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

PAT MCCRORY
GOVERNOR

ART POPE
STATE BUDGET DIRECTOR

July 18, 2014

## MEMORANDUM

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

FROM: Art Pope *Art Pope*
State Budget Director

SUBJECT: DPI Budget Deviations FY 2013-14

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 attached reports for the Department of Public Instruction.

If there are questions, you may contact Assistant State Budget Officer for Education Elizabeth Grovenstein by dialing (919) 807-4780 or myself by dialing (919) 807-4717.

Thank you.

cc:  David Brown
Elizabeth Grovenstein
Pam Leaman
Mark Trogdon

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116 West Jones Street

**REQUEST TO DEVIATE UNDER G.S. 143C-6-4:**

*(b1) 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.*

| | |
|---|---|
| **DEPARTMENT:** | NCDPI |
| **FISCAL YEAR:** | 2013-2014 |
| **Date:** | 7/17/2014 |
| **Budget Revision #:** | #12-0005 |

| Budget Code | Certified Requirements | 3% Deviation Threshold | Amount of the Overexpenditure Request | Amount the Request Exceeds the Deviation Threshold |
|---|---|---|---|---|
| 23510 | $ 105,602,896 | $ 3,168,087 | | $ (3,168,087) |
| 23511 | $ 24,028,163 | $ 720,845 | | $ (720,845) |
| 23515 | $ 7,873,944 | $ 236,218 | | $ (236,218) |
| 29110 | $ 101,972,473 | $ 3,059,174 | $ 23,490,732 | $ 20,431,558 |
| | $ - | $ - | | $ - |
| **Fund Type Total** | $ 239,477,476 | $ 7,184,324 | $ 23,490,732.00 | $ 16,306,408 |

**JUSTIFICATION FOR REQUEST:**

DPI requests to deviate due to the posting of the fund balance for fiscal year end 13/14
Fund Balance is needed to cover the overages in the State Aid accounts to the LEAs
Counties may use funds for capital outlay projects including the planning, construction,
reconstruction, enlargement, improvement, repair, or renovation of public school
buildings and for the purchase of land for public school buildings; for equipment to
implement a local school technology plan or for both.

### Instructions:  REQUEST TO DEVIATE UNDER G.S.  143C-6-4

**1.  Department**

Enter the department/agency name.

**2. Fiscal Year**

Enter the current fiscal year.

**3. Date**

Enter the current date.

**4. Budget Revision #**

Enter the budget revision number for the overexpenditure request from the IBIS system.

**5. Budget Code**

Enter all of the agency budget codes for the requested fund type only (general fund, special fund, etc.)

**6. Certified Requirements**

Enter the current certified requirements for the budget code as reflected on the BD 701 report.

**7. 3% Deviation Threshold**

This is calculated as 3% of the Certified Requirements.  These figures will be calculated automatically for each budget code.

**8. Amount of the Overexpenditure Request**

Enter the amount of the overexpenditure request.  This figure should represent the amount requested on the budget revision.

**9. Amount Over Deviation Threshold**

This is the total amount of the current request over the 3% Threshold.  This figure will be calculated automatically. If the figure is not greater than zero, no consultation is required.

**10.  Submit the completed form to your Budget Analyst in the Office of State Budget and Management for consultation with the Joint Legislative Commission on Governmental Operations.**

**REQUEST TO DEVIATE UNDER G.S. 143C-6-4:**

*(b1) 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.*

**DEPARTMENT:**      NCDPI

**FISCAL YEAR:**      2013-2014

**Date:**      7/8/2014

**Budget Revision #:**

| Budget Code | Certified Requirements | 3% Deviation Threshold | Amount of the Overexpenditure Request | Amount the Request Exceeds the Deviation Threshold |
|---|---|---|---|---|
| 63501 | $ 15,836,900 | $ 475,107 | | $ (475,107) |
| 63503 | $ 12,416,452 | $ 372,494 | | $ (372,494) |
| 63510 | $ 10,250,000 | $ 307,500 | | $ (307,500) |
| 63511 | $ 46,632,134 | $ 1,398,964 | $ 3,558,329 | $ 2,159,365 |
| | $ - | $ - | | $ - |
| **Fund Type Total** | **$ 85,135,486** | **$ 2,554,065** | **$ 3,558,329.00** | **$ 1,004,264** |

**JUSTIFICATION FOR REQUEST:**

DPI requests to deviate due to the overages in the Workers Compensation Fund.

Overages are due to the fact that the fund is not adequately appropriated state funding each year.

4,000 to 6,000 new claims are added each year along with medical benefits.

(This is in accordance with NCGS97).

## Instructions: REQUEST TO DEVIATE UNDER G.S. 143C-6-4

### 1. Department

Enter the department/agency name.

### 2. Fiscal Year

Enter the current fiscal year.

### 3. Date

Enter the current date.

### 4. Budget Revision #

Enter the budget revision number for the overexpenditure request from the IBIS system.

### 5. Budget Code

Enter all of the agency budget codes for the requested fund type only (general fund, special fund, etc.)

### 6. Certified Requirements

Enter the current certified requirements for the budget code as reflected on the BD 701 report.

### 7. 3% Deviation Threshold

This is calculated as 3% of the Certified Requirements. These figures will be calculated automatically for each budget code.

### 8. Amount of the Overexpenditure Request

Enter the amount of the overexpenditure request. This figure should represent the amount requested on the budget revision.

### 9. Amount Over Deviation Threshold

This is the total amount of the current request over the 3% Threshold. This figure will be calculated automatically. If the figure is not greater than zero, no consultation is required.

### 10. Submit the completed form to your Budget Analyst in the Office of State Budget and Management for consultation with the Joint Legislative Commission on Governmental Operations.