

**SENATE APPROPRIATIONS/
BASE BUDGET COMMITTEE**

**REPORT
ON THE
CONTINUATION, EXPANSION,
AND CAPITAL BUDGETS**

**Senate Bill 402
North Carolina General Assembly**

May 22, 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	106,360,611
2 Anticipated Overcollections from FY 2012-13	405,700,000	0
3 Overcollections Due to MSA Disputed Payments	51,510,749	0
4 Anticipated Reversions from FY 2012-13	170,000,000	0
5 Net Supplemental Medicaid Appropriations (H.B. 980)	(306,100,000)	0
6 Less Earmarkings of Year End Fund Balance		
7 Savings Reserve	(165,075,883)	(74,244,692)
8 Repairs and Renovations	(100,000,000)	(25,502,274)
9 Beginning Unreserved Fund Balance	269,467,743	6,613,645
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	20,735,067,743	21,394,413,645
24		
25 Adjustments to Availability: 2013 Session		
26 Finance Package	(217,100,000)	(553,100,000)
27 Tobacco Master Settlement Agreement (MSA)	137,500,000	137,500,000
28 MSA Disputed Payments Erroneously Paid to Golden LEAF (S.L. 2011-145)	24,639,357	0
29 Repeal North Carolina Public Campaign Fund	3,500,000	0
30 Transfer from NC Flex FICA Fund Balance	2,000,000	0
31 Transfer from E-Commerce Reserve Fund Balance	5,111,585	4,000,000
32 Transfer from Misdemeanant Confinement Fund	1,000,000	1,000,000
33 Repeal Portion of Solid Waste Disposal Tax Earmark	2,300,000	2,300,000
34 Increase Lobbyist Fees	400,000	400,000
35 Adjust Transfer from Insurance Regulatory Fund	(460,589)	(460,589)
36 Adjust Transfer from Treasurer's Office	175,215	175,215
37 Adjust Gross Premiums Tax for Volunteer Safety Workers	(3,000,000)	(3,000,000)
38 Certificate of Need Exemption for Replacement of Equipment and Facilities on Main Campus	(639,152)	(643,486)
39		
40 Subtotal Adjustments to Availability: 2013 Session	(44,573,584)	(411,828,860)
41		
42 Revised General Fund Availability	20,690,494,159	20,982,584,785
43		
44 Less: General Fund Appropriations	(20,584,133,548)	(20,954,514,333)
45		
44 Unappropriated Balance Remaining	106,360,611	28,070,452

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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	(23,115,008)	12,000,000	(11,115,008)	2.50	1,026,315,467
Public Education	7,984,924,757	(108,282,241)	(26,950,674)	(135,232,915)	(43.25)	7,849,691,842
University System	2,709,551,807	(69,907,058)	(26,280,156)	(96,187,214)	0.00	2,613,364,593
Total Education	11,731,907,039	(201,304,307)	(41,230,830)	(242,535,137)	(40.75)	11,489,371,902
Health and Human Services:						
Central Management and Support	54,028,354	1,511,658	9,529,134	11,040,792	(6.00)	65,069,146
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)	(2,624,189)	(4,214,814)	(14.00)	255,039,269
Health Service Regulation	16,761,992	(939,152)	0	(939,152)	0.00	15,822,840
Medical Assistance	3,069,576,810	413,997,962	1,170,982	415,168,944	0.00	3,484,745,754
Mental Health, Devel. Disabilities, & Substance Abuse Svcs	706,797,747	(42,403,664)	11,344,203	(31,059,461)	(589.03)	675,738,286
NC Health Choice	80,131,026	(12,953,685)	0	(12,953,685)	0.00	67,177,341
Public Health	156,784,502	(7,605,505)	(2,000,000)	(9,605,505)	(48.00)	147,178,997
Social Services	170,629,904	(3,000,573)	4,826,346	1,825,773	0.00	172,455,677
Vocational Rehabilitation	39,284,143	(510,974)	0	(510,974)	0.00	38,773,169
Total Health and Human Services	4,615,870,375	346,204,587	22,246,476	368,451,063	(657.03)	4,984,321,438
Justice and Public Safety:						
Public Safety	1,722,061,784	(9,811,866)	371,399	(9,440,467)	(472.70)	1,712,621,317
Judicial	458,416,996	(4,290,254)	2,750,000	(1,540,254)	(24.50)	456,876,742
Judicial - Indigent Defense	114,505,898	(5,148,634)	5,000,000	(148,634)	(3.25)	114,357,264
Justice	77,773,575	(30,408,001)	111,424	(30,296,577)	(414.00)	47,476,998
Total Justice and Public Safety	2,372,758,253	(49,658,755)	8,232,823	(41,425,932)	(914.45)	2,331,332,321

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
Natural And Economic Resources:						
Agriculture and Consumer Services	108,918,334	3,751,568	2,000,800	5,752,368	15.00	114,670,702
Commerce	33,469,442	6,119,468	3,072,946	9,192,414	(7.17)	42,661,856
Commerce - State Aid	59,714,814	(50,459,004)	250,000	(50,209,004)	0.00	9,505,810
Environment and Natural Resources	109,140,591	42,683,820	6,065,720	48,749,540	82.32	157,890,131
Labor	16,196,339	500,000	0	500,000	0.00	16,696,339
Wildlife Resources Commission	18,476,588	(9,000,000)	0	(9,000,000)	0.00	9,476,588
Total Natural and Economic Resources	345,916,108	(6,404,148)	11,389,466	4,985,318	90.15	350,901,426
General Government:						
Administration	68,316,992	(49,148)	(1,150,659)	(1,199,807)	(4.90)	67,117,185
Auditor	11,013,547	203,921	0	203,921	2.00	11,217,468
Cultural Resources	63,626,477	(1,713,559)	1,021,579	(691,980)	(3.00)	62,934,497
Cultural Resources - Roanoke Island	1,058,757	(1,058,757)	0	(1,058,757)	0.00	0
General Assembly	52,845,390	(499,499)	(896,608)	(1,396,107)	(3.60)	51,449,283
Governor	5,539,743	(419,693)	0	(419,693)	0.00	5,120,050
Housing Finance Agency	9,408,417	(32,168)	(876,785)	(908,953)	0.00	8,499,464
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	221,692	170,388	392,080	1.00	4,727,544
Revenue	80,031,575	5,285,510	19,660	5,305,170	3.00	85,336,745
Secretary of State	11,845,185	(229,184)	0	(229,184)	(2.00)	11,616,001
State Board of Elections	5,213,445	(20,313)	1,505,900	1,485,587	10.00	6,699,032
State Budget and Management	6,951,706	(114,634)	0	(114,634)	(2.00)	6,837,072
State Budget and Management - Special	49,000	(49,000)	1,800,000	1,751,000	0.00	1,800,000
State Controller	29,279,290	(1,118,599)	0	(1,118,599)	0.00	28,160,691
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	(2,271,417)	2,711,060	439,643	(6.50)	421,507,057
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	707,080,339	17,977,457	0	17,977,457		725,057,796
Federal Reimbursement	1,616,380	0	0	0		1,616,380
Subtotal Debt Service	708,696,719	17,977,457	0	17,977,457		726,674,176

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
Statewide Reserves:						
Statewide Compensation Study	0	0	1,000,000	1,000,000	0.00	1,000,000
Severance Expenditure Reserve	0	0	37,126,314	37,126,314	0.00	37,126,314
Disability Income Plan of North Carolina	0	(1,100,000)	0	(1,100,000)	0.00	(1,100,000)
Teachers' & State Employees' Retirement Contribution	0	36,000,000	0	36,000,000	0.00	36,000,000
Judicial Retirement System Contribution	0	1,000,000	0	1,000,000	0.00	1,000,000
Information Technology Fund	6,053,142	0	0	0	0.00	6,053,142
Information Technology Reserve Fund	0	7,335,000	23,665,000	31,000,000	33.00	31,000,000
One North Carolina Fund	9,000,000	0	0	0	0.00	9,000,000
State Health Plan	0	34,000,000	0	34,000,000	0.00	34,000,000
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Firemen's and Rescue Squad Workers' Pension Fund	0	(820,000)	0	(820,000)	0.00	(820,000)
NC Government Efficiency and Reform Project	0	0	2,000,000	2,000,000	0.00	2,000,000
Unemployment Insurance Reserve	0	0	23,800,000	23,800,000	0.00	23,800,000
Job Development Investment Grants (JDIG)	27,400,000	24,423,772	0	24,423,772	0.00	51,823,772
Reserve for Escheat Fund Global TransPark Debt Repayment	0	0	27,000,000	27,000,000	0.00	27,000,000
Subtotal Statewide Reserves	47,453,142	100,838,772	114,591,314	215,430,086	33.00	262,883,228
Total Reserves and Debt Service	756,149,861	118,816,229	114,591,314	233,407,543	33.00	989,557,404
Total General Fund for Operations	20,243,669,050	205,382,189	117,940,309	323,322,498	(1,495.58)	20,566,991,548
Capital Improvements						
Water Resources Development Projects	0	0	6,917,000	6,917,000	0.00	6,917,000
Other Capital Improvements	0	0	10,225,000	10,225,000	0.00	10,225,000
Total Capital Improvements	0	0	17,142,000	17,142,000	0.00	17,142,000
Total General Fund Budget	20,243,669,050	205,382,189	135,082,309	340,464,498	(1,495.58)	20,584,133,548

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	(23,115,008)	0	(23,115,008)	2.50	1,014,315,467
Public Education	8,111,097,830	(78,509,502)	0	(78,509,502)	(43.25)	8,032,588,328
University System	2,737,874,470	(110,005,310)	0	(110,005,310)	4.00	2,627,869,160
Total Education	11,886,402,775	(211,629,820)	0	(211,629,820)	(36.75)	11,674,772,955
Health and Human Services:						
Central Management and Support	54,718,515	7,072,041	864,655	7,936,696	(6.00)	62,655,211
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)	(2,624,189)	(4,214,814)	(14.00)	255,039,269
Health Service Regulation	16,761,992	(943,486)	0	(943,486)	0.00	15,818,506
Medical Assistance	3,083,576,810	571,509,742	0	571,509,742	0.00	3,655,086,552
Mental Health, Devel. Disabilities, & Substance Abuse Svcs	706,797,747	(45,054,252)	16,848,589	(28,205,663)	(589.03)	678,592,084
NC Health Choice	80,131,026	(23,849,621)	0	(23,849,621)	0.00	56,281,405
Public Health	156,784,502	(17,804,004)	6,000,000	(11,804,004)	(208.00)	144,980,498
Social Services	170,629,904	(2,937,001)	4,826,346	1,889,345	0.00	172,519,249
Vocational Rehabilitation	39,284,143	(510,974)	0	(510,974)	0.00	38,773,169
Total Health and Human Services	4,630,560,536	485,790,965	25,915,401	511,706,366	(817.03)	5,142,266,902
Justice and Public Safety:						
Public Safety	1,732,859,184	(18,846,044)	(21,825,152)	(40,671,196)	(437.70)	1,692,187,988
Judicial	458,416,996	(4,290,254)	1,250,000	(3,040,254)	(24.50)	455,376,742
Judicial - Indigent Defense	114,505,898	(5,148,634)	0	(5,148,634)	(3.25)	109,357,264
Justice	80,773,575	(30,408,001)	1,000,000	(29,408,001)	(414.00)	51,365,574
Total Justice and Public Safety	2,386,555,653	(58,692,933)	(19,575,152)	(78,268,085)	(879.45)	2,308,287,568

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
Natural And Economic Resources:						
Agriculture and Consumer Services	108,918,334	4,351,568	1,500,000	5,851,568	15.00	114,769,902
Commerce	33,469,442	9,373,317	2,850,000	12,223,317	(8.17)	45,692,759
Commerce - State Aid	61,954,814	(52,699,004)	0	(52,699,004)	0.00	9,255,810
Environment and Natural Resources	109,220,682	48,355,081	(190,000)	48,165,081	67.32	157,385,763
Labor	16,196,339	500,000	0	500,000	0.00	16,696,339
Wildlife Resources Commission	18,476,588	(9,000,000)	0	(9,000,000)	0.00	9,476,588
Total Natural and Economic Resources	348,236,199	880,962	4,160,000	5,040,962	74.15	353,277,161
General Government:						
Administration	68,241,992	(194,212)	(1,476,543)	(1,670,755)	(5.90)	66,571,237
Auditor	11,013,547	203,921	0	203,921	2.00	11,217,468
Cultural Resources	63,629,480	(2,359,776)	156,725	(2,203,051)	(4.00)	61,426,429
Cultural Resources - Roanoke Island	1,058,757	(1,058,757)	0	(1,058,757)	0.00	0
General Assembly	52,845,390	(529,499)	(831,124)	(1,360,623)	(3.60)	51,484,767
Governor	5,541,825	(419,693)	0	(419,693)	0.00	5,122,132
Housing Finance Agency	9,408,417	(32,168)	(876,785)	(908,953)	0.00	8,499,464
Insurance	38,464,213	(460,589)	0	(460,589)	(9.00)	38,003,624
Insurance - Workers' 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	222,150	80,000	302,150	1.00	4,652,581
Revenue	80,031,575	5,285,510	0	5,285,510	3.00	85,317,085
Secretary of State	11,845,185	(229,184)	0	(229,184)	(2.00)	11,616,001
State Board of Elections	5,213,445	(20,313)	828,400	808,087	10.00	6,021,532
State Budget and Management	7,034,217	(114,634)	0	(114,634)	(2.00)	6,919,583
State Budget and Management - Special	49,000	(49,000)	1,500,000	1,451,000	0.00	1,500,000
State Controller	29,279,290	(1,118,599)	0	(1,118,599)	0.00	28,160,691
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	(3,092,240)	(619,327)	(3,711,567)	(8.50)	417,393,030
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	707,080,339	38,391,499	0	38,391,499		745,471,838
Federal Reimbursement	1,616,380	0	0	0		1,616,380
Subtotal Debt Service	708,696,719	38,391,499	0	38,391,499		747,088,218

Summary of General Fund Appropriations						
Fiscal Year 2014-15						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget 2014-15	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2014-15
Statewide Reserves:						
Firemen's and Rescue Squad Workers' Pension Fund	0	(820,000)	0	(820,000)	0.00	(820,000)
Disability Income Plan of North Carolina	0	(1,100,000)	0	(1,100,000)	0.00	(1,100,000)
Teachers' & State Employees' Retirement Contribution	0	36,000,000	0	36,000,000	0.00	36,000,000
Judicial Retirement System Contribution	0	1,000,000	0	1,000,000	0.00	1,000,000
Reserve for Future Benefit Needs	0	56,400,000	0	56,400,000	0.00	56,400,000
Information Technology Fund	6,053,142	0	0	0	0.00	6,053,142
Information Technology Reserve Fund	0	11,820,000	24,180,000	36,000,000	44.00	36,000,000
One North Carolina Fund	9,000,000	0	0	0	0.00	9,000,000
State Health Plan	0	77,000,000	0	77,000,000	0.00	77,000,000
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
NC Government Efficiency and Reform Project	0	0	2,000,000	2,000,000	0.00	2,000,000
Unemployment Insurance Reserve	0	0	13,600,000	13,600,000	0.00	13,600,000
Job Development Investment Grants (JDIG)	27,400,000	35,645,357	0	35,645,357	0.00	63,045,357
Subtotal Statewide Reserves	47,453,142	215,945,357	39,780,000	255,725,357	44.00	303,178,499
Total Reserves and Debt Service	756,149,861	254,336,856	39,780,000	294,116,856	44.00	1,050,266,717
Total General Fund for Operations	20,429,009,621	467,593,790	49,660,922	517,254,712	(1,623.58)	20,946,264,333
Capital Improvements						
Water Resources Development Projects	0	0	5,000,000	5,000,000	0.00	5,000,000
Other Capital Improvements	0	0	3,250,000	3,250,000	0.00	3,250,000
Total Capital Improvements	0	0	8,250,000	8,250,000	0.00	8,250,000
Total General Fund Budget	20,429,009,621	467,593,790	57,910,922	525,504,712	(1,623.58)	20,954,514,333

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

1 Average Daily Membership (ADM)	\$11,776,341	R	\$12,316,344	R
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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.

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.

2 Average Salaries for Certified Personnel	(\$11,873,083)	R	(\$11,980,756)	R
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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.

3 Civil Penalties	(\$25,950,674)	NR		
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Increases budgeted receipts from Civil Penalties and takes a corresponding General Fund reduction to reflect one-time transfers from the Department of Transportation in FY 2012-13. These funds are used to support State Public School Fund requirements.

4 Small County Supplemental Funding	(\$1,555,885)	R	(\$1,555,885)	R
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Adjusts this supplemental allotment for small counties to align funding availability with actual school district eligibility. This adjustment will not reduce funding to eligible districts. \$44.0 million will be available in this allotment in FY 2013-14 and FY 2014-15.

5 Sales Tax Receipts Transfer to State Public School Fund	(\$5,025,426)	R	(\$6,553,965)	R
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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 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.

6 Low Wealth Supplemental Funding

(\$14,945,402) R (\$14,945,402) 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 modify the income eligibility criteria of certain districts with a significant military presence. \$212.5 million will be available in this allotment in FY 2013-14 and FY 2014-15.

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 Teachers 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.

FY 13-14**FY 14-15****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 include the ACT, PLAN, EXPLORE, and WorkKeys diagnostic assessments.

13 School Bus Replacement

(\$28,425,435) R (\$34,560,126) R

Reduces funding for school bus replacement and modifies the school bus replacement standards. Currently school buses are eligible for replacement after 20 years or 200,000 miles of service. This item modifies the mileage standard to 250,000 miles of service and appropriates sufficient funding to replace all school buses meeting the revised criteria. 604 buses will be replaced in FY 2013-14; 721 buses will be replaced in FY 2014-15. \$39.1 million will be available for this purpose in FY 2013-14; \$54.1 million will be available in FY 2014-15.

14 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.

15 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.

16 Teacher Assistants

(\$142,329,582) R (\$149,188,180) R

Reduces and modifies Teacher Assistants funding. The current allotment provides LEAs with \$1,182.69 per student in grades K-3 for teacher assistants. The revised allotment will provide the funding equivalent of a Teacher Assistant position for every 18 students in grades K-1, or \$1,727.83 per student. In FY 2013-14, \$428.4 million will remain in this allotment. In FY 2014-15, \$438.2 million will remain in this allotment.

17 Education-Based Salary Supplements

(\$23,500,000) R

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

18 Education Services for Children at Certain Juvenile Facilities

\$3,828,824 R

Transfers responsibility and funding for teachers in juvenile facilities to the Department of Public Instruction (DPI), effective July 1, 2014. Local Education Agencies with a Youth Development Center or a Detention Center within the district will be responsible for providing services and will receive funding from DPI to carry out these tasks.

D. Pass-through Funds

19 Teach for America

\$5,100,000 R \$5,100,000 R

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.

20 Tarheel Challenge

(\$767,719) R (\$767,719) R

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.

21 North Carolina Center for the Advancement of Teaching (NCCAT)

(\$3,130,606) R (\$3,219,222) R

Eliminates State support for the ongoing operations of this teacher professional development provider. \$88,616 will remain available in FY 2013-14 for upkeep of the two NCCAT facilities until they are otherwise conveyed. Anticipated severance costs are included in the Severance Expenditure Reserve.

-46.25

-46.25

22 Teaching Fellows

(\$3,095,000) R (\$6,190,000) R
(\$1,300,000) NR

Continues the phase-out, begun in S.L. 2011-145, of State support for the Teaching Fellows program. 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.

E. Department of Public Instruction**23 Office of Charter Schools**

\$320,000 R

\$320,000 R

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.

3.00

3.00

24 DPI Flexible Reduction

(\$1,040,654) R

(\$1,040,654) R

Reduces State support for Department of Public Instruction operations, including salaries and benefits, by 2.5%. The State Board of Education may allocate this reduction at its discretion.

F. Excellent Public Schools Act**25 Excellent Public Schools Act**

\$18,578,841 R

\$35,109,480 R

Provides additional funds to the Department of Public Instruction to carry out the elements of the Excellent Public Schools Act contained in Section 7A.1 of S.L. 2012-142.

26 Merit Pay for Teachers

\$10,200,000 R

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.

Total Legislative Changes

(\$108,282,241) R

(\$78,509,502) R

(\$26,950,674) NR

Total Position Changes

-43.25

-43.25

Revised Budget

\$7,849,691,842

\$8,032,588,328

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

27 Enrollment Model Funding Change	(\$19,893,462)	R	(\$19,893,462)	R
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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.

\$4,000,000	NR
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B. Tuition and Fees

28 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.

29 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.

30 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. State Aid Adjustments**31 Restore Management Flexibility Reduction**

\$10,000,000 R \$10,000,000 R

Provides funding to restore 12% 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. The remaining management flexibility reduction will be \$73,233,302.

32 Equipment

\$10,000,000 NR

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.

33 Manufacturing Solutions Center

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

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

34 Textile Technology Center

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

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

35 Customized Training

(\$2,000,000) NR

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.

36 Data Connectivity

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

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.

37 BioNetwork

(\$100,000) R (\$100,000) R

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

38 Botanical Laboratory

(\$164,000) R (\$164,000) R

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.

39 Mentoring Program

(\$162,000) R (\$162,000) R

Reduces funding for the Minority Male Mentoring program by 20% and expands the program mission to include all community college students with an increased likelihood of dropping out. Total funding remaining for the new program will be \$648,000.

D. Community Colleges System Office Adjustments**40 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

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.

41 State Board of Community Colleges Budget

Reduces funding for the State Board Reserve (\$250,000) and State Board travel (\$10,000). Section 10.10 reduces the annual number of required State Board meetings from ten to eight.

(\$260,000) R

(\$260,000) R

42 System Office Advertising and Travel

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

(\$120,000) R

(\$120,000) R

Total Legislative Changes

(\$23,115,008) R

(\$23,115,008) R

\$12,000,000 NR

Total Position Changes

2.50

2.50

Revised Budget

\$1,026,315,467

\$1,014,315,467

UNC System

GENERAL FUND

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

Legislative Changes

<p>43 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>	<p>(\$47,988,719) R</p>	<p>(\$75,386,050) R</p>
<p>44 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. 	<p>(\$10,000,000) R</p>	<p>(\$15,000,000) R</p>
<p>45 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>	<p>(\$15,800,000) R</p>	<p>(\$21,100,000) R</p>
<p>46 Program Consolidation</p> <p>Reduces funding in anticipation of savings from the consolidation of small or duplicative programs within the UNC System.</p>		<p>(\$1,900,000) R</p>
<p>47 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>	<p>(\$4,000,000) R</p>	<p>(\$4,000,000) R</p>
<p>48 McNair Hall Building Reserve</p> <p>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.</p>	<p>(\$150,185) R</p>	<p>(\$150,185) R</p>

49 WCU Engineering Degree Program at Biltmore Park

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.

\$698,962 NR

\$719,844 R

4.00

50 Tuition Grant for NC Science & Math Graduates

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.

(\$1,248,310) R

(\$2,469,075) R

51 National Board Certification Loan Program

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.

(\$3,174,500) R

(\$3,174,500) R

52 UNC Need-Based Grant Forward Funding Reserve

Provides additional funding for the UNC Need-Based Grant Forward Funding Reserve, in order to shift the entire program to forward funding for FY 2014-15. In addition to these funds, Section 11.2 appropriates an additional \$60.2 million in FY 2013-14 to the reserve.

\$3,454,656 R
\$20,882 NR

\$3,454,656 R

A total of \$122,475,842 will be available for scholarships for the 2013-14 academic year; \$123,447,347 will be available in the 2014-15 academic year.

53 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

54 Institute for Regenerative Medicine

Transfers funds for the Institute for Regenerative Medicine at Wake Forest University from the Commerce-State Aid budget to the UNC System budget.

\$7,000,000 R

\$7,000,000 R

55 North Carolina Center for Vaccine Innovation

Provides start-up funding for the North Carolina Center for Vaccine Innovation, a non-profit consortium of the Schools of Medicine at UNC-Chapel Hill, East Carolina University, Wake Forest University, and Duke University; as well as North Carolina State University, UNC Charlotte, the North Carolina Biotechnology Center, the North Carolina Biosciences Organization, and the National Center for Biotechnology Workforce.

\$2,000,000 R

\$2,000,000 R

Total Legislative Changes	(\$69,907,058)	R	(\$110,005,310)	R
	(\$26,280,156)	NR		
Total Position Changes			4.00	
Revised Budget	\$2,613,364,593		\$2,627,869,160	

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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	(\$1,982,830)	R	(\$1,982,830)	R
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 (DIRM) 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.				

3 North Carolina Families Accessing Services Through Technology (NC FAST)			\$864,655	NR
Provides funds to match federal receipts and continue the development and implementation of NC FAST.				

4 Department of Justice Settlement Agreement	\$3,834,275	R	\$9,394,658	R
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 (MMIS)				
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

6 DHHS Competitive Block Grant for Non-Profits

Creates a performance-based, competitive block grant process to fund services historically provided by the non-State entities specifically designated for direct appropriation in S.L. 2012-142, Section 10.19(a). In FY 2012-13, funds were provided in specific amounts to these non-profit entities on a nonrecurring basis. Funds appropriated in FY 12-13 (approximately \$9.2 million), funds provided to the High School Athletic Association (approximately \$300,000), and the federal block funding indicated below have been consolidated into a State block grant to be administered by the Office of the Secretary in the Department of Health and Human Services. The Department is directed to create a Request For Application (RFA) process that will allow non-State entities to receive State funds on a competitive basis.

\$9,529,134 NR

Additional federal block grant funds available for this purpose include:

- Social Service Block Grant (SSBG) - \$3,852,500
- Maternal and Child Health Block Grant - \$89,374
- Preventive Health Services Block Grant - \$1,331,961

(2.0) Division of Child Development and Early Education

7 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:

-14.00 -14.00

- 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

8 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.

FY 13-14**FY 14-15****9 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.

10 Pre-K Slot Transfers

(\$12,440,000)

R

(\$24,880,000)

R

Transfers 2,500 Pre-K slots in FY 2013-14 and 5,000 in FY 2014-15 along with the General Fund appropriation to Child Care Subsidy. \$52.6 million in General Fund appropriation is available for Pre-K in FY 2013-14, and \$40.1 million General Fund appropriation is available for Pre-K in FY 2014-15.

11 Child Care Subsidy Increase

\$12,440,000

R

\$24,880,000

R

Increases funding to address the waiting list for Child Care Subsidy. FY 2013-14 funding will serve approximately 2,600 additional children. FY 2014-15 funding will serve approximately 5,200 additional children.

12 State Funds for Child Care Subsidy Replacement

(\$2,624,189)

NR

(\$2,624,189)

NR

Replaces the General Fund appropriation for child care subsidy with block grant funds and a transfer from the Pre-K Program. There is an overall net increase to child care subsidy of \$9.8 million in FY 2013-14 and a net increase of \$22.2 million in FY 2014-15. Total funds from all sources will be \$360 million in FY 2013-14 and \$372 million in FY 2014-15.

(4.0) Division of Social Services**13 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.

14 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.

15 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.

16 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.

17 NC Reach - Child Welfare Postsecondary Education

\$547,245 R \$610,817 R

Provides funds to support an additional 100 former foster care youth and children adopted after age 12 who attend college within the UNC and Community College systems. 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.

(6.0) Division of Vocational Rehabilitation**18 Independent Living Program Administration Reduction**

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

Reduces the administrative budget for the Independent Living Program.

19 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.

20 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.

21 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

22 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.				
23 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 were transferred to the Division of Medical Assistance to cover the Medicaid shortfall.				
24 Home and Community Care Block Grant (HCCBG)	(\$2,900,000)	R	(\$2,900,000)	R
Reduces the HCCBG and transfers the funds to expand Project C.A.R.E. statewide. \$24.6 million in General Fund appropriation remains in the HCCBG to provide home and community-based services to seniors and disabled adults.				
25 Caregiver Alternatives to Running on Empty (Project C.A.R.E.)	\$2,900,000	R	\$2,900,000	R
Provides \$500,000 to replace an expiring federal grant and an additional \$2.4 million to expand Project C.A.R.E. statewide. The program provides respite and support services to families caring for a person with dementia at home.				
26 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

27 Early Intervention - Children's Developmental Services Agencies	(\$8,000,000)	NR	(\$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. Also eliminates funding, effective July 1, 2014, for 4 of the 16 Children's Development Service Agencies (CDSAs). In determining which CDSAs to close, the Division shall 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.				
			-160.00	

28 AIDS Drug Assistance Program (ADAP) Drug Purchases

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. Nonrecurring funds are provided in each year of the biennium to address potential waiting lists for AIDS pharmaceutical assistance.

(\$8,000,000)	R	(\$8,000,000)	R
\$6,000,000	NR	\$6,000,000	NR

29 Food and Lodging Permit Fee

Reduces the General Fund appropriation and budgets increased food and lodging permit fee receipts. Effective July 1, 2013, the annual food and lodging permit fee increases from \$75 to \$120; the State's portion increases from \$25 to \$50.

(\$750,000)	R	(\$750,000)	R
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30 Oral Health Section

Eliminates 39 dental hygienist, 2 dental technician, and 7 administrative positions effective October 1, 2013, and reduces funding for administration. A portion of the savings will be allocated to local health department dental clinics to increase the number of dental hygienists and dental assistants providing clinical dental treatment and services.

(\$2,865,762)	R	(\$3,583,681)	R
-48.00		-48.00	

In addition to the 41 dental hygienist and dental equipment technician positions, the following administrative positions are eliminated:

- 60039581 Accounting Clerk V
- 60039585 Dental Hygienist Regional Coordinator
- 60039588 Public Health Regional Dentist Supervisor
- 60039589 Dental Hygienist Regional Coordinator
- 60039608 Public Health Regional Dentist Supervisor
- 60039627 Public Health Regional Dentist Supervisor
- 60039644 Education Media Specialist I

31 Local Health Department Dental Clinics

Provides funding to local health departments that operate or sponsor dental clinics, effective October 1, 2013. The local health departments shall use the funds to hire dental hygienists to provide clinical dental treatment and services.

\$1,558,257	R	\$2,077,677	R
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32 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.

\$1,052,000	R	\$1,052,000	R
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33 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.

\$1,400,000	R	\$1,400,000	R
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(9.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

34 LME/MCO Administration	(\$15,228,245)	R	(\$15,228,245)	R
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.				
35 Gambling Fund Balance	(\$416,264)	NR		
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.				
36 Alcohol and Drug Abuse Treatment Centers (ADATC)	(\$37,951,761)	R	(\$50,602,349)	R
Closes the three State-operated ADATCs, effective July 1, 2013. Each ADATC has 80 beds, with average bed costs ranging from \$570 to \$670 per day. A portion of the resulting savings will be added to the single-stream funding and will be allocated to the Local Management Entities/Managed Care Organizations to be used for alcohol and substance abuse treatment services.				
	-548.88		-548.88	
37 Alcohol and Substance Abuse Treatment	\$10,000,000	R	\$20,000,000	R
Budgets a portion of the savings resulting from the closure of the three State-operated residential alcohol and drug abuse treatment facilities (ADATCs) to fund community-based and residential alcohol and substance abuse treatment services.				
38 NC High School Athletic Association (NCHSAA)	(\$332,491)	R	(\$332,491)	R
Eliminates the special appropriation for the NCHSAA and transfers the funding to the Division of Central Management and Support to be used for the performance-based, competitive block grant process, for which NCHSAA would be eligible to apply.				
39 Wright School	(\$2,709,912)	R	(\$2,709,912)	R
Closes the Wright School, a 24-bed residential school for children with mental health or behavioral disorders, effective July 1, 2013.				
	-40.15		-40.15	
40 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.				

41 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 from 141 to 186. 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.

42 Statewide Telepsychiatry Program

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 shall be used to establish and administer the program and to purchase telepsychiatry equipment for the State-owned hospitals.

\$2,000,000 R \$2,000,000 R

43 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

44 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

(10.0) Division of Health Service Regulation

45 Adjustment Based on Historical Transfers

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. Additional funds are reduced due to a reduction in administrative costs associated with reduced certificate of need responsibilities.

(\$939,152) R (\$943,486) R

(11.0) Division of Medical Assistance

46 Health Homes for the Chronically Ill

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.

(\$3,757,682) NR

47 Mental Health Drug Management

Reduces funds for prescription drugs. Mental health drugs will be subject to prior authorization to ensure appropriate use and clinical outcomes effective January 1, 2014. A 72-hour emergency supply may be provided if a beneficiary is waiting for acknowledgement of the prior authorization request. This will put mental health drugs on parity with all other medications paid for by Medicaid.

(\$4,975,290) R (\$11,258,127) R

48 Hospital Provider Assessment

Effective July 1, 2013 the hospital provider assessment will be modified so the State's retention of hospital assessments will be 15.6% of the total assessment paid by hospitals instead of a stated amount of \$43 million.

(\$7,000,000) R (\$7,140,000) R

49 Report Separately Payments to CCNC and CCNC Providers

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

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

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

50 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)

51 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.

52 Medicaid Co-payments

(\$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. DHHS will maintain all nominal copays at the maximum allowed by CMS.

53 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 .

54 Hospital Outpatient Payments at 70% of Costs

(\$20,294,954) R (\$42,132,325) 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. This will result in \$17.1 million less spending for outpatient services in FY 2013-14 and \$35.6 million in FY 2014-15. The Hospital GAP plan allows hospitals to receive supplemental payments to increase the overall payments for hospital outpatient services to 100% of costs. The reduction in the outpatient patient percentage will result in an increase in the hospital assessment, of which the State will retain 15.6% of the increase assessment, totaling \$3.2 million in FY 2013-14 and \$6.6 million in FY 2014-15.

55 Shared Savings Payment Plan

(\$31,643,177) R (\$50,742,748) R

Establishes a 4% withhold on selective services effective July 1, 2013. 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 \$24.8 million. This represents a total impact of \$70.9 million in provider payments, including both the State and federal shares. In FY 2014-15 the State share of the withhold will be \$49.5 million, providers will be eligible for shared savings that are projected to total \$14.9 million and the impact of the shared savings plan on expenditures is projected to be \$27.5 million.

56 Prescribed Drugs- Payment Based on Invoice Cost

(\$18,498,384) R (\$36,996,767) R

Implements a payment system for all medications based on an invoice cost that will be established through quarterly surveys to determine the actual cost of drugs to pharmacies effective January 1, 2014. Currently, brand drugs are paid a Wholesale Acquisition Cost (WAC) plus 6% and generic drugs are paid at 195% of the State Medicaid Average Costs (SMAC). The change to invoice pricing will reduce expenditures for drugs by \$27 million and \$55 million in FY 2014-15. Effective January 1, 2014, dispensing fees will be increased to an average payment of \$9.87 for all drugs. The payment system for dispensing fees will retain a \$2 incentive differential for generic drugs and those on the preferred drug list. This will increase expenditures by \$9 million in FY 2013-14 and \$18 million in FY 2014-15.

57 Private Duty Nursing Limitation

(\$5,001,351) R (\$5,001,351) R

Limits adult Private Duty Nursing (PDN) to a cost not to exceed \$432 per day, effective January 1, 2014.

58 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 .

<p>59 Exchange Premiums for Selected Medicaid Eligibles Reduces funds by purchasing insurance on the Health Benefits Exchange (HBE) for selected Medicaid recipients that are between 133% and 185% of the Federal Poverty Level effective January 1, 2014. Providers providing services to these recipients will be reimbursed through the insurance product the individual purchases and not from Medicaid funding.</p>	(\$4,089,627)	R	(\$20,735,543)	R
<p>60 Physician Office Visits Limitation 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.</p>	(\$3,676,525)	R	(\$7,560,122)	R
<p>61 Rate Freeze for Services Subject to Automatic Increases Freezes rates for hospital outpatient services, nursing home 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. The cost settlement will be limited to that percentage. Nursing direct care services will not receive case mix index increases after June 30, 2013 until reinstated. Federally Qualified Health Centers, Rural Health Centers, State Operated services, Hospice, Part B and D Premiums, third party and HMO premiums, drugs and MCO capitation payments are excluded.</p>	(\$18,332,670)	R	(\$28,027,681)	R
<p>62 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.</p>				
<p>63 Non-emergency Fee for Emergency Services Establishes a triage fee for non-emergency services provided in a hospital-owned and operated emergency department on parity with similar services provided in a physician's office. The fee will be effective January 1, 2014.</p>	(\$1,198,401)	R	(\$2,464,298)	R
<p>64 Additional Personal Care Services for Qualified Individuals Establishes an increased limit of up to 130 hours per month for qualified recipients with Alzheimer's Disease and other memory disorders in Special Care Units in Adult Care Homes (ACH). DHHS will implement an additional savings component that addresses the higher acuity level for Alzheimer's/memory care recipients in Adult Care Homes. The unit rate for all Personal Care Services will be reduced to \$14.12.</p>	\$0	R	\$0	R

65 Medicaid Rebase

\$434,000,000 R \$607,000,000 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, the extension of Medicaid to the former foster care children until age 26 beginning January 1, 2014, contracts and settlements.

66 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).

67 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.

68 "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.

69 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.

70 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.

71 Community Care Of North Carolina Study

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.

\$100,000 NR

(12.0) NC Health Choice**72 Mental Health Drug Management**

Reduces funds for prescription drugs. Mental health drugs will subject to prior authorization to ensure appropriate use and clinical outcomes, effective January 1, 2014. This will put mental health drugs on parity with all other medications paid for by Health Choice.

(\$254,504) R (\$356,861) R

73 Transfer of Health Choice Children

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.

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

74 Contract Budget Adjustment

Reduces Health Choice contract expenditures to actual amounts.

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

75 Rates Freeze for Services Subject to Automatic Increases

Freezes rates for hospital outpatient services, nursing home 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. Nursing direct care services will not receive case mix index increases after June 30, 2013 until reinstated. Federally Qualified Health Centers, Rural Health Centers, State Operated services, Hospice, Part B and D Premiums, third party and HMO premiums, drugs and MCO capitation payments are excluded.

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

76 Shared Savings Payment Plan

Establishes a 4% 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.

(\$1,175,520) R (\$2,383,942) R

77 Non-emergency Fee for Emergency Services

(\$88,796) R (\$183,809) R

Establishes a triage fee for non-emergency services provided in a hospital-owned and operated emergency department on parity with similar services provided in a physician's office. The fee will be effective January 1, 2014.

78 Prescribed Drugs- Payment Based on Invoice Costs

(\$832,236) R (\$1,664,473) R

Implements a payment system for all medications based on an invoice cost that will be established through quarterly surveys to determine the actual cost of drugs to pharmacies effective January 1, 2014. Currently, brand drugs are paid a Wholesale Acquisition Cost (WAC) plus 6% and generic drugs are paid at 195% of the State Medicaid Average Costs (SMAC). The change to invoice pricing will reduce expenditures for drugs by \$1.2 million and \$2.5 million in FY 2014-15. Effective January 1, 2014, dispensing fees will be increased to an average payment of \$9.87 for all drugs. The payment system for dispensing fees will retain a \$2 incentive differential for generic drugs and those on the preferred drug list. This will increase expenditures by \$401,633 in FY 2013-14 and \$803,265 in FY 2014-15.

79 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

80 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)

Senate Subcommittee on Health and Human Services

	FY 13-14		FY 14-15	
81 Health Choice Rebase	\$6,176,522	R	\$11,178,930	R
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.				
82 Cost Settle Hospital Outpatient Services to 70% of Cost	(\$365,239)	R	(\$753,852)	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.				
<hr/>				
Total Legislative Changes	\$346,204,587	R	\$485,790,965	R
	\$22,246,476	NR	\$25,915,401	NR
Total Position Changes	-657.03		-817.03	
Revised Budget	\$4,984,321,438		\$5,142,266,902	
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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 1.4% operating reduction from the Department's continuation budget.

(\$1,500,000)	R	(\$1,500,000)	R
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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 & Grape Growers Council (60080945) will be made permanent and will be supported by funds allocated to the Wine and Grape Growers Council.

5 Funding for 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 & 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 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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10 Tobacco Trust Fund

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

\$2,000,000	R	\$2,000,000	R
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Total Legislative Changes

\$3,751,568	R	\$4,351,568	R
\$2,000,800	NR	\$1,500,000	NR

Total Position Changes

15.00		15.00	
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Revised Budget

\$114,670,702		\$114,769,902	
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Labor

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$16,196,339		\$16,196,339	
Legislative Changes				
Occupational Safety & Health				
11 Partial Restoration of OSHA Federal Receipts	\$500,000	R	\$500,000	R
Provides funds to offset federal funding reductions.				
Standards & Inspections				
12 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				
13 Management Flexibility Reserve	(\$2,277,894)	R	(\$2,277,894)	R
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.				
Aquariums				
14 Admission Receipts	(\$100,000)	R	(\$100,000)	R
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				
15 Sustainable Communities Task Force	(\$95,331)	R	(\$95,331)	R
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		-1.00	
16 Operating Support	\$325,000	R	\$325,000	R
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		3.00	
60036191 Program Development Coordinator				
60036192 Program Development Coordinator				
60036213 Educational Development Coordinator				
17 Water and Land Conservation Authority	\$12,000,000	R	\$14,000,000	R
Provides funding to establish a new Water and Land Conservation Fund comprised of the former Natural Heritage Trust Fund and Clean Water Management Trust Fund, and creates a new Authority to oversee the expenditures from the Fund. Provides staff (13.50 FTE) to administer the new fund and continues funding for the Natural Heritage Program (15.75 FTE).				
	29.25		29.25	

Energy, Mineral and Land Resources

18 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	

19 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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20 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

21 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	

22 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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23 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

24 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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25 Shellfish Rehabilitation Program

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.

(\$81,605)	R	(\$81,605)	R
-1.00		-1.00	

26 Fisheries Resource Grant Program

Eliminates the remaining appropriation for the Fishery Resource Grant Program which promotes cooperative research among commercial fishers, recreational anglers, seafood businesses and university researchers.

(\$100,000)	R	(\$100,000)	R
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27 Marine Patrol

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.

(\$150,000)	NR	(\$200,000)	NR
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28 At-Sea Observer Program

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.

\$1,100,000	NR
15.00	

Museum of Natural Sciences

29 Grassroots Science Museums

Transfers the funding and grant oversight for the Grassroots Science Museums to the Museum of Natural Sciences, the State's lead science museum.

\$2,289,782	R	\$2,286,043	R
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30 Museum of Forestry

Eliminates funding for the Museum of Forestry and transfers ownership of the Museum to the City of Whiteville. Provides funding for the Museum through the Grassroots Science Program.

(\$357,397)	R	(\$357,397)	R
-4.00		-4.00	

- 60035027 Natural Science Museum Program Chief
- 60035029 Art Exhibits Technician
- 60035033 Natural Science Curator II
- 60035028 Administrative Assistant

Parks and Recreation

31 Adopt-a-Trails

Eliminates funding for the Adopt-a-Trails Program. Grant funding for trail projects is still available through the NC Parks and Recreation Trust Fund.

(\$108,000)	R	(\$108,000)	R
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32 Parks Operations

Restores funding to the Division's operating budget which was reduced on a nonrecurring basis in the 2011-13 biennium.

\$6,000,000	R	\$6,000,000	R
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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 Texfi Site Contamination**

\$50,000 NR

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.

35 Scrap Tire Program

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

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.

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)

36 Bernard Allen Memorial Emergency Drinking Water Fund

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

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

37 Inactive Hazardous Sites Cleanup Fund

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

Provides recurring funding to the Inactive Hazardous Sites Cleanup Fund to be used to fund the assessment and remediation of pre-1983 landfills as provided in G.S. 130A-295.9(1) and G.S. 103A-310.6(c).

38 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

39 Noncommercial Fund

\$3,500,000 NR

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.

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 Assistant Secretary for Infrastructure, 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.

\$4,000,000	R	\$5,500,000	R
2.00		2.00	

41 Drinking Water State Revolving Fund

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 \$1,255,720 with \$3.8 million in State funds from the Drinking Water Reserve.

\$1,255,720	NR
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42 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
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Water Quality

43 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

44 Receipt Support

Budgets additional federal receipts and shifts 4.3 positions from General Fund appropriation to receipt support.

(\$409,521)	R	(\$409,521)	R
-4.30		-4.30	

- 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)

45 Drinking Water State Revolving Fund

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

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Zoo

46 Operating Reductions

(\$211,323) R

(\$211,323) R

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

47 Zoo Tram

Provides funding to support repair and replacement of zoo trams.

\$250,000 NR

Total Legislative Changes

\$42,683,820 R

\$48,355,081 R

\$6,065,720 NR

(\$190,000) NR

Total Position Changes

82.32

67.32

Revised Budget

\$157,890,131

\$157,385,763

Wildlife Resources Commission

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$18,476,588		\$18,476,588	
Legislative Changes				
Commission-wide				
48 Wildlife Resources Commission Operations	(\$9,000,000)	R	(\$9,000,000)	R
Reduces General Fund appropriations by 49% and allows the Wildlife Resources Commission to use other funds available to the Commission to offset the reduction at its discretion.				
Total Legislative Changes	(\$9,000,000)	R	(\$9,000,000)	R
Total Position Changes				
Revised Budget	\$9,476,588		\$9,476,588	

Commerce

GENERAL FUND

Recommended Continuation Budget	FY 13-14		FY 14-15	
	\$33,469,442		\$33,469,442	
Legislative Changes				
Department-wide				
49 Management Flexibility Reserve	(\$354,200)	R	(\$354,200)	R
Reduces funding to the Department by 1.2% and provides the Secretary with the flexibility to take the reduction to programs and activities that cause the least disruption in service.				
50 Indirect Cost Receipts	(\$205,786)	R	(\$205,786)	R
Offsets the General Fund appropriation by maximizing the use of indirect cost receipts.				
Administration				
51 Special Funds				
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:				
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.				
52 Director of Internal Operations	(\$131,001)	R	(\$131,001)	R
Eliminates the Director of Internal Operations (60077182) position.				
	-1.00		-1.00	
53 Accountant I and Accountant II	(\$139,039)	R	(\$139,039)	R
Eliminates an Account I position (60089502) and an Accountant II position (60077178). These positions are no longer required to monitor nonprofits.				
	-2.00		-2.00	
54 Processing Assistant	(\$47,581)	R	(\$47,581)	R
Eliminates a Processing Assistant position (60080973).				
	-1.00		-1.00	
55 Base Realignment and Closure (BRAC)				
Provides nonrecurring funding for the State's preparation for Department of Defense BRAC activities.				
	\$1,000,000	NR		

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Business and Industry

56 Regional Office Restructuring

Eliminates existing regional office resources; redirects support to new Rural Economic Development Division.

(\$1,399,422)	R	(\$1,399,422)	R
-19.00		-19.00	

57 Economic Developer

Eliminates an Economic Developer position (60080949).

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

Commerce Finance Center

58 Utility Account Proceeds

Transfers anticipated proceeds from the Job Development Investment Grant's (JDIG) Industrial Development Fund (IDF) - Utility Account to offset Commerce operating expenses and thereby reduce the agency's General Fund appropriation.

(\$5,000,000)	NR	(\$5,000,000)	NR
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59 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

60 Support Positions and Operating Budget

Reduces one Office Assistant IV position (60081170).

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

Energy

61 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

62 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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63 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	

64 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	

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65 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
\$50,000 NR

\$75,000 R

International Trade

66 Position Reduction

Eliminates four positions:

- 60081000 Administrative Assistant I Position
- 60081001 Events Coordinator Position
- 60081003 Business Development Manager Position
- 60081005 Business Development Manager Position

(\$286,202) R

(\$286,202) R

-4.00

-4.00

67 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.

(\$58,430) R

(\$58,430) R

-1.00

-1.00

68 Trade Shows

Reduces the trade show advertising budget to align with prior year expenditures. Total budget remaining is \$92,705.

(\$48,347) R

(\$48,347) R

Labor and Economic Analysis Division

69 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.

\$500,000 NR

Marketing

70 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.

\$150,000 NR

NC Broadband

71 State Match

(\$172,203) R (\$172,203) R

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.

Office of Science & Technology

72 Division Elimination

(\$213,269) R (\$213,269) R

Eliminates the Office of Science and Technology, including the Director position (60081266) and the Executive Assistant (60081264). Directs Commerce Finance to administer outstanding grants.

-2.00 -2.00

Rural Economic Development

73 Rural Economic Development Division

\$7,000,000 R \$10,000,000 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 Rural Economic Development Division may use up to three percent (3%) 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.

74 Regional Office Restructuring

\$3,319,860 R \$3,713,790 R

Establishes regional office resources under the Rural Economic Development Division and provides additional funding in an effort to enhance regional office presence in rural areas, focusing on new business recruitment and existing industry support.

19.00 19.00

Wanchese Seafood Industrial Park

75 Receipt Support

(\$140,081) R

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

76 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	\$6,119,468	R	\$9,373,317	R
	\$3,072,946	NR	\$2,850,000	NR
Total Position Changes		-7.17		-8.17
Revised Budget	\$42,661,856		\$45,692,759	

Commerce - State Aid

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$59,714,814		\$61,954,814	

Legislative Changes

(1) State-Aid

77 Biofuels Center	(\$2,063,035)	R	(\$4,303,035)	R
Eliminates General Fund support for operational expenditures.				
78 Community Development Initiative	(\$3,806,180)	R	(\$3,806,180)	R
Eliminates General Fund support for operational expenditures.				
79 Council of Governments (COGs)	(\$328,105)	R	(\$328,105)	R
Eliminates General Fund support for operational expenditures.				
80 Grassroots Science Museums	(\$2,773,043)	R	(\$2,773,043)	R
Reduces General Fund support for operational expenditures and transfers funding of the program to the Department of Environment and Natural Resources.				
81 Institute of Minority Economic Development	(\$2,046,080)	R	(\$2,046,080)	R
Eliminates General Fund support for operational expenditures.				
82 Land Loss Prevention Project	(\$575,050)	R	(\$575,050)	R
Eliminates General Fund support for operational expenditures.				
83 NC Agriculture Foundation (FFA Foundation)	(\$35,855)	R	(\$35,855)	R
Eliminates General Fund support for operational expenditures from Commerce State-Aid. The Department of Agriculture and Consumer Services may use up to \$50,000 of available administrative funds to support the program.				
84 NC Association of Community Development Corporations (CDCs)	(\$797,102)	R	(\$797,102)	R
Eliminates General Fund support for operational expenditures.				
85 NC Farm Bureau - Ag in the Classroom	(\$21,175)	R	(\$21,175)	R
Eliminates General Fund support for operational expenditures.				
86 NC Indian Economic Development Initiative	(\$86,004)	R	(\$86,004)	R
Eliminates General Fund support for operational expenditures.				

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	FY 13-14		FY 14-15	
87 Partnership for the Sounds	(\$391,408)	R	(\$391,408)	R
Eliminates General Fund support for operational expenditures.				
88 Regional Economic Development Commissions	(\$2,151,517)	R	(\$2,151,517)	R
Eliminates General Fund support for operational expenditures.				
89 Research Triangle Institute				
Provides funds for the Research Triangle Institute to leverage federal research funds.	\$250,000	NR		
90 The Support Center	(\$2,543,021)	R	(\$2,543,021)	R
Eliminates General Fund support for operational expenditures.				
91 Wake Forest Institute of Regenerative Medicine	(\$7,649,897)	R	(\$7,649,897)	R
Transfers General Fund support for operational expenditures to the University of North Carolina system.				
92 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				
93 Biotechnology Center	(\$8,600,338)	R	(\$8,600,338)	R
Reduces General Fund support for operational expenditures by 50%.				
(3) Rural Economic Development Center				
94 Rural Economic Development Center	(\$16,619,194)	R	(\$16,619,194)	R
Eliminates General Fund support for operational expenditures.				
<hr/>				
Total Legislative Changes	(\$50,459,004)	R	(\$52,699,004)	R
	\$250,000	NR		
Total Position Changes				
Revised Budget	\$9,505,810		\$9,255,810	
<hr/>				

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

Senate Committee on Appropriations/Base 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

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

Senate Committee on Appropriations/Base 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. Closes fund 24610 - 2431.	\$17,200 NR	\$0 NR
	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

Senate Committee on Appropriations/Base 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

	FY 13-14	FY 14-15
Recommended Continuation Budget	\$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.

C. Law Enforcement

5 DPS Law Enforcement Health Benefits	(\$16,510,611)	NR	(\$16,510,611)	NR
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Pays employer health premiums and contributions for sworn law enforcement officers from funds available in the Separate Insurance Benefits Plan.

6 ALE Position Reduction	(\$264,600)	R	(\$264,600)	R
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Eliminates three positions in Alcohol Law Enforcement (ALE) administration:

	-3.00		-3.00	
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Position	Title	Total Position Cost
60084333	ALE Assistant Director	\$116,774
60084297	Asst. Special Agent in Charge	\$ 84,963
60084287	Accreditation Manager	\$ 62,863

7 ALE Permit Inspection Function	(\$1,900,000)	R	(\$1,900,000)	R
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Transfers responsibility for permit inspections from ALE to the Alcoholic Beverage Control (ABC) Commission.

	-29.00		-29.00	
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FY 13-14**FY 14-15**

8 Butner Public Safety	(\$1,751,118)	R	(\$1,751,118)	R
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.				
9 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	
10 SHP Vacant Trooper Positions	\$2,147,463	R	\$2,147,463	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.				
11 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.				
12 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.				
13 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.				
14 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	
15 SHP Aviation	(\$901,900)	R	(\$901,900)	R
Consolidates the Highway Patrol Aviation section from four hangars to two.	-9.00		-9.00	
16 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	
17 SHP Warehouse Leases	(\$191,474)	R	(\$191,474)	R
Consolidates three State Highway Patrol warehouses into other existing Department of Public Safety warehouse space.				

18 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.

19 SHP Accreditation Unit

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

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

-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

20 SHP Support Positions

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

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

-9.00 -9.00

21 SHP Traffic Safety Information Officers

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

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

-8.00 -8.00

22 VIPER Operations and Maintenance

\$2,825,471 R \$2,825,471 R

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

13.00 \$580,000 NR
13.00

23 SHP VIPER Technology Upgrade

\$25,000,000 NR

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

24 SHP VIPER Tower Construction

\$7,000,000 R

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.

25 State Bureau of Investigation

\$32,954,964 R \$30,954,964 R

Transfers the State Bureau of Investigation to the Division of Law Enforcement in the Department of Public Safety.

423.00 423.00

Removes the following from the SBI and places them under the direct control of the Attorney General:

- NC State Crime Laboratory (\$13.7 million, 182.80 FTE)
- Public Corruption Investigation Unit (\$393,723, 5.00 FTE)
- DOJ Information Technology Positions (\$1.1 million, 16.00 FTE)

Consolidation of all of the State's major law enforcement agencies and criminal information sections under the Department of Public Safety should result in additional savings in the future. A reduction of \$2 million in the second year reflects these anticipated savings.

D. National Guard**26 Armories Upgrade**

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

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.

27 Tarheel Challenge

\$767,719 R \$767,719 R

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.

E. Adult Correction - General**28 Purchased Services**

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

Reduces the Purchased Services fund to FY 2011-12 actual expenditures.

29 Budget Reserve Restoration

Eliminates the partial restoration of a nonrecurring budget reserve reduction from FY 2011-12 that reflected a lower prison population. (\$6,554,741) NR

F. Adult Correction - Prisons**30 Education Supplies**

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

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

31 Inmate Health Care

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

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.

	FY 13-14		FY 14-15	
32 Morrison CI Electronic Intrusion	(\$24,202)	R	(\$404,911)	R
Eliminates tower positions effective April 1, 2014 at Morrison Correctional Institution through the use of an electronic intrusion system that provides increased security.	-12.00		-12.00	
33 Bladen Correctional Center	(\$1,969,779)	R	(\$2,499,168)	R
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.	-52.00		-52.00	
34 Duplin Correctional Center	(\$3,759,729)	R	(\$4,101,522)	R
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.	-80.00		-80.00	
35 Robeson Correctional Center	(\$3,625,960)	R	(\$3,955,592)	R
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.	-80.00		-80.00	
36 Wayne Correctional Center	(\$3,014,444)	R	(\$7,234,666)	R
Closes Wayne Correctional Center, a 428-bed medium custody facility, effective February 1, 2014. The closure is part of a reduction in prison capacity to reflect the declining prison population.	-150.00		-150.00	
37 Western Youth Institution	(\$7,027,307)	R	(\$14,660,327)	R
Closes the medium and close custody beds at Western Youth Institution, effective January 1, 2014. The closure is part of a reduction in prison capacity to reflect the declining prison population.	-288.00		-288.00	
38 Vacant Positions	(\$825,902)	R	(\$1,651,805)	R
Eliminates vacant positions throughout the Division of Adult Correction. No vacant positions shall be eliminated within 50 miles of Western Youth Institution.				
39 Buncombe Correctional Center	(\$1,802,569)	R	(\$2,403,425)	R
Closes Buncombe Correctional Center, a 182-bed minimum custody facility, effective October 1, 2013. The closure is part of a reduction in prison capacity to reflect the declining prison population.	-48.00		-48.00	
40 Orange Correctional Center	(\$2,739,773)	R	(\$3,653,031)	R
Closes Orange Correctional Center, a 200-bed minimum custody facility, effective October 1, 2013. The closure is part of a reduction in prison capacity to reflect the declining prison population.	-73.00		-73.00	

41 Statewide Misdemeanant Confinement Fund Admin

(\$750,000) R (\$750,000) R

Reallocates the Statewide Misdemeanant Confinement Fund administration allotment to reduce the NC Sheriffs' Association percentage from 10% to 5% and to increase the percentage going to the Department of Public Safety from 1% to 5%. Budgets an additional \$750,000 in receipts in the Division of Prisons' budget. 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.

42 Statewide Misdemeanant Confinement Fund

(\$7,700,000) NR

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.

43 Tabor Correctional Institution Operating Reserve

(\$529,424) NR

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

G. Adult Correction - Community Corrections

44 TECS Reduction

(\$1,500,000) NR

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.

45 Parole Commission

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

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.

46 Probation and Parole Positions

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

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.

H. Juvenile Justice

47 Executive Management Staff

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

-3.00 -3.00

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

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

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48 YDC Operating Reduction	(\$100,000)	R	(\$100,000)	R
Reduces the total operating budget for Youth Development Centers.				
49 Lenoir Youth Development Center	(\$3,701,387)	R	(\$3,701,387)	R
Closes Lenoir Youth Development Center (YDC) and eliminates 71 full-time equivalent (FTE) positions. This facility shall be closed by October 1, 2013.				
	-71.00		-71.00	
50 Richmond Detention Center	(\$407,074)	R	(\$407,074)	R
Closes Richmond Detention Center and eliminates 7.4 full-time equivalent (FTE) positions.				
	-7.40		-7.40	
51 Buncombe Detention Center	(\$1,250,786)	R	(\$1,250,786)	R
Closes Buncombe Detention Center and eliminates 19.3 full-time equivalent (FTE) positions.				
	-19.30		-19.30	
52 New Western Multipurpose Group Home	\$650,000	R	\$650,000	R
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.				
53 Juvenile Justice Community Programs	\$1,500,000	R	\$1,500,000	R
Provides funding to the Division of Juvenile Justice for the expansion of contracted services for adjudicated juveniles.				
54 Educational Services Transfer to DPI			(\$3,828,824)	R
Transfers responsibility and funding for teachers in juvenile facilities to the Department of Public Instruction effective July 1, 2014.				
			-62.00	
55 Educational Administration Positions			(\$268,445)	R
Eliminates three educational administration positions in the Division of Juvenile Justice that will no longer be required when the responsibility for education at juvenile facilities is transferred to DPI in FY 2014-15.				
			-3.00	

Position	Title	Total Position Cost
60001388	YDC Regional Principal	\$ 92,480
60001611	Detention Ctr Regional Principal	\$ 81,786
60001945	YDC Assistant Principal	\$ 94,179

Total Legislative Changes	(\$9,811,866)	R	(\$18,846,044)	R
	\$371,399	NR	(\$21,825,152)	NR
Total Position Changes	-472.70		-437.70	
Revised Budget	\$1,712,621,317		\$1,692,187,988	

Justice

GENERAL FUND

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

Legislative Changes

A. Department-wide

56 Vacant Position Reduction

Eliminates vacant positions throughout the Department of Justice. No vacant positions are to be eliminated from the NC State Crime Laboratory.

(\$947,698)	R	(\$947,698)	R
-13.00		-13.00	

B. Legal Services

57 Tobacco Attorney and Paralegal Positions

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.

\$244,661	R	\$244,661	R
3.00		3.00	

C. State Bureau of Investigation (SBI)

58 Transfer to DPS

Transfers the State Bureau of Investigation to the Division of Law Enforcement in the Department of Public Safety.

(\$32,954,964)	R	(\$32,954,964)	R
-423.00		-423.00	

Removes the following from the SBI and places them under the direct control of the Attorney General:

- NC State Crime Laboratory (\$13.7 million , 182.80 FTE)
- Public Corruption Investigation Unit (\$393,723, 5.00 FTE)
- DOJ Information Technology Positions (\$1.1 million, 16.00 FTE)

Consolidation of all of the State's major law enforcement agencies and criminal information sections under the Department of Public Safety should result in additional savings in the future.

D. NC State Crime Laboratory

59 Toxicology Positions

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.

\$1,500,000	R	\$1,500,000	R
\$111,424	NR		
19.00		19.00	

60 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.

\$1,000,000 NR

61 Toxicology Outsourcing Funds

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.

\$750,000 R

\$750,000 R

E. Training and Standards

62 Sheriffs' Education and Training Standards

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.

\$1,000,000 R

\$1,000,000 R

63 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	(\$30,408,001)	R	(\$30,408,001)	R
	\$111,424	NR	\$1,000,000	NR
Total Position Changes	-414.00		-414.00	
Revised Budget	\$47,476,998		\$51,365,574	

Judicial - Indigent Defense

GENERAL FUND

	FY 13-14		FY 14-15													
Recommended Continuation Budget	\$114,505,898		\$114,505,898													
Legislative Changes																
64 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													
<table border="0"> <thead> <tr> <th style="text-align: left;">Position</th> <th style="text-align: left;">Title</th> <th style="text-align: right;">Total Position Cost</th> </tr> </thead> <tbody> <tr> <td>60002264</td> <td>IDS Admin Asst.</td> <td style="text-align: right;">\$44,473</td> </tr> <tr> <td>60096765</td> <td>IDS Research Staff</td> <td style="text-align: right;">\$28,000</td> </tr> <tr> <td>60002229</td> <td>Special Counsel</td> <td style="text-align: right;">\$52,739</td> </tr> </tbody> </table>	Position	Title	Total Position Cost	60002264	IDS Admin Asst.	\$44,473	60096765	IDS Research Staff	\$28,000	60002229	Special Counsel	\$52,739				
Position	Title	Total Position Cost														
60002264	IDS Admin Asst.	\$44,473														
60096765	IDS Research Staff	\$28,000														
60002229	Special Counsel	\$52,739														
65 Prisoner Legal Services Terminals	(\$2,890,000)	R	(\$2,890,000)	R												
Eliminates the State contract with Prisoner Legal Services in favor of prison legal terminals provided by the Department of Public Safety. Section 16C.9 directs the Department of Public Safety to look for an effective and efficient software alternative in prison libraries.																
66 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.																
67 Additional Private Assigned Counsel Funds	\$5,000,000	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	(\$5,148,634)	R	(\$5,148,634)	R												
	\$5,000,000	NR														
Total Position Changes	-3.25		-3.25													
Revised Budget	\$114,357,264		\$109,357,264													

Judicial

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$458,416,996		\$458,416,996	
Legislative Changes				
68 Magistrates Workload Formula	\$1,795,776	R	\$1,795,776	R
Restores 39.5 magistrate positions to fund a minimum number of four magistrates per county.	39.50		39.50	
69 State Court Reporters Reduction	(\$1,938,939)	R	(\$1,938,939)	R
Reduces the number of Court Reporters by half and redirects that half of the funds saved be used for contracts with private vendors. This change leaves \$5.8 million for court reporter functions in each year of the 2013-15 biennium.	-52.00		-52.00	
70 Audio Equipment for Courts	\$1,000,000	NR		
Provides funding for audio equipment in courtrooms in lieu of an assigned court reporter.				
71 Special Superior Court Judges Elimination	(\$2,156,347)	R	(\$2,156,347)	R
Eliminates 12 Special Superior Court Judges who are not assigned to Business Court.	-12.00		-12.00	
72 Administrative Budget Reduction	(\$3,000,000)	R	(\$3,000,000)	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 \$46.3 million for the Division in each year of the 2013-15 biennium.				
73 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.				
74 Electronic Court Information Pilot	\$500,000	NR	\$500,000	NR
Provides funds for a pilot project in Pender County to create a paperless courtroom. These funds will expand the availability and use of e-filing and related information technology.				
75 Local Hospital Toxicology Analysis	\$1,250,000	NR	\$750,000	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	(\$4,290,254)	R	(\$4,290,254)	R
	\$2,750,000	NR	\$1,250,000	NR
Total Position Changes	-24.50		-24.50	
Revised Budget	\$456,876,742		\$455,376,742	

DPS Special Fund (Statewide Misdemeanant Confi

Budget Code: 24550

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$20,085,259	\$6,385,259
Recommended Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Positions	0.00	0.00

Legislative Changes

Requirements:

Statewide Misdemeanant Confinement Fund				
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	NR	\$0	NR
	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	
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	
Subtotal Legislative Changes	\$1,000,000	R	\$1,000,000	R
	\$12,700,000	NR	\$0	NR
	0.00		0.00	

Receipts:

Statewide Misdemeanant Confinement Fund				
	\$0	R	\$0	R
	\$0	NR	\$0	NR

Subcommittee on Justice and Public Safety

	FY 2013-14	FY 2014-15
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$13,700,000	\$1,000,000
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$13,700,000)	(\$1,000,000)
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$6,385,259	\$5,385,259

**GENERAL
GOVERNMENT
Section J**

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(1.0) Cultural Resources

GENERAL FUND

	FY 13-14	FY 14-15
Recommended Continuation Budget	\$63,626,477	\$63,629,480

Legislative Changes

1100 - 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

1230 - 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

4 Historic Sites Partnerships

Reduces State appropriations for operations and eliminates a position in FY 2013-14 and another position in FY 2014-15 for the following historic sites: Aycock Birthplace, Polk Memorial, Vance Birthplace, and House in the Horseshoe. The appropriations for these sites are reduced by 25% in FY 2013-14 and 50% in FY 2014-15 in anticipation of increased local and private participation. The total State appropriations remaining for these sites is \$170,908.

(\$85,454) R (\$170,908) R
-1.00 -2.00

1242 - Tryon Palace Historic Sites and Gardens

5 Tryon Palace

Provides nonrecurring funding for Tryon Palace for FY 2013-14 and reduces recurring funds, leaving \$2,475,196 in State appropriations.

(\$156,725) R (\$156,725) R
\$476,725 NR \$156,725 NR

The nonrecurring funding of \$476,725 appropriated for Tryon Palace must be matched dollar for dollar in order to receive the entire State appropriation for FY 2013-14.

1320 - Museum of Art

6 Museum of Art Operations

Reduces the recurring State appropriations for the Museum of Art and adds nonrecurring funds for FY 2013-14. If private funds do not replace the State appropriations, positions may be eliminated. The remaining State appropriations total \$5,329,866.

(\$450,000)	R	(\$730,383)	R
\$279,806	NR		

1330 - NC Arts Council

7 NC Arts Council and Other Grants

Reduces funds for the Grassroots grants program, the grant to the Lost Colony, and the Basic grant program. The current State appropriations for the Arts Council including its grants program totals \$7.4 million, after these reductions the total budget will be \$6.7 million, of which \$5 million is grant funding.

(\$500,000)	R	(\$780,380)	R
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8 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
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Agency Wide

9 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.

\$212,048	NR
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Workers' Compensation and Disability Claims \$116,629
 Account Code: 531631
 Archives and Records and Historic Preservation \$95,419

Total Legislative Changes

(\$1,713,559)	R	(\$2,359,776)	R
\$1,021,579	NR	\$156,725	NR

Total Position Changes

-3.00	-4.00
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Revised Budget

\$62,934,497	\$61,426,429
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(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				
2584 - Roanoke Island Commission				
10 Roanoke Island Commission	(\$1,058,757)	R	(\$1,058,757)	R
Eliminates recurring funds for the Roanoke Island Festival Park.				
Total Legislative Changes	(\$1,058,757)	R	(\$1,058,757)	R
Total Position Changes				
Revised Budget	\$0		\$0	

(3.0) Insurance

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$38,454,593		\$38,464,213	
Legislative Changes				
1100 - Across Divisions				
11 Position Eliminations	(\$560,589)	R	(\$560,589)	R
Eliminates nine positions across the Department of Insurance.				
	-9.00		-9.00	
1500 - Fire Marshal				
12 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.				
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				
13 Fund	(\$2,623,654)	R	(\$2,623,654)	R
Eliminates recurring State appropriations. This 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				
14 Voter Photo Identification Requirement				
Appropriates funds for the implementation of a voter identification program. These funds will be used for new staff for the State Board of Elections and for other activities related to implementation of the new requirement.	\$1,505,900 10.00	NR	\$828,400 10.00	NR
15 Operating Budget	(\$20,313)	R	(\$20,313)	R
Reduces the operating budget across all divisions.				
Total Legislative Changes	(\$20,313)	R	(\$20,313)	R
	\$1,505,900	NR	\$828,400	NR
Total Position Changes	10.00		10.00	
Revised Budget	\$6,699,032		\$6,021,532	

(6.0) General Assembly

GENERAL FUND

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

Legislative Changes

1100 - Administration

16 Furniture - Across Divisions

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

17 Management Flexibility Reduction - Agency Wide (\$153,035) R

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

18 Operating Budgets - All Divisions

Reduces operating budgets to actual FY 2011-12 expenditures. (\$31,500) NR

19 Rental Parking Space Budget (\$30,000) R

Reduces the rental parking space budget due to anticipated revenues to be generated from charging temporary staff a monthly parking fee.

20 Vacant Position Eliminations - Administrative Division (\$120,504) R

Eliminates three 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 (\$185,000) R

Eliminates funds for the School of Government contract. (\$185,000) R

1213 - Research Division

22 Vacant Position (\$40,960) R

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

1.0 FTE Senior Legislative Secretary (P30343) -1.00 -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 (\$640,864) NR

Senate Subcommittee on General Government

FY 13-14

FY 14-15

House and Senate

25 Committee Reserves

Reduces funds available for committee activities during FY 2013-14.

(\$473,703) NR

Total Legislative Changes

(\$499,499) R

(\$529,499) R

(\$896,608) NR

(\$831,124) NR

Total Position Changes

-3.60

-3.60

Revised Budget

\$51,449,283

\$51,484,767

(7.0) Governor

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$5,539,743		\$5,541,825	
Legislative Changes				
26 Savings	(\$419,693)	R	(\$419,693)	R
Reduces funds to achieve savings through reducing non-essential dues and memberships by \$369,693 and the personnel budget by \$50,000.				
Total Legislative Changes	(\$419,693)	R	(\$419,693)	R
Total Position Changes				
Revised Budget	\$5,120,050		\$5,122,132	

(8.0) State Budget & Management

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$6,951,706		\$7,034,217	
Legislative Changes				
Across Divisions				
27 Position Eliminations	(\$114,634)	R	(\$114,634)	R
Eliminates two vacant positions:				
1.0 FTE Grants Assistant (60008975)	-2.00		-2.00	
1.0 FTE Management Analyst (60008594)				
Total Legislative Changes	(\$114,634)	R	(\$114,634)	R
Total Position Changes	-2.00		-2.00	
Revised Budget	\$6,837,072		\$6,919,583	

(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				
28 North Carolina Humanities Council	(\$49,000)	R	(\$49,000)	R
Eliminates funds for the North Carolina Humanities Council.				
29 Grants for Nonprofits	\$1,800,000	NR	\$1,500,000	NR
Provides funding to the Office of State Budget and Management for nonprofits including the North Carolina Symphony and The Bridge Down East.				
Total Legislative Changes	(\$49,000)	R	(\$49,000)	R
	\$1,800,000	NR	\$1,500,000	NR
Total Position Changes				
Revised Budget	\$1,800,000		\$1,500,000	

(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 Funding for Tax Information Management System (TIMS)			
Uses receipts from prior project phases to continue the implementation of TIMS. Revenues equaling \$8.9 million generated in prior years will support the internal costs of implementation.			
34 Support for Tax Law Changes		\$5,000,000 R	\$5,000,000 R
Provides funds to the Department to pay for staffing level increases and other costs associated with changes in tax law. This reserve is contingent on the passage of the Senate Tax Reform package.			
Total Legislative Changes		\$5,285,510 R \$19,660 NR	\$5,285,510 R
Total Position Changes		3.00	3.00
Revised Budget		\$85,336,745	\$85,317,085

(12.0) Secretary of State

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$11,845,185		\$11,845,185	
Legislative Changes				
1230 - Securities Registration				
35 Eliminate Vacant Positions in the Securities Registration Division	(\$81,091)	R	(\$81,091)	R
Eliminates two vacant positions (60008779 - Administrative Assistant II and 60008777 - Program Assistant IV) in the Securities Registration Division.	-2.00		-2.00	
Agency Wide				
36 Operations Reductions	(\$148,093)	R	(\$148,093)	R
Achieves savings throughout the Department by reducing various operating accounts.				
Total Legislative Changes	(\$229,184)	R	(\$229,184)	R
Total Position Changes	-2.00		-2.00	
Revised Budget	\$11,616,001		\$11,616,001	

(13.0) Lieutenant Governor

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Continuation Budget	\$444,047		\$444,047	
Legislative Changes				
1110 - Administration				
37 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				
38 Operating Budget	(\$45,000)	R	(\$45,000)	R
Reduces various accounts across the office to achieve savings.				
39 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.				
1000 - Office of State Controller				
40 Personnel	(\$1,038,599)	R	(\$1,038,599)	R
Directs the State Controller to reduce the Department's personnel budget by \$1,038,599.				
Total Legislative Changes	(\$1,118,599)	R	(\$1,118,599)	R
Total Position Changes				
Revised Budget	\$28,160,691		\$28,160,691	

(15.0) Administration

GENERAL FUND

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

Legislative Changes

1411 - Office of State Construction

41 Office of State Construction Receipts

\$924,013 R \$924,013 R

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:

9.85 9.85

- 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

42 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.

43 Utility Increases

\$254,494 R \$254,494 R

Increases the budget in the utility line item (5322XX) to prepare for an upcoming rate increase to the water and sewer rate and any increase in the electric rate.

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 Homemakers Program and transfers funds collected from the divorce filing fee to the Domestic Violence Center Fund. The Domestic Violence Center Fund provides funding related to domestic violence. In FY 2011-12, the Displaced Homemakers Program Fund received \$1.8 million from the fee.

-2.00 -2.00

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

1761 - Youth Involvement Division

47 Youth Involvement Elimination

(\$526,252) R (\$526,252) R

Eliminates the Youth Involvement Division and reimburses any related registration fees and grant funds back to the original payee or grantor. The following positions and benefits are eliminated:

-5.00 -5.00

- 60014061 Administrative Officer II
- 60014064 Advocacy Program Director
- 60014065 Administrative Officer II
- 60014502 Program Assistant IV
- 60014506 Administrative Secretary III

1771 - Division of Veterans Affairs

48 Grant in Aid Program

(\$48,082) R (\$138,000) R

Eliminates the grant in aid program to county governments for the provision of veterans' services over a two year period.

49 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

50 Position Funding

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

Attorney II \$110,330

51 Position

(\$55,146) R

Eliminates recurring funding for one filled paralegal position (65012030) in FY 2014-15.

-1.00

52 Operating Expenses

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

Achieves savings by reducing various operating accounts.

1861 - Commission of Indian Affairs**53 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**54 Reserve and Transfer Reduction**

Eliminates an unnecessary appropriation within the Reserve and Transfer budget.

(\$32,942)	R	(\$32,942)	R
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Agency Wide**55 Vacant Position Eliminations**

Eliminates four vacant positions and benefits throughout the Department.

(\$286,119)	R	(\$286,119)	R
-4.00		-4.00	

65010199 Human Services Planner/Evaluator IV
 65015257 Building Environmental Services Tech
 60014593 Engineer Manager
 60014715 Processing Assistant IV

Office of State Personnel**56 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
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Total Legislative Changes

(\$49,148)	R	(\$194,212)	R
(\$1,150,659)	NR	(\$1,476,543)	NR

Total Position Changes

-4.90		-5.90	
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Revised Budget

\$67,117,185		\$66,571,237	
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Reserve for E-Commerce Initiative (2514)

Budget Code: 24100

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$15,318,833	\$6,517,947
Recommended Budget		
Requirements	\$21,748,642	\$21,748,642
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 \$4,000,000 in FY 2014-15 to general availability.	\$5,111,585 NR	\$4,000,000 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	\$5,476,543 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

Senate Committee on Appropriations/Base Budget

	FY 2013-14	FY 2014-15
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$28,078,886	\$27,225,185
Revised Total Receipts	\$19,278,000	\$19,278,000
Change in Fund Balance	(\$8,800,886)	(\$7,947,185)
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$6,517,947	(\$1,429,238)

(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				
57 HOME Match Reduction	(\$32,168)	R	(\$32,168)	R
Reduces the State match for the HOME program by two percent.				
1100 Housing Trust Fund				
58 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 Fiscal Biennium.				
Total Legislative Changes	(\$32,168)	R	(\$32,168)	R
	(\$876,785)	NR	(\$876,785)	NR
Total Position Changes				
Revised Budget	\$8,499,464		\$8,499,464	

(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				
59 Vacant Civil Rights Position and Contractual Services	(\$82,845)	R	(\$82,845)	R
Eliminates vacant Civil Rights Investigator position (60088609) in the Civil Rights Division and reduces contractual services (532199). The position to be eliminated is:	-1.00		-1.00	
60 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	NR		
	2.00		2.00	
1100 - Hearings Division				
61 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
Total Legislative Changes	\$221,692	R	\$222,150	R
	\$170,388	NR	\$80,000	NR
Total Position Changes	1.00		1.00	
Revised Budget	\$4,727,544		\$4,652,581	

(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

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

1310 - Local Government Division

63 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

64 Reduction to Operating Funds in Financial Operations Division	(\$133,221)	R	(\$133,221)	R
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	

1510 - Financial Operations Division

65 Core Banking System Upgrade	\$1,111,585	NR		
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.				
66 Operation of State Core Banking System	\$353,852	R	\$353,852	R
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.				

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

67 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 G.S. 58-86. The amount of the recurring General Fund contribution in the continuation budget is \$14,015,734.

1413 - Rescue Squad

68 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 G.S. 58-86. 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

69 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

70 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 \$3.0 million of accumulated unencumbered fund balance from the Access and Public Service Road Program.

4 Division Small Urban Construction Program

Appropriates \$25.0 million of accumulated unencumbered fund balance from the Division Small Urban Construction Program.

5 Contingency Fund

Appropriates \$28.0 million of accumulated unencumbered fund balance from the Contingency Fund for maintenance projects.

6 Economic Development Program

Appropriates \$3.1 million 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 established by Section 14.22.

8 Registration Fee for Hybrid/Electric Vehicles

Increases Highway Fund revenue by \$1.5 million recurring resulting from the establishment of a \$100 surcharge on registration fees for electric vehicles and a \$50 surcharge on registration fees for hybrid-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.

Administration**10 Facility Security**

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

11 Fiscal Section - Appalachian Regional Commission

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

12 Occupational Safety and Health (OSHA) Program

(\$7,455)	R	(\$7,455)	R
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Reduces funding for the Occupational Safety and Health (OSHA) Program, leaving \$365,337, as recommended in the Governor's Budget.

13 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.

14 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.

15 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.

16 Departmental Staffing Efficiencies

(\$1,374,402) R

(\$1,374,402) R

Eliminates 25 vacant administrative positions within the Department and 11 vacant receipt-supported positions:

-25.00

-25.00

Position	Position Title
60019254	Office Assistant IV
60019645	Processing Assistant III
60019641	Processing Assistant IV
60020157	Processing Assistant III
60021214	Processing Assistant III
60022816	Processing Assistant III
60021741	Accounting Technician
60017652	Processing Assistant III
60027656	Engineering Manager
60021749	Processing Assistant III
60022317	Processing Assistant III
60019740	Processing Assistant III
60015796	Engineer
60015799	Engineer
60015802	Engineer
60015815	Engineer
60015819	Engineer
60015839	Engineer
60015335	Accountant
60015603	Transportation Program Section Chief
60015602	Aircraft Mechanic
60015443	Processing Assistant II
60015109	Business And Technology Applic Analyst
60015474	Processing Assistant III
60015532	Plant Maintenance Supervisor 1
60027024	Administrative Secretary III
60027234	Processing Assistant III
60015547	Plant Maintenance Supervisor 1
60025668	Executive Assistant I
60025676	Office Assistant III
60015364	Accounting Director
60015454	Accountant
60015412	Processing Assistant II
60015163	Transportation Planner III
65002114	Engineer Supervisor
65012864	Engineering Supervisor

Additionally, 303 vacant positions assigned to field and equipment units, of which 125 have been vacant longer than 600 days, are eliminated throughout the department. Projected savings associated with these position eliminations are returned to the funding programs.

Aid to Municipalities**17 State Aid to Municipalities**

\$53,407,542 R \$48,165,484 R

Appropriates additional funding from the consolidation of State Aid to Municipalities/Powell Bill allocations within the Highway Fund.

Budgeted funds total \$142,293,840 for FY 2013-14 and \$136,874,010 for FY 2014-15.

Capital, Repairs & Renovations**18 Repairs & Renovations**

\$3,532,900 NR \$2,792,000 NR

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

19 Capital Improvements

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

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

Construction**20 Secondary Road Construction and Unpaved Secondary Road Paving Programs**

(\$76,886,298) R (\$76,708,526) R

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.

\$15,000,000 NR

21 Division Small Urban Construction

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

Eliminates funding to the Division Small Urban Construction Program, as recommended in the Governor's Budget.

22 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.

23 Economic Development Program Fund

\$3,100,000 NR \$4,036,171 NR

Appropriates \$3.1 million of accumulated unencumbered fund balance within the Economic Development Program for qualifying projects to be used in FY 2013-14. \$4,036,171 nonrecurring is appropriated in FY 2014-15.

Division of Motor Vehicles**24 Customer Service Improvement Initiative**

\$889,782	R
\$540,683	NR

\$963,829	R
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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.

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

25 Credit/Debit Transaction Costs

\$6,646,233	R
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\$7,975,480	R
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Appropriates funds to support transaction costs incurred for the acceptance of credit and debit card payments for registration, title, and highway use tax transactions.

26 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.

27 Combined Registration and Tax Collection System - Receipts

(\$3,470,415)	R
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(\$3,692,867)	R
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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 \$1,112,258 in FY 2013-14 and \$1,334,710 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.

28 Division Staffing Efficiencies

(\$817,202)

R

(\$817,202)

R

Eliminates 12 positions within the Division of Motor Vehicles which have been vacant longer than 180 days:

-12.00

-12.00

Position	Position Title
60031363	Administrative Assistant III
60029937	Title Examining Supervisor III
60029941	Information Processing Technician
60031316	Law Enforcement Manager
60030972	Law Enforcement Supervisor
60031068	Law Enforcement Supervisor
60031138	Law Enforcement Agent
60031108	Law Enforcement Agent
60031041	Law Enforcement Agent
60031173	Law Enforcement Agent
60031170	Law Enforcement Agent
60030097	Nurse Consultant

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 - State Aid to Airports**

\$31,627

R

\$2,128,306

R

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.

31 Public Transportation Division - Grant Programs

(\$1,692,861)

R

(\$1,692,861)

R

Reduces funding across all public transportation grant programs by 2%, leaving \$83,351,374, as recommended in the Governor's Budget.

32 Ferry Division - Operating Efficiencies

(\$820,763)

R

(\$820,763)

R

Reduces funding for Ferry Division operations by 2%, as recommended in the Governor's Budget.

33 Ferry Division - Operations

\$4,629,258

R

\$4,629,258

R

Appropriates funds to offset the shifting of toll revenue to a reserve for capital improvements to the North Carolina Ferry System. Toll revenue previously offset recurring operating and maintenance costs. Recurring budgeted receipts in Fund Center 1500/157825 from other revenue sources, including memorabilia sales and vending receipts, total \$370,742.

34 Ferry Division - Spoil Site Capacity

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.

\$1,150,000 NR

35 Ferry Division - Reserve for Capital Improvements

Establishes a reserve for tolls collected on the North Carolina Ferry System. Proceeds shall be credited to separate accounts within the reserve for each Highway Division in which system terminals are located and revenue is earned. Gross annual revenue, based on the fare structure and rates determined by the Board of Transportation for system-wide implementation effective November 1, 2013, shall generate no less than \$5 million and may not exceed \$10 million.

Toll proceeds shall be used exclusively for prioritized capital improvements to the North Carolina Ferry System.

36 Rail Division - Operations

Reduces funding for Rail Division programs by 2%, as recommended in the Governor's Budget.

(\$424,023) R (\$424,023) R

37 Rail Division - Infrastructure Assistance Programs

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 Fund and Strategic Prioritization Funding Plan for Transportation Investments.

(\$269,000) R (\$269,000) R

38 Rail Division - Freight Rail & Rail Crossing Safety Improvement Fund

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.

\$3,700,000 R \$3,750,000 R

\$15,500,000 NR

39 Division of Bicycle & Pedestrian Transportation - Planning Grants

Reduces funding for the Regional Bicycle Planning Grant Program to \$250,000 recurring.

(\$129,447) R (\$129,447) R

Maintenance**40 Primary System**

Reduces funding for the Primary System Maintenance Program, leaving \$146,864,736 in FY 2013-14 and \$144,044,736 in FY 2014-15, as recommended in the Governor's Budget.

(\$16,488,083) R (\$19,308,083) R

41 Secondary Road Maintenance and Improvement Program	(\$12,755,795)	R	(\$14,635,795)	R
Reduces funding to the Secondary Road Maintenance and Improvement Program, leaving \$270,244,518 in FY 2013-14 and \$268,364,518 in FY 2014-15, as recommended in the Governor's Budget.				
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 System Preservation	\$100,771,279	R	\$76,779,855	R
Increases funding for the System Preservation Program. Budgeted funds total \$179,599,774 for FY 2013-14 and \$155,008,350 for FY 2014-15.				
44 Reserve for General Maintenance	\$103,850,698	R	\$74,779,856	R
Increases funding for the Reserve for General Maintenance. Budgeted funds total \$169,122,827 for FY 2013-14 and \$112,580,168 for FY 2014-15.				
45 Contract Resurfacing	\$100,771,279	R	\$76,779,855	R
Increases funding for the Contract Resurfacing Program. Budgeted funds total \$375,655,932 for FY 2013-14 and \$351,664,508 for FY 2014-15.				
Reserves				
46 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.				
47 State Health Plan	\$1,700,000	R	\$3,800,000	R
Provides additional funding to increase maximum annual employer contributions for group health benefit coverage by the projected increase in the Consumer Price Index (CPI-U): 1.8% in FY 2013-14 and 2.2% in FY 2014-15.				
48 Disability Income Plan of North Carolina	(\$31,150)	R	(\$31,150)	R
Reduces the State's contribution to the Disability Income Plan from 0.44% to 0.43% of payroll as a result of the December 31, 2011 actuarial valuation.				
49 Reserve for Future Benefit Needs			\$1,745,000	R
Creates a reserve for increased contributions to existing employee benefits programs.				

Transfers

50 Department of Public Instruction - Driver Education Program	(\$2,792,962)	R	(\$2,808,263)	R
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 \$65.00 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. Per student appropriations are reduced from \$200.94 to \$184.94. Transfers total \$25,054,988 for FY 2013-14 and \$25,575,792 for FY 2014-15.				
51 State Ethics Commission	\$110,330	R	\$110,330	R
Transfers \$110,330 to the State Ethics Commission to support an Attorney II position for the implementation of Section 34.18.				
<hr/>				
Total Legislative Changes	\$268,156,526	R	\$192,595,770	R
	\$89,650,000	NR	\$32,772,271	NR
Total Position Changes	-37.00		-37.00	
Revised Budget	\$2,054,003,650		\$1,917,690,500	
<hr/>				

Highway Trust Fund

	HIGHWAY TRUST FUND	
	FY 13-14	FY 14-15
Recommended Continuation Budget	\$1,118,600,000	\$1,152,000,000
Legislative Changes		
Administration		
52 Administration	(\$8,008,320)	R (\$9,611,520) R
Eliminates the statutory adjustment to Administration and holds funding at the FY 2012-13 certified budget amount.		
Aid to Municipalities		
53 Aid to Municipalities	(\$56,072,216)	R (\$58,054,337) R
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.		
Construction		
54 Strategic Prioritization Program	\$931,539,030	R \$950,101,672 R
Appropriates funding for highway and intermodal capital projects funded through the Highway Trust Fund per the new Strategic Prioritization Funding Plan for Transportation Investments.		
55 Intrastate System	(\$515,520,933)	R (\$530,210,557) R
Eliminates the Intrastate System program and transfers funds to the Strategic Prioritization Program.		
56 Mobility Fund	(\$58,000,000)	R (\$58,000,000) R
Eliminates the Mobility Fund program and transfers funds to the Strategic Prioritization Program.		
57 Secondary Roads	(\$78,972,723)	R (\$86,253,540) R
Eliminates the Secondary Road program and transfers funds to the Strategic Prioritization Program.		
58 Urban Loops	(\$164,864,838)	R (\$191,571,718) R
Eliminates the Urban Loops program and transfers funds to the Strategic Prioritization Program.		

Senate Subcommittee on Transportation

FY 13-14

FY 14-15

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

(\$12,900,000) R (\$46,600,000) R

Total Position Changes

Revised Budget

\$1,105,700,000 \$1,105,400,000

Turnpike Authority

TURNPIKE AUTHORITY

	FY 13-14	FY 14-15
Recommended Continuation Budget	\$0	\$0
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Legislative Changes		
Administration		
60 Departmental Staffing Efficiencies		
Eliminates two vacant receipt-supported positions within the Turnpike Authority. Recurring savings total \$153,884.		
Position	Position Title	
65004790	Turnpike Marketing Manager	
65002113	Information & Communication Specialist I	
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Total Legislative Changes		
Total Position Changes		
Revised Budget	\$0	\$0

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**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.

	\$37,126,314	NR	
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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	
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3 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
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4 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
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5 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 a corresponding item in the Transportation section of the Committee Report.

6 Reserve for Future Benefit Needs

Creates a General Fund reserve for increased contributions to existing employee benefits programs.

			\$56,400,000	R
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7 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.

8 Disability Income Plan of North Carolina

(\$1,100,000) R (\$1,100,000) R

Reduces the State's contribution to the Disability Income Plan from 0.44% to 0.43% of payroll as a result of the December 31, 2011 actuarial valuation.

9 Highway Fund Disability Income Plan of North Carolina

Reduces the Highway Fund's contribution to the Disability Income Plan from 0.44% to 0.43% of payroll as a result of the December 31, 2011 actuarial valuation. The reduction appears in a corresponding item in the Transportation section of the Committee Report.

10 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.

11 State Health Plan

\$34,000,000 R \$77,000,000 R

Provides additional funding to increase maximum annual employer contributions for group health benefit coverage by the projected increase in the Consumer Price Index (CPI-U): 1.8% in FY 2013-14 and 2.2% in FY 2014-15.

12 Highway Fund State Health Plan Contributions

Increases maximum annual employer contributions for positions funded through the Highway Fund by the projected increase in the Consumer Price Index (CPI-U): 1.8% in FY 2013-14 and 2.2% in FY 2014-15. The additional funding required from the Highway Fund is \$1.7 million for FY 2013-14 and \$3.8 million for FY 2014-15. The increased expenditures appear in a corresponding item in the Transportation section of the Committee Report.

B. Other Reserves**13 Reserve for Escheat Fund Global TransPark Loan Repayment**

\$27,000,000 NR

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.

14 IT Reserve Fund

\$7,335,000 R \$11,820,000 R

Provides additional funds for the Information Technology (IT) Reserve Fund in the Office of the State Chief Information Officer. Additional information about these funds is provided in the IT section of this report.

\$23,665,000 NR \$24,180,000 NR
33.00 44.00**15 Job Development Investment Grant Reserve**

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

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.

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 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. These amounts are supplemented by an additional \$17 million in FY 2013-14 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

C. Debt Service**18 Debt Service Adjustment**

Adjusts debt service appropriations based on updated cash flow requirements.

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

19 Debt Service Increase

Increases debt service in anticipation of an additional \$100 million issuance of general obligation bonds under Article V, Section 4(2) of the NC Constitution for repair and renovations of State buildings.

\$4,318,572 R \$8,637,142 R

20 Clean Water, Parks and Recreation, and Natural Heritage Trust Fund Debt

Provides a direct General Fund appropriation for debt service associated with the Clean Water Management Trust Fund, the Parks and Recreation Trust Fund, and the Natural Heritage Trust Fund.

\$13,158,590 R \$13,113,417 R

21 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	\$118,816,229	R	\$254,336,856	R
	\$114,591,314	NR	\$39,780,000	NR
Total Position Changes	33.00		44.00	
Revised Budget	\$989,557,404		\$1,050,266,717	

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 NR
	0.00	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 NR
	0.00	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 NR
	0.00	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 NR
	0.00	0.00

Senate Committee on Appropriations/Base Budget

	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	
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Unappropriated Balance Remaining	\$5		\$5	

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CAPITAL
Section M

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Capital

GENERAL FUND

FY 13-14

FY 14-15

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 an additional 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 Agriculture and Consumer Services

3 Agriculture Water Resources Assistance Program

Provides funding for the Agriculture Water Resources Assistance Program administered by the Soil and Water Conservation Commission.

\$500,000	NR
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C. Department of Environment and Natural Resources

4 Water Resources Development Projects

Provides funds for the State's share of Water Resource Development Projects. Funds will provide a State match for \$21.3 million in federal funds and \$3.4 million in local funds in FY 2013-14. The projects are specified in a special provision. In FY 2014-15, additional State funds will be available for projects and to provide the State match for federal and local projects.

\$6,917,000	NR	\$5,000,000	NR
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D. Department of Public Safety

5 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

6 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 Board of Governors.

\$2,000,000 NR

7 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

F. General Obligation Bonds

8 Repair and Renovations

Authorizes the issuance of general obligation bonds under Article V, Section 4(2) of the NC Constitution to be allocated to the Reserve for Repair and Renovation. The University of North Carolina System will receive 46 percent of the allocation to be distributed to the various campuses. The Office of State Management and Budget will receive 54 percent of the allocation to be distributed to various State agencies. The total debt authorized is \$100,000,000.

Total Appropriation to Capital

\$17,142,000 NR

\$8,250,000 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

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.

	R	R
	NR	NR

Center for Geographic Information and Analysis

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 as well as the private sector.

	R	R
	NR	NR

Enterprise Security Risk Management Office

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.

	(\$248,746) R	(\$248,746) R
	NR	NR

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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.		NR		NR
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.		NR		NR
State Web Site		R		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.		NR		NR
Enterprise Licenses		R		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.		NR		NR
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.		NR		NR
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.		NR		NR
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	

FY 2013-14

FY 2014-15

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	
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Information Technology Reserve Fund

Budget Code: 00000

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$35,000,000	\$32,000,000
Receipts	\$27,000,000	\$32,000,000
Positions	0.00	0.00

Legislative Changes

Requirements:

Adjustment to IT Reserve	(\$1,000,000) R	\$1,000,000 R
Adjusts Information Technology Reserve requirements to reflect the availability of funding by moving requirements from FY 2013-14 to FY 2014-15. This includes delaying the hiring of two IT managers and one IT professional responsible for planning until second year (\$450,000), delaying the hiring of five IT analysts responsible for the build function until the second year (\$550,000), and delaying network simplification until the second year (\$3,000,000).	(\$3,000,000) NR	\$3,000,000 NR
Prepare/Focus (Strategic Plan)	R	R
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.	NR	NR

FY 2013-14

FY 2014-15

Plan (Enterprise Architecture)

Provides the State CIO with funding of \$1,592,526 in FY 2013-14 and \$2,232,321 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)

	R	R
	NR	NR
13.00		16.00

Build (Project Management)

Provides funding of \$1,602,433 in FY 2013-14 and \$2,754,163 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:

- 1 IT Executive
- 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)

	R	R
	NR	NR
18.00		26.00

Remediation (Equipment Relocation)

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:

- Vendor support of \$300,000 in FY 2013-2014
- Equipment costs of \$800,000 in FY 2013-14 & \$600,000 in FY 2014-15

	R	R
	NR	NR

	FY 2013-14	FY 2014-15
Security	R	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.	NR 1.00	NR 1.00
Network Simplification	R	R
Provides nonrecurring funding of \$5,250,000 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.	NR	NR
Desktop Remediation	R	R
Provides funding of \$16,000,000 (nonrecurring) in FY 2013-14 and \$14,300,000 (\$13,300,000 nonrecurring) in FY 2014-15 for the replacement of obsolete computers and applications.	NR	NR
MS Office	R	R
Provides \$4,000,000 in FY 2013-14 and \$2,300,000 in FY 2014-15, as well as nonrecurring funding of \$3,615,000 in FY 2013-14 to update approximately 50,000 agency software licenses to meet current standards.	NR	NR
Operate (Standards and Measures)	R	R
Allows the State CIO to establish consistent, comparable IT standards and measures. To accomplish this, the State CIO has requested funding of \$183,505 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 2013-14 and \$500,000 in FY 2014-15.	NR 1.00	NR 1.00

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	FY 2013-14		FY 2014-15	
Customer Data		R		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 a nonrecurring cost of \$400,000 in FY 2013-14 and \$1 million in FY 2014-15.		NR		NR
Secure Sign-On		R		R
Provides recurring funding of \$3,070,000 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.		NR		NR
Innovation Center		R		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.		NR		NR
Subtotal Legislative Changes	(\$1,000,000)	R	\$1,000,000	R
	(\$3,000,000)	NR	\$3,000,000	NR
	33.00		44.00	

Receipts:

Increase to IT Reserve Receipts	\$0	R	\$0	R
Increases Information Technology Reserve receipts by \$4 million each year of the biennium to address Statewide critical information technology infrastructure and security deficiencies, and to provide additional resources to support Statewide oversight and enterprise planning.	\$4,000,000	NR	\$4,000,000	NR
Information Technology Reserve Receipts		R		R
Sets IT Reserve receipts at \$31,000,000 in appropriations for FY 2013-14 and \$36,000,000 for FY 2014-15.		NR		NR
Subtotal Legislative Changes	\$0	R	\$0	R
	\$4,000,000	NR	\$4,000,000	NR

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	FY 2013-14	FY 2014-15
Revised Total Requirements	\$31,000,000	\$36,000,000
Revised Total Receipts	\$31,000,000	\$36,000,000
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
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

Receipts:

IT Internal Service Fund Receipts	\$0 R	\$0 R
Limits receipts for SFY 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

Senate Committee on Appropriations/Base 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		
Ending Unreserved Fund Balance	\$16,656,521	\$16,656,521

