Balance	6,000,000	0
38 Transfer from E-Commerce Reserve Fund Balance	5,111,585	6,000,000
39 Transfer from Misdemeanant Confinement Fund	1,000,000	1,000,000
40 Transfer from Separate Insurance Benefits Plan for Reimbursement of Premiums Paid for State Law Enforcement Officers	16,510,611	16,510,611
41 Increase Lobbyist Fees	400,000	400,000
42 Extend Local Government Hold Harmless	(7,850,000)	0
43 Certificate of Need for Certain Replacement Equipment	(150,513)	(150,513)
44 Adjust Transfer from Insurance Regulatory Fund	(560,589)	(560,589)
45 Adjust Transfer from Treasurer's Office	175,215	175,215
46		
47 Subtotal Adjustments to Availability: 2013 Session	137,882,753	(234,032,189)
48		
49 Revised General Fund Availability	20,881,277,688	21,354,404,371
50		
51 Less General Fund Appropriations	(20,630,767,645)	(20,998,801,208)
52		
53 Unappropriated Balance Remaining	250,510,043	355,603,163

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SUMMARY:

**GENERAL FUND
APPROPRIATIONS**

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Summary of General Fund Appropriations						
Fiscal Year 2013-14						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2013-14	Adjustments	Adjustments	Changes	Changes	2013-14
Education:						
Community Colleges	1,037,430,475	(33,494,580)	17,359,572	(16,135,008)	2.50	1,021,295,467
Public Education	7,984,924,757	(79,794,040)	(37,170,068)	(116,964,108)	3.00	7,867,960,649
University System	2,709,551,807	(104,723,381)	(21,780,156)	(126,503,537)	0.00	2,583,048,270
Total Education	11,731,907,039	(218,012,001)	(41,590,652)	(259,602,653)	5.50	11,472,304,386
Health and Human Services:						
Central Management and Support	54,028,354	14,840,375	4,917,400	19,757,775	(6.00)	73,786,129
Aging and Adult Services	54,443,196	(300,855)	0	(300,855)	0.00	54,142,341
Blind and Deaf / Hard of Hearing Services	8,178,618	0	0	0	0.00	8,178,618
Child Development and Early Education	259,254,083	(1,590,625)	(3,348,849)	(4,939,474)	(14.00)	254,314,609
Health Service Regulation	16,761,992	(365,935)	0	(365,935)	10.00	16,396,057
Medical Assistance	3,069,576,810	391,202,327	1,170,982	392,373,309	0.00	3,461,950,119
Mental Health, Dev. Disabilities, & Sub. Abuse Services	706,797,747	(18,660,348)	11,398,203	(7,262,145)	0.00	699,535,602
NC Health Choice	80,131,026	(12,181,866)	0	(12,181,866)	0.00	67,949,160
Public Health	156,784,502	(6,605,500)	(6,024,915)	(12,630,415)	(15.00)	144,154,087
Social Services	170,629,904	(847,818)	4,826,346	3,978,528	0.00	174,608,432
Vocational Rehabilitation	39,284,143	(510,974)	0	(510,974)	0.00	38,773,169
Total Health and Human Services	4,615,870,375	364,978,781	12,939,167	377,917,948	(25.00)	4,993,788,323
Justice and Public Safety:						
Public Safety	1,722,061,784	(32,305,599)	27,137,210	(5,168,389)	(815.70)	1,716,893,395
Judicial	458,416,996	(1,990,744)	500,000	(1,490,744)	22.00	456,926,252
Judicial - Indigent Defense	114,505,898	(3,148,634)	3,772,159	623,525	(3.25)	115,129,423
Justice	77,773,575	785,351	1,167,197	1,952,548	18.00	79,726,123
Total Justice and Public Safety	2,372,758,253	(36,659,626)	32,576,566	(4,083,060)	(778.95)	2,368,675,193
Natural And Economic Resources:						
Agriculture and Consumer Services	108,918,334	4,291,568	1,875,800	6,167,368	15.00	115,085,702
Commerce	33,469,442	9,686,416	8,072,946	17,759,362	(2.17)	51,228,804
Commerce - State Aid	59,714,814	(46,669,609)	8,678,021	(37,991,588)	0.00	21,723,226
Environment and Natural Resources	109,140,591	40,086,720	4,810,000	44,896,720	64.57	154,037,311
Labor	16,196,339	500,000	0	500,000	0.00	16,696,339
Wildlife Resources Commission	18,476,588	(4,000,000)	(2,000,000)	(6,000,000)	0.00	12,476,588
Total Natural and Economic Resources	345,916,108	3,895,095	21,436,767	25,331,862	77.40	371,247,970

**Summary of General Fund Appropriations
Fiscal Year 2013-14
2013 Legislative Session**

	Continuation Budget 2013-14	Legislative Adjustments			FTE Changes	Revised Appropriation 2013-14
		Recurring Adjustments	Nonrecurring Adjustments	Net Changes		
General Government:						
Administration	68,316,992	270,692	(1,020,659)	(749,967)	5.10	67,567,025
Auditor	11,013,547	203,921	0	203,921	2.00	11,217,468
Cultural Resources	63,626,477	(721,380)	765,048	43,668	(2.00)	63,670,145
Cultural Resources - Roanoke Island	1,058,757	(608,757)	0	(608,757)	0.00	450,000
General Assembly	52,845,390	(334,499)	(422,905)	(757,404)	(3.60)	52,087,986
Governor	5,539,743	(369,693)	0	(369,693)	0.00	5,170,050
Housing Finance Agency	9,408,417	(120,000)	(876,785)	(996,785)	0.00	8,411,632
Insurance	38,454,593	(460,589)	0	(460,589)	(9.00)	37,994,004
Insurance - Workers' Compensation Fund	2,623,654	(2,623,654)	0	(2,623,654)	0.00	0
Lieutenant Governor	444,047	231,042	6,000	237,042	3.00	681,089
Office of Administrative Hearings	4,335,464	571,241	334,938	906,179	5.00	5,241,643
Revenue	80,031,575	864,883	102,460	967,343	11.00	80,998,918
Secretary of State	11,845,185	(270,002)	0	(270,002)	(3.00)	11,575,183
State Board of Elections	5,213,445	88,928	0	88,928	1.52	5,302,373
State Budget and Management	6,951,706	500,000	0	500,000	0.00	7,451,706
State Budget and Management -- Special	49,000	(29,000)	4,892,000	4,863,000	0.00	4,912,000
State Controller	29,279,290	(568,599)	0	(568,599)	0.00	28,710,691
Treasurer - Operations	6,851,090	175,215	1,111,585	1,286,800	(1.00)	8,137,890
Treasurer - Retirement / Benefits	23,179,042	0	0	0	0.00	23,179,042
Total General Government	421,067,414	(3,200,251)	4,891,682	1,691,431	9.02	422,758,845
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	707,080,339	500,295	0	500,295	0.00	707,580,634
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	708,696,719	500,295	0	500,295	0.00	709,197,014
Statewide Reserves:						
Salary Adjustment Reserve	0	7,500,000	0	7,500,000	0.00	7,500,000
State Health Plan Contribution	0	33,500,000	0	33,500,000	0.00	33,500,000
State Retirement System Contributions	0	36,000,000	0	36,000,000	0.00	36,000,000
Judicial Retirement System Contributions	0	1,000,000	0	1,000,000	0.00	1,000,000
Eugenics Sterilization Compensation Fund	0	0	10,000,000	10,000,000	0.00	10,000,000
Severance Reserve	0	0	16,000,000	16,000,000	0.00	16,000,000
Statewide Compensation Study	0	0	1,000,000	1,000,000	0.00	1,000,000

Summary of General Fund Appropriations						
Fiscal Year 2013-14						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2013-14	Adjustments	Adjustments	Changes	Changes	2013-14
Firemen's and Rescue Squad Workers' Pension Fund	0	(820,000)	0	(820,000)	0.00	(820,000)
Information Technology Fund	6,053,142	1,417,515	1,582,485	3,000,000	0.00	9,053,142
Information Technology Reserve Fund	0	5,635,000	22,365,000	28,000,000	33.00	28,000,000
NC Government Efficiency and Reform Project	0	0	2,000,000	2,000,000	0.00	2,000,000
One North Carolina Fund	9,000,000	0	0	0	0.00	9,000,000
Unemployment Insurance (UI) Reserve	0	0	23,800,000	23,800,000	0.00	23,800,000
Reserve for Escheat Fund Global TransPark Debt Repayment	0	0	27,000,000	27,000,000	0.00	27,000,000
Reserve for Pending Legislation	0	4,000,000	0	4,000,000	0.00	4,000,000
Reserve for Voter ID	0	1,000,000	0	1,000,000	0.00	1,000,000
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Job Development Investment Grants (JDIG)	27,400,000	24,423,772	0	24,423,772	0.00	51,823,772
Subtotal Statewide Reserves	47,453,142	113,656,287	103,747,485	217,403,772	33.00	264,856,914
Total Reserves and Debt Service	756,149,861	114,156,582	103,747,485	217,904,067	33.00	974,053,928
Total General Fund for Operations	20,243,669,050	225,158,580	134,001,015	359,159,595	(679.03)	20,602,828,645
Capital Improvements						
Water Resources Projects	0	0	11,522,000	11,522,000		11,522,000
Other Capital Improvements	0	0	16,417,000	16,417,000		16,417,000
Total Capital Improvements	0	0	27,939,000	27,939,000		27,939,000
Total General Fund Budget	20,243,669,050	225,158,580	161,940,015	387,098,595	(679.03)	20,630,767,645

Summary of General Fund Appropriations						
Fiscal Year 2014-15						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2014-15	Adjustments	Adjustments	Changes	Changes	2014-15
Education:						
Community Colleges	1,037,430,475	(21,494,580)	551,572	(20,943,008)	2.50	1,016,487,467
Public Education	8,111,097,830	(66,215,430)	3,219,222	(62,996,208)	3.00	8,048,101,622
University System	2,737,874,470	(142,472,761)	4,500,000	(137,972,761)	6.00	2,599,901,709
Total Education	11,886,402,775	(230,182,771)	8,270,794	(221,911,977)	11.50	11,664,490,798
Health and Human Services:						
Central Management and Support	54,718,515	20,400,758	1,182,055	21,582,813	(6.00)	76,301,328
Aging and Adult Services	54,443,196	(100,855)	0	(100,855)	0.00	54,342,341
Blind and Deaf / Hard of Hearing Services	8,178,618	0	0	0	0.00	8,178,618
Child Development and Early Education	259,254,083	(1,590,625)	(3,348,849)	(4,939,474)	(14.00)	254,314,609
Health Service Regulation	16,761,992	(350,513)	0	(350,513)	10.00	16,411,479
Medical Assistance	3,083,576,810	524,542,281	0	524,542,281	0.00	3,608,119,091
Mental Health, Dev. Disabilities, & Sub. Abuse Services	706,797,747	(18,660,348)	16,848,589	(1,811,759)	0.00	704,985,988
NC Health Choice	80,131,026	(22,383,093)	0	(22,383,093)	0.00	57,747,933
Public Health	156,784,502	(16,818,000)	1,975,085	(14,842,915)	(175.00)	141,941,587
Social Services	170,629,904	1,102,182	4,826,346	5,928,528	0.00	176,558,432
Vocational Rehabilitation	39,284,143	(510,974)	0	(510,974)	0.00	38,773,169
Total Health and Human Services	4,630,560,536	485,630,813	21,483,226	507,114,039	(185.00)	5,137,674,575
Justice and Public Safety:						
Public Safety	1,732,859,184	(33,378,378)	(9,466,800)	(42,845,178)	(715.70)	1,690,014,006
Judicial	458,416,996	(1,990,744)	0	(1,990,744)	22.00	456,426,252
Judicial - Indigent Defense	114,505,898	(3,148,634)	0	(3,148,634)	(3.25)	111,357,264
Justice	80,773,575	1,535,351	0	1,535,351	18.00	82,308,926
Total Justice and Public Safety	2,386,555,653	(36,982,405)	(9,466,800)	(46,449,205)	(678.95)	2,340,106,448
Natural And Economic Resources:						
Agriculture and Consumer Services	108,918,334	4,991,568	1,500,000	6,491,568	15.00	115,409,902
Commerce	33,469,442	15,413,840	7,850,000	23,263,840	(3.17)	56,733,282
Commerce - State Aid	61,954,814	(50,330,047)	4,000,000	(46,330,047)	0.00	15,624,767
Environment and Natural Resources	109,220,682	48,736,554	(190,000)	48,546,554	49.57	157,767,236
Labor	16,196,339	500,000	0	500,000	0.00	16,696,339
Wildlife Resources Commission	18,476,588	(4,000,000)	0	(4,000,000)	0.00	14,476,588
Total Natural and Economic Resources	348,236,199	15,311,915	13,160,000	28,471,915	61.40	376,708,114

**Summary of General Fund Appropriations
Fiscal Year 2014-15
2013 Legislative Session**

	Continuation Budget 2014-15	Legislative Adjustments			FTE Changes	Revised Appropriation 2014-15
		Recurring Adjustments	Nonrecurring Adjustments	Net Changes		
General Government:						
Administration	68,241,992	151,584	(1,346,543)	(1,194,959)	3.10	67,047,033
Auditor	11,013,547	203,921	0	203,921	2.00	11,217,468
Cultural Resources	63,629,480	(721,380)	100,000	(621,380)	(2.00)	63,008,100
Cultural Resources - Roanoke Island	1,058,757	(608,757)	0	(608,757)	0.00	450,000
General Assembly	52,845,390	(379,499)	(831,124)	(1,210,623)	(3.60)	51,634,767
Governor	5,541,825	(369,693)	0	(369,693)	0.00	5,172,132
Housing Finance Agency	9,408,417	(120,000)	(876,785)	(996,785)	0.00	8,411,632
Insurance	38,464,213	(460,589)	0	(460,589)	(9.00)	38,003,624
Insurance - Worker's Compensation Fund	2,623,654	(2,623,654)	0	(2,623,654)	0.00	0
Lieutenant Governor	444,047	231,042	0	231,042	3.00	675,089
Office of Administrative Hearings	4,350,431	571,699	105,000	676,699	5.00	5,027,130
Revenue	80,031,575	864,883	0	864,883	11.00	80,896,458
Secretary of State	11,845,185	(270,002)	0	(270,002)	(3.00)	11,575,183
State Board of Elections	5,213,445	302,294	177,505	479,799	3.52	5,693,244
State Budget and Management	7,034,217	500,000	0	500,000	0.00	7,534,217
State Budget and Management -- Special	49,000	(29,000)	1,500,000	1,471,000	0.00	1,520,000
State Controller	29,279,290	(568,599)	0	(568,599)	0.00	28,710,691
Treasurer - Operations	6,851,090	175,215	0	175,215	(1.00)	7,026,305
Treasurer - Retirement / Benefits	23,179,042	0	0	0	0.00	23,179,042
Total General Government	421,104,597	(3,150,535)	(1,171,947)	(4,322,482)	9.02	416,782,115
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	707,080,339	16,640,940	0	16,640,940		723,721,279
Federal Reimbursement	1,616,380	0	0	0		1,616,380
Subtotal Debt Service	708,696,719	16,640,940	0	16,640,940		725,337,659
Statewide Reserves:						
Salary Adjustment Reserve	0	7,500,000	0	7,500,000	0.00	7,500,000
State Health Plan Contribution	0	89,000,000	0	89,000,000	0.00	89,000,000
State Retirement System Contributions	0	36,000,000	0	36,000,000	0.00	36,000,000
Reserve for Future Benefit Needs	0	56,400,000	0	56,400,000	0.00	56,400,000
Judicial Retirement System Contributions	0	1,000,000	0	1,000,000	0.00	1,000,000
Firemen's and Rescue Squad Workers' Pension Fund	0	(820,000)	0	(820,000)	0.00	(820,000)
Information Technology Fund	6,053,142	1,417,515	3,000,000	4,417,515	0.00	10,470,657

Summary of General Fund Appropriations						
Fiscal Year 2014-15						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2014-15	Adjustments	Adjustments	Changes	Changes	2014-15
Information Technology Reserve Fund	0	7,820,000	23,762,485	31,582,485	44.00	31,582,485
NC Government Efficiency and Reform Project	0	0	2,000,000	2,000,000	0.00	2,000,000
One North Carolina Fund	9,000,000	0	0	0	0.00	9,000,000
Unemployment Insurance (UI) Reserve	0	0	13,600,000	13,600,000	0.00	13,600,000
Reserve for Pending Legislation	0	4,500,000	0	4,500,000	0.00	4,500,000
Reserve for Voter ID	0	1,000,000	0	1,000,000	0.00	1,000,000
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Job Development Investment Grants (JDIG)	27,400,000	35,645,357	0	35,645,357	0.00	63,045,357
					0.00	
Subtotal Statewide Reserves	47,453,142	239,462,872	42,362,485	281,825,357	44.00	329,278,499
Total Reserves and Debt Service	756,149,861	256,103,812	42,362,485	298,466,297	44.00	1,054,616,158
Total General Fund for Operations	20,429,009,621	486,730,829	74,637,758	561,368,587	(738.03)	20,990,378,208
Capital Improvements						
National Guard Projects	0	0	3,250,000	3,250,000		3,250,000
Samarkand Training Facility	0	0	5,173,000	5,173,000		5,173,000
Total Capital Improvements	0	0	8,423,000	8,423,000		8,423,000
Total General Fund Budget	20,429,009,621	486,730,829	83,060,758	569,791,587	(738.03)	20,998,801,208

EDUCATION
Section F

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Public Education

GENERAL FUND

	FY 13-14	FY 14-15
Recommended Continuation Budget	\$7,984,924,757	\$8,111,097,830

Legislative Changes

A. Technical Adjustments

<p>1 Average Daily Membership (ADM)</p> <p>Revises projected ADM to reflect 6,642 more students than originally projected in FY 2013-14 and 6,636 more students than originally projected in FY 2014-15. This adjustment includes revisions to all position, dollar, and categorical allotments.</p> <p>Total revised allotted ADM for FY 2013-14 is 1,509,985, an increase of 17,192 students over FY 2012-13. Total revised allotted ADM for FY 2014-15 is 1,526,591, an increase of 16,606 students over FY 2013-14.</p>	<p>\$10,651,329</p>	<p>R</p>	<p>\$9,914,165</p>	<p>R</p>
<p>2 ADM Adjustment: Opportunity Scholarships</p> <p>Adjusts FY 2014-15 ADM to reflect the estimated decrease in public school enrollment resulting from the Opportunity Scholarship Grants authorized by Section 8.29 of this act.</p>			<p>(\$11,797,941)</p>	<p>R</p>
<p>3 Average Salaries for Certified Personnel</p> <p>Revises budgeted funding for certified personnel salaries based on actual salary data from December 2012. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.</p>	<p>(\$11,873,083)</p>	<p>R</p>	<p>(\$11,980,756)</p>	<p>R</p>
<p>4 Civil Penalties</p> <p>Increases budgeted receipts from Civil Penalties and takes a corresponding General Fund reduction to reflect one-time transfers from the Departments of Justice, Revenue and Transportation in FY 2012-13. These funds are used to support State Public School Fund requirements.</p>	<p>(\$43,030,131)</p>	<p>NR</p>		
<p>5 Sales Tax Receipts Transfer to State Public School Fund</p> <p>Increases the annual transfer from the Department of Revenue (DOR) to the State Public School Fund based on projected growth in State sales tax proceeds. This transfer was initiated in S.L. 2005-276, Current Operations and Capital Improvements Appropriations Act of 2005, in lieu of a State sales tax refund to local school administrative units (LEAs). Funds from the DOR transfer are used to support State Public School Fund requirements. The total DOR transfer will be \$51.3 million in FY 2013-14; \$52.8 million in FY 2014-15.</p>	<p>(\$5,025,426)</p>	<p>R</p>	<p>(\$6,553,965)</p>	<p>R</p>

6 Exceptional Children Headcount

(\$2,689,483) R (\$2,689,483) R

Adjusts funding budgeted for the Children With Disabilities preschool and school-age allotments to reflect actual student headcount. The continuation budget includes anticipated growth based on the projected headcount of children with disabilities. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2013 headcount and does not reduce funding per student.

B. Elimination of the LEA Adjustment

7 LEA Adjustment Elimination

\$376,124,279 R \$376,124,279 R

Eliminates the LEA Adjustment completely. The elimination is accomplished by: 1) providing additional General Fund support to lower the recurring amount of the Adjustment, and, 2) reducing specific allotments in approximately the same proportion as school districts have done the last two years in implementing the Adjustment.

8 Classroom Teachers

(\$286,433,312) R (\$245,897,168) R

Adjusts funding to school districts for guaranteed Classroom Teacher positions, modifying this allotment in approximately the same proportion that school districts had done in previous fiscal years to implement the LEA Adjustment. Nearly 70% of all funds foregone by LEAs over the last two years to comply with the Adjustment came from the Classroom Teachers and Career Technical Education Months of Employment allotments. Revised ratios for distributing guaranteed positions from this allotment are as follows:

FY 2013-14

- K: 1 teacher per 19 students
- 1-3: 1 teacher per 18 students
- 4-6: 1 teacher per 24 students
- 7-8: 1 teacher per 23 students
- 9: 1 teacher per 26.5 students
- 10-12: 1 teacher per 29 students

FY 2014-15

- K: 1 teacher per 19 students
- 1: 1 teacher per 18 students
- 2-3: 1 teacher per 17 students
- 4-6: 1 teacher per 24 students
- 7-8: 1 teacher per 23 students
- 9: 1 teacher per 26.5 students
- 10-12: 1 teacher per 29 students

9 Instructional Support Personnel

(\$16,990,590) R (\$17,186,802) R

Adjusts funding to school districts for guaranteed Instructional Support positions, modifying this allotment in approximately the same proportion that school districts had done in previous fiscal years to implement the LEA Adjustment. Nearly 5% of all funds foregone by LEAs over the last two years to comply with the Adjustment came from this allotment. \$323.0 million will be available in this allotment in FY 2013-14; \$326.1 million will be available in FY 2014-15.

10 Instructional Supplies

(\$6,919,008) R (\$7,372,550) R

Adjusts funding to school districts for Instructional Supplies, modifying this allotment in approximately the same proportion that school districts had done in previous fiscal years to implement the LEA Flexibility Adjustment. LEAs gave up over \$5 million in FY 2012-13 from this allotment to comply with the Adjustment. \$43.2 million will be available in this allotment in FY 2013-14; \$43.3 million will be available in FY 2014-15.

C. Other Public School Funding Adjustments

11 Limited English Proficiency

(\$6,000,000) R (\$6,000,000) R

Reduces the allotment for Limited English Proficiency. Of the \$6 million reduction, \$3 million is reduced to account for declining enrollment based on revised student headcount figures. \$75.3 million will be available in this allotment in FY 2013-14; \$82.0 million will be available in FY 2014-15.

12 ACT Assessments

\$7,500,000 R \$7,500,000 R

Provides a dedicated source of State funding for the administration of the ACT testing suite, which includes the ACT, PLAN, EXPLORE, and WorkKeys diagnostic assessments.

13 School Bus Replacement

(\$29,823,055) R (\$39,102,605) R

Reduces funding for school bus replacement and modifies the school bus replacement standards pursuant to Section 8.11. Currently, school buses are eligible for replacement after 20 years or 200,000 miles of service. This item modifies the mileage and age standards and appropriates sufficient funding to replace all school buses meeting the revised criteria. 539 buses will be replaced in FY 2013-14; 579 buses will be replaced in FY 2014-15. \$37.8 million will be available for this purpose in FY 2013-14; \$49.6 million will be available in FY 2014-15.

14 Stop Arm Cameras

\$690,000 R \$690,000 R

Provides funding to purchase two school bus stop arm safety cameras for all 115 LEAs in both years of the biennium. The cameras are intended to improve student safety by serving as a visible deterrent to potential stop arm violators and documenting actual violations for use in prosecution.

15 Low Wealth Supplemental Funding

(\$15,526,391) R (\$15,526,391) R

Adjusts the supplemental allotment for school districts in low wealth communities to align funding availability with actual school district eligibility. This adjustment will not reduce funding to eligible districts. In addition, Section 8.3 of this act adjusts the Low Wealth formula to provide the same amount of supplemental funding to school districts in certain low wealth counties as received in the 2012-2013 fiscal year. These local school administrative units have an average daily membership of more than 23,000 students and are in counties that also contain a base of the Armed Forces of the United States. \$213.1 million will be available in this allotment in FY 2013-14 and FY 2014-15.

FY 13-14

FY 14-15

16 Small County Supplemental Funding

(\$949,694) R (\$3,192,877) R

Reduces funding for this supplemental allotment for small counties in FY 2013-14 to align funding availability with actual school district eligibility. In FY 2014-15, this allotment is restructured to restrict eligibility to only those counties with ADM of 3,200 or less and to provide per-pupil funding on a sliding scale based on the size of the school district. LEAs made ineligible under this formula will have their allotment phased-out over a five-year period. Section 8.4 provides additional details on this change. \$44.6 million will remain in this allotment in FY 2013-14 and \$42.4 million will remain in FY 2014-15.

17 Education Value Added Assessment System (EVAAS)

\$850,000 R \$850,000 R

Increases General Fund support for EVAAS to continue expansion initially supported by receipts in FY 2012-13. That expansion enables: 1) direct access to value-added information for teachers who teach classes with an End of Course/End of Grade test, and 2) capability for users to export EVAAS data and merge it with other relevant analyses. Total EVAAS funding will be \$2.7 million.

18 EVAAS School Performance Grades

\$300,000 NR \$100,000 R

Provides funds for the data collection, analysis and calculation of school performance grades, as described in Section 9.4.

19 Teacher Assistants

(\$110,000,000) R (\$110,000,000) R
(\$10,000,000) NR

Reduces Teacher Assistants funding by 21% in FY 2013-14 and 19% in FY 2014-15 and allocates funding on the basis of student headcount in grades K-3. In FY 2013-14, \$450.8 million will remain in this allotment. In FY 2014-15, \$447.4 million will remain in this allotment.

20 Education-Based Salary Supplements

(\$18,700,000) R

Phases out education-based salary supplements in FY 2014-15 for certain education personnel not compensated for such supplements in FY 2013-14, as directed in Section 8.22.

21 Educator Effectiveness and Compensation Task Force

\$62,000 NR

Supports the costs associated with a newly established North Carolina Educator Effectiveness and Compensation Task Force, created in Section 8.31.

22 Advanced Placement/International Baccalaureate

\$1,500,000 R \$12,331,184 R

Provides support to encourage Advanced Placement (AP) and International Baccalaureate (IB) participation in all LEAs and defray student fees for AP/IB tests. FY 2013-14 funds support the creation and initial efforts of the North Carolina Advanced Placement Partnership, as prescribed by Section 8.27. FY 2014-15 funds support the Partnership and student test fees.

23 School Safety

\$9,000,000 R \$9,000,000 R

Provides \$7 million in recurring support for School Resource Officers in elementary and middle schools and \$2 million for installing and maintaining panic alarms in public schools. Sections 8.36 and 8.37 describe the rules related to the distribution of this funding.

	FY 13-14		FY 14-15	
<p>24 Career and Technical Education Test Fees Provides support to defray student fees for examinations leading to industry certifications and credentials.</p>	\$1,252,157	R	\$1,302,243	R
<p>25 Education Innovation Grants Provides support for a pilot program that will make competitive grants to foster innovation in education with a goal to graduate more career- and college-ready students. Section 8.34 details the program rules.</p>	\$2,000,000	R	\$2,000,000	R
<p>26 Cooperative and Innovative High School Allotment Provides funding for Yadkin Valley Regional Career Academy to receive Cooperative and Innovative High School allotment support.</p>	\$310,669	R	\$310,669	R
D. Pass-through Funds				
<p>27 Teach for America Provides additional State support to Teach for America (TFA), an organization that focuses on new teacher recruitment, training and placement in high-need school districts. Funds will support the establishment of a TFA program in the Triad region, growth of existing efforts in Southeastern North Carolina, targeted subject-specific recruitment, and the assumption of management responsibilities for the NC Teacher Corps program beginning in FY 2014-15. State support for TFA will total \$6 million in both years of the biennium.</p>	\$5,100,000	R	\$5,100,000	R
<p>28 Tarheel ChalleNGe Transfers funding from the Department of Public Instruction for Tarheel ChalleNGe, a National Guard program for at-risk youth, to the Department of Public Safety (DPS) budget. The State funds were transferred to DPI in 2009, but federal matching funds remain with DPS. This transfer consolidates all of the funding for Tarheel ChalleNGe in one place. A corresponding increase can be found in the Justice and Public Safety Section of this budget.</p>	(\$767,719)	R	(\$767,719)	R
<p>29 North Carolina Center for the Advancement of Teaching (NCCAT) Shifts State support for the ongoing operations of this teacher professional development provider to nonrecurring funding over the upcoming biennium while the General Assembly reviews NCCAT's progress in redesigning its activities consistent with Section 8.10.</p>	(\$3,219,222)	R	(\$3,219,222)	R
	\$3,219,222	NR	\$3,219,222	NR
<p>30 Teaching Fellows Continues the phase-out of State support for the Teaching Fellows program begun in S.L. 2011-145, Current Operations and Capital Improvements Appropriations Act of 2011. This adjustment continues the reductions initiated in the preceding biennium while preserving the prior General Assembly's intent to support obligations made to previous Fellows classes until the State's scholarship commitment is completed. Additionally, this item reduces the cash balance of the Teaching Fellows Trust Fund by \$1.3 million in FY 2013-14.</p>	(\$3,095,000) (\$1,300,000)	R NR	(\$6,190,000)	R

E. Department of Public Instruction

31 Office of Charter Schools

Adds three consultant positions to DPI's Office of Charter Schools. These positions will be used to keep pace with the increase of newly-established charter schools in North Carolina. Funds are included for salaries and benefits, travel, technology needs, and miscellaneous expenses.

\$320,000	R	\$320,000	R
3.00		3.00	

32 DPI Flexible Reduction

Reduces State support for Department of Public Instruction operations, including salaries and benefits, by 1.8%. The State Board of Education may allocate this reduction at its discretion.

(\$780,491)	R	(\$780,491)	R
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F. Excellent Public Schools Act

33 Excellent Public Schools Act

Provides additional funds to the Department of Public Instruction to carry out elements of the Excellent Public Schools Act contained in Section 7A.1 of S.L. 2012-142, except for the reading plans and workshops for parents of retained students authorized by the Act in G.S. 115C-83.1H(d).

\$5,000,000	R	\$5,000,000	R
\$13,578,841	NR		

34 Merit Pay for Teachers

Provides funds to allow superintendents to provide a \$500 annual pay raise in FY 2014-15 for each teacher opting to enter into a four-year contract based on effectiveness, pursuant to Section 9.6.

\$10,200,000	R
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Total Legislative Changes

(\$79,794,040)	R	(\$66,215,430)	R
(\$37,170,068)	NR	\$3,219,222	NR

Total Position Changes

3.00		3.00	
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Revised Budget

\$7,867,960,649		\$8,048,101,622	
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Community Colleges

GENERAL FUND

	FY 13-14		FY 14-15
Recommended Continuation Budget	\$1,037,430,475		\$1,037,430,475

Legislative Changes

A. Enrollment

35 Enrollment Model Funding Change

(\$19,893,462)	R	(\$19,893,462)	R
\$4,000,000	NR		

Modifies the community college enrollment funding model. Currently, community colleges are funded based on the higher of the prior year's actual enrollment or the three-year average enrollment. This adjustment shifts the three-year average to a two-year average, and accounts for varying enrollment among the tiered funding levels.

The State Board of Community Colleges shall allocate the \$4 million nonrecurring in FY 2013-14 to phase in the reduction for those colleges most affected by the policy change.

B. Tuition and Fees

36 Curriculum Tuition

(\$10,433,065)	R	(\$10,433,065)	R
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Increases curriculum tuition by \$2.50 per credit hour and makes a corresponding General Fund reduction in anticipation of increased tuition receipts.

Tuition will increase from \$69 to \$71.50 per credit hour for residents and from \$261 to \$263.50 for nonresidents. Tuition for full-time resident students will increase by a maximum of \$80 per year, from \$2,208 to \$2,288.

37 Continuing Education Fee

(\$664,509)	R	(\$664,509)	R
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Increases continuing education fees by \$5 per course and takes a corresponding General Fund reduction in anticipation of increased tuition receipts. The new fees will be as follows:

- Classes 1-24 hours - \$70,
- Classes 25-50 hours - \$125,
- Classes 51+ hours - \$180.

38 Senior Citizens Tuition Waiver

(\$970,000)	R	(\$970,000)	R
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Eliminates the tuition waiver found in G.S. 115D-5(b)(11) that waives tuition for up to six hours of credit instruction and one course of noncredit instruction per academic semester for senior citizens age 65 or older who are qualified as legal residents of North Carolina.

C. Performance Funding

39 Restore Management Flexibility Reduction

Provides funding to restore a portion of the management flexibility reduction. These funds will be distributed to colleges in accordance with the Community College Institutional Performance Accountability structure, as amended in Section 10.5.

\$9,000,000 R \$24,000,000 R

40 Curriculum Formula Funding

Reduces regular formula funding for curriculum instruction. These funds will instead be distributed in accordance with the Community College Institutional Performance Accountability structure, as amended in Section 10.5.

(\$7,500,000) R (\$7,500,000) R

41 Continuing Education Funding Formula

Reduces regular formula funding for continuing education instruction. These funds will instead be distributed in accordance with the Community College Institutional Performance Accountability structure, as amended in Section 10.5.

(\$1,500,000) R (\$1,500,000) R

42 Basic Skills Funding Formula

Reduces regular formula funding for basic skills instruction. These funds will instead be distributed in accordance with the Community College Institutional Performance Accountability structure, as amended in Section 10.5.

(\$3,000,000) R

D. Other State Aid Adjustments

43 Equipment

Provides funds for the purchase of instructional equipment and technology at all 58 colleges. These funds are in addition to the \$49 million included in the base budget for this purpose. Funds shall be distributed in accordance with the existing equipment formula.

\$10,000,000 NR

44 Manufacturing Solutions Center

Provides additional funding for the Manufacturing Solutions Center at Catawba Valley Community College. Total funding for this program will be \$696,922.

\$150,000 R \$150,000 R

45 Textile Technology Center

Provides additional funding for the Textile Technology Center at Gaston College. Total funding for this program will be \$503,954.

\$150,000 R \$150,000 R

46 Customized Training

Reduces the Customized Training budget on a one-time basis. Total recurring funding for the program is \$12.5 million; however, per G.S. 115D-5.1(f2), unexpended funds for the program do not revert and are instead carried forward to the next year. The total amount available for expenditure in FY 2013-14 is projected to be \$20.8 million.

(\$2,000,000) NR

47 Data Connectivity

Eliminates a portion of the recurring funding for data connectivity at each community college's main campus. Due to their concentrated buying power, community colleges were able to negotiate lower rates and these funds have remained unspent. Total funding remaining for the initiative will be \$4,986,528.

(\$647,972)	R	(\$647,972)	R
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48 BioNetwork

Reduces funds for the BioNetwork program. Total funding remaining for the program will be \$4,159,611.

(\$100,000)	R	(\$100,000)	R
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49 Botanical Laboratory

Reduces support for the categorical allotment for the botanical laboratory at Fayetteville Technical Community College. The college will continue to receive regular FTE formula funding for enrollment at the botanical laboratory, and may use other State funding allocated to it to continue the program.

(\$164,000)	R	(\$164,000)	R
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50 NC Back-to-Work: Investing in Our Workforce

Provides nonrecurring funding for a retraining program to prepare North Carolinians facing long-term unemployment for new careers, described further in Section 10.16. This program provides students with job training, employability skills, and industry-recognized, third-party credentials.

\$4,808,000	NR		
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E. Community Colleges System Office Adjustments

51 GED Program Office

Shifts \$104,266 in FY 2013-14 and \$208,533 in FY 2014-15 from the Basic Skills Block Grant to the Community Colleges System Office to administer the Adult High School and General Education Development (GED) Programs.

2.50		2.50	
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S.L. 2011-145 shifted this program's budget and the associated 2.5 positions from General Fund appropriations to receipt support from GED exam fees. Due to changes in the GED exam, these fees will no longer be paid to the System Office as of January 1, 2014. This item shifts the program budget, including two GED and Adult High School Tech positions and one-half of the Education Program Director position, back to General Fund appropriations.

52 State Board Reserve

Reduces funding for the State Board reserve, leaving \$250,000 in this reserve.

(\$250,000)	R	(\$250,000)	R
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53 System Office Advertising and Travel

Reduces the System Office budget for advertising (\$100,000) and travel (\$20,000).

(\$120,000)	R	(\$120,000)	R
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54 Audit Services

Eliminates recurring funding for the Audit Services division of the System Office. Restoration of recurring funding is subject to the results of a study by the State Board of Community Colleges in accordance with Section 10.15 of this act.

(\$551,572)	R	(\$551,572)	R
\$551,572	NR	\$551,572	NR

Total Legislative Changes	(\$33,494,580)	R	(\$21,494,580)	R
	\$17,359,572	NR	\$551,572	NR
Total Position Changes	2.50		2.50	
Revised Budget	\$1,021,295,467		\$1,016,487,467	

UNC System

GENERAL FUND

	FY 13-14		FY 14-15
Recommended Continuation Budget	\$2,709,551,807		\$2,737,874,470

Legislative Changes

A. Strategic Directions Initiative

<p>55 Administrative and Operational Efficiencies</p> <p>Reduces funding in anticipation of savings from the implementation of administrative and operational efficiencies, including:</p> <ul style="list-style-type: none"> - Shared services for residency determination, internal audit, financial aid review, and IT infrastructure; - Strategic purchasing; - Span-of-control evaluations; - Improved business practices; and - Energy efficiency measures. 	(\$10,000,000)	R	(\$15,000,000)	R
<p>56 Instructional Efficiencies</p> <p>Reduces funding in anticipation of savings from the implementation of system-wide academic programming measures, including system-wide section size guidelines and improved transferability of credits between UNC campuses.</p>	(\$15,800,000)	R	(\$21,100,000)	R
<p>57 Program Consolidation</p> <p>Reduces funding in anticipation of savings from the consolidation of small or duplicative programs within the UNC System.</p>			(\$1,900,000)	R

B. Other Adjustments

<p>58 Tuition Increases for Nonresident Undergraduate Students</p> <p>Increases tuition rates for nonresident undergraduate students beginning in FY 2014-15. Nonresident tuition rates for undergraduate degree programs will be increased by 12.3% for UNC-SA, NCA&T, UNC-CH, and UNC-W and 6% for ASU, ECU, ECSU, FSU, NCCU, UNC-A, UNC-G, UNC-P, WCU, and WSSU.</p>			(\$27,243,157)	R
<p>59 Management Flexibility Reduction</p> <p>Mandates a management flexibility reduction for the UNC operating budget. As directed in Section 11.5, the UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions.</p>	(\$65,805,042)	R	(\$73,610,344)	R
<p>60 Optional Retirement Program Forfeitures</p> <p>Reduces UNC's budget by \$4 million annually. The UNC System shall offset this reduction by replacing contributions to the Optional Retirement Program with forfeitures the Program receives under G.S. 135-5.1(b)(5).</p>	(\$4,000,000)	R	(\$4,000,000)	R

Conference Report on the Continuation, Capital, and Expansion Budget

FY 13-14	FY 14-15
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61 McNair Hall Building Reserve

(\$150,185)	R	(\$150,185)	R
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Eliminates recurring operating funds previously budgeted for an addition to McNair Hall at NCA&T State University. The McNair Hall addition was to be part of the Graduate Engineering School Project but has been cancelled.

62 UNC School of Medicine Subsidy

(\$15,000,000)	R	(\$15,000,000)	R
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Eliminates the reserve for the UNC School of Medicine.

63 Institute for Regenerative Medicine

\$7,000,000	R	\$7,000,000	R
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Transfers funds for the Institute for Regenerative Medicine at Wake Forest University from the Commerce-State Aid budget to the UNC System budget.

64 Opportunity Scholarships

		\$10,000,000	R
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Provides funds for Opportunity Scholarship Grants, as authorized by Section 8.29 of this act. The program will create scholarship grants of up to \$4,200 per year for eligible students to attend nonpublic schools. Also, the North Carolina State Education Assistance Authority is authorized to create two positions to support the requirements of the program.

2.00

65 WCU Engineering Degree Program at Biltmore Park

\$698,962	NR	\$719,844	R
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Provides funding for a general engineering degree program at Western Carolina University's Biltmore Park Town Square location in Buncombe County. Funds will help support start-up costs, four full-time equivalent positions, and ongoing program operations.

4.00

C. Financial Aid

66 Tuition Grant for NC Science & Math Graduates

(\$1,248,310)	R	(\$2,469,075)	R
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Completes the phase out of the UNC tuition grant for graduates of the North Carolina School of Science and Math (NCSSM). \$1,220,765 will remain in the budget for FY 2013-14 to pay tuition for students who graduated from NCSSM in 2010; all funding is eliminated for FY 2014-15.

67 National Board Certification Loan Program

(\$3,174,500)	R	(\$3,174,500)	R
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Reduces recurring funding for this revolving loan program for teachers pursuing certification by the National Board for Professional Teaching Standards. Total remaining recurring funding will be \$100,000. Additionally, Section 11.2 reduces the available fund balance for the program, leaving \$1,300,000 to support ongoing operations.

68 UNC Need-Based Grant Forward Funding Reserve

\$3,454,656	R	\$3,454,656	R
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Provides additional funding for the UNC Need-Based Grant Forward Funding Reserve, in order to shift the entire program to forward funding for FY 2015-16. In addition to these funds, Section 11.2 appropriates an additional \$36.6 million in FY 2013-14 and \$19.1 million in FY 2014-15 to the reserve.

\$20,882	NR
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69 UNC Need-Based Grant

Decreases General Fund support for the program on a nonrecurring basis, to offset a one-time increase from the Escheat Fund. Total funding available for scholarships in the 2013-14 academic year will remain at \$122,475,842.

(\$27,000,000) NR

70 NC Need-Based Scholarship

Provides additional nonrecurring funding for the NC Need-Based Scholarship for private college students. Total program funding for FY 2013-14 and FY 2014-15 will be \$86,351,588.

\$4,500,000 NR

\$4,500,000 NR

Total Legislative Changes

(\$104,723,381) R

(\$142,472,761) R

(\$21,780,156) NR

\$4,500,000 NR

Total Position Changes

6.00

Revised Budget

\$2,583,048,270

\$2,599,901,709

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**HEALTH
&
HUMAN SERVICES
Section G**

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Health and Human Services

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$4,615,870,375		\$4,630,560,536	

Legislative Changes

(1.0) Division of Central Management and Support

1 Office of Citizen Services Positions	(\$339,787)	R	(\$339,787)	R
Eliminates six positions associated with the elimination of the NC Care Line in S.L. 2011-145.	-6.00		-6.00	

- 60037847 Processing Assistant III
- 60037849 Community Service Consultant
- 60037850 Administrative Officer I
- 60037854 Processing Assistant V
- 60037855 Human Service Planner/Evaluator II
- 60090103 Administrative Officer I

2 Adjustment Based on Historical Transfers/Elimination of Vacant Positions	(\$2,287,280)	R	(\$2,287,280)	R
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Reduces funds based on transfers from the Division of Central Management to the Division of Medical Assistance. In FY 2010-11 approximately \$3.7 million was transferred from lapsed salary, contracts and Division of Information and Resource Management (DORM) administration accounts. In FY 2011-12 approximately \$2.7 million was transferred from lapsed salary and indirect cost accounts. These funds were transferred to the Division of Medical Assistance to cover Medicaid shortfalls in both years. In order to achieve this reduction, the Secretary may exercise the authority provided in Section 12A.1 to eliminate vacant positions throughout the Department.

3 North Carolina Families Accessing Services Through Technology (NC FAST)

Provides funds to match federal receipts and continue the development and implementation of NC FAST.			\$864,655	NR
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4 Department of Justice Settlement Agreement	\$3,834,275	R	\$9,394,658	R
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Provides funds pursuant to the agreement between the State and the U.S. Department of Justice to develop and implement housing, support, and other services for people with mental illness. The funds will be used to provide services to an additional 150 people in FY 2013-14 and up to 708 people in FY 2014-15.

5 Medicaid Management Information System (MIMS)

Directs the Department to use prior-year earned revenue to fund this system.

- FY 2013-14: \$9,658,152 NR
- FY 2014-15: \$1,666,625 NR

	FY 13-14		FY 14-15	
<p>6 Medication Assistance Program</p> <p>Provides funding for the Medication Assistance Program (MAP). MAP assists uninsured, low-income people in obtaining free prescription drugs.</p>	\$1,704,033	R	\$1,704,033	R
<p>7 NC MedAssist Program</p> <p>Provides funding to award a grant to the NC MedAssist Program to expand the capacity of its statewide pharmacy program which serves uninsured and low-income persons.</p>	\$400,000	R	\$400,000	R
<p>8 DHHS Competitive Block Grant for Non-Profits</p> <p>Provides funds for historically funded non-profits for FY 2013-14. The Department is directed to create a competitive block grant process for the appropriation of these funds beginning in FY 2014-15. In addition to the state funds, Social Services Block Grant funds are appropriated for non-profits for FY 2013-14 in the amount of \$3,852,500 for a total appropriation of \$13,699,034.</p>	\$9,529,134 \$317,400	R NR	\$9,529,134 \$317,400	R NR
<p>9 Supplemental Short-Term Assistance for Group Homes</p> <p>Appropriates funds for one year for group home residents who were determined to be ineligible for Medicaid personal care services on or after January 1, 2013. The maximum monthly payment is set at \$464.30 and is based on providing 33 hours of service per eligible recipient. Group homes may only use these funds to provide supervision and medication management to residents who meet the required eligibility criteria. Funds for this purpose are capped at a maximum amount of \$4,600,000 and will end upon the implementation of a tiered State-County Special Assistance Block Grant program or upon depletion of the funds.</p>	\$4,600,000	NR		
<p>10 Statewide Telepsychiatry Program</p> <p>Provides funds to establish a statewide telepsychiatry program to provide consultant services as an alternative to alleviate hospital emergency department wait times, involuntary commitments, and local law enforcement involvement in the transport of patients who have been involuntarily committed, especially in rural and medically underserved areas. The funds are provided to the Office of Rural Health and Community Care to be used to establish and administer the program and to purchase telepsychiatry equipment for the State-owned facilities.</p>	\$2,000,000	R	\$2,000,000	R

(2.0) Division of Child Development and Early Education

11 Regulatory Positions Shifted from State to Federal Funding (\$900,000) R (\$900,000) R
 Transfers \$604,541 in salaries and \$204,962 in benefits for 14 positions as well as \$90,497 in operating costs to receipt support by utilizing the Child Care Development Fund block grant. The Child Care Regulatory fund has \$1.5 million remaining in state appropriations. The following positions are affected:

- 60038736 Child Day Care Specialist
- 60038746 Child Day Care Specialist
- 60038747 Child Day Care Specialist
- 60038610 Child Day Care Specialist
- 60038743 Child Day Care Specialist
- 60038742 Child Day Care Specialist
- 60038735 Child Day Care Specialist
- 60038741 Child Day Care Specialist
- 60038745 Child Day Care Specialist
- 60038734 Child Day Care Specialist
- 60038739 Child Day Care Specialist
- 60038749 Child Day Care Specialist
- 60038730 Child Day Care Specialist
- 60038835 Program Assistant V

-14.00

-14.00

12 Seat Management Funding Elimination (\$38,125) R (\$38,125) R
 Eliminates funding for seat management, the outsourcing of management of workstation capabilities for employees, including hardware and software.

13 Adjustments Based on Historical Transfers (\$652,500) R (\$652,500) R
 Reduces funds based on transfers from the Division of Child Development and Early Education to the Division of Medical Assistance. In FY 2011-12 approximately \$870,000 was transferred from lapsed salary, contracts and administrative services to the Division of Medical Assistance to cover the Medicaid shortfall.

14 Pre-K Slots
 Provides \$12,400,000 additional funding from lottery receipts to add 2,500 slots for Pre-K. These additional slots bring the total available Pre-K slots to 27,500.

15 TANF Funds for Child Care Subsidy (\$5,111,251) NR (\$3,348,849) NR
 Replaces general fund appropriation for child care subsidy with Temporary Assistance for Needy Families (TANF) block grant carryforward funds on a non-recurring basis.

16 Replace Child Care Subsidy Funds Needed For Quality Initiatives \$1,762,402 NR
 Replaces federal Child Care Development Fund block grant subsidy funds, that by federal requirements are needed for Quality and Availability Initiatives, with general fund appropriation. This ensures that the funding for child care subsidy in FY 2013-14 is the same in total as was available from all sources in FY 2012-13.

(4.0) Division of Social Services

17 Seat Management Funding Elimination

(\$606,695) R (\$606,695) R

Eliminates funding for seat management, the outsourcing of management of workstation capabilities for employees, including hardware and software.

18 Adjustment Based on Historical Transfers

(\$1,875,000) R (\$1,875,000) R

Reduces funds based on historical transfers from the Division of Social Services to the Division of Medical Assistance. In FY 2010-11 \$9.7 million was transferred from contracts, unused adoption and foster care services funding, and other administrative funds. In FY 2011-12 the division transferred approximately \$15.3 million. Of this amount approximately \$4.5 million was from unspent foster care and adoption services funding, \$600,000 from lapsed salary, \$1 million in contracts, and \$4 million from non-recurring revenue from prior year earned revenue, indirect costs and prior year audit and adjustments. The remaining funds came from administration, including seat management. Some of the historical transfers are reduced in the seat management and contract and administrative reduction items. Foster Care and Adoption services funding was reduced in the continuation budget.

19 Contract and Administrative Savings

(\$1,066,123) R (\$1,066,123) R

Eliminates funds for the Child Welfare Multiple Response System (MRS) Conference that trained county staff on MRS. The conference is no longer needed as MRS has been implemented statewide. Also eliminates funds for the forms and supply warehouse that is no longer needed as the warehouse has closed. The remaining reduction is from administration and internet billing costs.

20 Federal Funds for County Child Welfare Services Replacement

\$4,826,346 NR \$4,826,346 NR

Provides funds to partially replace federal funding for child welfare administration due to a change in the application of federal policy. The State supports county DSS agencies at an overall rate of 31% of the non-federal share of their county budgets for public assistance and service programs. This appropriation replaces 33% of the lost federal funding on a nonrecurring basis to support the counties while the North Carolina Families Accessing Services through Technology (NCFAST) information system is being developed and implemented. Once fully implemented, NCFAST is projected to save administrative costs for counties.

21 NC Reach - Child Welfare Postsecondary Education

\$200,000 R \$400,000 R

Provides funds to support 10% growth each year of the biennium for NC Reach, which provides funds for former foster care youth who have aged out of foster care and children adopted after age 12 who attend college within the UNC and Community College systems. There is currently no waiting list for this service. Expenditure growth rate from FY 2010-11 to FY 2011-12 was 10%. No additional funding was available for FY 2012-13. NC Reach funding is the payer of last resort and covers items such as books, supplies, transportation, and room and board not covered by other funding sources.

22 Adoption Promotion Fund

\$1,500,000 R \$1,500,000 R

Provides funds to support adoptions through reimbursements to private nonprofit organizations to support adoption programs and provide financial incentive to county departments of social services to complete adoptions above an established baseline.

23 Permanency Innovation Initiative Fund

\$1,000,000 R \$2,750,000 R

Provides funds to support the Permanency Innovation Initiative Fund that will improve permanency outcomes for children living in foster care, improve engagement with biological relatives of children in or at risk of entering foster care, and reduce costs associated with maintaining children in foster care.

(6.0) Division of Vocational Rehabilitation

24 Independent Living Program Administration Reduction

(\$10,000) R (\$10,000) R

Reduces the administrative budget for the Independent Living Program.

25 Vocational Rehabilitation Services Administration Funding

(\$102,236) R (\$102,236) R

Replaces General Fund appropriations budgeted for administrative expenses in the Vocational Rehabilitation Basic Support program with program receipts.

26 State Funding in the Assistive Technology Program Replaced

(\$98,738) R (\$98,738) R

Replaces the General Fund appropriation in the Assistive Technology Program with program receipts.

27 Historical Transfers to Medicaid

(\$300,000) R (\$300,000) R

Reduces funding based on transfers from the Division of Vocational Rehabilitation to the Division of Medical Assistance. In FY 2011-12 approximately \$845,000 was transferred from indirect costs funds to the Division of Medical Assistance to cover the Medicaid shortfall.

(7.0) Division of Aging and Adult Services

28 Seat Management Funding Elimination

(\$855) R (\$855) R

Eliminates funding for seat management within the Division. The Department discontinued outsourcing management of its workstation capabilities including hardware and software.

29 Adjustment Based on Historical Transfers

(\$300,000) R

(\$300,000) R

Reduces funding based on transfers from the Division of Aging and Adult Services to the Division of Medical Assistance. In FY 2011-12 approximately \$470,000 was transferred from lapsed salary and administration accounts to the Division of Medical Assistance to cover the Medicaid shortfall.

30 Long-Term Care Ombudsman

\$200,000 R

Replaces lost federal receipts and maintains the current level of service. In the FY 2011-13 budget, General Fund support for the Long-Term Care Ombudsman was replaced with federal civil monetary penalties receipts. Since then, the Centers for Medicare and Medicaid Services (CMS) has restricted the use of those federal receipts for this purpose.

(8.0) Division of Public Health

31 Early Intervention - Children's Developmental Services Agencies

(\$10,000,000) R

Reduces FY 2013-14 funding to the Division of Public Health based on historical transfers to the Division of Medical Assistance. In FY 2010-11, approximately \$17.1 million was transferred from lapsed salary, administration, and contract accounts to address the Medicaid shortfall. In FY 2011-12, approximately \$17.4 million was transferred. Of the amounts transferred, over half was lapsed salary and other unspent funds budgeted to the Early Intervention Branch.

(\$8,000,000) NR

-160.00

Eliminates 160 CDSA positions, effective July 1, 2014. In implementing the position eliminations, the Division is authorized to close up to 4 of the 16 CDSAs. However, the Division shall retain the Morganton CDSA and make it a priority to maintain the CDSAs that have the highest caseloads of children who reside in rural or medically underserved areas of the State.

32 AIDS Drug Assistance Program (ADAP) Drug Purchases

(\$8,000,000) R

(\$8,000,000) R

Reduces ADAP funding to more accurately reflect current spending levels. ADAP provides pharmaceuticals to financially-eligible persons with AIDS. There are currently two ADAP funding sources: federal Ryan White CARE Act and State appropriations. Due to increased FY 2013-14 federal ADAP receipts, the amount of funds remaining for ADAP pharmaceutical purchases after the \$8 million reduction is anticipated to be \$5 million more than the FY2012-13 budget.

33 Oral Health Section

(\$637,500) R

(\$850,000) R

Eliminates 15.0 positions in the Oral Health Section, effective October 1, 2013.

-15.00

-15.00

34 Autopsy Fee Receipts

(\$220,000) R

(\$220,000) R

Reduces the General Fund appropriation and budgets increased autopsy fee receipts. Effective August 1, 2013, the autopsy fee increases from \$1,000 to \$1,250.

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<p>35 State Public Health Laboratory Provides funding for the State Public Health Laboratory to offset receipts lost due to FY 2010-11 Medicaid provider rate reductions.</p>	\$1,052,000	R	\$1,052,000	R
<p>36 NC Tobacco Use Quitline Provides funds to continue the operation of the North Carolina Tobacco Use Quitline (NC Quitline). NC Quitline provides free tobacco cessation services and treatment for NC residents.</p>	\$1,200,000	R	\$1,200,000	R
<p>37 High Risk Maternity Clinic Provides funds for the East Carolina University High Risk Maternity Clinic.</p>	\$375,000	NR	\$375,000	NR
<p>38 Maternity Homes Provides funds for maternity homes.</p>	\$925,085	NR	\$925,085	NR
<p>39 Nurse-Family Partnership Provides funds to the Nurse-Family Partnership for intensive home visiting services.</p>	\$675,000	NR	\$675,000	NR
(9.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services				
<p>40 LME/MCO Administration Reduces funds provided for Local Management Entities (LME)/Managed Care Organizations (MCO) administration funding formula. The LME/MCO transition phase will be fully implemented by July 1, 2013 resulting in savings to the General Fund.</p>	(\$15,228,245)	R	(\$15,228,245)	R
<p>41 Gambling Fund Balance Budgets accumulated lottery budget receipts transferred to the Division for gambling addiction education and treatment programs. This reduction is not anticipated to affect the level of services provided.</p>	(\$416,264)	NR		
<p>42 Adult and Drug Abuse Treatment Centers (ADATC) Reduces the budget for each ADATC by 12 percent:</p> <p style="margin-left: 20px;">R.J. Blackley ADATC (1,667,037) Walter B. Jones ADATC (1,493,983) Julian F. Keith ADATC (1,757,337)</p>	(\$4,918,357)	R	(\$4,918,357)	R
<p>43 NC High School Athletic Association (NCHSAA) Transfers the special appropriation to the Division of Central Management and Support to disburse the funds to NCHSAA in FY 2013-14. Beginning in FY 2014-15, the funds shall be budgeted for the performance-based, competitive block grant process, for which NCHSAA would be eligible to apply.</p>	(\$332,491)	R	(\$332,491)	R

44 Broughton Hospital Beds

Realigns the Division's base budget to transfer \$3,513,000 recurring from Fund Code 1910 - Reserves and Transfers to Fund Code - 1561 Broughton Hospital to open 19 additional adult psychiatric care beds. These funds were originally appropriated by S.L. 2012-142 for this purpose but contingent upon the status of the Medicaid budget. Due to the contingency, FY 2012-13 funds were placed in the reserve account and then transferred to Budget Code 14445 to address the Medicaid budget shortfall. In the Division's FY 2013-15 continuation budget, the funds remain in Fund Code 1910.

45 Three-Way Contracts

Realigns the Division's base budget to transfer \$9 million recurring from Fund Code 1910 - Reserves and Transfers to Fund Code 1464 - Crisis Services to increase the number of three-way contract community hospital beds available to Local Management Entities/Managed Care Organizations. These funds were originally appropriated by S.L. 2012-142 for this purpose but contingent upon the status of the Medicaid budget. Due to the contingency, FY 2012-13 funds were placed in the reserve account and then transferred to Budget Code 14445 to address the Medicaid budget shortfall. In the Division's FY 2013-15 continuation budget, the funds remain in Fund Code 1910.

In addition to increasing the number of beds which may be purchased, the Department shall develop and implement a two-tiered payment system for the three-way contracts. The two-tiered system shall provide an enhanced payment for inpatients assessed at higher acuity levels. The enhanced payment rate shall not exceed the lowest average cost per patient bed day among the three State psychiatric hospitals.

46 New Broughton Hospital

Provides funds to purchase medical equipment, furniture, and information technology infrastructure for the new, expanded Broughton Hospital scheduled to open in December 2014.

\$11,510,467	NR	\$16,598,589	NR
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47 NC Child Treatment Program

Provides funds for the statewide implementation of the NC Child Treatment Program. Funds will be used to provide clinical training to Medicaid-certified physicians, child trauma treatment services, and to develop an online database system.

\$1,818,745	R	\$1,818,745	R
\$250,000	NR	\$250,000	NR

48 Controlled Substances Reporting System

Provides funds to redesign the Controlled Substances Reporting System (CSRS) to shorten the amount of time in which dispensers report information to the CSRS, as provided in G.S. 90-113.73(a).

\$54,000	NR
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(10.0) Division of Health Service Regulation

49 Adjustment Based on Historical Transfers

(\$300,000) R (\$300,000) R

Establishes a recurring reduction in the Division of Health Service Regulation at the level of historical transfers made to cover Medicaid shortfalls. Approximately \$600,000 was transferred to the Division of Medical Assistance in FY 2010-11; approximately \$800,000 was transferred to the Division of Medical Assistance in FY 2011-12.

50 Certificate of Need Exemption for Main Campus Replacements

(\$150,513) R (\$150,513) R

Receipts from Certificate of Need (CON) fees will be reduced based on the exemption of hospitals from CON when replacing or improving of capital assets on the main campus.

51 Increase in Staffing Positions for Health and Safety Inspections

\$84,578 R \$100,000 R

Provides additional operating funds for 10 additional positions in the Acute and Home Care Licensure Section to investigate complaints, conduct surveys for uncredentialed hospitals and monitor abortion clinics on an annual basis. Total costs in FY 2013-14 are \$845,776, with \$761,198 in receipts resulting in an increased appropriation of \$85,578. In FY 2014-15 total costs are \$1,000,000, receipts \$900,000 and appropriations \$100,000.

10.00 10.00

(11.0) Division of Medical Assistance

52 Health Homes for the Chronically Ill

(\$3,757,682) NR

Reflects the last quarter of increased federal match under the Health Homes for the Chronically Ill program for qualified care management per member per month expenditures. Includes an enhanced federal match for all Medicaid care management payments for recipients with comorbid conditions including a chronic health condition and severe and persistent mental health conditions paid through September 30, 2013.

53 Report Separately Payments to CCNC and CCNC Providers

\$59,340,923 R \$62,046,013 R

Establishes a separate budget item for per member per month payments to the North Carolina Community Care Network for care management activities and to Community Care North Carolina (CCNC) physicians for CCNC activities for reporting and tracking purposes. The respective amounts are:

FY 2013-14	Total Requirements	State Funds
Care Management	\$125,800,000	\$44,000,000
Provider Payments	\$ 43,800,000	\$15,300,000
FY 2014-15		
Care Management	\$131,600,000	\$46,100,000
Provider Payments	\$ 45,700,000	\$16,000,000

54 Physician Expenditures Adjustment to Appropriately Report CCNC Payments

(\$59,340,923) R (\$62,046,013) R

Establishes a separate budget item for per member per month payments to the North Carolina Community Care Network for care management activities and to Community Care North Carolina (CCNC) physicians for CCNC activities for reporting and tracking purposes. The respective amounts are:

FY 2013-14	Total Requirements	State Funds
Care Management	(\$125,800,000)	(\$44,000,000)
Provider Payments	(\$ 43,800,000)	(\$15,300,000)
FY 2014-15		
Care Management	(\$131,600,000)	(\$46,100,000)
Provider Payments	(\$ 45,700,000)	(\$16,000,000)

55 Hospital Provider Assessment

(\$52,000,000) R (\$52,000,000) R

Effective July 1, 2013 the hospital provider assessment plan will be modified so the State's retention will be 25.9% of the total assessment paid by hospitals instead of a stated amount of \$43,000,000.

56 Hospital Base Rates

\$0 R \$0 R

Recalibrate the hospital inpatient payment system so that the base rates will be regionally set for all hospitals in that region to eliminate the disparity in rates for the same services between hospitals that exist in the current system. Hospital inpatient services are paid based on a diagnosis related group (DRG) system. There are 746 DRG's in the Medicaid program that represent classifications of services provided during an inpatient hospitalization. Each of the 746 DRG's has a weight that represents the relative resources required for services related to that diagnosis, recipient age, sex and the presence of complications or comorbidities. Hospital payment is determined by applying a base rate, unique to each hospital, to the DRG weight. The hospital base rates were developed using each hospital's costs in 1994. Changes to these base rates have only occurred when the General Assembly has approved an increase or decrease in rates. DHHS will work with hospitals to identify appropriate regional differences and define regional definitions.

57 Medicaid Copays

(\$3,308,100) R (\$4,962,150) R

Increases nominal copays for eligible Medicaid services to the maximum allowed by the Centers for Medicare and Medicaid Services (CMS) effective November 1, 2013. Services that are excluded from copays by CMS are medical emergency services, family planning services, "preventative" services for children and pregnancy-related services. All nominal copays will be capped at the maximum allowed by CMS at June 30, 2013.

58 Medicaid Contract Reductions

\$0 R (\$2,016,771) R

Adjusts contract expenditures in the second year of the biennium to reflect a reduced cost of operation and adjudication of claims related to the new Medicaid Management Information System that will be implemented July 1, 2013.

59 Hospital Outpatient Payments at 70% of Costs

(\$23,122,268) R (\$48,002,826) R

Reduces interim outpatient payments to hospitals to reflect the impact of reducing the settlement to 70% of costs effective January 1, 2014. Hospitals are currently paid for outpatient services at 80% of costs.

60 Cost Savings Through Drug Adjustments

(\$14,616,627) R (\$30,185,714) R

Requires Department to implement payment reforms to achieve savings, with changes to be effective January 1, 2014. Currently, brand drugs are paid at Wholesale Acquisition Cost (WAC) plus 6% and Generic drugs are paid at 195% of the State Medicaid Average Costs (SMAC). WAC mark up will be adjusted 1% and SMAC mark up to 150%. Dispensing fees for brand drugs will be reduced to \$2.

61 Shared Savings Plan

(\$26,924,941) R (\$44,710,352) R

Establishes a 3% withhold on selective services effective January 1, 2014. Services subject to the withhold include inpatient hospital, physician (excluding primary care physicians until January 1, 2015), dental, optical services and supplies, podiatry, chiropractors, hearing aids, personal care services, nursing homes, adult care homes and drugs. DHHS will work with providers to develop a shared savings plan that will be implemented by January 1, 2015 that will include incentives to provide effective and efficient care that results in positive outcomes for Medicaid recipients. In FY 2013-14 the State share of the amount withheld will be \$14.7 million. This represents a total impact of \$41.9 million in provider payments, including both the State and federal shares. In FY 2014-15 the State share of the withhold will be \$30.6 million, providers will be eligible for shared savings that are projected to total \$8.9 million and the impact of the shared savings plan on expenditures is projected to be \$15.1 million.

62 Rehabilitation Services Limitation

(\$2,748,350) R (\$5,651,495) R

Limits adult rehabilitative services for set up and training to three visits per year, effective January 1, 2014.

63 Physician Office Visits Limitation

(\$3,676,525) R (\$7,560,122) R

Reduces the limit on office visits for adults from 22 visits a year to 10 visits a year effective January 1, 2014. Prior authorization will be required for medically necessary visits in excess of 10 per year. Recipients with chronic conditions will be exempted from this limitation.

64 Medicaid Rate Methodologies Modification for Acquired Providers

Modifies Medicaid rate methodologies to ensure that rates paid to hospital or physician providers that were acquired, merged, leased or managed after December 31, 2011 will not exceed rates that would have been paid if the provider had not been acquired, merged, leased or managed.

65 Rate Freeze for Services Subject to Automatic Increases

(\$17,165,653) R (\$26,567,409) R

Freezes rates for hospital outpatient services and other rates that contain an inflation or increase factor not specifically approved by the General Assembly at the rate in effect June 30, 2013. Interim hospital outpatient services percentage of cost will be adjusted to compensate for expected inflation for which hospitals would be eligible. The cost settlement will be limited to that percentage. Nursing direct care services will continue to receive case mix index increases after June 30, 2013. Federally Qualified Health Centers, Rural Health Centers, State Operated services, Hospice, Part B and D Premiums, third party and HMO premiums, drugs, Critical Access Hospitals and MCO capitation payments are excluded.

66 Medicaid Rebase

\$434,000,000 R \$557,000,000 R

Provides Medicaid funding for the continuation of the program at the current level, adjusted for changes in enrollment, mix of enrollment, consumption, new service and new policy. Additionally, the rebase includes the impact of changes in federal match (FMAP), annualization of reductions not fully implemented during FY 2012-13 and the extension of Medicaid to the former foster care children until age 26 beginning January 1, 2014.

67 Provider Cost Settlements

\$18,000,000 R \$18,000,000 R

Increases funding for Medicaid cost settlements to provide for the growth in Medicaid recipients and the cost of serving Medicaid recipients for those providers whose payments are cost settled after the providers fiscal year. Providers that are cost settled include hospitals, skilled nursing facilities, and Intermediate Care for the Mentally Retarded facilities (ICF-MRs).

68 Contracts

\$11,000,000 R \$11,000,000 R

Provides funding for Medicaid contracts that ensure the appropriate level of medical service is provided, including contracts that provide prior authorization, utilization reviews and assessments of individuals receiving medical care. This increase is due to estimated increases in the Medicaid population being served. Funding is also provided for the asset verification contract which will ensure Medicaid recipients are within the asset limit for eligibility determination purposes.

69 "Woodwork" and Affordable Care Act

\$49,684,791 R \$114,119,120 R

Provides funding for expenditures for new Medicaid recipients. Even though North Carolina has decided not to expand Medicaid eligibility under the Affordable Care Act (ACA) effective January 1, 2014, 69,683 new enrollees are expected to join Medicaid in FY 2013-14 and 72,426 are expected to join in FY 2014-15 as a result of provisions contained in the ACA related to penalties for non-coverage and outreach efforts.

70 Transfer of Health Choice Children

\$22,080,000 R \$46,080,000 R

Transfers all children under 133% of the Federal Poverty Level beginning January 1, 2014 in accordance with the Affordable Care Act which requires they be covered under Medicaid instead of Health Choice. Provides funding for the increase in costs that will be incurred as a result of these recipients being eligible for broader benefits under Medicaid than they had when covered under Health Choice. In FY 2013-14 there will be about 51,000 recipients impacted. The State will retain the State Children's Health Insurance Program federal match instead of the traditional Medicaid federal match. There is a partial offset in Health Choice for this amount.

71 MMIS Implementation Costs

\$4,828,664 NR

Provides funding to implement manual processes to ensure the appropriate payment of claims by hiring temporary staff or through external contracts. The new Medicaid Management Information System (MMIS) for the adjudication of claims is scheduled to be implemented July 1, 2013. The new system will not contain all of the functionality of the current MMIS.

72 Community Care of North Carolina Study

\$100,000 NR

Provides funding for a study to determine whether the Community Care of North Carolina model saves money and improves health outcomes. This was recommended by the State Auditor in the January 2013 performance audit of the Medicaid Program. Total funding available for the study is \$200,000 as the State funds may be used to match federal Medicaid administrative funds.

(12.0) NC Health Choice

73 Transfer of Health Choice Children

(\$12,348,000) R (\$25,480,000) R

Reduces funds by transferring children to Medicaid. Beginning January 1, 2014 the Affordable Care Act requires all children under 133% of the Federal Poverty Level be covered under Medicaid instead of Health Choice. In FY 2013-14 there will be about 51,000 recipients impacted and the State will retain the State Children's Health Insurance Plan federal match instead of the traditional Medicaid federal match.

74 Contract Budget Adjustment

(\$2,800,000) R (\$2,800,000) R

Reduces Health Choice contract expenditures to actual amounts.

75 Rate Freezes for Services Subject to Automatic Increases

(\$1,265,912) R (\$1,405,614) R

Freezes rates for hospital outpatient services and other rates that contain an inflation or increase factor not specifically approved by the General Assembly at the rate in effect June 30, 2013. Hospital outpatient services percentage of cost will be adjusted to compensate for expected inflation for which hospitals would be eligible. Cost settlement will be limited to that percentage. Federally Qualified Health Centers, Rural Health Centers, State Operated services, Hospice, Part B and D Premiums, third party and HMO premiums, drugs, Critical Access Hospitals and MCO capitation payments are excluded.

76 Shared Savings Plan

(\$881,640) R (\$1,787,957) R

Establishes a 3% withhold on selective services effective January 1, 2014. Services subject to the withhold include inpatient hospital, physician services (excluding primary care until January 1, 2015), dental, optical services and supplies, podiatry, chiropractors, hearing aids, personal care services, nursing homes, adult care homes and drugs. DHHS will collaborate with providers to develop and implement a shared savings plan that will be implemented by January 1, 2015 to provide incentives for effective and efficient care that results in positive outcomes for Medicaid recipients.

77 Cost Savings Through Drug Adjustments

(\$697,597) R (\$1,334,600) R

Requires Department to implement payment reforms to achieve savings, with changes to be effective January 1, 2014. Currently, brand drugs are paid at Wholesale Acquisition Cost (WAC) plus 6% and Generic drugs are paid at 195% of the State Medicaid Average Costs (SMAC). WAC mark up will be adjusted 1% and SMAC mark up to 150%. Dispensing fees for brand drugs will be reduced by \$1.

78 Physician Expenditures Adjusted to Appropriately Report CCNC Payments

\$2,557,144 R \$2,699,001 R

Establishes a separate budget for per member per month payments to the North Carolina Community Care Network for care management activities and to Community Care North Carolina (CCNC) physicians for CCNC activities for reporting and tracking purposes. The respective amounts are:

	Total Requirements	State Funds
FY2013-14		
CCNC Care Management	\$5,800,000	\$1,400,000
Provider Payments	\$4,500,000	\$1,100,000
FY 2014-15		
CCNC Care Management	\$6,100,000	\$1,500,000
Provider Payments	\$4,700,000	\$1,200,000

79 Physician Expenditures Adjustment to Appropriately Report CCNC Payments

(\$2,557,144) R (\$2,699,001) R

Establishes a separate budget for per member per month payments to the North Carolina Community Care Network for care management activities and to Community Care North Carolina (CCNC) physicians for CCNC activities for reporting and tracking purposes. The respective amounts are:

	Total Requirements	State Funds
FY2013-14		
CCNC Care Management	(\$5,800,000)	(\$1,400,000)
Provider Payments	(\$4,500,000)	(\$1,100,000)
FY 2014-15		
CCNC Care Management	(\$6,100,000)	(\$1,500,000)
Provider Payments	(\$4,700,000)	(\$1,200,000)

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80 Health Choice Rebase

\$6,176,522	R	\$11,178,930	R
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Provides Health Choice funding to continue of the program at the current level, adjusted for changes in enrollment, mix of enrollment, consumption, new services and new policy. Additionally, the rebase includes the impact of changes in federal match (FMAP), annualization of reductions not fully implemented during FY 2012-13.

81 Cost Settle Hospital Outpatient Services to 70% of Cost

(\$365,239)	R	(\$753,852)	R
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Reduces interim outpatient payments to hospitals to reflect the impact of reducing the settlement to 70% of costs effective January 1, 2014. Hospitals are currently paid for outpatient services at 80% of costs.

Total Legislative Changes

\$364,978,781	R	\$485,630,813	R
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\$12,939,167	NR	\$21,483,226	NR
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Total Position Changes

-25.00		-185.00	
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Revised Budget

\$4,993,788,323		\$5,137,674,575	
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**NATURAL
&
ECONOMIC
RESOURCES
Section H**

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Agriculture and Consumer Services

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$108,918,334		\$108,918,334	

Legislative Changes

Department-wide

1 Management Flexibility Reserve

Reduces operational support to encourage increased efficiency. The reduction equates to a 1.5% operating reduction from the Department's continuation budget in FY 2013-14 and 1.4% operating reduction in FY 2014-15.

(\$1,500,000)	R	(\$1,500,000)	R
(\$125,000)	NR		

Food & Drug

2 Food Compliance Officer Position

Provides funding to support a new position in the Food and Drug Division to improve the compliance inspection process in the Grade "A" Milk program.

\$64,338	R	\$64,338	R
\$800	NR		
1.00		1.00	

Forest Service

3 Forest Service Operational Support/Aircraft Maintenance

Provides an additional \$350,000 in recurring funding for operational support. Of the recurring funds provided, the Department shall establish an administrative position whose primary responsibility will be the collection of Forest Service receipts.

\$350,000	R	\$350,000	R
\$500,000	NR		
1.00		1.00	

This section also provides a nonrecurring appropriation of \$500,000 in FY 2013-14 for aircraft maintenance.

Markets

4 Additional Marketing Funding

Provides an additional \$1.5 million recurring to expand domestic and international marketing initiatives to support North Carolina agricultural products. The Department shall also use the additional funds to support the Wine and Grape Growers Council that was funded on nonrecurring basis in FY 2012-13.

\$1,500,000	R	\$1,500,000	R
1.00		1.00	

The time-limited position supporting the Wine and Grape Growers Council (60080945) will be made permanent and will be supported by funds allocated to the Wine and Grape Growers Council.

5 Southeastern NC Agricultural Center

Restores recurring funding and positions to the Southeastern NC Agricultural Center in Lumberton. The Center was provided nonrecurring funding in FY 2012-13 and directed to study alternative operating models.

\$362,230	R	\$362,230	R
6.00		6.00	

Plant Industry

6 Plant Conservation Continuation

Provides recurring funding to restore the amount no longer transferred from the Natural Heritage Trust Fund. Shifts one position (60012489) previously supported by Natural Heritage Trust Fund receipts to General Fund support.

\$75,000	R	\$75,000	R
1.00		1.00	

Research Stations

7 Bioenergy Development

Provides funding to the Department of Agriculture and Consumer Services to stimulate energy production from North Carolina agricultural or forestry based products. Funding is provided to support up to five new positions and a grant program. Operating expenses, including personnel and travel, are not to exceed \$400,000 in FY 2013-14 and \$500,000 in FY 2014-15.

\$900,000	R	\$1,500,000	R
5.00		5.00	

8 Research Stations Equipment

Provides funds to modernize farming equipment on Research Stations in each year of the biennium.

\$2,500,000	NR	\$2,500,000	NR
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Reserves & Transfers

9 Tobacco Trust Fund

Provides funding to the Tobacco Trust Fund to be disbursed as grants. Administrative expenses may be deducted from funds available, but shall not exceed \$350,000 in any fiscal year.

\$2,000,000	R	\$2,000,000	R
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10 Agricultural Development and Farmland Preservation Trust Fund

Reduces the General Fund appropriation by \$1 million on nonrecurring basis in each year of the biennium. Reduction in General Fund support will be offset by \$1 million in each year of the biennium from TVA Settlement funds.

(\$1,000,000)	NR	(\$1,000,000)	NR
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11 NC Agriculture Foundation (FFA Foundation)

Provides additional funding to the FFA Foundation, which was previously funded through Commerce State-Aid.

\$40,000	R	\$140,000	R
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Soil and Water Conservation

12 AgWRAP

Provides a recurring \$500,000 appropriation to the Agriculture Water Resource Assistance Program ("AgWRAP"). The program received a nonrecurring \$500,000 appropriation in FY 2012-13.

\$500,000	R	\$500,000	R
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Total Legislative Changes	\$4,291,568	R	\$4,991,568	R
	\$1,875,800	NR	\$1,500,000	NR
Total Position Changes	15.00		15.00	
Revised Budget	\$115,085,702		\$115,409,902	

Labor

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$16,196,339		\$16,196,339	
Legislative Changes				
Occupational Safety & Health				
13 Partial Restoration of OSHA Federal Receipts	\$500,000	R	\$500,000	R
Provides funds to offset federal funding reductions.				
Standards & Inspections				
14 Apprenticeship Bureau				
Transfers \$350,000 recurring in Workforce Investment Act funds from the Department of Commerce to the Department of Labor for the Apprenticeship program.				
Total Legislative Changes	\$500,000	R	\$500,000	R
Total Position Changes				
Revised Budget	\$16,696,339		\$16,696,339	

Environment & Natural Resources

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$109,140,591		\$109,220,682	

Legislative Changes

Department-wide

15 Management Flexibility Reserve	(\$2,277,894)	R	(\$2,277,894)	R
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Reduces funding to the Department by 2% and provides the Secretary with the flexibility to take the reduction to programs and activities that cause the least disruption in service.

16 Clean Water Management Trust Fund	\$10,426,976	R	\$13,657,530	R
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Combines the activities of the Natural Heritage Trust Fund with the Clean Water Management Trust Fund and provides funding to support the combined purposes. Provides staff to administer the Trust Fund (13.5 FTE's) and up to \$750,000 for staff to administer the Natural Heritage program.

13.50	R	13.50	R
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Aquariums

17 Admission Receipts	(\$100,000)	R	(\$100,000)	R
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Budgets over-realized admission fee receipts in the General Fund to offset the operating costs of the State's three aquariums at Roanoke Island, Fort Fisher, and Pine Knoll Shores.

Conservation, Planning, and Community Affairs

18 Sustainable Communities Task Force	(\$95,331)	R	(\$95,331)	R
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Abolishes the Community Planner position (60031547) that supports the Sustainable Communities Task Force, which was created by the General Assembly in 2010 to lead and support the State's sustainable communities initiatives. Also, sunsets the Task Force on June 30, 2013.

-1.00	R	-1.00	R
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19 Operating Support	\$325,000	R	\$325,000	R
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Restores personnel and operating funds for the Office of Conservation, Planning and Community Affairs that had been previously supported with a transfer from the Natural Heritage Trust Fund.

3.00	R	3.00	R
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- 60036191 Program Development Coordinator
- 60036192 Program Development Coordinator
- 60036213 Educational Development Coordinator

Energy, Mineral and Land Resources

20 Energy Office

Transfers the Energy Office from the Department of Commerce to the Department of Environment and Natural Resources as a Type I transfer, including 49.91 FTEs supported by receipts in special funds.

\$1,762,714	R	\$1,762,714	R
6.17		6.17	

21 Pass-through Funding to Appalachian State University

Reduces funding to Appalachian State University. Instead, provides nonrecurring funds from the Tennessee Valley Authority settlement, which must be spent in accordance with either the Consent Decree ("Categories of Projects," paragraph 128) or the Compliance Agreement ("Environmental Mitigation Projects," Appendix C).

(\$240,000)	NR	(\$240,000)	NR
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22 Shale Gas Exploration

Provides funding to support up to four positions to assist the Energy and Mining Commission as well as operating support including but not limited to annual membership dues to the Southern States Energy Board and marketing expenses related to shale gas resources. Also provides nonrecurring funding to provide for data collection and analysis of geological samples associated with the State's shale gas basins: Deep River Basin, Dan River Basin, and the Cumberland-Marlboro Basin.

\$300,000	R	\$400,000	R
\$300,000	NR	\$250,000	NR
4.00		4.00	

Environmental Assistance and Outreach

23 Small Business Assistance Program

Budgets Air Quality permit fees to partially offset General Fund support of a Senior Environmental Specialist (60035965) in the federally mandated Small Business Assistance Program, which helps small businesses comply with the requirements of the Clean Air Act.

(\$19,422)	R	(\$19,422)	R
-0.30		-0.30	

24 Solid Waste Management

Provides funding for the activities of the Solid Waste Management Outreach Program (previously the Solid Waste Management Trust Fund), which now includes developing secondary markets for the reuse of scrap tires.

\$1,100,000	R	\$1,100,000	R
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25 Operating Funds

Provides funds to support personnel and operating costs that were previously funded from the Solid Waste Management Trust Fund.

\$1,375,000	R	\$1,375,000	R
15.50		15.50	

Marine Fisheries

26 Temporary Wages

Reduces temporary wages in the License Administration and Trip Ticket programs, the Purchasing/Warehouse Unit and the Marine Patrol Section. Total funding remaining for temporary wages is \$103,503.

(\$183,183)	R	(\$183,183)	R
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	FY 13-14		FY 14-15	
27 Shellfish Rehabilitation Program	(\$81,605)	R	(\$81,605)	R
Reduces funding for the Shellfish Rehabilitation Program by cutting temporary wages (\$27,474). Also eliminates one Marine Biologist position (60032767), which supports the Oyster Shell Recycling program, and associated operating costs.	-1.00		-1.00	
28 Fisheries Resource Grant Program	(\$100,000)	R	(\$100,000)	R
Eliminates the remaining appropriation for the Fishery Resource Grant Program which promotes cooperative research among commercial fishers, recreational anglers, seafood businesses and university researchers.				
29 Marine Patrol	(\$150,000)	NR	(\$200,000)	NR
Budgets anticipated federal receipts due to the creation of a Joint Enforcement Agreement that would allow the Division of Marine Fisheries to receive federal funds for enforcing federal fisheries laws in federal waters and law enforcement officers to be cross-sworn as National Marine Fisheries Agents. North Carolina is the only coastal state without a Joint Enforcement Agreement.				
30 At-Sea Observer Program	\$1,100,000	NR		
Provides nonrecurring funding for six new positions to support a statewide at-sea observer program for all fisheries, with an emphasis on the commercial estuarine gill net fishery. These positions, combined with nine existing positions, are necessary to meet federal requirements to monitor multiple fisheries. Support for the Observer Program in FY 2014-15 will come from an increase in commercial fish licenses and permits.	15.00			
Parks and Recreation				
31 Adopt-a-Trails	(\$108,000)	R	(\$108,000)	R
Eliminates funding for the Adopt-a-Trails Program. Grant funding for trail projects is still available through the NC Parks and Recreation Trust Fund.				
32 Parks Operations	\$6,000,000	R	\$6,000,000	R
Restores funding to the Division's operating budget which was reduced on a nonrecurring basis in the 2011-13 biennium.				
33 Parks and Recreation Trust Fund	\$11,000,000	R	\$13,000,000	R
Provides a recurring General Fund appropriation to the Parks and Recreation Trust Fund to replace the loss of the deed stamp tax revenue which will now be deposited in the State's General Fund. Continues funding for staff associated with Trust Fund activities.	15.00		15.00	
Waste Management				
34 Inactive Hazardous Waste Sites	\$250,000	R	\$250,000	R
Provides funding for the Inactive Hazardous Sites Program to hire one engineer and one hydrogeologist to evaluate areas with known contamination that have limited data on water supply wells. The staff will sample water supply wells as well as investigate and abate contamination sources.	2.00		2.00	

35 Noncommercial Fund

Provides a nonrecurring appropriation for the Noncommercial Leaking Underground Storage Tank Fund to assist homeowners with the cleanup costs of petroleum releases from home heating oil tanks and smaller farm tanks.

\$3,500,000 NR

36 Scrap Tire Program

Provides recurring funding to support a portion of the salaries (.25 FTE) of four positions in four regional offices (\$80,000) and \$420,000 for scrap tire grants to counties.

\$500,000 R \$500,000 R
1.00 1.00

- 60034594 Environmental Senior Specialist (0.25 FTE)
- 60034602 Environmental Program Supervisor (0.25 FTE)
- 60034608 Environmental Specialist (0.25 FTE)
- 60034595 Environmental Specialist (0.25 FTE)

37 Bernard Allen Memorial Emergency Drinking Water Fund

Provides funds to replace the loss of scrap tire tax revenue, which will now be deposited into the State's General Fund.

\$400,000 R \$400,000 R

38 Inactive Hazardous Sites Cleanup Fund

Provides recurring funding to the Inactive Hazardous Sites Cleanup Fund to be used to fund assessment, remediation, and recordation of notices of inactive hazardous substance or waste disposal sites as provided in G.S. 130A-310.1(e), G.S. 130A-310.5(c), G.S. 130A-310.6(a), and G.S. 130A-310.8(d).

\$400,000 R \$400,000 R

39 Texfi Site Contamination

Provides nonrecurring funds to be used for the cleanup and monitoring of groundwater and other contamination located at the Texfi site in Fayetteville as well as any emergency cleanup activities at that site.

\$50,000 NR

Water Infrastructure Authority

40 Water Infrastructure Authority (WIA)

Creates a new division and authority within the Department of Environment and Natural Resources for the purpose of addressing critical public water and wastewater infrastructure needs. Provides funding for a new Division Director, as well as a recurring General Fund appropriation for a water and sewer database and planning and supplemental grants to assist local governments. WIA will also administer the State Revolving Funds and the Community Development Block Grant Infrastructure Grant Program. Grant funds distributed by the authority shall be limited to Tier One and Tier Two counties.

\$4,000,000 R \$5,500,000 R
1.00 1.00

41 Clean Water State Revolving Fund

Provides funding for the required State match to draw down the maximum amount of federal funds available for the Clean Water State Revolving Fund. This program provides low-interest loans to local governments to construct wastewater facilities and provides \$5 in federal capitalization grant funds for every \$1 the state provides in matching funds.

\$4,925,000 R \$5,000,000 R

42 Drinking Water State Revolving Fund

\$1,234,545 R \$4,978,825 R

Provides funding to meet State match requirements of \$4.71 million to allow the Department to draw down the maximum amount of federal funds available (\$23.54 million) for the Drinking Water State Revolving Fund for FY 2013-14. State match will be provided by combining a nonrecurring General Fund appropriation of \$1,234,545 with \$3.8 million in State funds from the Drinking Water Reserve.

Water Quality

43 Groundwater Unit

(\$251,236) R (\$251,236) R

Eliminates funding for the Groundwater Investigation Unit's well-drilling services.

-4.00 -4.00

44 Clean Water State Revolving Fund

Transfers the Clean Water State Revolving Fund program and staff to the newly created Division of Water Infrastructure.

Water Resources

45 Receipt Support

(\$484,521) R (\$484,521) R

Budgets additional federal receipts and shifts 4.3 positions from General Fund appropriation to receipt support. Also abolishes one vacant Office Assistant IV (60034526), and reduces \$75,000 in contract funds for well-drilling services.

-5.30 -5.30

- 60034385 Engineering Manager (1.00 FTE)
- 60034388 Engineer (0.80 FTE)
- 60034394 Engineering Supervisor (1.00 FTE)
- 60034398 Engineering Supervisor (1.00 FTE)
- 60034397 Geologist (0.50 FTE)

46 Division Consolidation

(\$2,000,000) R

Reduces funding due to efficiencies created by consolidating the Divisions of Water Resources and Water Quality. Reductions should focus on personnel line-items and operating costs associated with eliminating or fund shifting positions where feasible.

47 Drinking Water State Revolving Fund

Transfers the Drinking Water State Revolving Fund program and staff to the newly created Division of Water Infrastructure.

Zoo

48 Operating Reductions

(\$211,323) R (\$211,323) R

Reduces operating support for temporary wages, worker's compensation and equipment.

49 Zoo Tram

Provides funding to support repair and replacement of zoo trams.

\$250,000 NR

Total Legislative Changes	\$40,086,720	R	\$48,736,554	R
	\$4,810,000	NR	(\$190,000)	NR
Total Position Changes	64.57		49.57	
Revised Budget	\$154,037,311		\$157,767,236	

Wildlife Resources Commission

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$18,476,588		\$18,476,588	
Legislative Changes				
Commission-wide				
50 Wildlife Resources Commission	(\$4,000,000)	R	(\$4,000,000)	R
Reduces General Fund support by \$6 million in FY 2013-14 and \$4 million in FY 2014-15. Allows the Wildlife Resources Commission to use other funds available to the Commission to offset the reduction at its discretion.	(\$2,000,000)	NR		
Total Legislative Changes	(\$4,000,000)	R	(\$4,000,000)	R
	(\$2,000,000)	NR		
Total Position Changes				
Revised Budget	\$12,476,588		\$14,476,588	

Commerce

GENERAL FUND

Recommended Continuation Budget	FY 13-14		FY 14-15	
Legislative Changes				
Department-wide				
51 Management Flexibility Reserve	(\$567,469)	R	(\$567,469)	R
Reduces funding to the Department by 2.0% and provides the Secretary with the flexibility to take the reduction to programs and activities that cause the least disruption in service.				
52 Indirect Cost Receipts	(\$205,786)	R	(\$205,786)	R
Offsets the General Fund appropriation by maximizing the use of indirect cost receipts.				
Administration				
53 Special Funds	(\$332,527)	NR		
Offsets the General Fund appropriation for Administration by directing the unencumbered cash balance as of June 30, 2013 from the following funds toward operating costs:				
<ul style="list-style-type: none"> NC Green Business Fund (24609-2535) Energy Research Grants Special Fund (24609-2537) International Trade Show Special Fund (24610-2431). 				
Closes the International Trade Show Special Fund after transfer.				
54 Director of Internal Operations	(\$131,001)	R	(\$131,001)	R
Eliminates the Director of Internal Operations (60077182) position.				
	-1.00		-1.00	
55 Accountant I	(\$61,866)	R	(\$61,866)	R
Eliminates an Account I position (60089502). This position is no longer required to monitor nonprofits.				
	-1.00		-1.00	
56 Processing Assistant	(\$47,581)	R	(\$47,581)	R
Eliminates a Processing Assistant position (60080973).				
	-1.00		-1.00	
57 Base Realignment and Closure (BRAC)				
Provides nonrecurring funding for the State's preparation for Department of Defense BRAC activities.	\$1,000,000	NR		
58 Office of Information Technology Services (OITS) Charges	\$75,000	R	\$75,000	R
Restores funding to pay for ITS provided services.				

Business and Industry

59 Economic Developer

Eliminates an Economic Developer position (60080949).

(\$83,651)	R	(\$83,651)	R
-1.00		-1.00	

Commerce Finance Center

60 Job Maintenance and Capital Development Fund (JMAC)

Provides funds to fulfill JMAC agreements with Goodyear, Bridgestone, and Domtar.

\$6,705,473	NR	\$7,500,000	NR
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Community Assistance

61 Support Positions and Operating Budget

Reduces one Office Assistant IV position (60081170).

(\$43,481)	R	(\$43,481)	R
-1.00		-1.00	

Energy

62 Energy

Transfers the Energy Office from the Department of Commerce to the Department of Environment and Natural Resources as a Type I transfer.

(\$1,762,714)	R	(\$1,762,714)	R
-6.17		-6.17	

Industrial Commission

63 Management Flexibility Reserve

Reduces funding to the Commission by 1.7% and provides the Commissioner with the flexibility to take the reduction in programs and activities that cause the least disruption in service.

(\$81,539)	R	(\$81,539)	R
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64 Commissioner

Eliminates a Commissioner position (60080616). Section 16 of S.L. 2011- 287 reduced the number of Commissioners from seven to six, but did not eliminate the associated funding.

(\$150,029)	R	(\$150,029)	R
-1.00		-1.00	

65 Insurance Compliance Program

Provides funds to the Industrial Commission to establish a compliance program that will apply data analytics received from North Carolina's Government Data Analytics Center (formerly the Government Business Intelligence Competency Center). This data and its application will enable the Industrial Commission to proactively identify noncompliant businesses and ensure these businesses obtain and maintain the required workers' compensation coverage.

\$901,502	R	\$901,502	R
13.00		13.00	

66 Investigation Management System

Provides the Industrial Commission's newly established compliance program with the technology necessary to process, prioritize and track investigations and results based on data provided by North Carolina's Government Data Analytics Center (formerly the Government Business Intelligence Competency Center).

\$75,000	R	\$75,000	R
\$50,000	NR		

International Trade

<p>67 Position Reduction Eliminates an Administrative Assistance I position (60081000) and an Events Coordinator position (60081001).</p>	<p>(\$98,403) R -2.00</p>	<p>(\$98,403) R -2.00</p>
<p>68 High Point Office Eliminates the High Point office and an Office Assistant position (60081007). The remaining Economic Developer position will co-locate with the High Point Market Authority.</p>	<p>(\$58,430) R -1.00</p>	<p>(\$58,430) R -1.00</p>
<p>69 Trade Shows Reduces the trade show advertising budget to align with prior year expenditures. Total budget remaining is \$92,705.</p>	<p>(\$48,347) R</p>	<p>(\$48,347) R</p>

Labor and Economic Analysis Division

<p>70 Common Follow-Up System Provides funding for the Common Follow-Up System managed by the Labor and Economic Analysis Division (LEAD), which is used to track performance measures related to current and former participants in State job training, education and placement programs. Recurring funding will be contingent upon the findings of a legislative continuation review.</p>	<p>\$500,000 NR</p>
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Marketing

<p>71 Comprehensive Branding Strategy Provides funding for the Department of Commerce to develop a comprehensive branding strategy to promote North Carolina.</p>	<p>\$800,000 R</p>	<p>\$1,500,000 R</p>
<p>72 Trade and Investment Event Provides funds for the 2014 Southeastern U.S. Canadian Strategic Trade and Investment Partnership Event. In an agreement signed in 2006, North Carolina agreed to host the event, which will identify opportunities to increase trade and investment between six southeastern U.S. States and seven Canadian provinces. The total cost is estimated at \$400,000. It is expected that the remaining \$250,000 will be raised from private sponsors.</p>	<p>\$150,000 NR</p>	

NC Broadband

<p>73 State Match Eliminates the State match for the federal grant provided by the U.S. Department of Commerce National Telecommunications and Information Administration for State Broadband Data and Development Grant, currently titled NC Broadband-Rigor in Mapping. The required State match has been satisfied and the project will be complete by October 2014.</p>	<p>(\$172,203) R</p>	<p>(\$172,203) R</p>
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Rural Economic Development

74 Rural Economic Development Division

	\$11,347,414	R	\$12,971,898	R
			\$350,000	NR

Creates a new Division within the Department of Commerce for the purpose of addressing the economic development needs of the State's rural counties. Provides funding for a new Assistant Secretary for Rural Economic Development who will oversee administration of a new infrastructure grant program to local governments in Tier One and Two Counties. The Division may use up to five percent (5%) of the funds appropriated in this section to cover its expenses in administering the new infrastructure grant program.

The Assistant Secretary will also oversee existing programs, including the Industrial Development Fund - Utility Account and the Community Development Block Grant for Economic Development. Also provides nonrecurring funding to encourage private sector broadband providers to extend connectivity to unserved areas that are otherwise not economically feasible for deployment.

75 Limited Resource Communities Grant Program

	\$2,543,021	R
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Creates a new competitive grant program within the Division for underserved and low resource communities. Provides over \$2.5 million in recurring funding beginning in FY 2014-15.

Travel, Tourism, & Sports Development

76 Tourism Advertising

	\$1,000,000	R
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Provides additional funding for tourism advertising.

Wanchese Seafood Industrial Park

77 Receipt Support

	(\$140,081)	R
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Eliminates funding for the Wanchese Seafood Industrial Park, including the Director position (60080846). The Park must be fully receipt supported beginning in FY 2014-15.

-1.00

Workforce Solutions

78 Workforce Investment Act Funds

Transfers \$350,000 recurring in federal Workforce Investment Act funds from the Department of Commerce to the Department of Labor to be used for the Apprenticeship Program.

Total Legislative Changes	\$9,686,416	R	\$15,413,840	R
	\$8,072,946	NR	\$7,850,000	NR
Total Position Changes	-2.17		-3.17	
Revised Budget	\$51,228,804		\$56,733,282	

Commerce - State Aid

GENERAL FUND

Recommended Continuation Budget	FY 13-14		FY 14-15	
Legislative Changes				
(1) State-Aid				
79 Biofuels Center	(\$2,063,035)	R	(\$4,303,035)	R
Eliminates General Fund support for operational expenditures.				
80 Community Development Initiative	(\$3,806,180)	R	(\$3,806,180)	R
Eliminates General Fund support for operational expenditures.				
81 Council of Governments (COGs)	(\$328,105)	R	(\$328,105)	R
Eliminates General Fund support for operational expenditures.				
82 Grassroots Science Museums	(\$425,261)	R	(\$425,261)	R
Reduces General Fund support for operational expenditures by 15%.				
83 Institute of Minority Economic Development	(\$2,046,080)	R	(\$2,046,080)	R
Eliminates General Fund support for operational expenditures.				
84 Johnson and Wales University	\$1,635,000	NR		
Provides nonrecurring funding to fulfill funding commitment to Johnson and Wales University.				
85 Land Loss Prevention Project	(\$575,050)	R	(\$575,050)	R
Eliminates General Fund support for operational expenditures.				
86 NC Agriculture Foundation (FFA Foundation)	(\$35,855)	R	(\$35,855)	R
Eliminates General Fund support for operational expenditures from Commerce State-Aid. Provides additional recurring funds through the Department of Agriculture and Consumer Services.				
87 NC Association of Community Development Corporations (CDCs)	(\$797,102)	R	(\$797,102)	R
Eliminates General Fund support for operational expenditures.				
88 NC Indian Economic Development Initiative	(\$86,004)	R	(\$86,004)	R
Eliminates General Fund support for operational expenditures.				

	FY 13-14		FY 14-15	
89 Partnership for the Sounds	(\$391,408)	R	(\$391,408)	R
Eliminates General Fund support for operational expenditures.				
90 Regional Economic Development Commissions	(\$731,079)	R	(\$2,151,517)	R
Reduces General Fund support of operational expenditures in FY 2013-14. Eliminates General Fund support of operational expenditures in FY 2014-15. Out of funds appropriated to the Charlotte Regional Partnership, \$24,000 nonrecurring shall instead be allocated to Anson County. Out of funds appropriated to the Piedmont Triad Partnership, \$19,000 nonrecurring shall instead be allocated to Montgomery County, and \$18,000 nonrecurring shall instead be allocated to Surry County. Out of funds appropriated to the Western NC Regional Economic Development Commission, \$18,000 nonrecurring shall instead be allocated to Burke County.				
91 Research Triangle Institute	\$500,000	NR		
Provides nonrecurring funding to the Research Triangle Institute.				
92 The Support Center	(\$2,543,021)	R	(\$2,543,021)	R
Eliminates recurring funding for operational expenditures. Provides nonrecurring funding in FY 2013-14.				
93 Wake Forest Institute of Regenerative Medicine	(\$7,649,897)	R	(\$7,649,897)	R
Eliminates General Fund support for operational expenditures. Funding is provided to the Institute through the UNC budget.				
94 Restore Negative Management Flexibility Reserve	\$28,000	R	\$28,000	R
Provides funding to fill a budget gap created by making a FY 2012-13 nonrecurring reduction permanent in the FY 2013-14 continuation budget.				
(2) Biotechnology Center				
95 Biotechnology Center	(\$8,600,338)	R	(\$8,600,338)	R
Reduces recurring funding for the Center by 50% or \$8.6 million. Provides \$4 million in additional nonrecurring funding for FY 2013-14 and FY 2014-15.				
(3) Rural Economic Development Center				
96 Rural Economic Development Center	(\$16,619,194)	R	(\$16,619,194)	R
Eliminates General Fund support for operational expenditures.				
<hr/>				
Total Legislative Changes	(\$46,669,609)	R	(\$50,330,047)	R
	\$8,678,021	NR	\$4,000,000	NR
Total Position Changes				
Revised Budget	\$21,723,226		\$15,624,767	

Drinking Water Reserve

Budget Code: 64324

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$13,298,248	\$9,498,248
Recommended Budget		
Requirements	\$472,051	\$472,051
Receipts	\$472,051	\$472,051
Positions	0.00	0.00

Legislative Changes

Requirements:

Drinking Water Reserve	\$0 R	\$0 R
Provides a portion of the State match required to draw down the maximum amount of federal funds available (\$23.54 million) for the Drinking Water State Revolving Fund for FY 2013-14.	\$3,800,000 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$3,800,000 NR	\$0 NR
	0.00	0.00

Receipts:

Drinking Water Reserve	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2013-14

FY 2014-15

Revised Total Requirements	\$4,272,051	\$472,051
Revised Total Receipts	\$472,051	\$472,051
Change in Fund Balance	(\$3,800,000)	\$0
Total Positions	0.00	0.00

Unappropriated Balance Remaining	\$9,498,248	\$9,498,248
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Commerce - Special Revenue - GF

Budget Code: 24609

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$18,348,044	\$17,797,898
Recommended Budget		
Requirements	\$28,711,556	\$28,711,556
Receipts	\$28,476,737	\$28,476,737
Positions	6.00	6.00

Legislative Changes

Requirements:

NC Green Business Fund	\$0 R	\$0 R
Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.	\$36,827 NR	\$0 NR
	0.00	0.00
Energy Research Grants	\$0 R	\$0 R
Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.	\$278,500 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$315,327 NR	\$0 NR
	0.00	0.00

Receipts:

NC Green Business Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Energy Research Grants	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$29,026,883	\$28,711,556
Revised Total Receipts	\$28,476,737	\$28,476,737
Change in Fund Balance	(\$550,146)	(\$234,819)
Total Positions	6.00	6.00
Unappropriated Balance Remaining	\$17,797,898	\$17,563,079

Commerce- Special, Unbudgeted

Budget Code: 24610

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$698,929	\$681,729
Recommended Budget		
Requirements	\$66,100	\$66,100
Receipts	\$66,100	\$66,100
Positions	0.00	0.00

Legislative Changes

Requirements:

International Trade Show	\$0 R	\$0 R
Transfers the cash balance to Commerce's Administration Division to offset operating expenses.	\$17,200 NR	\$0 NR
Closes fund 24610 - 2431.	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$17,200 NR	\$0 NR
	0.00	0.00

Receipts:

International Trade Show	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2013-14

FY 2014-15

Revised Total Requirements	\$83,300	\$66,100
Revised Total Receipts	\$66,100	\$66,100
Change in Fund Balance	(\$17,200)	\$0
Total Positions	0.00	0.00

Unappropriated Balance Remaining	\$681,729	\$681,729
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JUSTICE
&
PUBLIC SAFETY
Section I

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Public Safety

GENERAL FUND

Recommended Continuation Budget	FY 13-14		FY 14-15	
	\$1,722,061,784		\$1,732,859,184	

Legislative Changes

A. Department-wide

1 Consolidation Efficiencies

(\$5,000,000)	R	(\$5,000,000)	R
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Allows the Department to identify additional savings resulting from the consolidation of the Departments of Crime Control and Public Safety, Juvenile Justice, and Adult Correction that occurred January 1, 2012.

2 Vacant Positions

(\$952,582)	R	(\$952,582)	R
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Eliminates 15 vacant positions. No district level State Highway Patrol (SHP) Troopers, custody and security officers or probation and parole positions in the Division of Adult Correction, or court counselors in the Division of Juvenile Justice may be eliminated as a result of this reduction.

-15.00		-15.00	
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B. Administration

3 Secretary's Office Positions

(\$292,384)	R	(\$292,384)	R
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Eliminates two vacant management positions in the Secretary's Office.

-2.00		-2.00	
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4 Operating Budget

(\$579,244)	R	(\$579,244)	R
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Reduces various line items from the operating budget for the Division of Administration.

5 Enterprise Resource Planning System

Provides \$9 million nonrecurring for the purchase and implementation of an enterprise resource planning (ERP) system. The Department is authorized to expend up to \$10 million for the system. The ERP is subject to the approval of the State Chief Information Officer and shall be consistent with a statewide ERP initiative. These funds shall be placed in a separate information technology fund within DPS.

\$9,000,000	NR		
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C. Law Enforcement

6 ALE Operating Reduction

(\$1,750,000)	R	(\$1,750,000)	R
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Reduces the operating budget for the Alcohol Law Enforcement (ALE) section. The Department may eliminate ALE positions to meet this reduction.

7 Butner Public Safety

(\$1,751,118)	R	(\$1,751,118)	R
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Eliminates the State grant to the Butner Public Safety Authority. The Authority can receive State funds through the State Fire Protection Grant Fund. \$100,000 is appropriated in the General Government Section of the budget to expand the program to Butner without reducing allotments to other fire departments.

	FY 13-14		FY 14-15	
8 SCP Positions	\$336,122	R	\$336,122	R
Provides funding for four telecommunicator positions and four public safety officer positions in the State Capitol Police.	\$45,751	NR		
	8.00		8.00	
9 SHP Vacant Trooper Positions	\$2,505,713	R	\$2,505,713	R
Budgets all vacant trooper positions (including vacant Senior Trooper and vacant Master Trooper positions) at the starting pay for troopers (\$35,700 plus benefits). Currently, 69 vacant trooper positions cannot be filled because they are budgeted at \$0.10 as a result of reductions taken in FY 2011-12. This appropriation restores that reduction, increasing the total number of troopers statewide.				
10 SHP Fuel	\$3,677,292	R	\$3,677,292	R
Provides funding to increase the budget for State Highway Patrol fuel to actual expenditure levels.				
11 SHP Aircards	\$626,000	R	\$626,000	R
Provides funds to support air card connectivity for mobile data computers in trooper vehicles. The air card allows troopers to have mobile access to multiple criminal, court, and DMV databases.				
12 SHP Mobile Computers	\$1,050,640	NR		
Provides funds to replace outdated or failing mobile data computer equipment, including computers, printers, and docking stations, for State Highway Patrol troopers' vehicles.				
13 SHP Communication Center Consolidation	(\$1,141,480)	R	(\$1,662,707)	R
Consolidates communication centers from three troops. Transfers eighteen telecommunicator positions to other troops and provides funding in the first year for equipment required to expand communication operations in two of the remaining troops. Consolidation of communication centers should be completed no later than October 1, 2013.	-30.00		-30.00	
14 SHP Aviation	(\$901,900)	R	(\$901,900)	R
Consolidates the Highway Patrol Aviation section from four hangars to two.	-9.00		-9.00	
15 SHP Consolidation of Technology Services Functions	(\$506,517)	R	(\$506,517)	R
Eliminates six civilian information technology related positions in the Highway Patrol. Consolidation of all law enforcement information technology functions in the Department of Public Safety should result in additional reductions in the future.	-6.00		-6.00	
16 SHP Administration	(\$700,000)	R	(\$700,000)	R
Eliminates various positions in State Highway Patrol administration. Positions that are eliminated should all be administrative and/or management positions. No district level positions should be eliminated as a result of this reduction.				

17 SHP Accreditation Unit

Eliminates three sworn law enforcement and two civilian positions responsible for overseeing the State Highway Patrol's accreditation process.

(\$402,978)	R	(\$402,978)	R
-5.00		-5.00	

Position	Title	Total Position Cost
60084955	Quality Accreditation Unit Mgr.	\$104,417
60086601	Policy & Procedure Manager	\$ 87,923
60085343	Accreditation Manager	\$ 87,923
60086920	Civilian Accreditation Mgr.	\$ 74,689
60084612	Tech Support Technician	\$ 48,026

18 SHP Support Positions

Eliminates nine vacant civilian positions that provide support services to various units within the Highway Patrol.

(\$772,853)	R	(\$772,853)	R
-9.00		-9.00	

19 SHP Traffic Safety Information Officers

Eliminates the Traffic Safety Information Officer position in each Highway Patrol Troop.

(\$527,288)	R	(\$527,288)	R
-8.00		-8.00	

20 VIPER Operations and Maintenance

Provides additional funding for the operation and maintenance of the Voice Interoperability Plan for Emergency Responders (VIPER) system.

\$2,825,471	R	\$2,825,471	R
13.00		\$580,000	NR
		13.00	

21 SHP VIPER Technology Upgrade

Provides \$25 million nonrecurring in FY 2013-14 to upgrade the VIPER system to P-25 technology.

\$25,000,000	NR
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22 SHP VIPER Tower Construction

Provides \$7 million recurring in FY 2014-15 to complete construction of 29 State-funded towers for the VIPER system. Tower construction should be complete in FY 2016-17, at which time this appropriation will be reduced to \$2 million recurring to fully fund operation and maintenance of the completed VIPER system.

\$7,000,000	R
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D. National Guard

23 Armories Upgrade

Provides funds to address maintenance needs at the State's 93 National Guard Readiness Centers. Additional funds are appropriated in the Capital Section for repair and renovation of the armories.

\$850,000	R	\$850,000	R
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24 Tarheel ChalleNGe

Transfers funding from the Department of Public Instruction (DPI) for Tarheel ChalleNGe, a National Guard program for at-risk youth, back to the Department of Public Safety (DPS) budget. These funds were transferred to DPI in 2009, but federal matching funds are currently receipted to DPS. This transfer consolidates all of the funding for Tarheel ChalleNGe in one place. A corresponding reduction can be found in the Education Section of the budget.

\$767,719	R	\$767,719	R
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E. Adult Correction - General

25 Budget Reserve Restoration

Continues the nonrecurring budget reserve reduction from FY 2011-12 that reflected a lower prison population.

(\$11,957,000) NR

F. Adult Correction - Prisons

26 Education Supplies

Reduces funding for prison substance abuse supplies to reflect actual expenditures, leaving \$100,557.

(\$36,000) R (\$36,000) R

27 Inmate Health Care

Reduces Inmate Health Care funding to account for savings from completion of the new hospitals at Central Prison and NC Correctional Institution for Women, increased Medicaid reimbursements for treatment of qualified inmates, and the payment cap on billed charges to hospital and other providers.

(\$9,000,000) R (\$9,000,000) R

28 Morrison CI Electronic Intrusion

Eliminates tower positions effective April 1, 2014 at Morrison Correctional Institution through the use of an electronic intrusion system that provides increased security.

(\$24,202) R (\$404,911) R

-12.00 -12.00

29 Duplin Correctional Center

Closes Duplin Correctional Center, a 328-bed minimum custody facility, effective August 1, 2013. The closure is part of a reduction in prison capacity to reflect the declining prison population.

(\$3,759,729) R (\$4,101,522) R

-80.00 -80.00

30 Robeson Correctional Center

Closes Robeson Correctional Center, a 276-bed minimum custody facility, effective August 1, 2013. The closure is part of a reduction in prison capacity to reflect the declining prison population.

(\$3,625,960) R (\$3,955,592) R

-80.00 -80.00

31 Bladen Correctional Center

Closes Bladen Correctional Center, a 172-bed minimum custody facility, effective October 1, 2013. The closure is part of a reduction in prison capacity to reflect the declining prison population.

(\$1,969,779) R (\$2,499,168) R

-52.00 -52.00

32 Wayne Correctional Center

Closes Wayne Correctional Center, a 428-bed medium custody facility, effective October 1, 2013. The closure is part of a reduction in prison capacity to reflect the declining prison population.

(\$5,425,999) R (\$7,234,666) R

-150.00 -150.00

33 Western Youth Institution

Closes Western Youth Institution, a 708-bed mixed custody facility, effective January 1, 2014. The closure is part of a reduction in prison capacity to reflect the declining prison population.

(\$7,953,209) R (\$16,312,132) R

-323.00 -323.00

34 Johnston Correctional Institution

Converts Johnston Correctional Institution from a medium custody to a minimum custody prison, effective January 1, 2014.

(\$1,300,000) R (\$2,600,000) R

-50.00 -50.00

35 Statewide Misdemeanant Confinement Fund Admin

Reallocates the Statewide Misdemeanant Confinement Fund administration allotment to reduce the NC Sheriffs' Association percentage from 10% to 5%. The Department of Public Safety will continue to receive 1% for administration. Transfers funds from the Statewide Misdemeanant Confinement Fund (Special Fund code 24500-2225) to the Department of Public Safety (General Fund budget code 14550) on a nonrecurring basis.

(\$750,000) NR

(\$750,000) NR

Since the program's inception in August 2011, \$39.5 million has been collected in the Fund. The Sheriff's Association has received \$3.9 million and the Division of Adult Correction has received \$394,881 to administer the program.

36 Statewide Misdemeanant Confinement Fund

Transfers funds from the Statewide Misdemeanant Confinement Fund (Special Fund code 24500-2225) to the Department of Public Safety (General Fund budget code 14550) for the Division of Adult Correction. As of March 31, 2013, this fund has a balance of \$20 million.

(\$7,700,000) NR

37 Tabor Correctional Institution Operating Reserve

Reduces the operating reserve for the new minimum-custody dorm at Tabor Correctional Institution to reflect a delay in completion of construction.

(\$529,424) NR

G. Adult Correction - Community Corrections

38 TECS Reduction

Reduces the appropriation for Treatment for Effective Community Supervision (TECS) to adjust for delayed community programming start dates in some counties. The total funding for this program is \$12.4 million after this non-recurring reduction.

(\$1,500,000) NR

39 Substance Abuse Treatment for High-Risk Offenders

Additional funds are provided to the Broaden Access to Community Treatment program. These funds shall be restricted to substance abuse treatment services for offenders assessed as moderate to high-risk for recidivism and high need for substance abuse services. Contracts awarded using these funds shall be given to evidence-based programs that demonstrate support from local stakeholders, including chief district court judges, senior resident superior court judges, probation and parole officers, district attorneys' offices and county governments.

\$2,000,000 NR

\$2,000,000 NR

40 Parole Commission

Increases funding for the Parole Commission in order to adequately manage the expected caseload of 12,500 to 15,000 offender records that will require review following implementation of the Justice Reinvestment Act. Total funding for this program will be \$2.3 million.

\$374,497 R
\$49,893 NR
8.00

\$374,497 R
8.00

FY 13-14

FY 14-15

41 Probation and Parole Positions

Funds 175 new Probation Officer positions to adequately manage the increased caseloads created by the requirements of the Justice Reinvestment Act. In addition, provides funding for the reallocation of surveillance officers to probation officer positions.

\$5,761,119	R	\$12,120,219	R
\$465,150	NR	\$660,200	NR
75.00		175.00	

42 Electronic Monitoring Equipment

Provides funds for the lease of electronic monitoring equipment for offenders who require it as a condition of their probation or status as a sex offender.

\$1,800,000	R	\$1,800,000	R
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H. Juvenile Justice

43 Executive Management Staff

Eliminates three full-time executive positions in the Division of Juvenile Justice. These positions are currently filled.

(\$363,183)	R	(\$363,183)	R
-3.00		-3.00	

Position	Title	Total Position Cost
60000972	Deputy Comm Courts and Programs	\$139,635
60001044	Deputy Comm Facilities	\$129,992
60000891	Director of Detention Services	\$ 93,556

44 YDC Operating Reduction

Reduces the total operating budget for Youth Development Centers.

(\$100,000)	R	(\$100,000)	R
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45 Lenoir Youth Development Center

Closes Lenoir Youth Development Center (YDC) and eliminates 66 full-time equivalent (FTE) positions. This facility shall be closed by October 1, 2013. All positions at this facility, including receipt-supported positions, shall be eliminated.

(\$2,584,615)	R	(\$3,446,154)	R
-66.00		-66.00	

46 Richmond Detention Center

Closes Richmond Detention Center and eliminates 4.4 full-time equivalent (FTE) positions. All positions at this facility, including receipt-supported positions, shall be eliminated.

(\$1,268,240)	R	(\$1,268,240)	R
-4.40		-4.40	

47 Buncombe Detention Center

Closes Buncombe Detention Center and eliminates 19.3 full-time equivalent (FTE) positions. All positions at this facility, including receipt-supported positions, shall be eliminated.

(\$951,844)	R	(\$951,844)	R
-19.30		-19.30	

48 New Western Multipurpose Group Home

Appropriates funds for a new multipurpose group home in the Western district to provide youth services that may be needed following the closure of Buncombe Detention Center.

\$500,000	R	\$500,000	R
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49 Juvenile Justice Community Programs

Provides funding to the Division of Juvenile Justice for the expansion of contracted services for adjudicated juveniles. A portion of the appropriated funds may be set aside for a facility to provide educational and vocational programs for girls that will be similar to the residential boys facility located in Craven County.

\$1,000,000	R	\$1,000,000	R
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Conference Report on the Continuation, Capital, and Expansion Budget

FY 13-14

FY 14-15

50 Safer Schools Initiative

Provides funding for the Center for Safer Schools, which will provide training and technical support to educators, law enforcement agencies and parents statewide.

\$311,572 R
 \$5,200 NR
 4.00

\$311,572 R
 4.00

Total Legislative Changes

(\$32,305,599) R
\$27,137,210 NR

(\$33,378,378) R
(\$9,466,800) NR

Total Position Changes

-815.70

-715.70

Revised Budget

\$1,716,893,395

\$1,690,014,006

Justice

GENERAL FUND

	FY 13-14	FY 14-15
Recommended Continuation Budget	\$77,773,575	\$80,773,575

Legislative Changes

A. Department-wide

51 Operating Efficiencies Reduction

	(\$1,700,000)	R	(\$1,700,000)	R
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Directs the Department to identify efficiencies in its operation through the elimination of positions, transitioning of expenditures to receipt support, or reductions to operating line items such as travel, purchased services, and supplies. No reductions will be made to the NC State Crime Lab.

52 Indirect Cost Receipts

	(\$259,310)	R	(\$259,310)	R
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Budgets indirect cost receipts from recurring federal grants that may be allocated to support central administrative functions that include finance, human resources and logistics. Transfers four positions to receipt support:

	-4.00		-4.00	
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Position	Title	Total Position Cost
60010148	Business Officer	\$82,281
60010147	HR Recruiter	\$66,644
60010134	Admin. Secretary III	\$42,915
60010466	Admin. Assistant I	\$44,534

B. Legal Services

53 Tobacco Attorney and Paralegal Positions

	\$244,661	R	\$244,661	R
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Transitions one attorney position (60010420) and two paralegal positions (60010422 and 60010421) from receipt support to General Fund support. These positions were previously supported by receipts from Golden L.E.A.F. and the Tobacco Trust Fund. Another receipt supported attorney position that was vacant (60010423) is eliminated.

	3.00		3.00	
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D. NC State Crime Laboratory

54 Toxicology Positions

	\$1,500,000	R	\$1,500,000	R
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Provides funding for 19 new toxicology positions in the Crime Lab to serve the western part of the State. The Crime Lab is directed to work with the Office of State Personnel to create a new apprentice level analyst position at a pay grade lower than that of Forensic Analyst I for trainee analysts.

	\$111,424	NR		
	19.00		19.00	

55 Crime Lab Equipment

Provides additional funds for equipment to expand the Crime Lab's ability to provide toxicology services in the western part of the State.

	\$1,055,773	NR		
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56 Toxicology Outsourcing Funds

\$750,000 R

Provides funds for the outsourcing of toxicology cases to private lab service providers. Priority should be given to cases originating in the western part of the State to reduce the need for Crime Lab analysts from Raleigh and Greensboro to travel to those areas. If the Department determines that outsourcing of toxicology cases is not feasible due to legal concerns involving analyst testimony, these funds may be redirected to increase toxicology analysis capabilities within the Crime Lab.

E. Training and Standards

57 Sheriffs' Education and Training Standards

\$1,000,000 R \$1,000,000 R

Appropriates funds to support the Sheriffs' Education and Training Standards Commission. Section 16C.6 transfers funds from the Statewide Misdemeanant Confinement Fund to the General Fund for this purpose. This Commission is currently supported by a portion of the \$2 court fee designated for law enforcement training. Those funds will now wholly support the Criminal Justice Education and Training Standards Commission. These changes increase the funds available to DOJ to support both Standards Commissions.

58 Criminal Justice Education and Training

Section 18B.18 changes the allocation of the \$2 court fee designated for law enforcement training and standards by directing that all of the funds go to the Criminal Justice Education and Training Standards Commission (CJTS). Previously, those funds were split between the Sheriffs' Standards Commission and CJTS. The appropriation of funds to support Sheriffs' Standards in the previous item allows for the redirection of all of the \$2 court fee to CJTS, increasing the amount available to DOJ for the support of both Standards Commissions.

Total Legislative Changes	\$785,351	R	\$1,535,351	R
	\$1,167,197	NR		
Total Position Changes	18.00		18.00	
Revised Budget	\$79,726,123		\$82,308,926	

Judicial - Indigent Defense

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$114,505,898		\$114,505,898	
Legislative Changes				
59 Administrative Staff Operations Reduction	(\$258,634)	R	(\$258,634)	R
Reduces administrative staff through efficiencies gained by increased partnership with the School of Government for training, greater utilization of existing staff in lieu of contracted consultants, and more efficient distribution of workload. One position is being reduced to half-time (Special Counsel Legal Assistant, 60091441). The following three positions are being eliminated:	-3.25		-3.25	
Position Title Total Position Cost				
60002264 IDS Admin Asst. \$44,473				
60096765 IDS Research Staff \$28,000				
60002229 Special Counsel \$52,739				
60 Prisoner Legal Services	(\$890,000)	R	(\$890,000)	R
Reduces funding for North Carolina Prisoner Legal Services to reflect the declining number of inmates incarcerated in the state's prison system.				
61 Low-Level Misdemeanor Reclassification	(\$2,000,000)	R	(\$2,000,000)	R
Reclassifies low-level misdemeanors that rarely result in incarceration as Class 3 misdemeanors or infractions and modifies the sentencing structure for Class 3 misdemeanors so that the first three charges are fineable offenses. With no possibility of incarceration, these offenses do not require legal counsel.				
62 Additional Private Assigned Counsel Funds	\$3,772,159	NR		
Allocates nonrecurring funds to pay private counsel assigned to represent indigent defendants, reducing a budget shortfall that has accumulated over several years. This budget shortfall creates a hardship for small business legal firms whose payments are delayed when State funding is exhausted before the end of the fiscal year.				
Total Legislative Changes	(\$3,148,634)	R	(\$3,148,634)	R
	\$3,772,159	NR		
Total Position Changes	-3.25		-3.25	
Revised Budget	\$115,129,423		\$111,357,264	

Judicial

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$458,416,996		\$458,416,996	
Legislative Changes				
63 Administrative Budget Reduction	(\$4,000,000)	R	(\$4,000,000)	R
Reduces funding for the Administrative Office of the Courts' Administration Division. This reduction will not impact any county or district level court personnel. This changes leaves total funding of \$45.3 million for the Division in each year of the 2013-15 biennium.				
64 Additional Magistrate Funding	\$1,000,000	R	\$1,000,000	R
Restores 22 magistrate positions. Some of these may be used in counties that currently have three magistrates to increase coverage and minimize after-hours call-backs.				
	22.00		22.00	
65 Funds for Interpreters, Witnesses, and Juries	\$1,009,256	R	\$1,009,256	R
Increases the budget for interpreters, expert witnesses, and jury fees as necessary to operate the State court system. Funds for interpreters would increase by \$342,821 over the current budget of \$1.0 million. Funds for expert witnesses would increase by \$203,458 over the current budget of \$422,498. Funds for jury fees would increase by \$462,977 over the current budget of \$3.2 million.				
66 Local Hospital Toxicology Analysis	\$500,000	NR		
Establishes a fund to be administered by the Conference of District Attorneys to allow district attorneys to use local hospitals for toxicology services in DWI cases.				
Total Legislative Changes	(\$1,990,744)	R	(\$1,990,744)	R
	\$500,000	NR		
Total Position Changes	22.00		22.00	
Revised Budget	\$456,926,252		\$456,426,252	

DPS Special Fund (Statewide Misdemeanant Confi

Budget Code: 24550

	FY 2013-14		FY 2014-15
Beginning Unreserved Fund Balance	\$20,085,259		\$5,635,259
Recommended Budget			
Requirements	\$0		\$0
Receipts	\$0		\$0
Positions	0.00		0.00

Legislative Changes

Requirements:

Statewide Misdemeanant Confinement Fund	\$0	R		\$0	R
Transfers \$7.7 million nonrecurring to the Department of Public Safety (General Fund budget code 14550) for the Division of Adult Correction.	\$7,700,000		\$0	\$0	NR
	0.00		0.00	0.00	
Sheriffs' Education and Training Standards	\$1,000,000	R		\$1,000,000	R
Transfers \$1 million recurring to the General Fund to support the Sheriffs' Education and Training Standards Commission.	\$0	NR		\$0	NR
	0.00		0.00	0.00	
Continuation Budget Correction	\$0	R		\$0	R
Corrects a \$5 million nonrecurring transfer to the Division of Adult Correction for the Treatment of Effective Community Supervision that was inadvertently omitted from the Governor's Continuation Budget.	\$5,000,000	NR		\$0	NR
	0.00		0.00	0.00	
Statewide Misdemeanant Confinement Fund Admin	\$0	R			R
Transfers funds from the Statewide Misdemeanant Confinement Fund (Special Fund code 24500-2225) to the Department of Public Safety (General Fund budget code 14550) on a nonrecurring basis.	\$750,000	NR		\$750,000	NR
	0.00		0.00	0.00	
Subtotal Legislative Changes	\$1,000,000	R		\$1,000,000	R
	\$13,450,000	NR		\$750,000	NR
	0.00		0.00	0.00	

Conference Report on the Continuation, Capital, and Expansion Budgets

	FY 2013-14	FY 2014-15
Receipts:		
Statewide Misdemeanant Confinement Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$14,450,000	\$1,750,000
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$14,450,000)	(\$1,750,000)
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$5,635,259	\$3,885,259

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**GENERAL
GOVERNMENT
Section J**

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(1.0) Cultural Resources

GENERAL FUND

Recommended Continuation Budget	FY 13-14		FY 14-15	
Legislative Changes				
1110 - Administration				
1 Strategic Marketing Program				
Provides funding to create a department-wide marketing strategy. The Department shall coordinate these efforts with the Department of Commerce.	\$53,000	NR		
1210 - Archives and Records				
2 Director of Division of Historical Resources				
Eliminates one vacant supervisor position (60083302). The salary is \$93,523 and benefits are \$25,657.	(\$119,190)	R	(\$119,190)	R
	-1.00		-1.00	
1241 - Historic Sites				
3 Savings at Historic Sites				
Achieves savings at historic sites by implementing a policy of standard operating days, reducing contracts, and securing revenue enhancements. There will be a reduction of one position: Building and Environmental Technician (600083487).	(\$152,190)	R	(\$152,190)	R
	-1.00		-1.00	
1242 - Tryon Palace				
4 Tryon Palace				
Provides non-recurring funds for operations of Tryon Palace. There will be over \$2.5 million in State appropriations for Tryon Palace in FY 2013-14.	\$500,000	NR	\$100,000	NR
1330 - NC Arts Council				
5 Administration				
Reduces State appropriations available for administration of the Arts Council activities; remaining funding will be \$1,325,049. Positions may be eliminated in this reduction.	(\$250,000)	R	(\$250,000)	R
Across Divisions				
6 Management Flexibility Reserve				
Reduces funding to the Department and provides the Secretary with the flexibility to take the reduction by identifying administrative savings and efficiencies department-wide.	(\$150,000)	R	(\$150,000)	R

Agency Wide

7 Budget Gaps

Provides non-recurring funds for workers' compensation and disability claims and corrects underfunded budget line items in Archives and Records and Historic Preservation.
 Workers' Compensation and Disability Claims \$116,629
 Archives and Records and Historic Preservation \$95,419

\$212,048 NR

Historic Sites

8 Historic Sites

Reduces State appropriations for operations at the following historic sites: Aycock Birthplace, Polk Memorial, Vance Birthplace, House in the Horseshoe and the Museum at Old Fort.

(\$50,000) R (\$50,000) R

Total Legislative Changes

(\$721,380) R (\$721,380) R
\$765,048 NR \$100,000 NR

Total Position Changes

-2.00 -2.00

Revised Budget

\$63,670,145 \$63,008,100

(2.0) Cultural Resources - Roanoke Island Commission

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$1,058,757		\$1,058,757	
Legislative Changes				
1584 - Roanoke Island Commission				
9 Roanoke Island Commission	(\$608,757)	R	(\$608,757)	R
Reduces funds available for Roanoke Island Commission.				
Total Legislative Changes	(\$608,757)	R	(\$608,757)	R
Total Position Changes				
Revised Budget	\$450,000		\$450,000	

(3.0) Insurance

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$38,454,593		\$38,464,213	
Legislative Changes				
1500 - Fire Marshal				
10 Fire Protection Grants	\$100,000	R	\$100,000	R
Provides additional funds for the State Fire Protection Grant Fund. These funds will be used to provide fire protection for the State-owned facilities located in Butner.				
Across Divisions				
11 Position Eliminations	(\$560,589)	R	(\$560,589)	R
Eliminates nine positions across the Department of Insurance.				
	-9.00		-9.00	
Total Legislative Changes	(\$460,589)	R	(\$460,589)	R
Total Position Changes	-9.00		-9.00	
Revised Budget	\$37,994,004		\$38,003,624	

(4.0) Insurance - Volunteer Safety Workers' Compensation Fund

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$2,623,654		\$2,623,654	
Legislative Changes				
Volunteer Safety Workers' Compensation Fund				
12 Fund	(\$2,623,654)	R	(\$2,623,654)	R
Eliminates recurring State appropriations. The funds for the Volunteer Safety Workers' Compensation Fund will come from G.S. 105-228.5(d)(3). Up to 20% of the tax shall be deposited into this Fund to continue financial support.				
Total Legislative Changes	(\$2,623,654)	R	(\$2,623,654)	R
Total Position Changes				
Revised Budget	\$0		\$0	

(5.0) State Board of Elections

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$5,213,445		\$5,213,445	
Legislative Changes				
1100 - Administration				
13 Operating Budget	(\$20,313)	R	(\$20,313)	R
Reduces the operating budget across all divisions.				
Campaign Finance and Auditing				
14 Positions	\$109,241	R	\$109,241	R
Provides funding for 1.5 FTEs that had previously been funded by the NC Public Campaign Finance Fund. The positions include one General Accounts Auditor I position and .52 FTE Deputy Director of Campaign Finance.				
	1.52		1.52	
State Board of Elections				
15 Help America Vote Act (HAVA) Funds			\$213,366	R
Provides matching funds for federal HAVA funds to support the Statewide Election and Information Management System (SEIMS) and two time-limited positions in FY 2014-15. These additional funds will allow the State to access \$4,071,740 of HAVA federal funds for information technology efforts.				
			\$177,505	NR
			2.00	
Total Legislative Changes	\$88,928	R	\$302,294	R
			\$177,505	NR
Total Position Changes	1.52		3.52	
Revised Budget	\$5,302,373		\$5,693,244	

NC Public Campaign Finance Fund

Budget Code: 68025

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$8,491,702	\$4,991,702
Recommended Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Positions	0.00	0.00

Legislative Changes

Requirements:

NC Public Campaign Finance Fund	\$0 R	\$0 R
Transfers \$3,500,000 in FY 2013-14 to general availability.	\$3,500,000 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$3,500,000 NR	\$0 NR
	0.00	0.00

Receipts:

NC Public Campaign Finance Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budgets

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$3,500,000	\$0
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$3,500,000)	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$4,991,702	\$4,991,702

(6.0) General Assembly

GENERAL FUND

Recommended Continuation Budget	FY 13-14		FY 14-15	
	\$52,845,390		\$52,845,390	

Legislative Changes

1100 - Administration

16 Furniture - Across Divisions

Reduces the funds available for purchase of furniture in FY 2014-15. (\$35,000) NR

17 Management Flexibility Reduction - Agency Wide

Creates a management flexibility reduction of \$153,035 for the General Assembly. (\$153,035) R

18 Operating Budgets - All Divisions

Reduces operating budgets across all divisions. (\$31,500) NR

19 Rental Parking Space Budget

Reduces the rental parking space budget due to anticipated revenues to be generated from charging temporary staff a monthly parking fee. (\$30,000) R

20 Vacant Position Eliminations - Administrative Division

Eliminates 2.6 positions that have been vacant over 180 days:

1.0 FTE Bill Room Supervisor (P30118)	-2.60	-2.60
0.6 FTE Housekeeper (P30549)		
1.0 FTE Food Services Assistant I (P30615A)		

21 School of Government

Reduces funds for the School of Government contract. (\$20,000) R

1213 - Research Division

22 Vacant Position

Eliminates one vacant position that has been vacant for approximately 150 days: (\$40,960) R

1.0 FTE Senior Legislative Secretary (P30343) -1.00

House and Senate

23 Subsistence

Reduces the subsistence budget for FY 2014-15 based on the assumption that the long session end date of mid-July. (\$123,760) NR

24 Temporary Wages

Reduces funding available for floaters during sessions. (\$422,905) NR

Total Legislative Changes	(\$334,499) R	(\$379,499) R
	(\$422,905) NR	(\$831,124) NR
Total Position Changes	-3.60	-3.60
Revised Budget	\$52,087,986	\$51,634,767

(7.0) Governor

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$5,539,743		\$5,541,825	
Legislative Changes				
25 Savings	(\$369,693)	R	(\$369,693)	R
Achieves savings through reducing non-essential dues and memberships by \$369,693.				
Total Legislative Changes	(\$369,693)	R	(\$369,693)	R
Total Position Changes				
Revised Budget	\$5,170,050		\$5,172,132	

(8.0) State Budget & Management

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$6,951,706		\$7,034,217	
Legislative Changes				
26 Positions	\$500,000	R	\$500,000	R
Provides funding to increase staff capacity to perform complex analyses and forecasting for the development and administration of the State's budget.				
Total Legislative Changes	\$500,000	R	\$500,000	R
Total Position Changes				
Revised Budget	\$7,451,706		\$7,534,217	

(9.0) State Budget and Management - Special

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$49,000		\$49,000	
Legislative Changes				
Grants-in-Aid				
27 Tarheel ChalleNGe - Stanly County Campus				
Provides funds for the renovation of the New London school facility in Stanly County to expand the Tarheel ChalleNGe Academy.	\$3,092,000	NR		
28 Grants for Nonprofits				
Provides funding to the Office of State Budget and Management for nonprofits including the North Carolina Symphony and The Bridge Down East.	\$1,800,000	NR	\$1,500,000	NR
29 North Carolina Humanities Council				
Reduces funds for the North Carolina Humanities Council.	(\$29,000)	R	(\$29,000)	R
Total Legislative Changes	(\$29,000)	R	(\$29,000)	R
	\$4,892,000	NR	\$1,500,000	NR
Total Position Changes				
Revised Budget	\$4,912,000		\$1,520,000	

(10.0) Auditor

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$11,013,547		\$11,013,547	
Legislative Changes				
30 Audit Positions	\$203,921	R	\$203,921	R
Funds two auditor positions that will focus on IT security and fraud detection.	2.00		2.00	
Total Legislative Changes	\$203,921	R	\$203,921	R
Total Position Changes	2.00		2.00	
Revised Budget	\$11,217,468		\$11,217,468	

(11.0) Revenue

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$80,031,575		\$80,031,575	
Legislative Changes				
1624 - Income Tax Division				
31 Income Tax Division Auditors	\$190,027	R	\$190,027	R
Adds two auditor positions in the Income Tax Division to help with backlogged cases. Backlogged cases are the result of requests for reviews of disputed audits.	\$12,630	NR		
	2.00		2.00	
1627 - Sales and Use Tax				
32 Sales and Use Tax Division Auditor	\$95,483	R	\$95,483	R
Adds one auditor position to the Sales and Use Tax Division to help with backlogged cases. Backlogged cases are the result of requests for review of disputed audits.	\$7,030	NR		
	1.00		1.00	
Agency Wide				
33 Tax Reform Implementation	\$579,373	R	\$579,373	R
Appropriates funds for two full time equivalent positions currently supported by the franchise tax and to hire six new FTEs to implement tax reform. The new FTEs are three auditors in the Sales and Use Division and three tax technicians in Taxpayer Assistance.	\$82,800	NR		
	8.00		8.00	
Total Legislative Changes	\$864,883	R	\$864,883	R
	\$102,460	NR		
Total Position Changes	11.00		11.00	
Revised Budget	\$80,998,918		\$80,896,458	

(12.0) Secretary of State

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$11,845,185		\$11,845,185	
Legislative Changes				
Agency Wide				
34 Positions	(\$121,909)	R	(\$121,909)	R
Eliminates three positions				
	-3.00		-3.00	
(60008714) Processing Assistant V				
(60008777) Program Assistant IV				
(60008779) Administrative Assistant II				
35 Operations Reductions	(\$148,093)	R	(\$148,093)	R
Achieves savings throughout the Department by reducing various operating accounts.				
Total Legislative Changes	(\$270,002)	R	(\$270,002)	R
Total Position Changes	-3.00		-3.00	
Revised Budget	\$11,575,183		\$11,575,183	

(13.0) Lieutenant Governor

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$444,047		\$444,047	
Legislative Changes				
1110 - Administration				
36 Support for Office Operations	\$231,042	R	\$231,042	R
Adds a Communication Director, Policy Director, and Director of Constituent Services to the Lieutenant Governor's Office.	\$6,000	NR		
	3.00		3.00	
Total Legislative Changes	\$231,042	R	\$231,042	R
	\$6,000	NR		
Total Position Changes	3.00		3.00	
Revised Budget	\$681,089		\$675,089	

(14.0) State Controller

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$29,279,290		\$29,279,290	
Legislative Changes				
37 Operating Budget	(\$45,000)	R	(\$45,000)	R
Reduces various accounts across the office to achieve savings.				
38 ITS Charges	(\$35,000)	R	(\$35,000)	R
Reflects the reduced Information Technology Services (ITS) charges that will result from a new help desk ticketing system.				
39 Personnel	(\$488,599)	R	(\$488,599)	R
Directs the State Controller to reduce the Department's personnel budget.				
Total Legislative Changes	(\$568,599)	R	(\$568,599)	R
Total Position Changes				
Revised Budget	\$28,710,691		\$28,710,691	

Office of State Controller

Budget Code: 24160

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$18,348,484	\$8,031,223
Recommended Budget		
Requirements	\$4,317,261	\$4,317,261
Receipts	\$0	\$0
Positions	0.00	0.00

Legislative Changes

Requirements:

Federal Insurance Contribution Act (FICA) Savings	\$0 R	\$0 R
Transfers \$6,000,000 in FY 2013-14 to general availability.	\$6,000,000 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$6,000,000 NR	\$0 NR
	0.00	0.00

Receipts:

FICA Savings	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budgets

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$10,317,261	\$4,317,261
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$10,317,261)	(\$4,317,261)
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$8,031,223	\$3,713,962

(15.0) Administration

GENERAL FUND

Recommended Continuation Budget	FY 13-14	FY 14-15
	\$68,316,992	\$68,241,992

Legislative Changes

1123 - Historically Underutilized Businesses

<p>40 Historically Underutilized Business Education</p> <p>Eliminates up to two positions within the Division of Historically Underutilized Businesses. The Division is to continue current efforts to certify businesses as being historically underutilized and reduce efforts to educate businesses about the State's requirements. The Statutory requirements regarding historically underutilized businesses have been in existence since 2001.</p>	<p>(\$119,108) R</p> <p>-2.00</p>
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1124 - Justice for Sterilization Victims

<p>41 Operations for Justice for Sterilization Victims Foundation</p> <p>Provides funding to continue the Justice for Sterilization Victims Foundation on a non-recurring basis. The Foundation will administer the compensation for victims of the State's Eugenics Program.</p>	<p>\$130,000 NR</p> <p>\$130,000 NR</p>
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1411 - Office of State Construction

<p>42 Office of State Construction Receipts</p> <p>Moves positions at the Office of State Construction back to General Fund support. In FY 2011-12, nine positions within the Office of State Construction and 0.85 positions within the Management Information System Division were placed on receipt support. The receipts were to be from various projects' contingency reserves. The collection of funds from the contingency reserve has been problematic and the receipt source is uncertain. The following positions are to be moved back to General Fund support:</p>	<p>\$924,013 R</p> <p>\$924,013 R</p> <p>9.85</p> <p>9.85</p>
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- 60014580 Engineer
- 60014582 Engineer
- 60014588 Engineer
- 60014589 Mechanical Engineer
- 60014590 Engineer
- 60014608 Engineering Technician
- 60014614 Engineer
- 60014700 Control System Technician
- 60089475 Engineer
- 60014137 Business & Technology Applications Analyst

1421 - Facilities Management Division

43 Public Health Lab/Office of the Chief Medical Examiner Reserve

\$254,493 R \$254,493 R

Provides increased funding for the operation and maintenance of the Public Health Lab/Office of the Chief Medical Examiner building. The building first received funding in FY 2011-12.

1511 - Purchase and Contract Division

44 E-Commerce Reserve

(\$1,218,659) NR (\$1,476,543) NR

Utilizes funds collected in the E-Commerce Reserve to fund the ongoing operations of the Purchase and Contract Division. The Reserve is funded by a charge paid on goods purchased through the State's E-Procurement System.

1732 - Displaced Homemakers Program

45 Displaced Homemakers Program Elimination

(\$292,390) R (\$292,390) R

Eliminates the Displaced Homemaker Program over two years. The General Fund appropriation to the program is eliminated. Funds collected by the Divorce Filing Fee that support the program are reduced from \$55 per divorce to \$35 in FY 2013-14 and are transferred entirely to support the Domestic Violence Center Fund in FY 2014-15. The Domestic Violence Center Fund provides funding related to domestic violence across the State. In FY 2011-12, the Displaced Homemakers Program Fund received \$1.8 million from the fee. The following receipt supported positions are eliminated:

- 60089848 Community Development Specialist I
- 65003391 Processing Assistant IV

1741 - Human Relations Commission

46 Consolidation

(\$178,521) R (\$178,521) R

Consolidates staff functions by reducing the Human Relations Commission by three FTEs.

-3.00 -3.00

1771 - Division of Veterans Affairs

47 Veterans Affairs ITS Consolidation

\$115,000 R \$115,000 R

Provides funding to complete the Information Technology Services consolidation for the Division of Veterans Affairs field offices.

\$68,000 NR

1810 - State Ethics Commission

48 Position Funding

Uses receipts from the Highway Fund to fund one new paralegal position in the State Ethics Commission.

- Paralegal \$55,146

Conference Report on the Continuation, Capital, and Expansion Budget

FY 13-14

FY 14-15

49 Operating Expenses

Achieves savings by reducing various operating accounts.

(\$22,434) R (\$22,434) R

1861 - Commission of Indian Affairs

50 Commission of Indian Affairs Consolidation

Eliminates a vacant Administrative Assistant II position (60013923) at the Commission of Indian Affairs.

(\$34,444) R (\$34,444) R
-0.75 -0.75

1900 - Reserves and Transfers

51 Reserve and Transfer Reduction

Eliminates an unnecessary appropriation within the Reserve and Transfer budget.

(\$32,942) R (\$32,942) R

Agency Wide

52 Operations Reductions

Eliminates a vacant position Human Services Planner/Evaluator IV position (65010199) and reduces various operating line items including: supplies, facility and hardware, motor vehicle replacement parts, furniture equipment, and contracted services, within the Department.

(\$286,119) R (\$286,119) R
-1.00 -1.00

Office of State Personnel

53 Operations

Reduces funds from various operating line items including: supplies, office furniture, office equipment, computer/data processing services, travel, and other contracted services within the Office of State Personnel.

(\$175,964) R (\$175,964) R

Total Legislative Changes

\$270,692 R \$151,584 R
(\$1,020,659) NR (\$1,346,543) NR

Total Position Changes

5.10 3.10

Revised Budget

\$67,567,025 \$67,047,033

Reserve for E-Commerce Initiative (2514)

Budget Code: 24100

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$15,318,833	\$8,988,589
Recommended Budget		
Requirements	\$19,278,000	\$19,278,000
Receipts	\$19,278,000	\$19,278,000
Positions	0.00	0.00

Legislative Changes

Requirements:

E-Commerce Fund Transfer	\$0 R	\$0 R
Transfers \$5,111,585 in FY 2013-14 and \$6,000,000 in FY 2014-15 to general availability.	\$5,111,585 NR	\$6,000,000 NR
	0.00	0.00
Purchase and Contract Use of E-Commerce Reserve	\$0 R	\$0 R
Utilizes the E-Commerce Reserve to support operations within the Division of Purchase and Contract. Funds from the Reserve are to be transferred to the Division (1511) to support recurring operating requirements.	\$1,218,659 NR	\$1,476,543 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$6,330,244 NR	\$7,476,543 NR
	0.00	0.00

Receipts:

E-Commerce Funds Transfer	\$0 R	\$0 R
	\$0 NR	\$0 NR
E-Commerce Funds Transfer	\$0 R	\$0 R
	\$0 NR	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budgets

	FY 2013-14	FY 2014-15
E-Commerce Funds Transfer	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$25,608,244	\$26,754,543
Revised Total Receipts	\$19,278,000	\$19,278,000
Change in Fund Balance	(\$6,330,244)	(\$7,476,543)
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$8,988,589	\$1,512,046

(16.0) Housing Finance Agency

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$9,408,417		\$9,408,417	
Legislative Changes				
1100 - HOME Match				
54 Home Match Reduction	(\$120,000)	R	(\$120,000)	R
Reduces the State match for the HOME program due to reductions in federal funding.				
1100 Housing Trust Fund				
55 Housing Trust Fund	(\$876,785)	NR	(\$876,785)	NR
Reduces the General Fund appropriation to the Housing Trust Fund to \$7,000,000 for each year of the FY 2013-15 Biennium.				
Total Legislative Changes	(\$120,000)	R	(\$120,000)	R
	(\$876,785)	NR	(\$876,785)	NR
Total Position Changes				
Revised Budget	\$8,411,632		\$8,411,632	

(17.0) Office of Administrative Hearings

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$4,335,464		\$4,350,431	
Legislative Changes				
1100 - Civil Rights Division				
56 Vacant Civil Rights Position and Contractual Services	(\$82,845)	R	(\$82,845)	R
Eliminates a vacant Civil Rights Investigator position (60088609) in the Civil Rights Division and reduces contractual services (532199).	-1.00		-1.00	
1100 - Hearings Division				
57 Staffing for Hearings Division	\$194,687	R	\$194,687	R
Increases staffing for the Hearings Division in order to meet increased case filings. The increased funding will provide for one Administrative Law Judge and one Law Clerk.	\$10,388 2.00	NR	2.00	
58 Case Management System	\$109,850	R	\$110,308	R
Provides funding to fully implement the AMCAD case management system. This system will reduce paper filing, clerical entry, and mail processing.	\$160,000	NR	\$80,000	NR
1100 Rules Review Division				
59 Regulatory Reform	\$349,549	R	\$349,549	R
Provides funds to implement regulatory reform within the Rules Review Division. The funding will create four new positions that are needed for additional review, reporting and publication requirements required under regulatory reform. There is additional funding for information technology upgrades. The positions created are as follows: two Attorneys, one Paralegal II, and one Administrative Assistant.	\$164,550 4.00	NR	\$25,000 4.00	NR
Total Legislative Changes	\$571,241	R	\$571,699	R
	\$334,938	NR	\$105,000	NR
Total Position Changes	5.00		5.00	
Revised Budget	\$5,241,643		\$5,027,130	

(18.0) Treasurer

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$6,851,090		\$6,851,090	

Legislative Changes

1210 - Investment Division

60 Operating Reduction to Investment Division

(\$45,416)	R	(\$45,416)	R
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Eliminates the appropriated position reserve (537199) for Investment Directors and Chief Investment Officer.

1310 - Local Government Division

61 State and Local Government Automation Project

Authorizes the use of receipts for the State and Local Government Automation Project. This project is a multi-year effort to replace outdated information systems used by local government units. Project components include infrastructure upgrades, audit package with document management capabilities, modernization of Annual Financial Information Reporting (AFIR) process, and implementation of audit software. The Automation Project is funded from fees paid by local governments for debt issuance. The first phase of this project was authorized in FY 2011-12. The nonrecurring costs for this project are \$1,048,200 for FY 2013-14. There will be additional recurring costs of \$200,419.

1510 - Financial Operations Division

62 Reduction to Operating Funds in Financial Operations Division

(\$133,221)	R	(\$133,221)	R
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Reduces transfers to the Information Management Division by \$70,000 (538175) to reflect change in the allocation formula, and reduces miscellaneous contractual services (532199) by \$25,000. In addition, a vacant Banking Specialist position (60009292) is eliminated. The position has been vacant over three years.

-1.00		-1.00	
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63 Core Banking System Upgrade

Provides non-recurring funds for the upgrade of the State's Core Banking System. Appropriations to the Division for this item will not be subject to G.S. 147-68.1.

\$1,111,585	NR		
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64 Operation of State Core Banking System

Allows the Financial Operations Division to access funds under management to fund the operations of the upgraded State's Core Banking System Upgrade. Appropriations to the Division will be reimbursed in accordance with G.S. 147-68.1.

\$353,852	R	\$353,852	R
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Total Legislative Changes	\$175,215	R	\$175,215	R
	\$1,111,585	NR		
Total Position Changes	-1.00		-1.00	
Revised Budget	\$8,137,890		\$7,026,305	

(19.0) Fire Rescue Nat Guard Pensions & LDD Benefits

GENERAL FUND

	FY 13-14	FY 14-15
Recommended Continuation Budget	\$23,179,042	\$23,179,042

Legislative Changes

1412 - Fire Pension

65 General Fund Fire Contribution

Provides the General Fund contribution to the Firemen's Pension Fund. The payment of these pension benefits is made pursuant to Article 86 of G.S. 58. The amount of the recurring General Fund contribution in the continuation budget is \$14,015,734.

1413 - Rescue Squad

66 General Fund Contribution to the Rescue Squad Workers Pension Fund

Provides the General Fund contribution to the Rescue Squad Workers' Pension Fund. The payment of these pension benefits is made pursuant to Article 86 of G.S. 58. The amount of the recurring General Fund contribution in the continuation budget is \$1,430,865. The appropriation is reduced by \$820,000 relative to the continuation budget in order to align with the Annual Required Contribution in the June 30, 2012 actuarial valuation. This reduction appears in a corresponding money item in the Statewide Reserves section of the Committee Report.

1414 - National Guard

67 General Fund Contribution to National Guard

Provides the General Fund contribution to the National Guard Pension Fund. The payment of these pension benefits is made pursuant to G.S. 127A-40. The amount of the recurring General Fund contribution to the fund is \$7,007,443.

1432 - Line of Duty Death Benefits

68 General Fund Contribution to Line of Duty Death Benefits

Provides the General Fund contribution to the Line of Duty Death Benefits Fund. The Fund provides benefits to families of certain public servants who die in the line of duty. The payment of these death benefits is made pursuant to G.S. 143-12A. The amount of the recurring General Fund contribution to the fund is \$725,000.

Total Legislative Changes

Total Position Changes

Revised Budget

\$23,179,042

\$23,179,042

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TRANSPORTATION

Section K

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Highway Fund

HIGHWAY FUND

	FY 13-14	FY 14-15
Recommended Continuation Budget	\$1,696,197,124	\$1,692,322,459

Legislative Changes

Adjustments to Availability

1 Inspection Program Account & Telecommunications Account

Appropriates \$10.5 million of accumulated unencumbered fund balance in accordance with the elimination of the Inspection Program Account and Telecommunications Account upon completion of the Motor Vehicle Inspection and Law Enforcement System (MILES) information technology project. Projected recurring revenues from the consolidation of the Inspection (\$3.00) and Telecommunications (\$1.75) electronic authorization fees total \$23.6 million in FY 2013-14 and \$21.6 million in FY 2014-15.

2 Division of Motor Vehicles Technology Improvement Account

Appropriates \$4.55 million of accumulated unencumbered fund balance in accordance with the elimination of the Technology Improvement Account. Additional recurring revenues to the Highway Fund total \$634,000.

3 Access and Public Service Road Program

Appropriates \$4,843,441 of accumulated unencumbered fund balance from the Access and Public Service Road Program.

4 Division Small Urban Construction Program

Appropriates \$21,914,410 of accumulated unencumbered fund balance from the Division Small Urban Construction Program.

5 Contingency Fund

Appropriates \$27,060,083 of accumulated unencumbered fund balance from the Contingency Fund.

6 Economic Development Program

Appropriates \$3,346,215 of accumulated unencumbered fund balance within the Economic Development Program for qualifying projects to be used in FY 2013-14.

7 Shallow Draft Navigation Channel Dredging Fund

Reduces Highway Fund revenue by \$2,280,350 in FY 2013-14 and \$2,193,500 in FY 2014-15 to reflect the crediting of one-sixth of one percent (1/6 of 1%) of motor fuel tax revenue to the Shallow Draft Navigation Channel Dredging Fund.

8 Registration Fee for Electric Vehicles

Increases Highway Fund revenues by \$60,000 in FY 2013-14 and \$120,000 in FY 2014-15 based on the implementation of a \$100 surcharge on registration fees for electric vehicles.

9 Freight Rail & Rail Crossing Safety Improvement Fund

Increases Highway Fund availability to reflect dividend payments issued by the North Carolina Railroad Company during the 2013-15 fiscal biennium. Estimated receipts total \$19.2 million in FY 2013-14 and \$3.75 million in FY 2014-15.

10 Motor Fuels Tax

Reduces Highway Fund revenue by \$1,837,500 in FY 2013-14 per implementation of a cap on the motor fuels excise tax rate of 37.5 cents per gallon.

Administration

11 Facility Security

\$303,896 R \$303,896 R

Appropriates recurring funds to maintain the existing level of contract security at seven DOT buildings, as recommended in the Governor's Budget. Funds were previously allocated from the year-end credit balance within the Highway Fund for this purpose.

12 Fiscal Section - Appalachian Regional Commission

\$278,099 R \$278,099 R

Appropriates funding for the Department's share of the Appalachian Regional Commission Assessment, as recommended in the Governor's Budget. Funds were previously allocated from the Highway Fund year-end credit balance for this purpose.

13 Occupational Safety and Health (OSHA) Program

(\$7,455) R (\$7,455) R

Reduces funding for the Occupational Safety and Health (OSHA) Program, leaving \$365,337, as recommended in the Governor's Budget.

14 DOT-IT - Mainframe Application Modernization

\$8,832,000 NR \$5,000,000 R
\$8,798,400 NR

Appropriates funds to advance the development and implementation of replacement systems for Division of Motor Vehicles mainframe applications, including the State Titling and Registration System (STARS), State Automated Driver License System (SADLS), and Liability Insurance Tracking and Enforcement System (LITES). Funds are authorized for the procurement of contractual services, hardware and software for these replacement efforts.

15 Fiscal Section - Combined Registration and Tax Collection System

Authorizes three additional receipt-supported positions to administer the collection of registration fees and property taxes upon implementation of the Combined Motor Vehicle Registration and Property Tax Collection System. Budgeted receipts are increased by \$189,278 recurring in FY 2013-14 and \$189,372 recurring in FY 2014-15. Costs incurred for project administration are supported by the administrative fee authorized in G.S. 105-330.5(b) and determined pursuant to the Memorandum of Understanding between the Department of Revenue and Division of Motor Vehicles, as required by G.S. 105-330.11. Total budgeted receipts for Fiscal Section project administration are \$634,702 in FY 2013-14 and \$634,796 in FY 2014-15.

16 DOT-IT - Combined Registration and Tax Collection System

Authorizes two additional receipt-supported positions to support and maintain the Combined Motor Vehicle Registration and Property Tax Collection System. Budgeted receipts are increased by \$240,296 recurring and \$232,750 nonrecurring in FY 2013-14, and are reduced by \$1,767,963 in FY 2014-15 per project close-out. Costs incurred for project administration are supported by the administrative fee authorized in G.S. 105-330.5(b) and determined pursuant to the Memorandum of Understanding between the Department of Revenue and Division of Motor Vehicles, as required by G.S. 105-330.11. Total budgeted receipts for DOT-IT project administration are \$4,831,480 in FY 2013-14 and \$2,861,062 in FY 2014-15.

17 Departmental Staffing Efficiencies

Eliminates 100 vacant positions across the Department in FY 2013-14 and a total of 400 vacant positions by FY 2014-15. Of these, the Department shall eliminate a minimum of 17 vacant administrative positions in FY 2013-14 and 34 vacant administrative positions by FY 2014-15, for a recurring savings of \$2,113,406.

(\$1,056,703)	R	(\$2,113,406)	R
-17.00		-34.00	

Aid to Municipalities

18 State Aid to Municipalities

Appropriates additional funding based on the consolidation of State Aid to Municipalities/Powell Bill allocations within the Highway Fund. Budgeted funds total \$142,102,740 for FY 2013-14 and \$136,874,010 for FY 2014-15.

\$53,216,442	R	\$48,165,484	R
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Capital, Repairs & Renovations

19 Repairs & Renovations

Appropriates funds for repairs and renovations to Department of Transportation owned facilities during the 2013-15 fiscal biennium.

\$3,532,900	NR	\$2,792,000	NR
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20 Capital Improvements

Appropriates nonrecurring funds for capital improvement projects included in the Department of Transportation's 2013-2019 Capital Improvements Plan.

\$14,522,600	NR	\$17,145,700	NR
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Construction

21 Secondary Road Construction and Unpaved Secondary Road Paving Programs

Reduces funding for the Secondary Road Construction Program in FY 2013-14 and eliminates the program in FY 2014-15. The fund will be renamed in FY 2014-15 to the Unpaved Secondary Road Paving Program. The total budget is \$27.0 million in FY 2013-14 and \$12.0 million in FY 2014-15. The Department will allocate \$12.0 million recurring beginning in FY 2013-14 for the paving of unpaved secondary roads based on the statewide prioritization list.

(\$76,886,298)	R	(\$76,708,526)	R
\$15,000,000	NR		

Conference Report on the Continuation, Capital, and Expansion Budget

FY 13-14

FY 14-15

22 Division Small Urban Construction

(\$7,000,000) R

(\$7,000,000) R

Eliminates recurring funding for the Division Small Urban Construction Program and appropriates \$5.0 million nonrecurring in FY 2013-14 and FY 2014-15.

\$5,000,000 NR

\$5,000,000 NR

23 Access and Public Service Road Program

(\$35,178) R

(\$35,178) R

Reduces funding for the Access and Public Service Roads Program by 2%, leaving \$1,723,707, as recommended in the Governor's Budget.

24 Economic Development Program Fund

Appropriates \$3,846,215 nonrecurring in FY 2013-14 and \$4,036,171 nonrecurring in FY 2014-15 to the Economic Development Program for qualifying projects. From these funds, \$500,000 is allocated in FY 2013-14 to support costs incurred for the study directed by Section 34.23.

\$3,846,215 NR

\$4,036,171 NR

Division of Motor Vehicles

25 Customer Service Improvement Initiative

\$889,782 R

\$963,829 R

Appropriates funds to support part-time personnel, utilities, and other operating costs associated with the provision of extended weekday and Saturday hours of operation at 20 driver license offices during FY 2013-14, increasing to 30 offices by FY 2014-15, as recommended in the Governor's Budget.

\$540,683 NR

Nonrecurring funds are appropriated for the training of new personnel and to replace three digital scanners which are no longer supported by the manufacturer.

26 Credit/Debit Transaction Costs

\$6,646,233 R

\$7,975,480 R

Appropriates funds to support transaction costs incurred for the acceptance of credit and debit card payments for registration, title, and highway use tax transactions.

27 Combined Registration and Tax Collection System

Continues funding for a total of 79 receipt-supported positions authorized by S.L. 2012-142, Sec. 24.10, of which 58 are time-limited, to administer the Combined Motor Vehicle Registration and Property Tax Collection System. Fifty-four of these authorized time-limited positions shall terminate no later than June 30, 2015. Vehicle Services personnel are responsible for system training, transaction and document processing, and resolution of branch agent and customer service requests.

Budgeted receipts are increased by \$8,151,788 in FY 2013-14 and \$10,460,702 in FY 2014-15. Costs incurred for project administration are supported by the administrative fee authorized in G.S. 105-330.5(b) and determined pursuant to the Memorandum of Understanding between the Department of Revenue and Division of Motor Vehicles, as required by G.S. 105-330.11. Total budgeted receipts for DMV project administration are \$11,591,432 in FY 2013-14 and \$11,423,636 in FY 2014-15. Funding is reduced by \$167,796 in FY 2014-15 due to the elimination of four positions responsible for initial training activities.

28 Combined Registration and Tax Collection System - Receipts

(\$4,003,372) R (\$4,332,415) R

Reduces funding to account for additional receipts derived from compensation for property tax transactions performed by the Division of Motor Vehicles and from the administrative fee for the production of combined registration renewal notices and vehicle property tax bills (G.S. 105-330.5(b)). Receipts budgeted within Vehicle Services (Fund Center 1500/157055) are increased by \$1,645,215 in FY 2013-14 and \$1,974,258 in FY 2014-15, and will partially offset costs incurred for credit/debit transactions. Receipts budgeted within General Services (Fund Center 1500/157030) are increased by \$2,358,157 recurring.

29 Inspection Program

\$15,440,537 R \$15,440,537 R

Increases funding to support the costs of administering the Inspection Program per the elimination of the Inspection Program Account and Telecommunications Account. Receipt-supported functions are converted to Highway Fund appropriation. Recurring funding for the Inspection Program (Fund Center 1500/150054) is increased by \$8,964,895, for a total Program budget of \$12,158,854 recurring. Receipts budgeted for split-funded positions within the License and Theft Bureau (Fund Center 1500/157060) are reduced by \$6,475,642.

Intermodal

30 Aviation Division - Economic Development

Appropriates \$6.5 million in nonrecurring funds for aviation-related economic development projects.

\$6,500,000 NR

Conference Report on the Continuation, Capital, and Expansion Budget

	FY 13-14		FY 14-15	
31 Aviation Division - State Aid to Airports	\$31,627	R	\$2,128,306	R
<p>Reduces funding for grants to airports to \$20.0 million recurring, a reduction of \$2,311,031 from the FY 2012-13 Certified Budget. Amounts shown represent adjustments relative to the Continuation Budget for the 2013-15 fiscal biennium, in accordance with the repeal of G.S. 136-16.4.</p>				
32 Public Transportation Division - High Point Furniture Market	\$200,000	R	\$200,000	R
<p>Increases assistance for transit services associated with the High Point Furniture Market to \$1.2 million recurring.</p>				
33 Ferry Division - Operating Efficiencies	(\$820,763)	R	(\$820,763)	R
<p>Reduces funding for Ferry Division operations by 2%, as recommended in the Governor's Budget.</p>				
34 Ferry Division - Operations	\$5,000,000	R	\$5,000,000	R
<p>Appropriates funds to offset the shifting of toll revenue to reserve accounts for capital improvements to the North Carolina Ferry System. Toll revenue previously offset recurring operating and maintenance costs.</p>				
35 Ferry Division - Spoil Site Capacity	\$1,150,000	NR		
<p>Appropriates nonrecurring funds to re-establish capacity at spoil sites at Fort Fisher (\$100,000), Southport (\$150,000), Cherry Branch (\$400,000), and Swan Quarter (\$500,000), as recommended in the Governor's Budget.</p>				
36 Rail Division - Operations	(\$424,023)	R	(\$424,023)	R
<p>Reduces funding for Rail Division programs by 2%, as recommended in the Governor's Budget.</p>				
37 Rail Division - Infrastructure Assistance Programs	(\$519,000)	R	(\$519,000)	R
<p>Eliminates funding for the Rail Industrial Access Program and Short Line Infrastructure Assistance Program. Eligible projects may qualify for funding through the Freight Rail and Rail Crossing Safety Improvement Fund.</p>				
38 Rail Division - Freight Rail & Rail Crossing Safety Improvement Fund	\$3,700,000	R	\$3,750,000	R
	\$15,500,000	NR		
<p>Appropriates receipts from dividend payments issued by the North Carolina Railroad Company. Funds shall be used for the enhancement of freight rail service and railroad-roadway crossing safety improvements, including projects which improve access to industrial, port, and military facilities. A total of \$19.2 million is budgeted in FY 2013-14 and \$3.75 million in FY 2014-15 from estimated dividend payments.</p>				
39 Division of Bicycle & Pedestrian Transportation - Planning Grants	(\$129,447)	R	(\$129,447)	R
<p>Reduces funding for the Regional Bicycle Planning Grant Program to \$250,000 recurring.</p>				

Maintenance

40 Primary System	(\$16,255,309)	R	(\$15,829,611)	R
Reduces funding for the Primary System Maintenance Program, leaving \$147,097,510 in FY 2013-14 and \$147,523,208 in FY 2014-15.				
41 Secondary Road Maintenance and Improvement Program	(\$12,406,635)	R	(\$9,418,088)	R
Reduces funding to the Secondary Road Maintenance and Improvement Program, leaving \$270,593,678 in FY 2013-14 and \$273,582,225 in FY 2014-15.				
42 System Preservation	(\$500,000)	R	(\$1,400,000)	R
Reduces funding for the System Preservation Program, consistent with new revenue estimates and G.S. 119-18(b).				
43 Reserve for General Maintenance	\$51,989,914	R	\$7,760,538	R
Increases funding for the Reserve for General Maintenance, as recommended in the Governor's Budget. Budgeted funds total \$89,790,226 for FY 2013-14 and \$45,560,850 for FY 2014-15.				
44 Contract Resurfacing	\$145,288,396	R	\$127,538,435	R
Increases funding for the Contract Resurfacing Program. Budgeted funds total \$433,462,800 for FY 2013-14 and \$402,423,088 for FY 2014-15.				
45 System Preservation	\$100,771,279	R	\$74,779,855	R
Increases funding for the System Preservation Program. Budgeted funds total \$179,599,774 for FY 2013-14 and \$153,008,350 for FY 2014-15.				

Reserves

46 State Health Plan	\$1,700,000	R	\$4,450,000	R
Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the Highway Fund for the 2013-15 fiscal biennium.				
47 State Retirement System Contributions	\$1,121,000	R	\$1,121,000	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System for the 2013-15 biennium to fund the Annual Required Contribution.				
48 Reserve for Future Benefit Needs			\$1,745,000	R
Creates a reserve for increased contributions to existing employee benefits programs.				

Transfers

49 Department of Public Instruction - Driver Education Program	(\$1,709,142)	R	(\$1,701,923)	R
<p>Reduces funds for transfer to the Department of Public Instruction in accordance with an authorized increase to the optional driver education fee, from \$45.00 to \$55.00 per participating student. Estimates adjust for projected increases in 9th grade average daily membership (ADM) and eligible private and federal school students over the 2013-15 fiscal biennium. Transfers total \$26,138,808 for FY 2013-14 and \$26,682,132 for FY 2014-15.</p>				
50 State Ethics Commission	\$55,146	R	\$55,146	R
<p>Transfers \$55,146 to the State Ethics Commission to support a Paralegal position for the implementation of S.L. 2013-156.</p>				

Total Legislative Changes	\$264,879,026	R	\$186,215,770	R
	\$87,714,149	NR	\$37,772,271	NR
Total Position Changes	-17.00		-34.00	
Revised Budget	\$2,048,790,299		\$1,916,310,500	

Highway Trust Fund

HIGHWAY TRUST FUND

Recommended Continuation Budget	FY 13-14	FY 14-15
	\$1,118,600,000	\$1,152,000,000

Legislative Changes

Adjustments to Availability

51 Motor Fuels Tax

Reduces Highway Trust Fund revenue by \$612,500 in FY 2013-14 per implementation of a cap on the motor fuels excise tax rate of 37.5 cents per gallon.

Administration

52 Administration

Eliminates the statutory adjustment to Administration and holds funding at the FY 2012-13 certified budget amount.

(\$8,008,320)	R	(\$9,611,520)	R
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Aid to Municipalities

53 Aid to Municipalities

Eliminates the Highway Trust Fund allocation to the Aid to Municipalities program and transfers funds to the Strategic Prioritization Program. The Highway Fund allocation to the Aid to Municipalities program is increased to hold municipalities harmless over a five-year period.

(\$56,072,216)	R	(\$58,054,337)	R
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Construction

54 Strategic Prioritization Program

Appropriates funding for highway and intermodal capital projects funded through the Highway Trust Fund per the new Strategic Prioritization Funding Plan for Transportation Investments.

\$930,926,530	R	\$950,101,672	R
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55 Intrastate System

Eliminates the Intrastate System program and transfers funds to the Strategic Prioritization Program.

(\$515,520,933)	R	(\$530,210,557)	R
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56 Mobility Fund

Eliminates the Mobility Fund program and transfers funds to the Strategic Prioritization Program.

(\$58,000,000)	R	(\$58,000,000)	R
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57 Secondary Roads

Eliminates the Secondary Road program and transfers funds to the Strategic Prioritization Program.

(\$78,972,723)	R	(\$86,253,540)	R
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58 Urban Loops

Eliminates the Urban Loops program and transfers funds to the Strategic Prioritization Program.

(\$164,864,838)	R	(\$191,571,718)	R
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Turnpike Authority

59 Gap Funding

(\$63,000,000) R (\$63,000,000) R

Eliminates gap funding in the amounts of \$35 million for the Garden Parkway and \$28 million for the Mid-Currituck Bridge projects. The projects are eligible to compete for funding based on the prioritization process established under the Strategic Prioritization Funding Plan for Transportation Improvements.

Total Legislative Changes

(\$13,512,500) R (\$46,600,000) R

Total Position Changes

Revised Budget

\$1,105,087,500 \$1,105,400,000

Turnpike Authority

Budget Code: 64208

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$151,879,602	\$1,404,739,602
Receipts	\$151,879,602	\$1,404,739,602
Positions	22.00	22.00

Legislative Changes

Requirements:

Departmental Staffing Efficiencies	(\$153,884) R	(\$153,884) R
Eliminates two vacant receipt-supported positions within the Turnpike Authority. Recurring savings total \$153,884.	\$0 NR	\$0 NR
	-2.00	-2.00
Subtotal Legislative Changes	(\$153,884) R	(\$153,884) R
	\$0 NR	\$0 NR
	-2.00	-2.00

Receipts:

Departmental Staffing Efficiencies	(\$153,884) R	(\$153,884) R
Reduces budgeted receipts per the elimination of two vacant positions.	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$153,884) R	(\$153,884) R
	\$0 NR	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budgets

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$151,725,718	\$1,404,585,718
Revised Total Receipts	\$151,725,718	\$1,404,585,718
Change in Fund Balance	\$0	\$0
Total Positions	20.00	20.00
Unappropriated Balance Remaining	\$0	\$0

**RESERVES/
DEBT SERVICE/
ADJUSTMENTS
Section L**

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Statewide Reserves

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$756,149,861		\$756,149,861	
Legislative Changes				
A. Employee Benefits				
1 Severance Expenditure Reserve				
Provides funding for severance salary continuation payments and health benefits coverage under the State Health Plan for eligible employees who are reduced in force (RIF) during FY 2013-14. Any funds remaining in this reserve at the end of FY 2013-14 shall not revert and shall be used to pay severance salary continuation needs in FY 2014-15.	\$16,000,000	NR		
2 Statewide Compensation Study				
Establishes a reserve to fund a statewide compensation study by the Office of State Personnel (OSP). OSP shall report the results of its study to the chairs of the Senate Appropriations/ Base Budget Committee, the chairs of the House of Representatives Appropriations Committee, and the Fiscal Research Division by May 1, 2014.	\$1,000,000	NR		
3 Salary Adjustment Fund				
Appropriates funds to the Salary Adjustment Fund.	\$7,500,000	R	\$7,500,000	R
4 State Retirement System Contributions				
Increases the State's contribution to the Teachers' and State Employees' Retirement System for the 2013-15 biennium to fund the Annual Required Contribution.	\$36,000,000	R	\$36,000,000	R
5 Judicial Retirement System Contributions				
Increases the State's contribution to the Consolidated Judicial Retirement System for the 2013-15 biennium to fund the Annual Required Contribution.	\$1,000,000	R	\$1,000,000	R
6 Highway Fund Retirement System Contributions				
Increases the State's contribution to the Teachers' and State Employees' Retirement System for positions supported by the Highway Fund by \$1,121,000 for 2013-15 biennium to fund the Annual Required Contribution. The increased expenditures appear in the Transportation section of the Committee Report.				
7 Reserve for Future Benefit Needs				
Creates a General Fund reserve for increased contributions to existing employee benefits programs.			\$56,400,000	R

8 Highway Fund Reserve for Future Benefit Needs

Creates a Highway Fund reserve of \$1,745,000 for increased contributions to existing employee benefits programs. Funds for the reserve appear in a corresponding item in the Transportation section of the Committee Report.

9 Firemen’s and Rescue Squad Workers’ Pension Fund

(\$820,000) R (\$820,000) R

Reduces contributions to the Firemen’s and Rescue Squad Workers’ Pension Fund for the 2013-15 biennium to match the Annual Required Contribution.

10 State Health Plan

\$33,500,000 R \$89,000,000 R

Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the General Fund for the 2013-15 fiscal biennium.

11 Highway Fund State Health Plan Contribution

Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the Highway Fund for the 2013-15 fiscal biennium. The additional funding required from the Highway Fund is \$1.7 million for FY 2013-14 and \$4.45 million for FY 2014-15. The increased expenditures appear in a corresponding item in the Transportation section of the Committee Report.

B. Other Reserves

12 Eugenics Sterilization Compensation Fund

Creates a fund to compensate verified victims of the State's Eugenics Program.

\$10,000,000 NR

13 Reserve for Escheat Fund Global TransPark Loan Repayment

Provides General Fund appropriation to repay the Global TransPark's loan funded from the Escheat Fund. The Office of State Budget and Management shall transfer these funds to the Escheat Fund. Any excess funds remaining after the loan is paid in full shall remain in the Escheat Fund.

\$27,000,000 NR

14 Unemployment Insurance (UI) Reserve

Establishes a reserve for the requirements of S.L. 2013-2, UI Fund Solvency and Program Changes. The Office of State Budget and Management shall distribute the reserve to State agencies to fund the 1% UI reserve requirements for General Fund-supported employees and State-funded teachers. Total funding in FY 2013-14 will be \$40.8 million due to the transfer of \$17 million from the Worker Training Trust Fund, the Training and Employment Account, and the Special Employment Security Administration Fund.

\$23,800,000 NR \$13,600,000 NR

15 Job Development Investment Grant Reserve

Increases funding for the Job Development Investment Grant (JDIG) Reserve to meet projected needs for FY 2013-14 and FY 2014-15. Total funding in FY 2013-14 will be \$51,823,772; total funding in FY 2014-15 will be \$63,045,357.

\$24,423,772 R \$35,645,357 R

16 NC GEAR

Establishes a statewide reserve in the Office of State Budget and Management for the NC Government Efficiency and Reform (NC GEAR) project.

\$2,000,000 NR \$2,000,000 NR

17 Reserve for Pending Legislation

Creates a reserve to fund the following House bills should they be enacted into law:

- HB 473 - Department of Insurance to regulate captive insurance companies.
- HB 675 - General Fund portion (80%) of the total impact on the State Health Plan from changes in the Pharmacy Laws.
- HB 498 - General Fund portion (80%) of the total impact on the State Health Plan from changes in autism health insurance coverage.
- HB 269 - State Education Assistance Authority and the Department of Public Instruction to implement the bill.
- HB 392 - Department of Health and Human Services to implement the bill.

\$4,000,000 R \$4,500,000 R

18 Reserve for Voter Information Verification Act

Provides funds for the implementation of the Voter Information Verification Act (VIVA). Funds may be used for outreach and operations by the State Board of Elections, reimbursement for issuance of state-issued identification cards by Division of Motor Vehicles, reimbursement for the State Registrar for the provision of free vital records certificates, and for reimbursement to county governments.

\$1,000,000 R \$1,000,000 R

19 IT Fund

Provides additional funding to the Information Technology (IT) Fund to support the implementation of the Government Data Analytics Center (GDAC) as an enterprise information technology project. The GDAC will facilitate the integration and analysis of data across State agencies, improving coordination between and among the participating organizations.

\$1,417,515 R \$1,417,515 R
 \$1,582,485 NR \$3,000,000 NR

20 IT Reserve Fund

Provides additional funding for the State Chief Information Officer to upgrade, simplify, and modernize the State's IT operations and internal infrastructure. This includes replacing obsolete computers and applications, and ensuring that State agencies are meeting IT security requirements.

\$5,635,000 R \$7,820,000 R
 \$22,365,000 NR \$23,762,485 NR
 33.00 44.00

C. Debt Service

21 Debt Service Adjustment

Adjusts debt service appropriations based on updated cash flow requirements.

(\$34,949,705) R (\$18,648,784) R

22 Tobacco Master Settlement Agreement Debt

Provides a direct General Fund appropriation for University projects' debt service that was previously funded by Tobacco Master Settlement Agreement receipts.

\$35,450,000 R \$35,289,724 R

Total Legislative Changes	\$114,156,582	R	\$256,103,812	R
	\$103,747,485	NR	\$42,362,485	NR
Total Position Changes	33.00		44.00	
Revised Budget	\$974,053,928		\$1,054,616,158	

State Health Plan (Administration)

Budget Code: 28410

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$5	\$5
Recommended Budget		
Requirements	\$195,380,187	\$195,380,187
Receipts	\$195,380,187	\$195,380,187
Positions	46.00	46.00

Legislative Changes

Requirements:

Medical Benefits/Claims Processing Contract	(\$19,507,650) R	(\$15,997,012) R
Adjusts the budgeted amounts for Third Party Administrative Services contracts based on newly effective contracts, changes in membership, and on-going administrative services.	\$0 NR 0.00	\$0 NR 0.00
Pharmacy Benefits Management (PBM) Contract	(\$3,020,918) R	(\$11,804,511) R
Adjusts the budgeted amount for the PBM contract based on anticipated contractual costs, changes in membership, and administrative services provided by the PBM. Reflects a full year of the Employer Group Waiver Plan (EGWP) in FY 2013-14.	\$0 NR 0.00	\$0 NR 0.00
Disease & Case Management Contracts	\$1,830,916 R	\$2,808,916 R
Adjusts the budgeted amount for Population Health Management Services contracts based on anticipated contractual costs, changes in membership, and on-going disease and case management services.	\$0 NR 0.00	\$0 NR 0.00
Wellness Initiatives and Programs	(\$177,425) R	(\$379,250) R
Adjusts the budgeted amount for Wellness Initiatives contracts based on on-going contracts, programs, and initiatives and reflecting the expiration of some contracts.	\$0 NR 0.00	\$0 NR 0.00

Conference Report on the Continuation, Capital, and Expansion Budgets

	FY 2013-14		FY 2014-15	
Other Administrative Costs	\$6,841,519	R	\$41,043,218	R
Adjusts the budgeted amounts for the Plan's other administrative costs to reflect increased member communications due to plan design changes, enhanced auditing efforts, and anticipated adjustments to contractual costs due to inflation and membership changes. Reflects the transitional reinsurance fee under the federal Affordable Care Act in FY 2014-15.	\$0	NR	\$0	NR
	0.00		0.00	
Department Overhead Allocation	\$1,100,000	R	\$1,100,000	R
Directs the Office of State Budget and Management to create a new fund code for the Department of State Treasurer core services allocation. The amounts in other fund codes may only be used for purposes directly related to the administration of the State Health Plan.	\$0	NR	\$0	NR
	0.00		0.00	
Subtotal Legislative Changes	(\$12,933,558)	R	\$16,771,361	R
	\$0	NR	\$0	NR
	0.00		0.00	
<hr/>				
Receipts:				
Adjust Transfers from Trust Funds	(\$12,933,558)	R	\$16,771,361	R
Adjusts the amount of transfer from the Plan's health benefit trust fund budget codes to support administrative costs authorized for the 2013-15 fiscal biennium.	\$0	NR	\$0	NR
Subtotal Legislative Changes	(\$12,933,558)	R	\$16,771,361	R
	\$0	NR	\$0	NR
<hr/>				
Revised Total Requirements	\$182,446,629		\$212,151,548	
Revised Total Receipts	\$182,446,629		\$212,151,548	
Change in Fund Balance	\$0		\$0	
Total Positions	46.00		46.00	
<hr/>				
Unappropriated Balance Remaining	\$5		\$5	

CAPITAL
Section M

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Capital

GENERAL FUND

FY 13-14

FY 14-15

Legislative Changes

A. Department of Administration

1 Division of Veterans Affairs - Sandhills State Veterans Cemetery

Appropriates \$125,000 to construct an enclosed committal structure for the Sandhills State Veterans Cemetery in Spring Lake, NC. The funding will match contributions from non-State entities. The total cost of the project is \$300,000.

\$125,000	NR
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2 Division of Veterans Affairs - New State Veterans Cemetery

Appropriates funds to construct a State Veterans Cemetery in Goldsboro. The State currently has three cemeteries located in Black Mountain, Kinston, and Spring Lake.

\$600,000	NR
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B. Department of Environment and Natural Resources

3 Water Resources

Provides funds for the State's share of Water Resource Development Projects. These funds will match \$39.5 million in federal funds and \$7.3 million in local funds in FY 2013-14. The projects are specified in a special provision.

\$11,522,000	NR
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C. Department of Justice

4 Western Crime Laboratory Planning

Provides funding to complete full planning for the Western Crime Laboratory. Initial planning funds were authorized in S.L. 2012-142. The planned facility will be 36,050 square feet. The estimated cost of this project is \$16.8 million.

\$1,442,000	NR
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D. Department of Public Safety

5 Samarkand Training Facility

Converts the vacant Division of Juvenile Justice Youth Development Center into an overnight training facility for the Department of Public Safety.

\$5,250,000	NR	\$5,173,000	NR
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6 Armory and Facility Development Projects

Appropriates \$8.25 million in State funds over the fiscal biennium to expand and renovate National Guard Armories and Facilities located throughout the State. These funds will match \$21 million in federal funds. The projects are specified in a special provision.

\$5,000,000	NR	\$3,250,000	NR
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E. University of North Carolina

7 University of North Carolina - Asheville - Land Purchases

Appropriates funds for the University of North Carolina - Asheville for land purchases to allow for the long-term growth and expansion of the campus consistent with the strategic plans of the campus and the UNC Board of Governors.

\$2,000,000 NR

8 Appalachian State University - Health Sciences Building

Funds advance planning for Appalachian State University's College of Nursing and Health Sciences Building. The 200,000 sq. ft. facility will be constructed in association with the Watauga Medical Center. Planning funds for this project were originally appropriated in S.L. 2008-107 but were reverted by the Governor to cover the FY 2008-09 budgetary shortfall. The project is estimated to cost \$80.2 million.

\$2,000,000 NR

Total Appropriation to Capital

\$27,939,000 NR

\$8,423,000 NR

**INFORMATION
TECHNOLOGY
SERVICES
Section N**

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Information Technology Fund

Budget Code: 24667

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$0	\$2,200
Recommended Budget		
Requirements	\$6,053,142	\$6,053,142
Receipts	\$6,053,142	\$6,053,142
Positions	33.00	33.00

Legislative Changes

Requirements:

Criminal Justice Information Network	\$0	R	\$0	R
Provides \$189,563 in each year of the biennium to the Criminal Justice Information Network (CJIN). The CJIN is a statewide criminal justice infrastructure that allows the sharing of information between State and local criminal justice agencies.	\$0	NR	\$0	NR
	0.00		0.00	
 Center for Geographic Information and Analysis	 \$0	 R	 \$0	 R
Provides \$495,338 in each year of the biennium for the Center for Geographic Information and Analysis (CGIA). The CGIA is the lead agency for geographic information systems (GIS) services and GIS coordination for North Carolina. CGIA provides GIS services to State and local governments.	\$0	NR	\$0	NR
	0.00		0.00	
 Enterprise Security Risk Management Office	 (\$248,746)	 R	 (\$248,746)	 R
Reduces funding for Enterprise Security Risk Management to 2011-2013 levels, leaving \$864,148 (recurring) for each year of the biennium. The Enterprise Security and Risk Management Office (ESRMO) is responsible for the development, delivery and maintenance of an information security and risk management program that safeguards the State's information assets and the supporting infrastructure against unauthorized use, disclosure, modification, damage, or loss.	\$0	NR	\$0	NR
	0.00		0.00	

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	FY 2013-14		FY 2014-15	
Enterprise Project Management Office	(\$219,116)	R	(\$219,116)	R
Reduces funding for the Enterprise Project Management Office (EPMO) to 2011-13 levels, leaving \$1,473,285 for FY 2013-14 and FY 2014-15. The EPMO was established to improve the management of IT projects in State government.	\$0	NR	\$0	NR
	0.00		0.00	
Architecture and Engineering	(\$48,354)	R	(\$48,354)	R
Reduces funding for the Office of Enterprise Architecture to 2011-2013 levels, providing \$851,986 for FY 2013-14 and FY 2014-15. The Office acts as a strategic planner and architect for the State's IT programs and is responsible for formulating and advancing a vision for those programs.	\$0	NR	\$0	NR
	0.00		0.00	
State Web Site	\$0	R	\$0	R
Provides funding of \$224,741 for FY 2013-14 and FY 2014-15 to support the operation and maintenance of the State's web site.	\$0	NR	\$0	NR
	0.00		0.00	
Enterprise Licenses	\$0	R	\$0	R
Provides funding of \$33,000 for FY 2013-14 and FY 2014-15 for enterprise license agreements. Enterprise license agreements support multiple agencies' IT projects and applications.	\$0	NR	\$0	NR
	0.00		0.00	
Consolidation	(\$383,784)	R	(\$383,784)	R
Reduces funding for consolidation to \$1,021,081 for each year of the biennium to offset other requirements within the Office of the State Chief Information Officer.	\$0	NR	\$0	NR
	0.00		0.00	
Electronic Forms and Digital Signatures	\$900,000	R	\$900,000	R
Provides funding to continue the State's effort to develop and enterprise electronic forms and digital signatures capability.	\$0	NR	\$0	NR
	0.00		0.00	
Government Data Analytics Center	\$1,417,515	R	\$1,417,515	R
Provides funding to continue the efforts of the Government Data Analytics Center (GDAC) and the North Carolina Financial Accountability and Compliance Technology System (NCFACCTS) to develop an enterprise business intelligence capability.	\$1,582,485	NR	\$3,000,000	NR
	8.00		8.00	
Subtotal Legislative Changes	\$1,417,515	R	\$1,417,515	R
	\$1,582,485	NR	\$3,000,000	NR
	8.00		8.00	

Receipts:

Interest	\$2,200	R	\$2,200	R
Accounts for interest generated by the Information Technology Fund during FY 2012-13 and 2013-14.	\$0	NR	\$0	NR
Funding for Government Data Analytics Center	\$1,417,515	R	\$1,417,515	R
Provides funding for the Government Data Analytics Center and the North Carolina Financial Accountability and Compliance Technology System to continue the State's efforts to develop an enterprise business intelligence capability.	\$1,582,485	NR	\$3,000,000	NR
Subtotal Legislative Changes	\$1,419,715	R	\$1,419,715	R
	\$1,582,485	NR	\$3,000,000	NR

Revised Total Requirements	\$9,053,142		\$10,470,657	
Revised Total Receipts	\$9,055,342		\$10,472,857	
Change in Fund Balance	\$2,200		\$2,200	
Total Positions	41.00		41.00	
Ending Unreserved Fund Balance	\$2,200		\$4,400	

Information Technology Reserve Fund

Budget Code: 00000

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$28,000,000	\$31,582,485
Receipts	\$28,000,000	\$31,582,485
Positions	0.00	0.00

Legislative Changes

Requirements:

Prepare/Focus (Strategic Plan)

Provides \$250,000 in FY 2013-14 to allow the State Chief Information Officer (CIO) to develop a new strategic plan that can be consistently implemented across State agencies, using a cross-agency working group to assess Statewide needs and formulate a plan. To support this effort, the State CIO will retain consultants with public and private sector expertise and estimates a requirement for 1,250 hours of support at \$200 per hour.

	\$0	R		\$0	R
	\$0	NR		\$0	NR
	0.00			0.00	

Plan (Enterprise Architecture)

Provides the State CIO with funding of \$1,570,806 in FY 2013-14 and \$2,239,512 in FY 2014-15 to hire personnel with the skills necessary to ensure that the State has an enterprise architecture that can be used as the basis for planning Statewide IT support and integrating agency requirements. As part of this effort, a consistent, detailed business case development process will be created that is based on best practices and ensures that the State acquires the best support at the lowest cost. To facilitate this process, the State CIO plans to recruit personnel with the necessary expertise. These will include the following:

- 1 IT Executive
- 4 IT Managers (2 hired in FY 2014-15)
- 11 IT Professionals (6 hired 10/01/2013) (1 hired in FY 2014-15)

	\$0	R		\$0	R
	\$0	NR		\$0	NR
	13.00			16.00	

Conference Report on the Continuation, Capital and Expansion Budget

	FY 2013-14	FY 2014-15
Build (Project Management)	\$0 R	\$0 R
Provides funding of \$1,507,353 in FY 2013-14 and \$2,882,254 in FY 2014-15 to allow the State CIO to hire staff with the skills required to create and deploy a development model for Cabinet agencies that will assist them in defining software requirements and require standard methodologies for project management and system development. The State CIO has projected the following staffing requirements:	\$0 NR	\$0 NR
1 IT Executive	18.00	26.00
3 IT Managers (1 to be hired 10/01/2013, 1 to be hired 01/01/2014)		
14 IT Analysts (6 to be hired 10/1/2013, 5 to be hired 01/01/2014)		
8 IT Analysts for 2014 (1 to be hired 10/01/2014, 1 to be hired 01/01/2015)		
Remediation (Equipment Relocation)	\$0 R	\$0 R
Provides the State CIO with funding to move information technology equipment from substandard facilities to State data centers. The associated costs are estimated as follows:	\$0 NR	\$0 NR
Vendor support of \$300,000 in FY 2013-2014	0.00	0.00
Equipment costs of \$800,000 in FY 2013-14 & \$600,000 in FY 2014-15		
Security	\$0 R	\$0 R
Ensures that State agencies are meeting IT security requirements by providing nonrecurring funding of \$1,500,000 in FY 2013-14 and \$250,000 in FY 2014-15 to allow the State CIO to conduct an assessment of their current status, then implement improvements based on identified shortfalls. To accomplish this, the services of an outside consultant will be required. The State CIO has also identified shortfalls in the IT Security staff and requires an additional IT security specialist, to be hired in January 2014, with an annual salary and benefits totaling \$142,788.	\$0 NR	\$0 NR
	1.00	1.00
Network Simplification	\$0 R	\$0 R
Provides nonrecurring funding of \$4,832,485 in FY 2014-15 to allow for the upgrade, simplification, and modernization of the State's internal IT infrastructure to accommodate current technology. Applications will also be upgraded.	\$0 NR	\$0 NR
	0.00	0.00
Desktop Remediation	\$0 R	\$0 R
Provides nonrecurring funding of \$17,000,000 in FY 2013-14 and \$13,300,000 in FY 2014-15 for the replacement of obsolete computers and applications.	\$0 NR	\$0 NR
	0.00	0.00

Conference Report on the Continuation, Capital and Expansion Budget

	FY 2013-14	FY 2014-15
MS Office	\$0 R	\$0 R
Provides \$2,300,000 in FY 2013-14 and FY 2014-15, as well as nonrecurring funding of \$1,715,000 in FY 2013-14 to update approximately 50,000 agency software licenses to meet current standards.	\$0 NR 0.00	\$0 NR 0.00
Operate (Standards and Measures)	\$0 R	\$0 R
Allows the State CIO to establish consistent, comparable IT standards and measures. To accomplish this, the State CIO has requested funding of \$185,446 in FY 2013-14 and FY 2014-15 for an IT Executive to be responsible for managing the delivery of IT services for State agencies. To enable this executive to standardize IT, the State CIO will engage the services of a consultant with nonrecurring funding of \$800,000 in FY 2013-2014 and \$500,000 in FY 2014-2015.	\$0 NR 1.00	\$0 NR 1.00
Customer Data	\$0 R	\$0 R
Facilitates the State CIO developing a standard State policy regarding access to and use of data held by the State, using the services of a consultant at the nonrecurring cost of \$1 million in FY 2014-2015.	\$0 NR 0.00	\$0 NR 0.00
Secure Sign-On	\$0 R	\$0 R
Provides recurring funding of \$70,000 and nonrecurring funding of \$3,280,000 in FY 2014-15 for the upgrade of the State's identity management system to accommodate increasing security requirements for anyone accessing certain types of data.	\$0 NR 0.00	\$0 NR 0.00
Innovation Center	\$0 R	\$0 R
Creates an innovation center to encourage collaboration between State agencies, institutions of higher learning, citizens, and the private sector to create information technology solutions with potential benefit to the State and anyone using government services.	\$0 NR 0.00	\$0 NR 0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
	33.00	44.00

Conference Report on the Continuation, Capital and Expansion Budget

FY 2013-14

FY 2014-15

Receipts:

Information Technology Reserve Receipts

Sets IT Reserve receipts at \$28,000,000 in appropriations for FY 2013-14 and \$31,582,485 for FY 2014-15.

\$0 R

\$0 R

\$0 NR

\$0 NR

Subtotal Legislative Changes

\$0 R

\$0 R

\$0 NR

\$0 NR

Revised Total Requirements

\$28,000,000

\$31,582,485

Revised Total Receipts

\$28,000,000

\$31,582,485

Change in Fund Balance

\$0

\$0

Total Positions

33.00

44.00

Ending Unreserved Fund Balance

\$0

\$0

Information Technology Internal Service Fund

Budget Code: 74660

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$16,656,521	\$16,656,521
Recommended Budget		
Requirements	\$190,000,000	\$190,000,000
Receipts	\$190,000,000	\$190,000,000
Positions	507.00	507.00

Legislative Changes

Requirements:

Information Technology Internal Service Fund	\$0	R	\$0	R
Provides funding for the Office of Information Technology Services. For FY 2013-14 and FY 2014-15, the Fund is limited to \$190 million.	\$0	NR	\$0	NR
	0.00		0.00	
Subtotal Legislative Changes	\$0	R	\$0	R
	\$0	NR	\$0	NR
	0.00		0.00	

Receipts:

IT Internal Service Fund Receipts	\$0	R	\$0	R
Limits receipts for FY 2013-14 and 2014-15 to \$190 million each year.	\$0	NR	\$0	NR
Subtotal Legislative Changes	\$0	R	\$0	R
	\$0	NR	\$0	NR

Conference Report on the Continuation, Capital and Expansion Budget

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$190,000,000	\$190,000,000
Revised Total Receipts	\$190,000,000	\$190,000,000
Change in Fund Balance	\$0	\$0
Total Positions	507.00	507.00
Ending Unreserved Fund Balance	\$16,656,521	\$16,656,521

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