



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**

PAT MCCRORY
GOVERNOR

ART POPE
STATE BUDGET DIRECTOR

March 7, 2014

TO: Senator Phil Berger, President Pro-Tempore of the Senate
Representative Thom Tillis, Speaker of the House of Representatives

FROM: Art Pope, State Budget Director *Art Pope*

SUBJECT: Budget Deviation for the Department of Administration

The Office of State Budget and Management (OSBM), as required by G.S. 143C-6-4(b)(3)(b1), must consult with the Joint Legislative Commission on Governmental Operations when a department's certified budget is expected to be exceeded by more than three percent (3%). Please see the budget deviation listed below for the Department of Administration, Temporary Solutions Division.

Department of Administration – Temporary Solutions

Executive Order No. 4 requires all agencies that employ temporary employees to employ them through the Temporary Solutions Program, administered by the Office of State Human Resources (OSHR) under the authority of G.S. 126-4 (10). The impact of this directive has been to increase the workload as well as program expenditures and agency receipts associated with administering Temporary Solutions.

OSHR seeks to increase both receipts and expenditures by \$15,662,250 million to accommodate agency needs for temporary employees. Since this budget action exceeds the three percent (3%) threshold, it is being submitted for consultation with the Joint Legislative Commission on Governmental Operations.

(b)1) Prior consultation with Governmental Operations is required when the overexpenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the overexpenditures

Administration

FY 2013-2014

21-Feb-14

12-88

Administration

Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
74100	\$ 70,849,508	\$ 2,125,485	\$ 15,662,250	\$ 13,536,765
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -
Fund Type Total	\$ 70,849,508	\$ 2,125,485	\$ 15,662,250	\$ 13,536,765

On February 27, 2013 Governor McCrory signed Executive Order No. 4, directing that "all departments and agencies which utilize temporary employees shall employ them through the Temporary Solutions Program which is administered by the Office of the State Personnel or a similar temporary employment service approved by the State Personnel Director." This order also encouraged the Council of State departments and the University of North Carolina System to employ temporarys in the same manner. Due to this directive, the hiring of temporarys through Temporary Solutions continues to increase, however this was not accounted for in the biennium budget. Due to the anticipated seasonal demands as well as the effect of this directive, Temporary Solutions requires an increase in revenues as well as an increase in salaries and social security expenditures.