

**2017**

**JOINT  
APPROPRIATIONS –  
AGRICULTURE,  
NATURAL & ECONOMIC  
RESOURCES**

**MINUTES**





**NORTH CAROLINA GENERAL ASSEMBLY**

**Senate Appropriations on Agriculture, Natural, and Economic Resources Committee  
2017 – 2018 SESSION**



**Sen. Bill Cook**  
**Chair**

**Sen. Rick Gunn**  
**Chair**

**Sen. Trudy Wade**  
**Chair**



**Sen. Andrew C. Brock**

**Sen. Angela R. Bryant**

**Sen. Ben Clark**

**Sen. Paul Newton**



# Senate Appropriations on Agriculture, Natural, and Economic Resources Committee

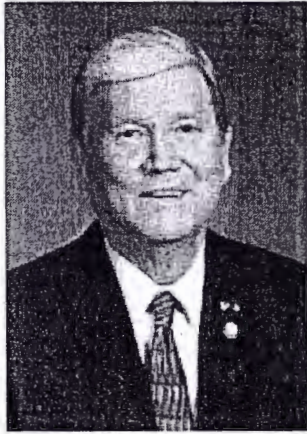
<u>Co-Chairmen</u>	<u>Assistant</u>	<u>Telephone</u>	<u>Room Number</u>
Sen. Bill Cook	Jordan Hennessey	(919) 715-8293	1026 LB
Sen. Rick Gunn	Rita Harris	(919) 301-1446	523 LOB
Sen. Trudy Wade	Bob Mays	(919) 733-5856	525 LOB
<u>Members</u>			
Sen. Andrew C. Brock	Judy Edwards	(919) 715-0690	310 LOB
Sen. Angela Bryant	Karon Hardy	(919) 733-5878	516 LOB
Sen. Ben Clark	Erhonda Farmer	(919) 733-9349	1117 LB
Sen. Paul Newton	Carlyle Weaver	(919) 733-7223	2111 LB
Sen. Andrew C. Brock	Judy Edwards	(919) 715-0690	310 LOB
<u>Staff</u>			
Lanier McRee	Fiscal Research Division	(919) 733-4910	619 LOB
Eric Moore	Fiscal Research Division	(919) 733-4191	641 LOB
William Childs	Fiscal Research Division	(919) 733-4910	619 LOB
Jeff Cherry	Bill Drafting Division	(919) 733-6660	401 LOB
Matt Meinig	Bill Drafting Division	(919) 733-6660	401 LOB
Dan Ettefagh	Bill Drafting Division	(919) 733-6660	401 LOB





**HOUSE COMMITTEE ON APPROPRIATIONS: AGRICULTURE AND NATURAL AND  
ECONOMIC RESOURCES - 2017 SESSION**

Clerks: Cameron Dawson, Nancy Fox, Kirk O'Steen, Michael Wiggins



**Rep. Jimmy Dixon,**  
Chair



**Rep. Kyle Hall,**  
Chair



**Rep. Pat McElraft,**  
Chair



**Rep. Stephen Ross,**  
Chair



**Michele D. Presnell,**  
Vice-Chair



**Rep. John Ager,**  
Member



**Rep. Andy Dulin,**  
Member



**Rep. Pricey Harrison,**  
Member



**Rep. Howard J. Hunter  
III, Member**



**Rep. Chris Millis,**  
Member



**Rep. Bobbie  
Richardson,**  
Member



**Rep. Michael H. Wray,**  
Member



**Rep. Larry  
Yarborough,**  
Member



**HOUSE COMMITTEE ON APPROPRIATIONS, AGRICULTURE AND NATURAL AND  
ECONOMIC RESOURCES**

<b><u>MEMBER</u></b>		<b><u>ASSISTANT</u></b>	<b><u>PHONE</u></b>	<b><u>OFFICE</u></b>	<b><u>SEAT</u></b>
<b>Dixon, Jimmy</b>	Chairman	Michael Wiggins	715-3021	2226	18
<b>Hall, Kyle</b>	Chairman	Cameron Dawson	733-5609	536	78
<b>McElraft, Pat</b>	Chairman	Nancy Fox	733-6275	634	9
<b>Ross, Stephen</b>	Chairman	Kirk O'Steen	733-5820	635	20
<b>Presnell, Michele</b>	Vice-Chair	John Wall	733-5732	418A	51
<b>Ager, John</b>		Meredith Graf	733-5746	1315	103
<b>Dulin, Andy</b>		Wanda Benson	715-3009	609	100
<b>Harrison, Pricey</b>		Sue Osborne	733-5771	1218	70
<b>Hunter III, Howard</b>		Brenda Bennett	733-5780	1307	46
<b>Millis, Chris</b>		John Ganem	715-9664	633	32
<b>Richardson, Bobbie</b>		Anna Meadows	715-3032	1217	81
<b>Wray, Michael</b>		Susan Burleson	733-5662	503	24
<b>Yarborough, Larry</b>		Leslie Murray	715-0850	1301	67





**Joint Appropriations Meeting of  
House Committee on Agriculture and Natural and Economic Resources  
Senate Committee on Natural and Economic Resources**

**Fiscal Research Division Staff  
By Area**

**Lanier McRee** - [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)

Department of Natural & Cultural Resources

- Aquariums
- Clean Water Management Trust Fund
- Grassroots Science Museums
- State Museums
- NC Zoological Park
- NC Arts Council
- Parks and Recreation
- State Historic Sites

Department of Environmental Quality

- Coastal Management
- Marine Fisheries

Wildlife Resources Commission

**Eric Moore** - [Eric.Moore@ncleg.net](mailto:Eric.Moore@ncleg.net)

Department of Labor

Department of Environmental Quality

- Air Quality
- Energy, Mineral and Land Resources
- Mitigation Services (formerly, EEP)
- Water Infrastructure
- Waste Management
- Water Resources/ Dredging

Boards & Commissions / Independent Agencies:

- Banking Commission
- Credit Union Commission
- Division of Employment Security

Nonprofit Entities:

- Golden LEAF
- High Point Market Authority
- North Carolina Biotechnology Center
- The Support Center

**William Childs** - [William.Childs@ncleg.net](mailto:William.Childs@ncleg.net)

Department of Agriculture & Consumer Services

- Agricultural Development & Farmland
- Preservation Trust Fund

Department of Commerce

- Rural Economic Development Division
- Labor and Economic Analysis Division
- Economic Development Incentives
- (list not exhaustive)*

- Job Development Investment Grant (JDIG)

- One North Carolina Fund (One NC)

- Film and Entertainment Grant

- Division of Workforce Solutions

- Industrial Commission

Boards & Commissions / Independent Agencies:

- Economic Development Partnership of North Carolina, Inc.

- Utilities Commission and Public Staff

- Rural Electrification Authority

- Tobacco Trust Fund

**Legislative Drafting Division Staff By Area**

**Jeff Cherry** - [Jeff.Cherry@ncleg.net](mailto:Jeff.Cherry@ncleg.net)

Department of Agriculture & Consumer Services

Department of Environmental Quality

Department of Natural & Cultural Resources

Wildlife Resources Commission

**Matthew Meinig**- [Matthew.Meinig@ncleg.net](mailto:Matthew.Meinig@ncleg.net)

Department of Commerce

Department of Labor

**Dan Ettetfagh**- [Dan.Ettetfagh@ncleg.net](mailto:Dan.Ettetfagh@ncleg.net)

Economic Development and Finance



<b>Potential Topics of Interest</b>	<b>NER Analyst</b>
<b>WRC</b>	<b>Lanier McRee</b>
Lake Mattamuskeet Report	
Outdoor Heritage Council	
<b>DNCR</b>	<b>Lanier McRee</b>
Merger Savings/ Plans	
Zoo Update - including hotel/ expansion brief	
Grassroots Museums grants process	
Assistance/ Grant programs (libraries, arts, symphony, nature)	
<b>DACS</b>	<b>William Childs</b>
Food Deserts	
Forest Service - use of funds	
DACS Assistance/ Grant programs (TTF, ADFPTF, AgWrap, Shelter Support)	
<b>Commerce</b>	<b>William Childs</b>
Econ. Incentives	
EDPNC	
Prosperity Zones	
Workforce	
International Recruiting Coordination Office	
Downtown Revitalization/ Rural Economic Dev.	
Broadband Initiatives	
Expansion of Natural Gas Lines	
Food Processing Infrastructure	
<b>DEQ</b>	<b>Eric Moore</b>
Water Infrastructure Funding/ SWIA	
Falls & Jordan Lake Update	
Waste Mgmt:	
Orphan Landfills	
Inactive Hazardous Waste	
Dredging	
Oysters/ Shellfish	<b>Lanier McRee</b>
Beach Nourishment	<b>Lanier McRee</b>
<b>Labor</b>	<b>Eric Moore</b>



**Possible ANER Committee Schedule for Consideration**

<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Potential Topics of Interest</b>
21	22	23	
Introductions FRD / NER Overview Review of Schedule	Budget Process Protocols, etc.	WRC Refresher Lake Mattamuskeet Report	<b>WRC</b> Lake Mattamuskeet Report <i>Outdoor Heritage Council</i>
<b>March</b>			
28	1	2	<b>DNCR</b>
<b>Water Resources Day</b> Dredging Falls & Jordan Lake Update	DNCR Refresher DNCR Merger Presentation	<b>Economic Development Day</b> Commerce Refresher Review of ED programs EDPNC Presentation	Merger Savings/ Plans Zoo Update - including hotel/ expansion brief <i>Grassroots Museums grants process</i> <i>Assistance/ Grant programs (libraries, arts, symphony, nature)</i>
7	8	9	<b>DACS</b>
<b>Coastal Day</b> Oysters/ Shellfish Beach Nourishment & Dredging	<b>Connect NC Bond Overview</b> Zoo Update/ Hotel	DACS Refresher Food Deserts	Food Deserts Forest Service - use of funds DACS Assistance/ Grant programs (TTF, ADFPTF, AgWrap, Shelter Support)
14	15	16	<b>Commerce</b>
Governor's Budget - Full Appropriation Meeting??	NER Specific Review of Gov's Budget (OSBM)	Agency Responses to Gov's Budget - DACS, Labor, Commerce	Econ. Incentives EDPNC
21	22	23	<b>DEQ</b>
Agency Responses to Gov's Budget - DEQ, WRC, DNCR	<b>Water Infrastructure Day</b>	<b>Forestry &amp; Ag Assist. Day</b>	Prosperity Zones <i>Workforce</i> <i>International Recruiting Coordination Office</i> <i>Downtown Revitalization/ Rural Economic Dev.</i>
28	29	30	<b>DEQ</b>
<b>Waste Management Day</b> Orphan Landfills Inactive Hazardous Waste			Water Infrastructure Funding/ SWIA Falls & Jordan Lake Update Oysters/ Shellfish Beach Nourishment & Dredging
<b>April</b>			
4	5	6	<b>Waste Mgmt:</b>
			Orphan Landfills Inactive Hazardous Waste Dredging
11	12	13	<b>Labor</b>
			<i>Elevator &amp; Amusement Device Receipts</i>
			<b>General</b> ConnectNC



# Joint Appropriations Meeting of House and Senate Committees on Agriculture and Natural and Economic Resources

## Committee Protocol

These guidelines are intended to make the committee process as orderly and efficient as possible.

- Please wait for recognition by the Chair before speaking. Only the Chair has the authority to call on someone to speak or to answer questions.
- For public visitors, once recognized by the chair, please:
  - Stand up when speaking.
  - State your name and who you represent.
- All presentation materials and related documents should be submitted to Fiscal Research Division staff **no later than 3pm on the last business day before the scheduled presentation** (See Procedures for Web Posting of Committee Documents handout available online).
- If the Committee requests hard copies of documents, materials may be distributed to the Committee, but only after prior approval is given from the Chair.
  - Copies should be double-sided, three-hole punched, and stapled in the corner. If slides are being printed, two slides per page is preferred.
  - Please bring any copies to be distributed to the Committee room no later than thirty minutes before the scheduled meeting time.
- Please respect your fellow presenters and adhere to given time limits.





**ANER Appropriations Chair schedule**

	House	Senate	Tentative Topic	
February 21	Dixon		Introductions, Overview	Confirmed
February 22		Cook	Budget Process	
February 23	Hall		Cancelled	
February 28		Gunn	Review WRC and Labor budgets	
March 1	McElraft		Review DEQ and DNCR budgets	
March 2		Wade	Review DNCR and DACS budgets	
March 7	Ross		<i>Review of Governor's Budget??? Full Approps???</i>	Tentative
March 8		Cook	<i>Review of Governor's Budget??? TBD</i>	
March 9	Dixon		<i>Review of Governor's Budget??? TBD</i>	
March 14		Gunn	<i>Commerce &amp; Econ. Dev. Program Overview</i>	
March 15	Hall		<i>Economic Development Cont.</i>	
March 16		Wade	<i>Economic Development Cont., Commerce State-aid</i>	
March 21	McElraft		<i>Water Infrastructure</i>	
March 22		Cook	<i>Workforce meeting with Education Approps???</i>	
March 23	Ross		<i>Dredging &amp; Falls/ Jordan Lake Primer</i>	
March 28		Gunn	<i>Forestry &amp; Farmland Day?</i>	
March 29	Dixon		<i>WRC Topics (Mattamuskeet, Outdoor Heritage Council)</i>	
March 30		Wade	<i>DNCR Topics (Merger, science museums, zoo)</i>	
April 4	Hall		<i>Coastal Day (marine fisheries, beach nourishment 101)</i>	
April 5		Cook	<i>Connect NC Bonds, Dept. Capital/R&amp;R Needs</i>	
April 6	McElraft		<i>TBD</i>	
April 11		Gunn	<i>TBD</i>	
April 12	Ross		<i>TBD</i>	
April 13		Wade	<i>TBD</i>	



ANER Appropriations Chair schedule		
	House	Senate
February 21	Dixon	
February 22		Cook
February 23	<i>No Meeting</i>	
February 28	Hall	
March 1		Gunn
March 2	McElraft	
March 7		Wade
March 8	Ross	
March 9		Cook
March 14	Dixon	
March 15		Gunn
March 16	Hall	
March 21		Wade
March 22	McElraft	
March 23		Cook
March 28	Ross	
March 29		Gunn
March 30	Dixon	
April 4		Wade
April 5	Hall	
April 6		Cook
April 11	McElraft	
April 12		Gunn
April 13	Ross	



ANER Appropriations Chair schedule		
	House	Senate
February 21	Dixon	
February 22		Cook
February 23	Hall	
February 28		Gunn
March 1	McElraft	
March 2		Wade
March 7	Ross	
March 8		Cook
March 9	Dixon	
March 14		Gunn
March 15	Hall	
March 16		Wade
March 21	McElraft	
March 22		Cook
March 23	Ross	
March 28		Gunn
March 29	Dixon	
March 30		Wade
April 4	Hall	
April 5		Cook
April 6	McElraft	
April 11		Gunn
April 12	Ross	
April 13		Wade



# Tentative ANER Committee Subcommittee Schedule

Tuesday		Wednesday		Thursday	
21		22		23	
Introductions FRD / NER Overview Administrative Items		Budget Process One-pager deep dive Schedule			
March					
28		1		2	
WRC Overview Labor Overview		DEQ Overview DNCR Overview		DNCR Overview DACS Overview	
7		8		9	
Tentative: Governor's Budget Review and Agency Meetings					
14		15		16	
Commerce, Economic Development, Workforce Presentations					
21		22		23	
<u>Potential Presentations:</u> DACS Topics of Interest (NC Forest Service, ADFPTF) DNCR Topics of Interest (Merger, Science Museums, Zoo, etc.), Commerce State-aid					
28		29		30	
<u>Potential Presentations:</u> DEQ Topics of Interest (Water Infrastructure, Dredging, Falls & Jordan Lake Update), WRC Topics of Interest (Lake Mattamuskeet, Outdoor Heritage Council)					
April					
4		5		6	
<u>Potential Presentations:</u> DEQ Topics of Interest (Marine Fisheries, Beach Nourishment, Waste Management), Connect NC Bonds					
11		12		13	
<u>Potential Presentations:</u> Presentation Follow-up and Overflow, Additional Topics TBD					





# **Tentative ANER Committee Subcommittee Schedule\***

<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>
<b>March</b>		
28	1	2
Agency Base Budget Overview		
7	8	9
Tentative: Governor's Budget Review and Agency Base Budget Overviews		
14	15	16
Commerce, Economic Development, State-Aid		
21	22	23
<u>Potential Presentations:</u> DEQ: Coastal Issues, Dredging, Falls & Jordan Lake Commerce: Workforce		
28	29	30
<u>Potential Presentations:</u> WRC: Lake Mattamuskeet, Outdoor Heritage Council DNCR: Merger, Science Museums, Zoo, etc. DEQ: Water Infrastructure		
<b>April</b>		
4	5	6
<u>Potential Presentations:</u> DEQ: Waste Management DACS: Forestry, Farmland Preservation, etc. Connect NC Bonds		
11	12	13
<u>Potential Presentations:</u> Presentation Follow-up and Overflow, Additional Topics TBD		

\* Schedule and presentation topics subject to change



**Joint Committee on Appropriations, Agriculture and Natural and Economic Resources  
Tuesday, February 21, 2017 at 8:30 AM  
Room 421 of the Legislative Office Building**

**MINUTES**

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on February 21, 2017 in Room 421 of the Legislative Office Building. Representatives Ager, Dixon, Dulin, K. Hall, Harrison, Hunter, B. Richardson, Ross, and Yarborough attended. Senators Newton, Clark, Gunn, Cook, Brock, Bryant, Wade attended.

Representative Jimmy Dixon, Chair, presided.

Rep. Dixon calls the meeting to Order and acknowledges House Sgt. at Arms at the meeting. He then calls names of the Paige's from the House and the Senate who were in committee and ask them to introduce themselves to the committee and those in attendance. (See Attachments) Rep. Dixon then introduces the staff who will be working with the committee this session and then ask the Chairs followed by all members in attendance to introduce themselves individually.

Rep. Dixon calls on staff to provide overview of the committee task and meeting protocols.

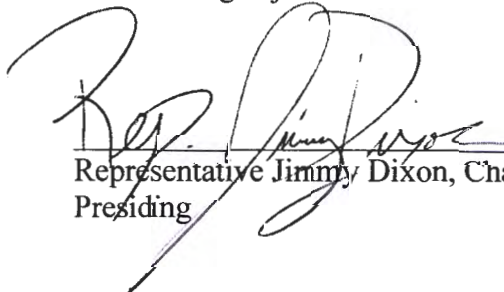
Lanier McRee of Fiscal provides a general overview of the meeting agenda and decorum as well as the role of each staff member in helping the members. (See Attachments)

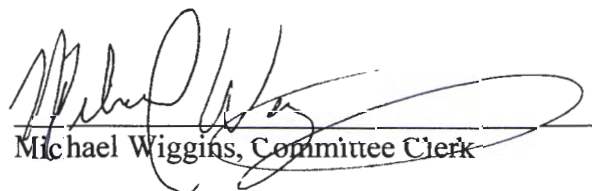
Eric Moore of Fiscal gives an Overview of what their Division does in assisting members with any committee requests. (See Attachments)

William Childs of Fiscal gives an Overview of what the ANER subcommittee responsibilities are in the Budget process and the Departments it handles in that process. (See Attachments)

Rep. Dixon thanks the staff for their presentation and members ask for final questions. Upon hearing none we adjourn.

The meeting adjourned at 9:00am.

  
\_\_\_\_\_  
Representative Jimmy Dixon, Chair  
Presiding

  
\_\_\_\_\_  
Michael Wiggins, Committee Clerk



**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Tuesday, February 21, 2017  
**TIME:** 8:30 AM  
**LOCATION:** 421 LOB  
**COMMENTS:** Introductions  
FRD / NER Overview  
Review of Schedule

Respectfully,

Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:21 AM on Tuesday, July 11, 2017.

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Michael Wiggins (Committee Assistant)



**Nancy Fox (Rep. Pat McElraft)**

---

**From:** Michael Wiggins (Rep. Jimmy Dixon)  
**Sent:** Wednesday, February 15, 2017 01:44 PM  
**To:** Michael Wiggins (Rep. Jimmy Dixon)  
**Subject:** <NCGA> House Appropriations, Agriculture and Natural and Economic Resources Committee Meeting Notice for Tuesday, February 21, 2017 at 8:30 AM (Joint)  
**Attachments:** Add Meeting to Calendar\_LINC\_.ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
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2017-2018 SESSION**

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Respectfully,

Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:40 PM on Wednesday, February 15, 2017.

\_\_\_ Principal Clerk  
\_\_\_ Reading Clerk – House Chamber

Michael Wiggins (Committee Assistant)





**Joint Appropriations Meeting of  
House and Senate Committees on Agriculture and Natural and Economic  
Resources**

**Agenda**

**Tuesday, February 21, 2017, 8:30 A.M.  
Room 421, Legislative Office Building**

**Rep. Dixon, Presiding**

- 1. Welcome and Opening Comments**
- 2. Introductions**
- 3. Administrative Items**  
Lanier McRee, Fiscal Research Division
- 4. Fiscal Research Division Overview**  
Eric Moore, Fiscal Research Division
- 5. ANER Subcommittee Overview**  
William Childs, Fiscal Research Division
- 6. Adjourn**

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**House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

---

**Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton,



# Joint Appropriations Meeting of House Committee on Agriculture and Natural and Economic Resources Senate Committee on Natural and Economic Resources

## Fiscal Research Division Staff By Area

### **Lanier McRee** – [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)

#### Department of Natural & Cultural Resources

- Aquariums
- Clean Water Management Trust Fund
- Grassroots Science Museums
- State Museums
- NC Zoological Park
- NC Arts Council
- Parks and Recreation
- State Historic Sites

#### Department of Environmental Quality

- Coastal Management
- Marine Fisheries

#### Wildlife Resources Commission

### **Eric Moore** – [Eric.Moore@ncleg.net](mailto:Eric.Moore@ncleg.net)

#### Department of Labor

#### Department of Environmental Quality

- Air Quality
- Energy, Mineral and Land Resources
- Mitigation Services (formerly, EEP)
- Water Infrastructure
- Waste Management
- Water Resources/ Dredging

#### Boards & Commissions / Independent Agencies:

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- Credit Union Commission
- Division of Employment Security

#### Nonprofit Entities:

- Golden LEAF
- High Point Market Authority
- North Carolina Biotechnology Center
- The Support Center

### **William Childs** – [William.Childs@ncleg.net](mailto:William.Childs@ncleg.net)

#### Department of Agriculture & Consumer Services

- Agricultural Development & Farmland
- Preservation Trust Fund

#### Department of Commerce

- Rural Economic Development Division
- Labor and Economic Analysis Division
- Economic Development Incentives

*(list not exhaustive):*

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- Division of Workforce Solutions
- Industrial Commission

#### Boards & Commissions / Independent Agencies:

- Economic Development Partnership of North Carolina, Inc.
- Utilities Commission and Public Staff
- Rural Electrification Authority
- Tobacco Trust Fund

## **Legislative Drafting Division Staff By Area**

### **Jeff Cherry** – [Jeff.Cherry@ncleg.net](mailto:Jeff.Cherry@ncleg.net)

#### Department of Agriculture & Consumer Services

#### Department of Environmental Quality

#### Department of Natural & Cultural Resources

#### Wildlife Resources Commission

### **Matthew Meinig** – [Matthew.Meinig@ncleg.net](mailto:Matthew.Meinig@ncleg.net)

#### Department of Commerce

#### Department of Labor

### **Dan Ettefagh** – [Dan.Ettefagh@ncleg.net](mailto:Dan.Ettefagh@ncleg.net)

#### Economic Development and Finance



# Joint Appropriations Meeting of House and Senate Committees on Agriculture and Natural and Economic Resources

## Committee Protocol

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- All presentation materials and related documents should be submitted to Fiscal Research Division staff **no later than 3pm on the last business day before the scheduled presentation** (See Procedures for Web Posting of Committee Documents handout available online).
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- Please respect your fellow presenters and adhere to given time limits.



# Procedures for Web Posting of Subcommittee Documents

## State Agencies and Non-Government Entities

### General Guidance

1. Before presenting documents in an Appropriations Committee or Subcommittee meeting, email a correctly named PDF of your documents to the appropriate Committee or Subcommittee Clerk, as well as the Fiscal Analyst(s) responsible for staffing the meeting. Naming conventions are explained below.
  - Note: The General Assembly does not accept files larger than 9MB via email. See the end of this document for instructions on how to submit large files.
2. After the meeting has begun, the Clerk will post your documents along with any others presented that day to the Appropriations Committee or Subcommittee document site as soon as the schedule of the Clerk staffing the committee allows.
3. If an agency or non-government entity presents hardcopies during a meeting that were not submitted for posting prior to the start of the meeting, it is the agency's or non-government entity's responsibility to promptly provide the Clerk and Fiscal Research Division staff with an electronic copy of the handout. An original electronic document is preferred over a scan of a paper copy.

### Reasons a Document Will Not Be Posted

Your documents will not be posted if they do not:

- Identify who created the document
- Contain a date, title, and time
- Follow the naming conventions listed below
- Meet the formatting criteria listed below

If your document does not meet these standards, you will be notified and asked to submit a corrected version by close of business the day before the meeting. To ensure the document's integrity, staff will not be responsible for making changes to submissions.

### Specific Guidance

1. How do I name my document?
  - All files must include three things, preferably in this order: (1) an indicator of the topic, (2) the name of the agency or non-governmental entity presenting, and (3) the date of the meeting.
  - Please do not use periods or other "special characters" such as \*, @, or \$ in a filename. Underscores are OK.
  - See the following three examples:
    - BudgetOverview-CulturalResources-2015-01-13.pdf
    - Budget\_Summary-Fiscal\_Research-2015-05-13.pdf
    - Water\_Infrastructure\_Funding-Fiscal\_Research-2015-05-23.pdf
2. When do I submit my document?
  - You should email your files to the Committee Clerk and the appropriate Fiscal Analyst staff by **3:00 pm on the last business day before the meeting.**
3. What file format should I use for my document?
  - Files should be in PDF format.

4. How do I format my document?

- In accordance with statute, the NCGA refrains from printing or copying in color. Please save files in a way that facilitates black and white printing. For example, slides with a dark colored background should be formatted to print with a white background.
- For handouts of presentation slides, please show 2 slides per page.

***Questions***

If you have questions about these instructions, please contact the Clerk assigned to the Committee or Subcommittee or Fiscal Research Division staff.

***Revisions***

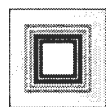
Documents posted to a document site may not be removed. However, a corrected document may be posted and cross-referenced. As a general guideline, agencies should only request a reposting for substantial errors, rather than typos, and are expected to provide revised documents as quickly as possible.

***Files over 9 megabytes***

Generally, the submission of files over 9 mb is discouraged. However, if necessary, you will need to request a link to the large file transfer program from the Committee Clerk or Fiscal Research Division staff.



E.M.



## FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

# Division Overview

February 21, 2017

Eric Moore

## Fiscal Research at a Glance

### STAFF COMMITTEES

Staff the Appropriation committees, Finance, and budget-related aspects of policy committees as well as interim study and oversight committees

### PREPARE FISCAL NOTES

Review bills for fiscal impact on the State budget and provide a 5-year estimated impact on revenues and expenditures

### ANALYZE AGENCY BUDGETS

Provide oversight and analysis of agency budgets and programs to assist in member requests and support decision-making

### ASSIST IN BUDGET DEVELOPMENT

Prepared the Committee Report for the Appropriations Act and assist Committee in the development of the budget

### RESPOND TO MEMBER REQUESTS

to member requests related to bills, constituent emails, and agency budgets and programs



FISCAL RESEARCH DIVISION

A Non-Partisan Staff Agency of the North Carolina General Assembly

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February 21, 2017

## Member Requests

- Provide factual research on fiscal-related inquiries
  - Constituent requests
  - Historical data
- Response times depend on the request
  - Usually within a week

*All Requests are Confidential*



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A Non-Partisan Staff Agency of the North Carolina General Assembly

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February 21, 2017

## Fiscal Notes & Memos

### Three Types of Notes

1. Fiscal Notes & Memos
2. Actuarial Notes
3. Incarceration Notes

### Four Components of Notes

1. Summary table
2. Bill Summary
3. Assumptions & Methodology
4. Technical Considerations



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February 21, 2017

## Fiscal Notes & Memos

**Sample Summary Table**

	FISCAL IMPACT									
	Yes		No		No Estimate Available					
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20					
<b>State Impact</b>										
General Fund Revenues	\$0.0 to \$0.0	\$0.0 to \$96,421	\$0.0 to \$99,194	\$0.0 to \$101,931	\$0.0 to \$104,677					
General Fund Expenditures	\$0.0 to \$0.0	\$0.0 to \$205,361	\$0.0 to \$211,268	\$0.0 to \$217,096	\$0.0 to \$222,992					
Special Fund Revenues	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0					
Special Fund Expenditures	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0					
State Provisions	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0					
<b>NET STATE IMPACT</b>	<b>\$0.0 to \$0.0</b>	<b>\$0.0 to (\$108,940)</b>	<b>\$0.0 to (\$12,074)</b>	<b>\$0.0 to (\$15,165)</b>	<b>\$0.0 to (\$18,315)</b>					
<b>Local Impact</b>										
Revenues	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0					
Expenditures	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0					
<b>NET LOCAL IMPACT</b>	<b>\$0.0 to \$0.0</b>	<b>\$0.0 to \$0.0</b>	<b>\$0.0 to \$0.0</b>	<b>\$0.0 to \$0.0</b>	<b>\$0.0 to \$0.0</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> NC Community College System										
<b>EFFECTIVE DATE:</b> July 1, 2015										
<b>TECHNICAL CONSIDERATIONS:</b> None										



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February 21, 2017

## Fiscal Notes & Memos

- Both are prepared upon request of a member
- Fiscal Notes are confidential until published
- Fiscal Memo are confidential to requestor
- Turnaround goal is one week
  - Floor requests must be completed in 2 legislative days



**FISCAL RESEARCH DIVISION**  
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February 21, 2017

## Nine Fiscal Research Teams

- |  |                                  |
|--|----------------------------------|
| 01 Agriculture, Natural, & Economic Resources (ANER) | 05 Health & Human Services (HHS) |
| 02 Economy & Taxation (Finance)                      | 06 Justice & Public Safety (JPS) |
| 03 Education   | 07 Statewide                     |
| 04 General Government (GenGov)                       | 08 Transportation                |
| 09 Budget Development                                |                                  |



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February 21, 2017

## How to Reach Fiscal Research?

Suite 691 LOB

<http://www.ncleg.net/fiscalresearch/> **Fiscal Research**



FISCAL RESEARCH DIVISION

A Non-Partisan Staff Agency of the North Carolina General Assembly

Mark Trogon, Director

HOME PUBLICATIONS PRESENTATIONS REVENUE FORECASTS BUDGET LEGISLATION FISCAL NOTES STATISTICS AND DATA ABOUT US NCQA HOME

Fiscal Research Division

Staff Directory

STAFF BY SUBJECT AREA:

SELECT A SUBJECT:

Or

STAFF BY LAST NAME:

SELECT A STAFF MEMBER

Recent Legislation and Reports

Bill Text - Current Operations and Capital Improvements Appropriations Act of 2016

Committee Report - The Joint Conference Committee Report on the Base, Capital and Expansion Budgets for House Bill 1030

Technical Corrections - North Carolina Measurability Assessment Act of 2016

HISTORY OF BUDGET LEGISLATION 2005-2016



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February 21, 2017

## Contact Information

### Fiscal Research Division 919-733-4910

William Childs – [William.Childs@ncleg.net](mailto:William.Childs@ncleg.net)  
*Agriculture, Commerce, Utilities Commissions*

Lanier McRee – [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)  
*Natural & Cultural Resources, Wildlife Resources Commission*

Eric Moore – [Eric.Moore@ncleg.net](mailto:Eric.Moore@ncleg.net)  
*Environmental Quality, Labor, Non-Profits*



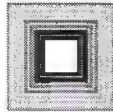
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A Non-Partisan Staff Agency of the North Carolina General Assembly

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February 21, 2017



W.C.



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

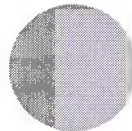
# Agriculture, Natural, & Economic Resources (ANER) Overview

*February 21, 2017*  
William Childs

## Agenda



ANER Agencies & Entities



Subcommittee Budget Overview



Agencies at a Glance



**FISCAL RESEARCH DIVISION**  
A Non-Political Staff Agency of the North Carolina General Assembly

## ANER Main Agencies

<b>DACS</b>	Department of Agriculture & Consumer Services	<b>DOL</b>	Department of Labor
<b>Comin</b>	Department of Commerce	<b>DNCR</b>	Department of Natural & Economic Resources
<b>DEQ</b>	Department of Environmental Quality	<b>WRC</b>	Wildlife Resources Commission

## Additional ANER Entities

### Boards & Commissions

- Credit Union Commission
- Lottery Commission (Administration)
- Industrial Commission
- Rural Electrification Authority
- State Banking Commission
- Utilities Commission & Public Staff

### Oversight Authorities

- Water Infrastructure Authority
- Rural Infrastructure Authority

### Notable Trust Funds

- Clean Water Management Trust Fund
- Parks & Recreation Trust Fund
- Ag. Dev. & Farmland Preservation Trust Fund
- Tobacco Trust Fund



## ANER Non-Profits

### Recurring Funding

- Biotechnology Center
- High Point Furniture Market
- Research Triangle Institute

### Nonrecurring Funding

(FYs 2015-17)

- The Support Center
- Rankin Museum of American Heritage
- Brevard Station Museum
- American Legion World Series Baseball
- Phoenix Hometown Hires
- High Point Furniture Market



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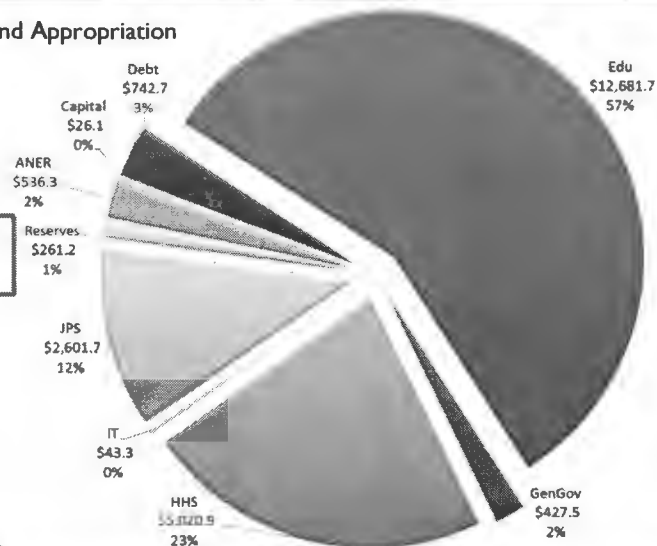
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February 21, 2017

## State Budget Overview

FY 2016-17 Net General Fund Appropriation  
(in millions)

Total Net Appropriation:  
\$22.34 Billion



Source: FY 2016-17 Committee Report



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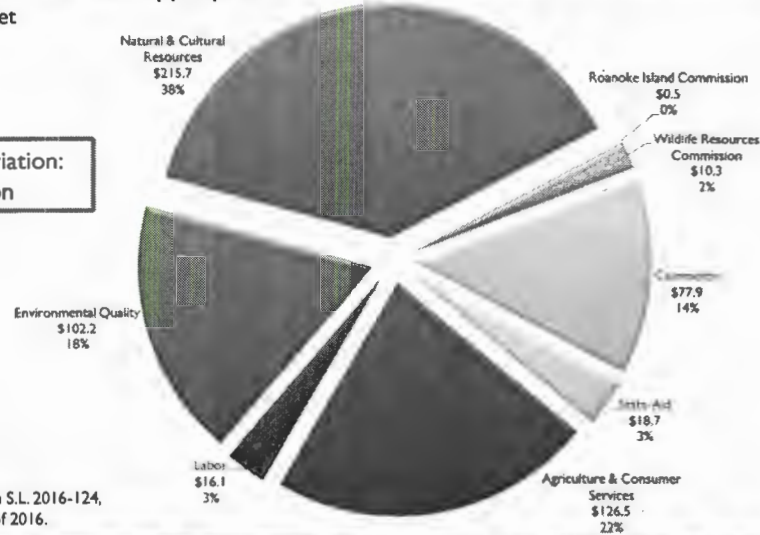
February 21, 2017

## ANER Agencies: Net Appropriation\*

### FY2016-17 General Fund Net Appropriations

Source: Certified Budget  
(in millions)

Total Net Appropriation:  
\$536.33 Million



\*Excludes Funds appropriated in S.L. 2016-124, Disaster Recovery Act of 2016.



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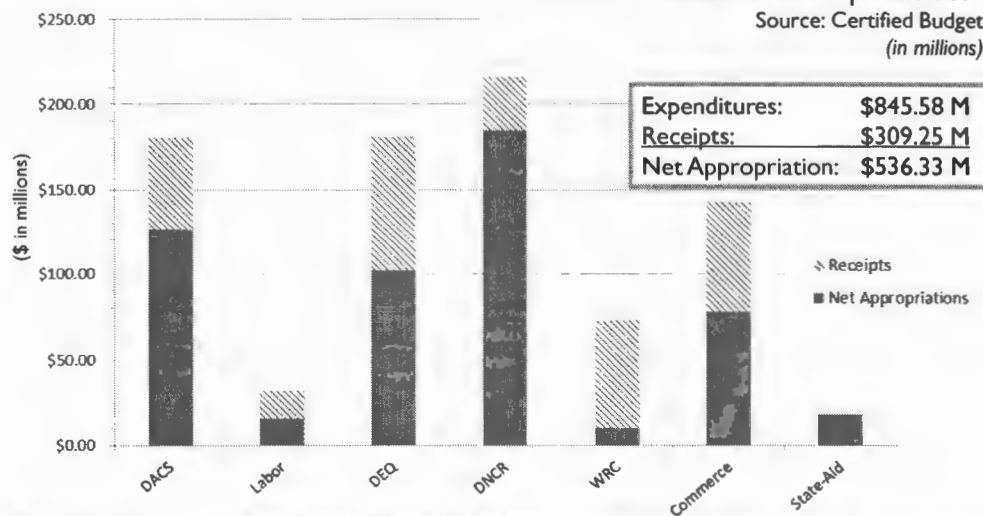
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## ANER Agencies: Expenditures by Source

### FY2016-17 General Fund Expenditures\*

Source: Certified Budget  
(in millions)



\*Excludes Funds appropriated in S.L. 2016-124, Disaster Recovery Act of 2016.



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## DACS Basics



### FY 2016-17 Certified Budget

Total Requirements:	\$ 180.45 M
Receipts:	\$ 53.92 M
Appropriation:	\$ 126.53 M



Agriculture

- Nearly 2,650 FTE in three primary sections



Consumer Services



NC Forest Service



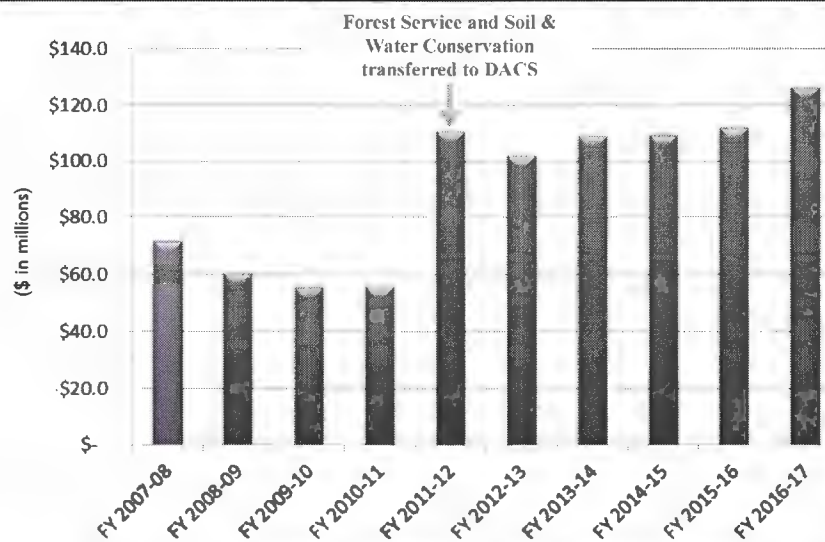
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## DACS: Net Appropriation History



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February 21, 2017

## Commerce Basics

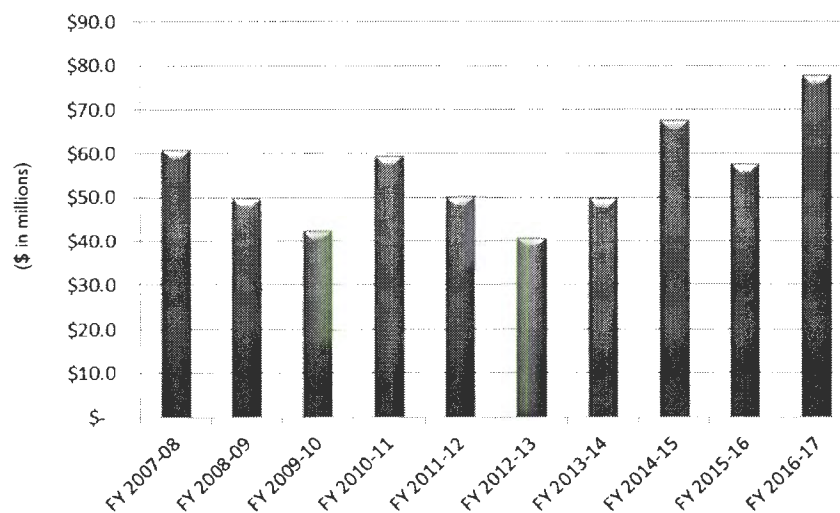
- FTE:
  - Over 340 FTE in Commerce
  - Over 2,160 in Boards & Commissions
- Conducts State's economic development functions
- Lead agency for workforce & community development
- Supports many Boards & Commissions



### FY 2016-17 Certified Budget

Total Requirements:	\$ 142.96 M
Receipts:	\$ 65.11 M
Appropriation:	\$ 77.85 M

## Commerce: Net Appropriation History



## DEQ Basics

*“the lead stewardship agency for the protection of North Carolina's environmental resources.”*

### **FY 2016-17 Certified Budget**

Total Requirements: \$ 180.95 M

Receipts: \$ 78.76 M

Appropriation: \$ 102.20 M

- 1,575+ FTE employees
- Administer the State's environmental regulations
- Provide technical assistance
- Located in Raleigh + 7 regional offices



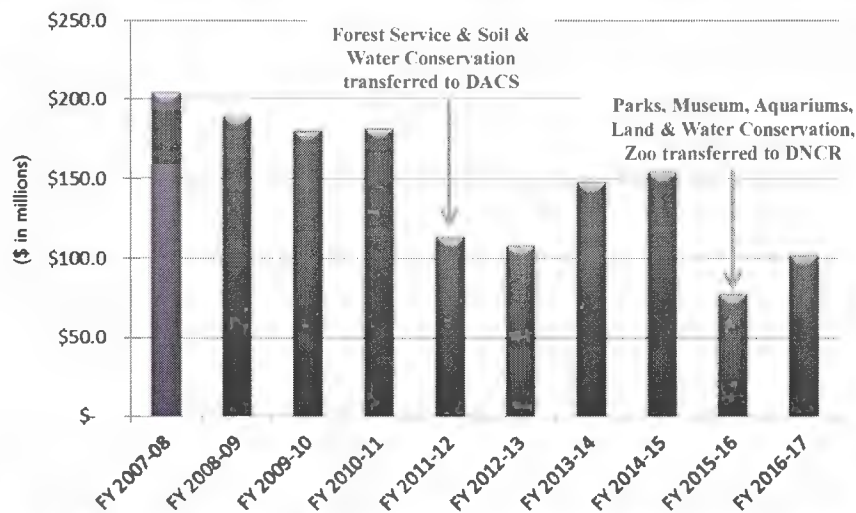
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## DEQ: Net Appropriation History



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February 21, 2017



## Labor Basics

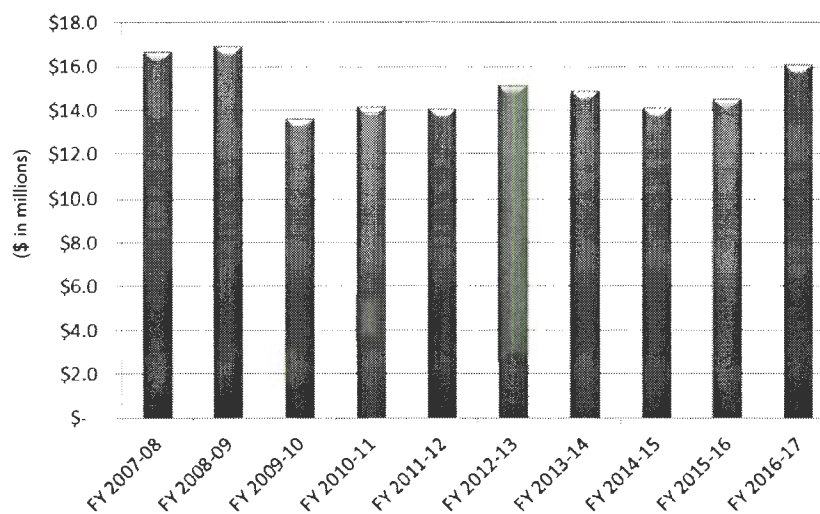


### FY 2016-17 Certified Budget

Total Requirements:	\$ 32.52 M
Receipts:	\$ 16.40 M
Appropriation:	\$ 16.12 M

- Over 375 FTE
- Divided into:
  - Administration
  - Occupational Safety & Health
  - Standards & Inspections

## DOL: Net Appropriation History



## DNCR Basics



### FY 2016-17 Certified Budget

Total Requirements: \$ 216.54 M

Receipts: \$ 31.95M

Appropriation: \$ 184.60 M

- 1,800+ FTE
- 92 sites statewide
- Over \$50M in grant awards



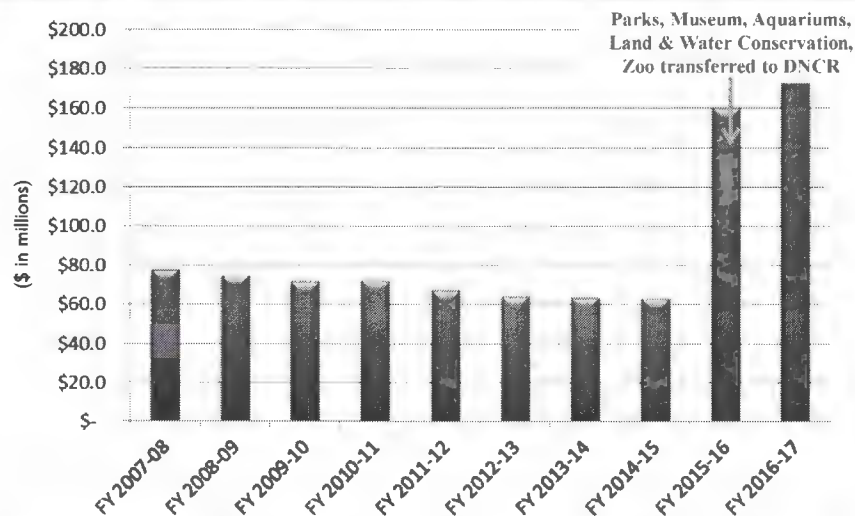
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## DNCR: Net Appropriation History



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## WRC Basics



*“to develop and administer programs directed to the conservation of fish and wildlife resources and their habitats.”*

- 640+ FTE, primarily field-based
- Core programs:
  - Land & Water Access and Engineering
  - Inland Fisheries
  - Law Enforcement
  - Wildlife Education
  - Wildlife Management

### **FY 2016-17 Certified Budget**

Total Requirements: \$ 73.44 M

Receipts: \$ 63.11 M

Appropriation: \$ 10.33 M



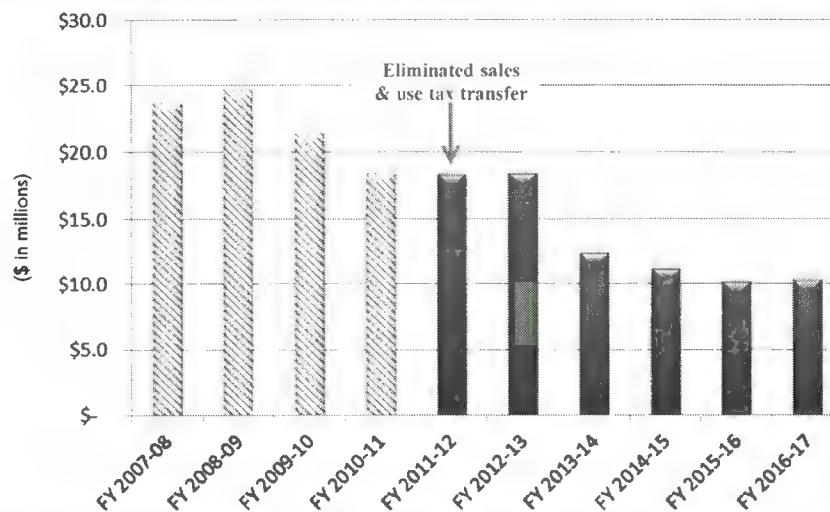
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## WRC: Net Appropriation History\*



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February 21, 2017



## Contact Information

Fiscal Research Division  
919-733-4910

William Childs – [William.Childs@ncleg.net](mailto:William.Childs@ncleg.net)  
*Agriculture, Commerce*

Lanier McRee – [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)  
*Natural & Cultural Resources, Wildlife Resources Commission*

Eric Moore – [Eric.Moore@ncleg.net](mailto:Eric.Moore@ncleg.net)  
*Environmental Quality, Labor, State-aid Non-Profits*



Committee Sergeants at Arms

NAME OF COMMITTEE Joint Comm. on Agriculture, Natural and Economic Resources

DATE: 2/21/2017

Room: 421

House Sgt-At Arms:

1. Name: Bill Bass

2. Name: ~~Jonas Cherry~~

3. Name: Mark Cone

4. Name: \_\_\_\_\_

5. Name: \_\_\_\_\_

Senate Sgt-At Arms:

1. Name: Terry Barnhardt

2. Name: Linda Matthews

3. Name: \_\_\_\_\_

4. Name: \_\_\_\_\_

5. Name: \_\_\_\_\_



SECRET

# Senate Pages Attending

COMMITTEE: Joint: Ag, Nat'l & Appropriations: Eco. Resources ROOM: 421 LOB

DATE: 2-21 TIME: 8:30am

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!.....or else!!!!!!

Page Name	Hometown	Sponsoring Senator
1. <u>Cobcy Leford</u>	<u>Sanford</u>	<u>Rabin</u>
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



**House Pages  
Assignments  
Tuesday, February 21, 2017  
Session: 12:00 PM**

<b>Committee</b>	<b>Room</b>	<b>Time</b>	<b>Staff</b>	<b>Member</b>
Approp. On Agriculture & Natural & Economic Resources	421	8:30 AM	Lucas Franklin	Speaker Tim Moore
			William Mitchell	Speaker Tim Moore





# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Feb 21 2017

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jessica England	Office of Gov Cooper
Cameron Dawson	Rep. Kyle Hall
Lex Janes	DNCR
Isabel Villa-Garcia	NC REALTORS
Jon Lanier	NCDA + CS
Catherine Stogner	NCDA + CS
Curtis Rhyme	Speaker Moore
Andy Miller	DEQ
Sarah McQueen	KOANC
Ryan Gee	CapAd
Lisa Martin	CapAd
Rob Lammert	RLA



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Feb 21 2017

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Gayle Ann Brown	CCU
Doug Lassiter	NC STA
JACKSON J. JAMES	JSC
Chris Brownson	MWC
Lisa Sorg	NC Policy Watch
Sarah Kura	NCDOL
Jennifer Haignwood	NCDOL
Jessie Grant	S/A
Laura Kilian	to Vista Strategies
Angela Maynard	NC Commissioner of Banks
Rose Conner	NCCAD



## VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources  
Name of Committee

Feb 21 2017  
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Dave Eford

NC Commerce

Richard F. Steer

NOON



Name of Committee	Date
-------------------	------

Date \_\_\_\_\_

FIRM OR AGENCY AND ADDRESS

MFS

H TGA C

NCTFA





ANER Appropriations Chair schedule		
	House	Senate
February 21	Dixon	
February 22		Cook
February 23	Hall	
February 28		Gunn
March 1	McElraft	
March 2		Wade
March 7	Ross	
March 8		Cook
March 9	Dixon	
March 14		Gunn
March 15	Hall	
March 16		Wade
March 21	McElraft	
March 22		Cook
March 23	Ross	
March 28		Gunn
March 29	Dixon	
March 30		Wade
April 4	Hall	
April 5		Cook
April 6	McElraft	
April 11		Gunn
April 12	Ross	
April 13		Wade



## Possible ANER Committee Schedule for Consideration

Tuesday	Wednesday	Thursday	Potential Topics of Interest
21	22	23	
Introductions FRD / NER Overview Review of Schedule	Budget Process Protocols, etc.	WRC Refresher Lake Mattamuskeet Report	<b>WRC</b> Lake Mattamuskeet Report <i>Outdoor Heritage Council</i>
<b>March</b>			
28	1	2	<b>DNCR</b>
<b>Water Resources Day</b> Dredging Falls & Jordan Lake Update	DNCR Refresher DNCR Merger Presentation	<b>Economic Development Day</b> Commerce Refresher Review of ED programs EDPNC Presentation	Merger Savings/ Plans Zoo Update - including hotel/ expansion brief <i>Grassroots Museums grants process</i> <i>Assistance/ Grant programs (libraries, arts, symphony, nature)</i>
7	8	9	<b>DACS</b>
<b>Coastal Day</b> Oysters/ Shellfish Beach Nourishment & Dredging	<b>Connect NC Bond Overview</b> Zoo Update/ Hotel	DACS Refresher Food Deserts	Food Deserts Forest Service - use of funds DACS Assistance/ Grant programs (TTF, ADFPTF, AgWrap, Shelter Support) <i>Water Resources</i>
14	15	16	<b>Commerce</b>
Governor's Budget - Full Appropriation Meeting??	NER Specific Review of Gov's Budget (OSBM)	Agency Responses to Gov's Budget - DACS, Labor, Commerce	Econ. Incentives EDPNC
21	22	23	Prosperity Zones <i>Workforce</i> <i>International Recruiting Coordination Office</i> <i>Downtown Revitalization/ Rural Economic Dev.</i>
Agency Responses to Gov's Budget - DEQ, WRC, DNCR	<b>Water Infrastructure Day</b>	<b>Forestry &amp; Ag Assist. Day</b>	
28	29	30	<b>DEQ</b>
<b>Waste Management Day</b> Orphan Landfills Inactive Hazardous Waste			Water Infrastructure Funding/ SWIA Falls & Jordan Lake Update Oysters/ Shellfish Beach Nourishment & Dredging
<b>April</b>			
4	5	6	Waste Mgmt: Orphan Landfills Inactive Hazardous Waste Dredging
11	12	13	<b>Labor</b>
			<i>Elevator &amp; Amusement Device Receipts</i>
			<b>General</b> ConnectNC



# Tentative ANER Committee Subcommittee Schedule

Tuesday		Wednesday		Thursday	
21		22		23	
Introductions FRD / NER Overview Administrative Items		Budget Process One-pager deep dive Schedule		<div></div>	
March					
28		1		2	
WRC Overview Labor Overview		DEQ Overview DNCR Overview		DNCR Overview DACS Overview	
7		8		9	
Tentative: Governor's Budget Review and Agency Meetings					
14		15		16	
Commerce, Economic Development, Workforce Presentations					
21		22		23	
Potential Presentations: DACS Topics of Interest (NC Forest Service, ADFPTF) DNCR Topics of Interest (Merger, Science Museums, Zoo, etc.), Commerce State-aid					
28		29		30	
Potential Presentations: DEQ Topics of Interest (Water Infrastructure, Dredging, Falls & Jordan Lake Update), WRC Topics of Interest (Lake Mattamuskeet, Outdoor Heritage Council)					
April					
4		5		6	
Potential Presentations: DEQ Topics of Interest (Marine Fisheries, Beach Nourishment, Waste Management), Connect NC Bonds					
11		12		13	
Potential Presentations: Presentation Follow-up and Overflow, Additional Topics TBD					



Corrected #1: Time Change

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Wednesday, February 22, 2017

**TIME:** 9:00 AM

**LOCATION:** 421 LOB

**COMMENTS:** Senate presiding, Sen. Cook

Respectfully,

Representative Jimmy Dixon, Co-Chair

Representative Kyle Hall, Co-Chair

Representative Pat McElraft, Co-Chair

Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:52 AM on Thursday, July 13, 2017.

\_\_\_\_ Principal Clerk

\_\_\_\_ Reading Clerk – House Chamber

Dianne Russell (Committee Assistant)





Corrected #1: Time Change

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

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Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:33 AM on Tuesday, February 21, 2017.

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**Joint Appropriations Meeting of  
House and Senate Committees on Agriculture and Natural and Economic  
Resources**

**Agenda**

Wednesday, February 22, 2017, 8:30 A.M.  
Room 421, Legislative Office Building

**Sen. Cook, Presiding**

- 1. Welcome and Opening Comments**
- 2. The Budget Process**  
Lanier McRee, Fiscal Research Division
- 3. Base Budget Dashboards**  
Eric Moore, Fiscal Research Division
- 4. Adjourn**

---

**House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

---

**Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton,



**Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources**  
**Wednesday, February 22, 2017 at 9:00 AM**  
**Room 421, Legislative Office Building**

**MINUTES**

The Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources met at 9:00 AM on February 22, 2017 in Room 421 in the Legislative Office Building. 5 members of the Senate were present and Co-Chairman Representative Jimmy Dixon, Co-Chairman Representative Kyle Hall, Co-Chairman Representative Pat McElraft, Co-Chairman Representative Stephen Ross, Representative John Ager, Representative Andy Dulin, Representative Bobbie Richardson, and Representative Larry Yarborough.

Senator Bill Cook, presided.

Senator Cook called the meeting to order and introduced the Sergeant-At-Arms for the meeting as Bill Bass and Mark Cone from the House, and Larry Hancock and Dale Huff from the Senate. Serving as pages for the meeting were Shanyia Davis from the Senate and Grey Thompson, Bryce Yarborough, and Archer Zureich from the House. Senator Cook encouraged anyone wishing to speak, to sign the form at the entrance to the room. Senator Cook introduced Lanier McRee from the Fiscal Research Division.

**Presentation 1-The Budget Process-Lanier McRee, Fiscal Research Division, (Attachment 1)**

Lanier McRee began her presentation by explaining the budget process including the Constitutional requirements, the schedule, the Governor's role, the Base budget, the Expansion budget, and the Capital budget. Ms. McRee explained the types of budget including the Certified budget, the Authorized budget, and the Actual expenditures. She ended her presentation with the structure of the budget by outlining examples and showing the glossary of fiscal terms and acronyms. Ms. McRee's presentation (Attachment 1) is attached at the end of these minutes.

Senator Cook opened the floor for committee questions. After a brief discussion from members of the committee and questions of staff, Senator Cook introduced Eric Moore, Fiscal Research for the next presentation.

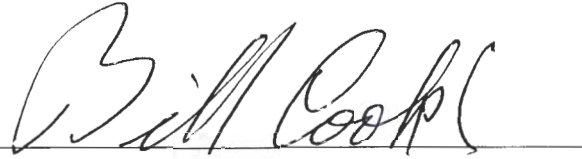
**Presentation 2-Base Budget Dashboards-Eric Moore, Fiscal Research Division, (Attachment 2)**

Eric Moore began his discussion by using the Standards & Inspections Division within the Department of Labor, as an example of a budget dashboard. Budget dashboards provide a snapshot of the division with their mission statement, general fund codes, numerical budget and actuals, charts and graphs at a glance, and details by account code. Mr. Moore's presentation (Attachment 2) is attached at the end of these minutes.

Senator Cook asked for any questions from the committee and from the audience. Hearing none he adjourned the meeting.



The meeting adjourned at 9:53 AM.

A handwritten signature in cursive script, reading "Bill Cook", written over a horizontal line.

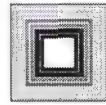
Senator Bill Cook  
Presiding

A handwritten signature in cursive script, reading "Robert Mays", written over a horizontal line.

Robert Mays  
Committee Clerk







## FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

# Budgeting Practices, Process, and Policies

February 22, 2017

## Presentation Outline



**Budget Process**

Budget Types

Budget Structure

Questions



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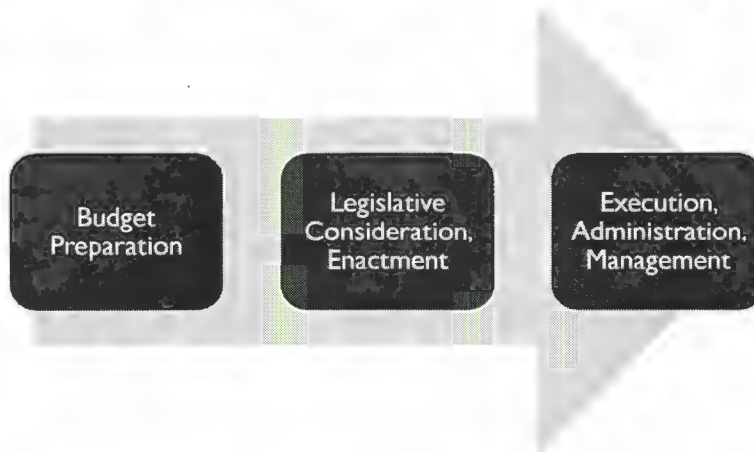
February 22, 2017

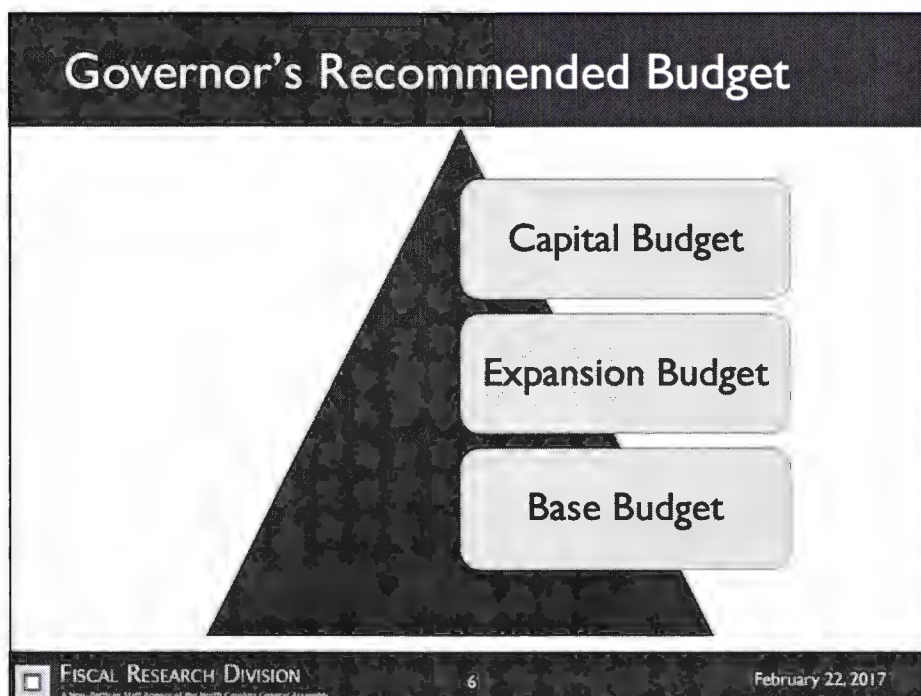
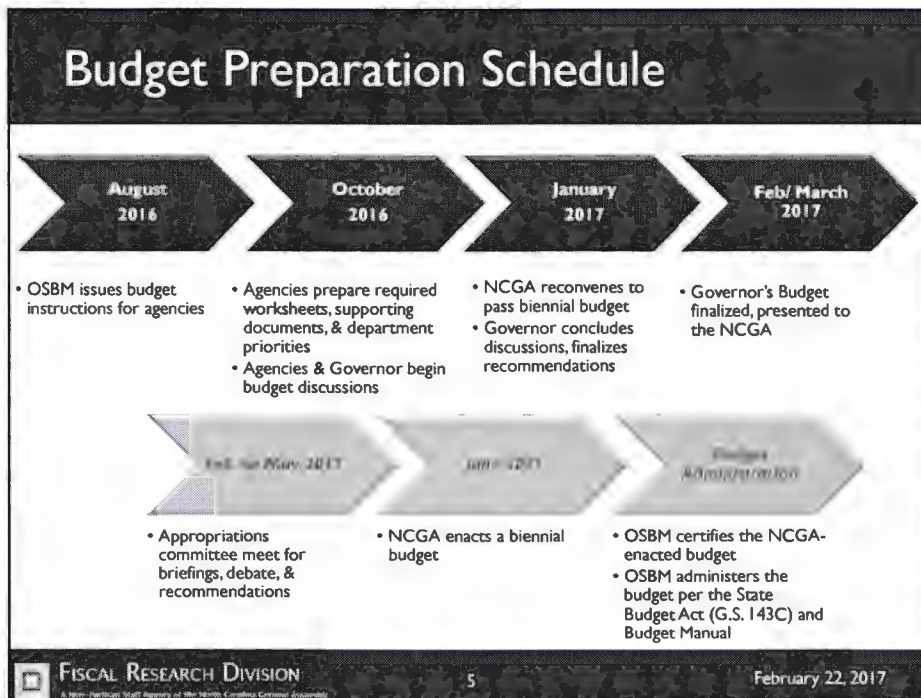
## Budget Process: NC Constitution

### ▪ Article III, Sec 5(3) & Article V, Sec 7

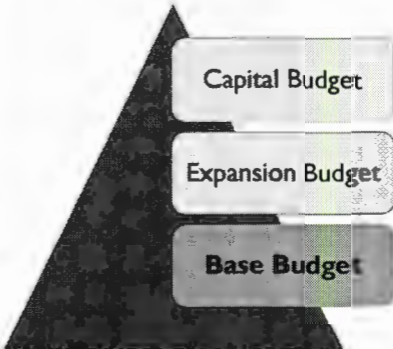
- **Preparation:** Governor to prepare and recommend to the General Assembly a comprehensive budget of anticipated revenue and proposed expenditures (Art. III, Sec 5(3))
- **Balanced Budget:** "total expenditures of the State for the fiscal period covered by the budget shall not exceed the total receipts during that fiscal period..."(Art. III, Sec 5(3))
- **Administration:** "The budget as enacted by the General Assembly shall be administered by the Governor" (Art. III, Sec 5(3))
- **State Treasury:** "No money shall be drawn from the State treasury but in consequence of appropriations made by law" (Art. V, Sec.7)

## Budget Process





## Base Budget



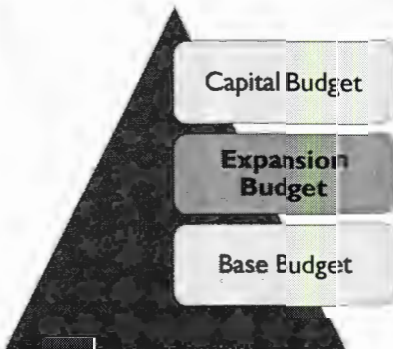
- FY 2016-17 authorized budget + 6 allowable adjustments:
  1. Program annualization
  2. Nonrecurring item removal
  3. Federal payroll tax changes
  4. Lease increases
  5. Receipt projections changes
  6. Reconciliation of transfers

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February 22, 2017

## Expansion Budget



- Recommendations related to:
  - Program changes
  - New initiatives
  - Salaries & benefits
  - Departmental need for equipment, staff, vehicles, etc.
  - Enrollment growth
  - And more...

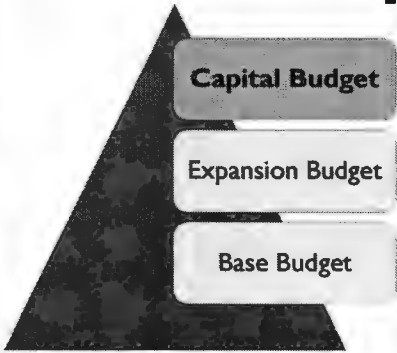
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February 22, 2017



## Capital Budget



- Recommendations related to:
  - Constructing new facilities
  - Repairing/ renovating existing facilities
  - Purchasing land/ facilities



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February 22, 2017

## Budget Preparation Schedule

August  
2016

October  
2016

January  
2017

Feb/ March  
2017

- OSBM issues budget instructions for agencies

- Agencies prepare required worksheets, supporting documents, & department priorities
- Agencies & Governor begin budget discussions

- NCGA reconvenes to pass biennial budget
- Governor concludes discussions, finalizes recommendations

- Governor's Budget finalized, presented to the NCGA

**Feb. to May 2017**


**June 2017**

**Budget Administration & Oversight**

- Appropriations committee meet for briefings, debate, & recommendations

- NCGA enacts a biennial budget

- OSBM certifies the NCGA-enacted budget
- OSBM administers the budget per the State Budget Act (G.S. 143C) and Budget Manual



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February 22, 2017

## Presentation Outline



Budget Process  
**Budget Types**  
Budget Structure  
Questions



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February 22, 2017

## Budget Types: Certified Budget

- The budget as enacted by the NCGA
- May include the following allowable changes:
  1. Distributions to State agencies from statewide reserves appropriated by the General Assembly,
  2. Distributions of reserves appropriated to a specific agency by the General Assembly, and
  3. Organizational or budget changes mandated by the General Assembly.



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## Budget Types: Authorized Budget

- The certified budget with changes authorized by the Director of the Budget through authority granted in G.S. 143C-6-4 or other statutes, such as:
  - New grants, changes to existing grants, or federal “carryforward”
  - Moving money between line items within a program
  - Budgeting of an increase in departmental receipts




## Budget Types Example

Line Item	Certified	Authorized	Actuals
Computers	\$10,000	\$11,000	\$5,500
Furniture	\$10,000	\$9,000	\$9,000

- **Certified budget:** Provides \$10,000 to buy 10 computers
- **Authorized budget:** Agency determines they need 11 computers, and reallocate money from the furniture line-item
- **Actual expenditures:** Agency got a great deal on computers. The final cost for the 11 computers is \$5,500


*All of these are shown in the BD701*



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# Presentation Outline

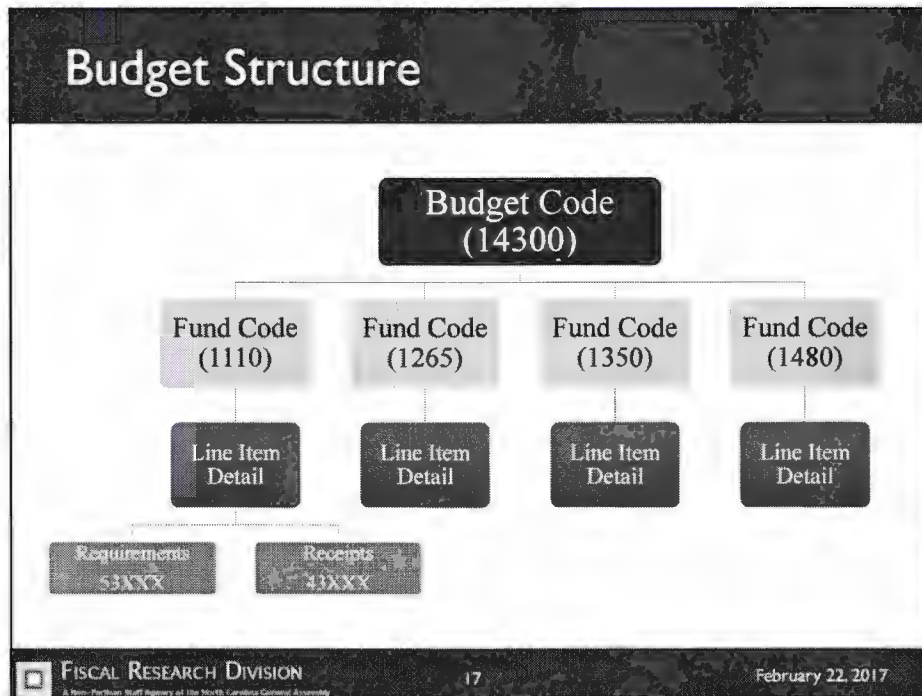
- Budget Process
- Budget Types
- Budget Structure**
- Questions

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A Non-Partisan Think Tank at the South Carolina Governor's Office

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February 22, 2017





## Budget Structure

Budget Documents are presented by:

1. 5-digit Budget Code
  - 3700
  - 13700 Agriculture and Consumer Services - General Fund
  - 1020 Markets
2. 4-digit Fund Codes
  - Typically organized by (1) divisions, (2) division component, or (3) purpose or program
3. Account Codes (aka. line-item detail)

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## Budget Codes

- 8 Types of Budget Codes:
  - 1xxxx – General Fund
  - 2xxxx – Special Funds and trust funds
  - 3xxxx – Federal Funds
  - 4xxxx – Capital Funds
  - 5xxxx – Enterprise Funds
  - 6xxxx – Special Funds and Trust Funds
  - 7xxxx – Internal Service Funds
  - 8xxxx – Highway Funds



## Budget Structure

### Line-item Detail = Object/Account Codes

- 6 digits account codes
- First two digits = 53 → Expenditure Accounts
  - expense/requirement of the budget or fund code
- First two digits = 43 → Revenue Accounts
  - revenue/receipt of the budget or fund code



## Budget Structure

### Expenditure Accounts

- 531xxx – personal services
- 532xxx – purchased services
- 533xxx – supplies
- 534xxx – property, plant, & equipment
- 535xxx – other expenses & adjustments
- 536xxx – aid & public assistance
- 537xxx – reserves
- 538xxx – intragovernmental transactions

### Revenue Accounts

- 431xxx – tax revenues
  - 432xxx – grants
  - 433xxx – investment income
  - 434xxx – sales, services, rentals
  - 435xxx – fees, licenses, fines
  - 436xxx – donations
  - 437xxx – miscellaneous
  - 438xxx – intragovernmental transactions
- Exceptions:
- Certain transfers 538xxx
  - Federal grants 5388xx



## Base Budget – What does it look like?

- Organized by Budget Code by Fund Code by Account
- Begin with Budget Code Fund and Account Summaries
- Includes 7 columns of budget information
  1. Actual expenditures/receipts for FY 2015-16
  2. Certified budget for FY 2016-17
  3. Authorized budget for FY 2016-17
  4. Allowable increase/decreases for FY 2017-18
  5. Base budget for FYs 2017-18
  6. Allowable increase/decreases for FY 2018-19
  7. Base budget for FY 2018-19



## Base Budget

[illegible]

## Questions?

- Budget Process
- Budget Types
- Budget Structure
- Questions**

**Lanier McRee**  
*Fiscal Research Division*  
lanier.mcree@ncleg.net | 919-733-4910



## **GLOSSARY OF FREQUENTLY USED FISCAL TERMS**

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**APPROPRIATION:** An enactment by the General Assembly authorizing the withdrawal of money from the State treasury. Article V, Section 7 of the NC Constitution states that “no funds shall be drawn from the State treasury but in consequence of appropriations made by law”. An enactment by the General Assembly that authorizes, specifies, or otherwise provides that funds may be used for a particular purpose is not an appropriation.

**AUTHORIZED BUDGET:** The certified budget with changes authorized by the Director of the Budget through authority granted in G.S. 143C-6-4 or other statutes.

**BASE BUDGET:** That part of the recommended State budget that provides the baseline for the next biennium. The base budget for each State agency shall be the authorized budget for that agency with adjustments only for the following:

- a. Annualization of programs and positions.
- b. Reductions to adjust for items funded with nonrecurring funds during the prior fiscal biennium.
- c. Increases to adjust for nonrecurring reductions during the prior fiscal biennium.
- d. Adjustments for federal payroll tax changes.
- e. Rate increases in accordance with the terms of existing leases of real property.
- f. Adjustments to receipt projections, made in accordance with G.S. 143C-3-5(b)(2)c.
- g. Reconciliation of intragovernmental and intergovernmental transfers.

**BOILERPLATE:** Budget language that is typically repeated year after year without alteration in the budget bill. For example, seized-asset expenditure reporting requirements are boilerplate.

**CARRY-FORWARDS:** Funds appropriated but unspent in the first fiscal year of a biennium which by authorized budget revision are brought forward for expenditure in the second fiscal year of the same biennium.

**CERTIFIED BUDGET:** The budget as enacted by the General Assembly including adjustments made for (i) distributions to State agencies from statewide reserves appropriated by the General Assembly, (ii) distributions of reserves appropriated to a specific agency by the General Assembly, and (iii) organizational or budget changes mandated by the General Assembly.

**COMMITTEE REPORT (aka Money Report):** A compilation of all legislative adjustments made to the Governor's Recommended Base Budget. The Committee Report lists each adjustment and provides a brief description along with guidance on specific items or explicit legislative intent. This report is used to construe the intent of the appropriations act (G.S. 143C-5-5).

**ENACTED BUDGET:** The budget as enacted by the General Assembly in the annual Current Operations Appropriations Act in accordance with Article 5 of Chapter 143C. The enacted budget usually includes items funded through various reserves but not yet distributed to State

agencies. Examples include the funding needed to bring a new building online during the fiscal year and funds anticipated for economic incentive projects.

**ENCUMBRANCE:** A financial obligation created by a purchase order, contract, salary commitment, unearned or prepaid collections for services provided by the State, or other legally binding agreement.

**ENTERPRISE FUNDS:** Accounts for any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Each of these criteria should be applied in the context of the activity's principal revenue sources.

- a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
- b. Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues.
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

**EXPANSION BUDGET:** The recommendations to increase funding for existing programs, to establish new programs, to provide for salary increases, and to provide for increases in enrollments, caseloads and institutional populations.

**FISCAL MEMO:** An analysis of direct budgetary impact akin to a fiscal note, but remains confidential until the requesting member releases the information to the public. The memo may have the same structure and elements as a fiscal note or may be less formal depending upon the member's request. Any member may request a fiscal memo on any issue; there does not have to be an introduced bill.

**FISCAL NOTE:** A formal fiscal estimate, including a brief statement of costs and revenue impact, for the first five fiscal years the legislation would be in effect. GS 143C-2-3 requires a State agency proposing a bill that affects the State budget to prepare a fiscal analysis for the bill and submit the analysis to the Fiscal Research Division upon introduction of the bill.

**FULL-TIME EQUIVALENT (FTE):** The figure arrived at by converting an unduplicated head-count of full-time and part-time program participants to an equivalent full-time count. For example one forty-hour per week employee plus one twenty-hour per week employee equals 1.5 FTE.

**GENERAL FUND:** A pool of financial resources made up of a beginning credit balance, State tax revenues, and State non-tax revenues. These funds are appropriated for both the operation of State agencies and construction and renovation of State facilities.

**LAPSED SALARIES:** Lapsed salaries are surpluses that accrue because a position may be temporarily vacant due to delays in hiring, resignation, termination, or retirement. Lapsed salary



surpluses are nonrecurring funds that accumulate only while a position vacancy exists. They may not be used to support recurring expenses.

**MANAGEMENT FLEXIBILITY RESERVE:** A reduction to an agency's operating budget that does not specify the fund codes or line items from which the reduction is to be taken, but instead requires the agency to determine where reductions should be made.

**NEGATIVE RESERVE:** See Management Flexibility Reserve.

**NET APPROPRIATION:** The portion of program requirements funded through general purpose taxes and other revenues. Stated differently, the net appropriation is the balance remaining after offsetting receipts are deducted from requirements. Requirements less receipts equals net appropriations.

**NONRECURRING:** Term used to denote one-time revenues (windfalls, reversions) or one-time expenditures (grant-in-aid, capital).

**PERSONAL SERVICES:** Expenditures incurred for services rendered by permanent and temporary employees and the related fringe benefits. Special employee awards and settlements, as well as compensation to board members, are also included in this expenditure group.

**RECEIPTS:** Fees, licenses, federal funds, grants, fines, penalties, tuition, and other similar collections or credits generated by State agencies in the course of performing their governmental functions that are applied to the cost of a program administered by the State. Departmental receipts may include funds transferred into a fiscal year from a prior fiscal year.

**RECURRING:** Term used to denote revenues or expenditures that will be continuing, such as sales and personal income taxes, or salaries, fringe benefits, and utilities.

**REQUIREMENTS:** The total cost associated with a proposed expenditure of funds regardless of source of funds. Requirements – receipts = net appropriation.

**REVERSIONS:** Unspent appropriations returned to the General Fund or Highway Fund (as applicable) at the end of each fiscal year.

**SALARY RESERVE:** Unobligated or surplus funds generated by a position that is filled at a salary less than the budgeted salary authorized by the General Assembly. These funds are recurring.

**SPECIAL PROVISIONS:** Language contained in the appropriations bill pertaining to State fiscal matters, the management, evaluation, and oversight of State government programs or policy, and the expenditure of appropriations contained in the Bill.

**SPECIAL FUNDS:** Accounts for the proceeds of specific revenue sources, other than trusts for individuals, private organizations, or other governments or for major capital projects that are legally restricted to expenditure for specified purposes.

**STATE AID FOR NONSTATE ENTITIES:** Funds appropriated by the General Assembly to nongovernmental entities for a variety of purposes. Funds may or may not carry restrictions on expenditures.

**SWORN POSITION:** A law enforcement position which, by law, has general power of arrest and requires the successful completion of the Basic Law Enforcement Training curriculum offered by the State and an independent oath of office providing for the execution of the laws of the State. Sworn positions receive a higher retirement contribution than regular State employees.

**TRUST FUNDS:** Accounts consisting of resources received and held by the State as trusted to be expended or invested in accordance with the conditions of the trust. In other words, Trust Funds are accounts where the State acts as a trustee. The State can only execute the terms of the trust; it cannot change the purpose for which the trust was created. Trust funds are classified as to what assets, if any, may be paid out of the fund. The three classifications are (1) expendable, (2) non-expendable, or (3) expendable as to income but unexpendable as to principal.

**UNRESERVED FUND BALANCE:** The available General Fund cash balance after excluding documented encumbrances, unearned revenue, federal grants, statutory requirements, and other legal obligations to General Fund cash as determined by the State Controller. Beginning unreserved fund balance equals ending unreserved fund balance from the prior fiscal year.



<b>ACSP</b>	Agriculture Cost Share Program (DACS)
<b>ADFPTF</b>	Agricultural Development and Farmland Preservation Trust Fund (DACS)
<b>AFA</b>	Agriculture Finance Authority (DACS)
<b>AgWRAP</b>	Agriculture Water Resource Assistance Program (DACS)
<b>AgGas</b>	Expanded Gas Products Service to Agriculture Fund (Commerce)
<b>APNEP</b>	Albemarle-Pamlico National Estuary Partnership (DEQ)
<b>AQM</b>	Aquariums (DNCR)
<b>ARC</b>	Appalachian Regional Commission (Commerce)
<b>ANER</b>	Appropriations Committee on Agriculture and Natural and Economic Resources (House and Senate)
<b>ASH</b>	Agricultural Safety and Health Bureau (Labor)
<b>BIMS</b>	Basinwide Information Management System (DEQ)
<b>BLNC</b>	Business Link North Carolina (Commerce/EDP)
<b>BLS</b>	Bureau of Labor Statistics (United States Dept. of Labor)
<b>BMP</b>	Best Management Practice
<b>BMAP</b>	Beaver Management Assistance Program (WRC)
<b>CAMA</b>	Coastal Area Management Act (DEQ)
<b>CCAP</b>	Community Conservation Assistance Program (DACS)
<b>CDBG</b>	Community Development Block Grant (Commerce/DEQ)
<b>CFC</b>	Commerce Finance Center (Commerce)
<b>CHPP</b>	Coastal Habitat Protection Plan (DEQ)
<b>CREP</b>	Conservation Reserve Enhancement Program (DACS)
<b>CRFL</b>	Coastal Recreational Fishing License (DEQ)
<b>CWMTF</b>	Clean Water Management Trust Fund (DNCR)
<b>DACS</b>	Department of Agriculture & Consumer Services
<b>DAQ</b>	Division of Air Quality (DEQ)
<b>DCM</b>	Division of Coastal Management (DEQ)
<b>DEACS</b>	Division of Environmental Assistance and Customer Service (DEQ)
<b>DEMLR</b>	Division of Energy, Mineral and Land Resources (DEQ)
<b>DEQ</b>	Department of Environmental Quality
<b>DES</b>	Division of Employment Security (Commerce)

<b>DMF</b>	Division of Marine Fisheries (DEQ)
<b>DMS</b>	Division of Mitigation Services (formerly EEP) (DEQ)
<b>DNCR</b>	Department of Natural and Cultural Resources
<b>DOC</b>	Department of Commerce
<b>DOL</b>	Department of Labor
<b>DPR</b>	Division of Parks and Recreation (DNCR)
<b>DSCA</b>	Dry-Cleaning Solvent Cleanup Act (DEQ)
<b>DSWC</b>	Division of Soil and Water Conservation (DACS)
<b>DWI</b>	Division of Water Infrastructure (DEQ)
<b>DWM</b>	Division of Waste Management (DEQ)
<b>DWR</b>	Division of Water Resources (DEQ)
<b>DWS</b>	Division of Workforce Solutions (Commerce)
<b>EDP or EDPNC</b>	Economic Development Partnership of NC, Inc. (Commerce)
<b>EEP</b>	Ecosystem Enhancement Program (defunct – see DMS)
<b>EMC</b>	Environmental Management Commission (DEQ)
<b>ERC</b>	Environmental Review Commission (General Assembly)
<b>ESC</b>	Employment Security Commission (defunct – see DES)
<b>FRD</b>	Fiscal Research Division
<b>FDP</b>	Forest Development Program (DACS)
<b>FMP</b>	Forest Management Plan (DACS)
<b>GIS</b>	Geographic Information System (DACS/DEQ/Commerce)
<b>HPMA</b>	High Point Market Authority (Commerce)
<b>IDA</b>	Individual Development Account (Labor)
<b>IDF</b>	Industrial Development Fund (Commerce)
<b>IDF-UA</b>	Industrial Development Fund - Utility Account (Commerce)
<b>IRCO</b>	International Recruiting and Coordination Office (Commerce)
<b>ITD</b>	International Trade Division (EDP)
<b>JDIG</b>	Job Development Investment Grant (Commerce)
<b>JMAC</b>	Job Maintenance and Capital Development Fund (Commerce)



<b>LEAD</b>	Labor and Economic Analysis Division (Commerce)
<b>LUST</b>	Leaking Underground Storage Tank (DEQ)
<b>MEC</b>	Mining and Energy Commission (DEQ)
<b>MHTD</b>	Multi-Hazard Threat Database (DACS)
<b>MNS</b>	Museums of Natural Sciences (DNCR)
<b>MSA</b>	Master Settlement Agreement
<b>MSS</b>	Main Street Solutions (Commerce)
<b>NCEL</b>	North Carolina Education Lottery (Commerce)
<b>NCFS</b>	North Carolina Forest Service (DACS)
<b>NCUC</b>	North Carolina Utilities Commission (Commerce)
<b>OneNC</b>	One North Carolina Fund (Commerce)
<b>OSH</b>	Occupational Safety and Health (Labor)
<b>PPP or P3</b>	Public Private Partnership (P3; equivalent to the EDP)
<b>REDD</b>	Rural Economic Development Division (Commerce)
<b>RIA</b>	Rural Infrastructure Authority (Commerce)
<b>RTI</b>	Research Triangle Institute (Commerce)
<b>SBIR/STTR</b>	Small Business Innovative Research / Small Business Technology Transfer (Commerce)
<b>SWCC</b>	Soil and Water Conservation Commission (DACS)
<b>SRF</b>	State Revolving Fund (Drinking Water and Clean Water) (DEQ)
<b>SWIA</b>	State Water Infrastructure Authority (DEQ)
<b>TTF</b>	Tobacco Trust Fund (DACS)
<b>UI</b>	Unemployment Insurance (Commerce)
<b>UST</b>	Underground Storage Tank (DEQ)
<b>WISE</b>	Wildlife Inmate Services (WRC)
<b>WRC</b>	Wildlife Resources Commission
<b>WRD</b>	Water Resources Development Projects (DEQ)



## Standards & Inspections Division Department of Labor

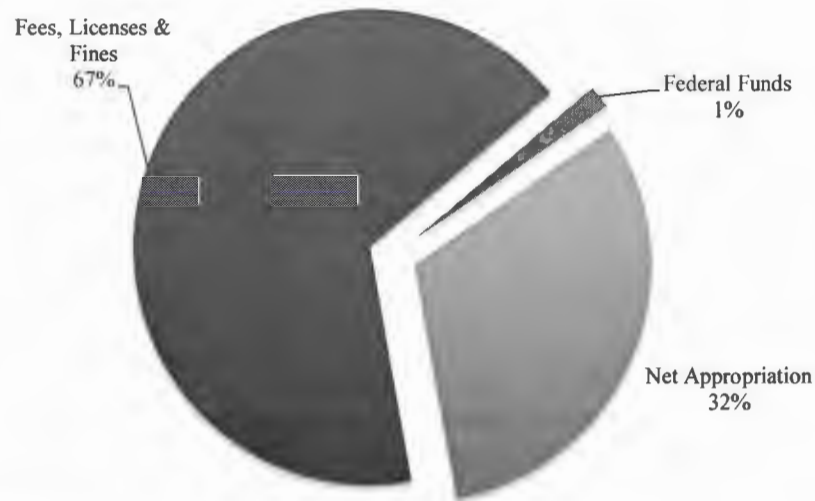
Five bureaus: Boiler Safety, Elevator & Amusement Device, Mine & Quarry, Wage & Hour, and Employment Discrimination

### General Fund Budget Code Funds Only

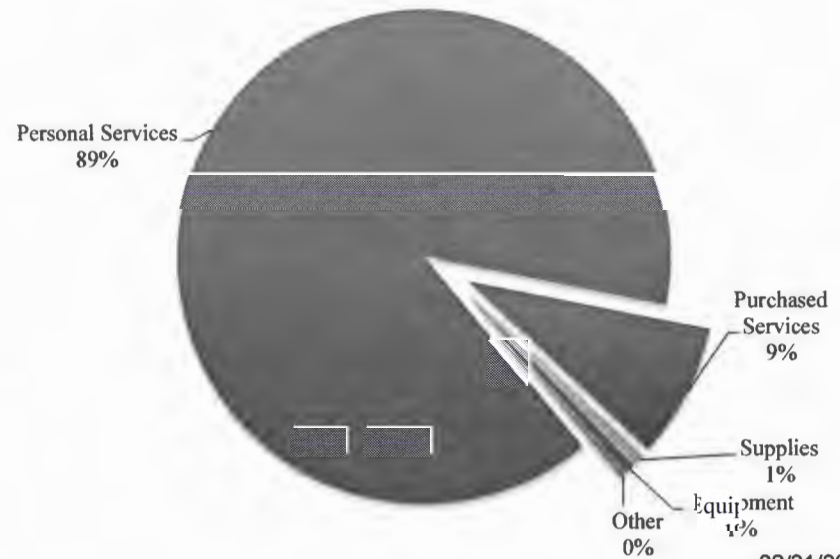
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 8,829,249	\$ 9,263,250	\$ 9,669,949	\$ 29,969	\$ 9,699,918	\$ 29,969	\$ 9,699,918
<b>Less Receipts</b>	\$ 6,566,222	\$ 6,598,653	\$ 6,599,686	\$ 19,624	\$ 6,619,310	\$ 19,624	\$ 6,619,310
<b>Net Approp.</b>	\$ 2,263,027	\$ 2,664,597	\$ 3,070,263	\$ 10,345	\$ 3,080,608	\$ 10,345	\$ 3,080,608
<b>Positions</b>	133.96	114.00	117.00		117.00		117.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1310	\$ 1,833,983	\$ 289,584	\$ 23,038	\$ 28,316	\$ 29,186	\$ 2,204,107	23.00
1320	\$ 3,822,025	\$ 372,336	\$ 39,542	\$ 15,095	\$ 12,453	\$ 4,261,451	49.00
1330	\$ 357,311	\$ -	\$ -	\$ -	\$ -	\$ 357,311	4.60
1331	\$ 100,333	\$ 49,564	\$ 974	\$ 2,856	\$ 25	\$ 153,752	1.40
1340	\$ 1,994,480	\$ 123,368	\$ 12,455	\$ 17,133	\$ 860	\$ 2,148,296	31.00
1345	\$ 547,791	\$ 21,474	\$ 4,162	\$ 1,517	\$ 57	\$ 575,001	8.00
	\$ 8,655,923	\$ 856,326	\$ 80,171	\$ 64,917	\$ 42,581	\$ 9,699,918	117.00

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-8XX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Federal Funds		
1310	\$ -	\$ 2,204,107	\$ -	\$ -	\$ -	\$ 2,204,107	\$ -
1320	\$ -	\$ 4,261,451	\$ -	\$ -	\$ -	\$ 4,261,451	\$ -
1330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 357,311
1331	\$ -	\$ -	\$ -	\$ -	\$ 153,752	\$ 153,752	\$ -
1340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,148,296
1345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,001
	\$ -	\$ 6,465,558	\$ -	\$ -	\$ 153,752	\$ 6,619,310	\$ 3,080,608

Detailed Adjustments to Base Budget	Major Programs
<ul style="list-style-type: none"> <li>- Increases related to retirement contributions: \$29,969</li> <li>- Increases in anticipated inspection receipts: \$19,276</li> <li>- Increases in budgeted federal grant receipts: \$348</li> </ul>	<ul style="list-style-type: none"> <li>Boiler Safety Bureau</li> <li>Elevator and Amusement Device</li> <li>Employment Discrimination Bureau</li> <li>Mine and Quarry Bureau</li> <li>Wage and Hour Bureau</li> </ul>
Funds included in Standards & Inspections Division	
<b>Fund</b> 1310 Boiler Inspection 1320 Elevator Inspection 1330 Mine and Quarry 1331 Mine Safety and Health Administration 1340 Wage & Hour 1345 Employment Discrimination	

Committee Sergeants at Arms

NAME OF COMMITTEE Joint Appropriations on Ag / NER

DATE: 2-22-2017 Room: 421

House Sgt-At Arms:

1. Name: Bill Bass
2. Name: Mark Cone
3. Name: \_\_\_\_\_
4. Name: \_\_\_\_\_
5. Name: \_\_\_\_\_

Senate Sgt-At Arms:

1. Name: ~~Donna Blake~~
2. Name: Larry Hancock
3. Name: Dale Huff
4. Name: \_\_\_\_\_
5. Name: \_\_\_\_\_





**House Pages  
Assignments  
Wednesday, February 22, 2017  
Session: 12:00 PM**

*Highlighted*

Committee	Room	Time	Staff	Comments	Member
Appropriations on Agriculture and Natural and Economic Resources	421	9:00 AM	Grey Thompson		Rep. Speaker Tim Moore
			Bryce Yarborough		Rep. Larry Yarborough
			Archer Zureich		Speaker Tim Moore
Aging	423	11:00 AM	William Mitchell		Speaker Tim Moore
			Diamond McCray		Rep. Speaker Tim Moore



# Senate Pages Attending

COMMITTEE: Approps: Ag, Nat'l & Eco, Resources ROOM: 421  
DATE: 2-22 TIME: 9 AM

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!....or else!!!!

	Page Name	Hometown	Sponsoring Senator
1.	<del>Shantia</del> Shanyla Davis	Kings Mtn.	Hise
2.			
3.			
4.			
5.			
6.			
7.			
8.			

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



## VISITOR REGISTRATION SHEET

### Joint Committee on Appropriations on Natural and Economic Resources

Wednesday, February 22, 2017

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE  
CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Zoe Schutte	Rep K Hall Intern
Sarah McQuillen	KUNNC
Arthon Adams	WPC
DAVID SNEED	CCA NC
DAVID POWERS	POWERS STRATEGIES
JOHN COOPER	CONNECT C
Catherine Stagner	NC DASCs
Jon Lanier	NCDASCS
Chris Broughton	MWC
Isabel Villa-Garcia	NC REGulators
Kirk Ross	Coastal Review



## VISITOR REGISTRATION SHEET

### Joint Committee on Appropriations on Natural and Economic Resources

Wednesday, February 22, 2017

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE  
CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Rose Connor	NCCRD
Cassie Gavia	Sierra Club
Lex Janes	DNCR
Preston Howard	NCMA
W. Gordon Culp	PPAD
James King Ferguson	Uista Strategies
Ha Nguy	NCCOB
Henry M Lancaster	LCA
Lisa Sorg	NC Policy Watch
<del>Sam Grant</del>	<del>CA</del>
Jennifer Hargwood	NCDO
Sarah Beth Kance	NCDE
Andy Miller	DGQ
Rochelle Spargo	CFSA





**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Tuesday, February 28, 2017  
**TIME:** 8:30 AM  
**LOCATION:** 421 LOB  
**COMMENTS:** Senate Presiding, Senator Gunn  
**Topic:** Review WRC and Labor budgets

Respectfully,

Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 9:04 AM on Thursday, February 23, 2017.

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Kirk O'Steen (Committee Assistant)



**Joint Appropriations Meeting of  
House and Senate Committees on Agriculture and Natural and Economic  
Resources**

**Agenda**

**Tuesday, February 28, 2017, 8:30 A.M.  
Room 421, Legislative Office Building**

**Sen. Gunn, Presiding**

- 1. Welcome and Opening Comments**
- 2. Wildlife Resources Commission Overview**  
Lanier McRee, Fiscal Research Division
- 3. Department of Labor Overview**  
Eric Moore, Fiscal Research Division
- 4. Adjourn**

---

**House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

---

**Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton,



**Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources  
Tuesday, February 28, 2017 at 8:30 AM  
Room 421 of the Legislative Office Building**

**MINUTES**

The Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources met at 8:30 AM on February 28, 2017 in Room 421 of the Legislative Office Building. 7 members of the Senate were present and Co-Chairman Representative Kyle Hall, Co-Chairman Representative Pat McElraft, Co-Chairman Representative Stephen Ross, Representative John Ager, Representative Andy Dulin, Representative Pricey Harrison, Representative Howard Hunter III, and Representative Bobbie Richardson.

Senator Rick Gunn, Chair, presided.

Senator Gunn called the meeting to order and introduced the Sergeant-At-Arms for the meeting as Joe Austin, Bill Bass, and Jonas Cherry from the House, and Giles Jeffreys and Sham Patel from the Senate. Serving as a page for the meeting was Kelsey Peterson from the House. Senator Gunn introduced Lanier McRee from the Fiscal Research Division.

Presentation 1 – Wildlife Resources Commission Overview – Lanier McRee, Fiscal Research Division, (Attachment 1)

Lanier McRee began her presentation by providing an overview of the operation and purpose of the Wildlife Resources Commission including the budget for the commission. Ms. McRee explained the commission is divided into two sections, Operations, which provides customer service and land and water access/engineering, and Conservation, which includes inland fisheries, wildlife education, wildlife management, law enforcement, and habitat conservation divisions. She ended the presentation with discussion of the prior budget actions from the last biennium. Ms. McRee's presentation (Attachment 1) is attached at the end of these minutes.

Senator Gunn opened the floor for committee questions. After a brief discussion from members of the committee and questions of staff, Senator Gunn introduced Eric Moore, Fiscal Research Division, for the next presentation.

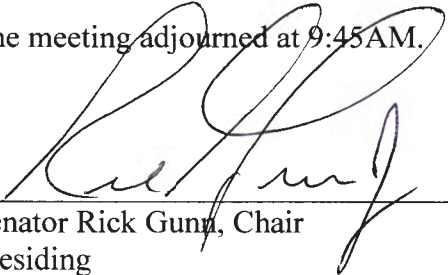
Presentation 2 – Department of Labor Overview – Eric Moore, Fiscal Research Division, (Attachment 2)

Eric Moore began his presentation by giving an overview of the mission of the Department of Labor. Mr. Moore explained the divisions and bureaus of the department, including Administration, Standards and Inspections, and Occupational Safety and Health. He then provided an overview of budget trends, and the budget actions over the last biennium. Mr. Moore's presentation (Attachment 2) is attached at the end of these minutes.

Senator Gunn asked for any questions from the committee and from the audience. After brief discussion, he adjourned the meeting.

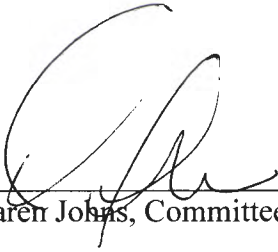


The meeting adjourned at 9:45AM.



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Senator Rick Gunn, Chair  
Presiding

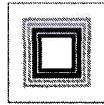


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Karen Johns, Committee Clerk







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# Wildlife Resources Commission

Lanier McRee, Fiscal Research Division

*February 28, 2017*

## Overview

1. Wildlife Resources Commission (WRC)
2. WRC Divisions
3. Prior Budget Actions



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## The Wildlife Resources Commission at a Glance

## WRC Purpose

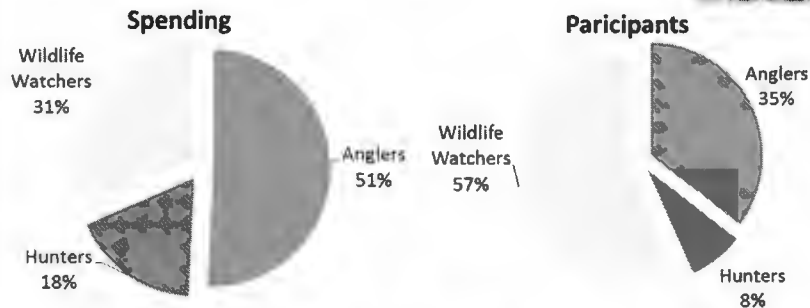
*“to manage, restore, develop, cultivate, conserve,  
protect, and regulate the game, game and freshwater  
fishes, and other wildlife resources of the State...”*  
(G.S. 143-239)

- Guided by 19 member Commission
- ~650 employees



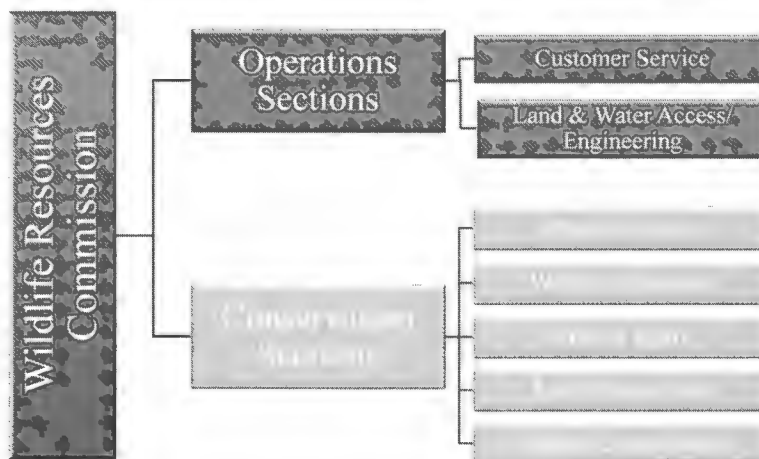
## Wildlife-related Activities

\$3.3 billion spent on wildlife-related recreation  
by over 4.3 million participants in NC



Source: 2011 National Survey of Fishing, Hunting and Wildlife -Associated Recreation,, U.S. Fish & Wildlife Service

## WRC Organization



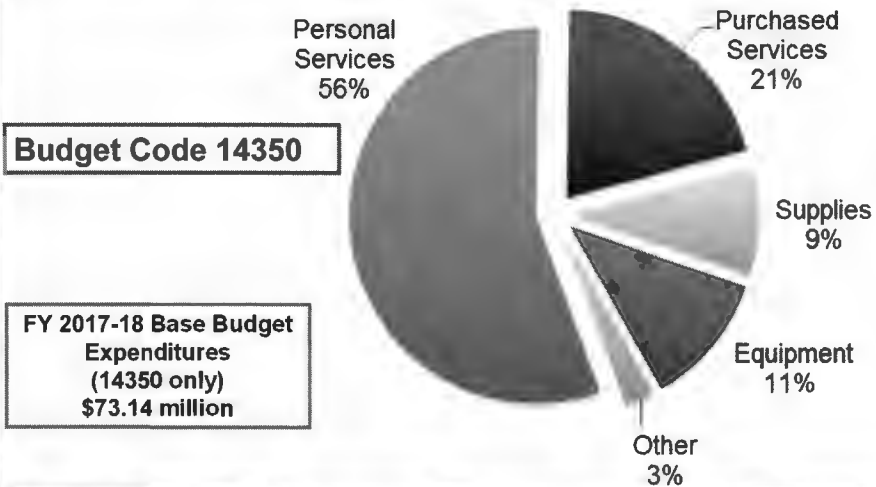
## WRC: 14350 Base Budget

	<b>FY 2016-17 Authorized</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>Requirements</b>	\$ 73,280,063	\$ 73,141,239	\$ 73,141,239
<b>Receipts</b>	\$ 62,813,030	\$ 61,813,030	\$ 61,813,030
<b>Net Appropriation</b>	\$ 10,467,033	\$ 11,328,209	\$ 11,328,209
<b>FTE</b>	647.81	647.81	647.81

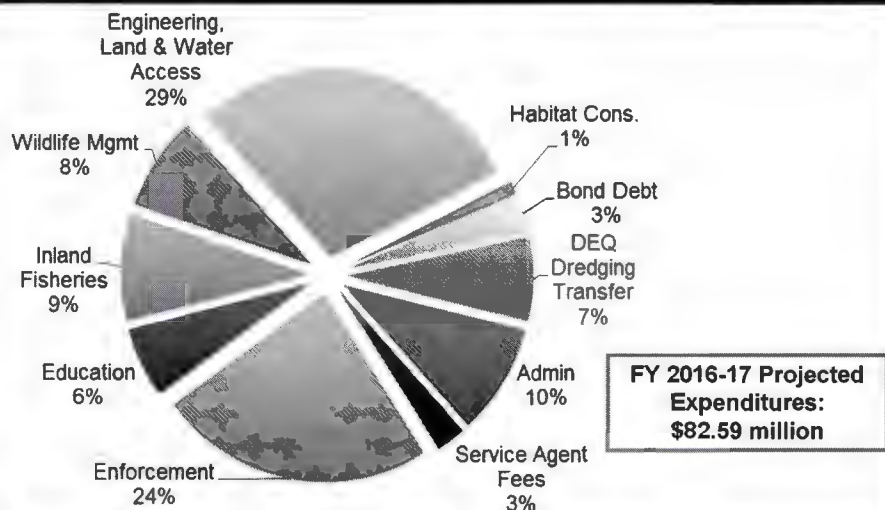
## WRC: 14350 Base Budget Changes

<b>Changes: FY 2016-17 to Base Budget</b>		<b>Notes</b>
<b>Requirements</b>	(\$138,824)	- Outdoor Heritage Council - Retirement increases - Reserve decreases
<b>Receipts</b>	(\$1,000,000)	- Special Fund transfer decrease
<b>Net Appropriation</b>	\$ 861,176	

## WRC: Authorized Expenditures

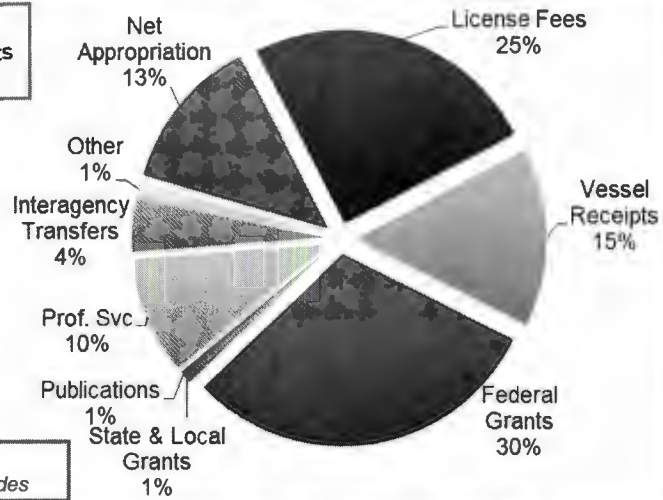


## WRC Expenditures by Program Area



## WRC: Sources of Funds

**FY 2016-17  
Projected Receipts  
\$80.47 million**



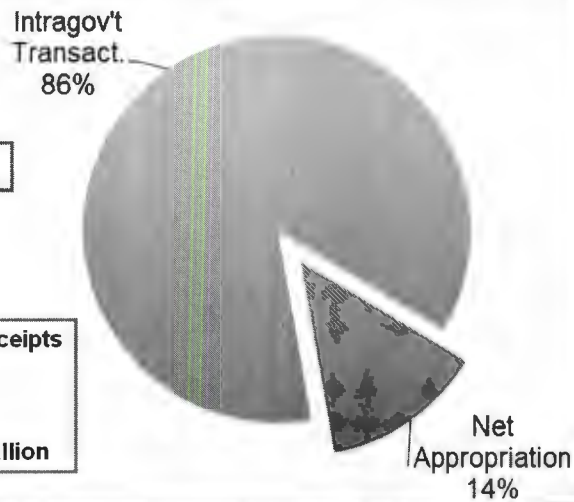
*Includes General Fund &  
Special Fund Budget Codes*

## WRC: Source of Funds

**Budget Code 14350**

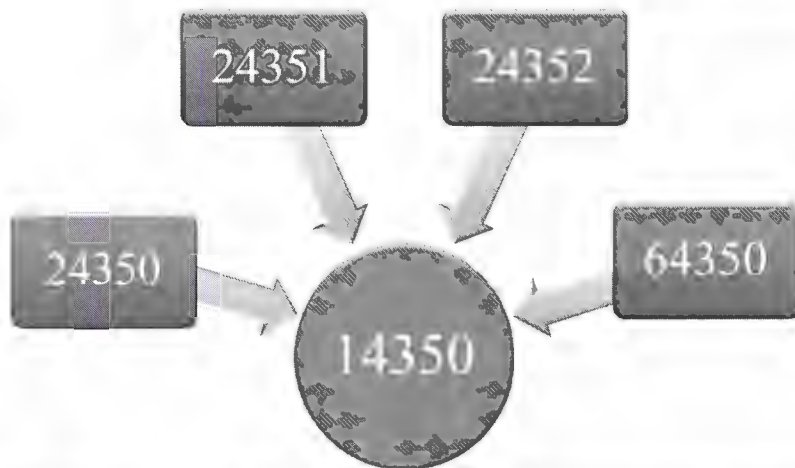
**FY 2017-18 Base Budget Receipts  
(14350 only)  
\$61.81 million**

**Net Appropriation: \$11.33 million**





## WRC Special Funds



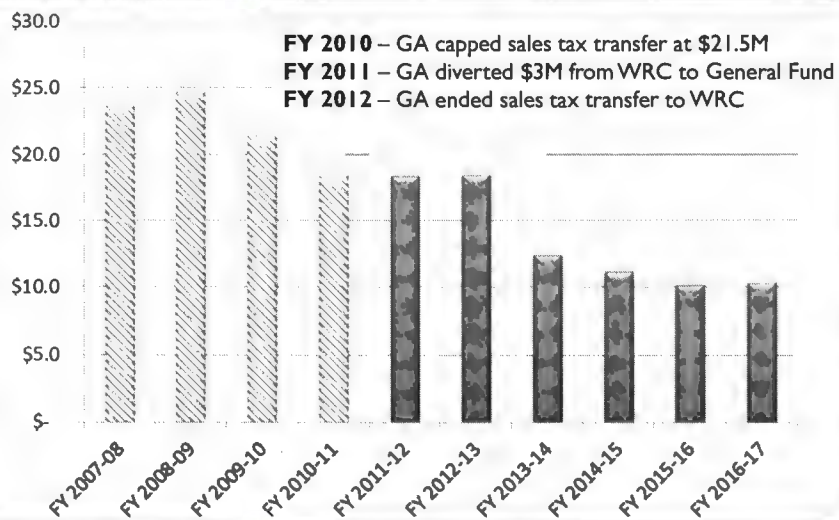
Cash Balances as of 12/31/2016

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## WRC: History of "Appropriations"



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## WRC Divisions at a Glance



## Land & Water Access / Engineering

- **Manage:**
  - WRC's design, planning, and construction
  - Game lands
  - Boating access facilities
  - Public fishing piers
  - Navigational aids

140 FTE

### FY 2017-18 Base Budget

Expenditures: \$ 20,245,222

Receipts: \$ 16,827,629

Net Appropriation: \$ 3,417,593





## Land & Water Access / Engineering

### Manage:

- 2M acres of game lands
- 230 public boating access areas
- 1400 waterway markers
- 200 fishing access areas



## Customer Support Services

- Administers:
  - Hunting/fishing licenses
  - Vessel registrations and titling
  - Online Resources



**alvin**

automated license and vessel information network

31 FTE

### FY 2017-18 Base Budget

Expenditures:	\$ 3,054,662
Receipts:	\$ 2,754,795
Net Appropriation:	\$ 299,867

## Administration

- Director's Office
- Government Affairs & Legal Services
- Budget/Finance
- Human Resources
- Information Technology
- Purchasing & Distribution

55 FTE	
<b>FY 2017-18 Base Budget</b>	
Expenditures:	\$ 5,668,056
Receipts:	\$ 4,908,447
Net Appropriation:	\$ 759,609

## Enforcement



- Enforce fish and game rules and regulations
- Promote safe boating and provide public safety to those engaged in wildlife activities
- Protect state public trust resources

233 FTE (222 LEOs)	
<b>FY 2017-18 Base Budget</b>	
Expenditures:	\$ 22,035,367
Receipts:	\$ 17,470,587
Net Appropriation:	\$ 4,564,780



## Wildlife Education

- 3 wildlife education centers
- Workshop, clinics, & courses
- Educational events
- Wildlife magazine

51 FTE	
<b>FY 2017-18 Base Budget</b>	
Expenditures:	\$ 5,080,089
Receipts:	\$ 4,162,896
Net Appropriation:	\$ 917,193



## Habitat Conservation

- Permit review/ comment
- Technical assistance & guidance
- Wildlife Action Plan

13 FTE	
<b>FY 2017-18 Base Budget</b>	
Expenditures:	\$ 1,209,211
Receipts:	\$ 1,016,476
Net Appropriation:	\$ 193,435

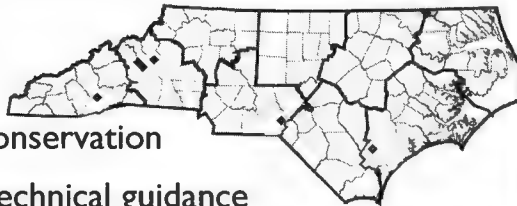


## Inland Fisheries

- Fisheries research & management plans
- Fisheries Mgmt:

- 6 fish hatcheries
- Aquatic habitat conservation
- Regulations and technical guidance

Locations of NCWRC Hatcheries



69 FTE

### FY 2017-18 Base Budget

Expenditures:	\$ 8,719,945
<u>Receipts:</u>	<u>\$ 8,364,684</u>
Net Appropriation:	\$ 355,261



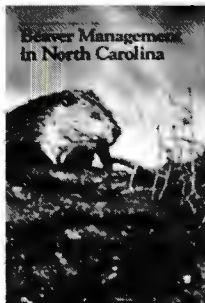
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## Wildlife Management



- Monitor wildlife health, status
- Manage wildlife
- Work with private landowners and local governments on wildlife mgmt needs



56 FTE

### FY 2017-18 Base Budget

Expenditures:	\$ 7,123,394
<u>Receipts:</u>	<u>\$ 6,307,516</u>
Net Appropriation:	\$ 815,878



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## WRC Special Funds



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## Wildlife Endowment Fund

- G.S. 143-250.1
- Revenues sources:
  - Lifetime hunting, fishing, and sportsman licenses;
  - Lifetime subscriptions to Wildlife magazine;
  - Gifts/donations, Interest
- May use income from Adult Lifetime Licenses
- Required to use 50% of annual expendable interest when cash balance is >\$100 million

Cash Value as of  
12/31/2016:  
~ \$127.6 M

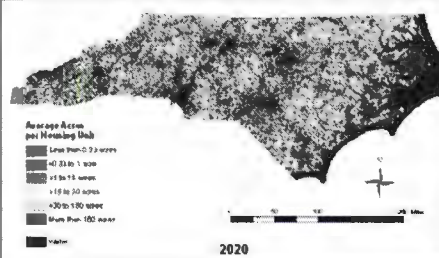
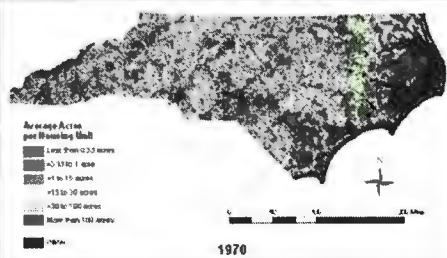
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# WRC Trends



## Sources:

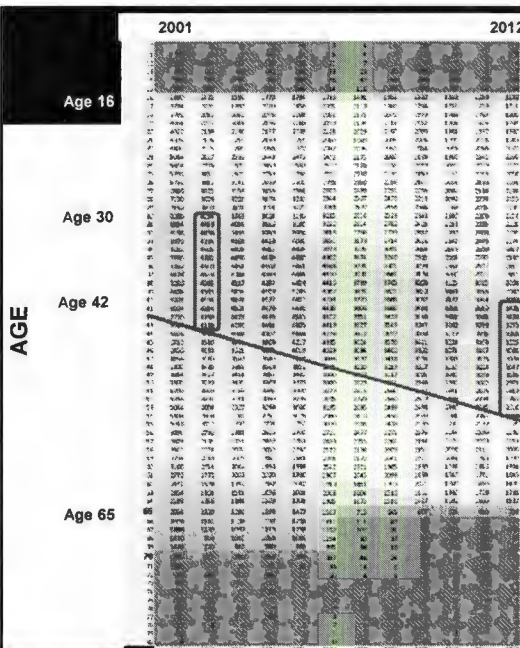
Radeloff, V. C., R. B. Hammer, and S. I. Stewart. 2005. Sprawl and forest fragmentation in the U.S. Midwest from 1940 to 2000. *Conservation Biology* 19: 793-805.

Ann Ingerson, Research Associate, The Wilderness Society, [ann\\_ingerson@twi.org](mailto:ann_ingerson@twi.org) or (802) 586-9625. Volker Radeloff, U. Wisconsin-Madison, Forest Ecology and Management, 1630 Linden Drive, Madison, WI 53706, [radeloff@wisc.edu](mailto:radeloff@wisc.edu), 608-263-4349.

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# WRC Trends

## 2002:

Greatest concentration of license buyers was between ages of 30 and 42

## 2012:

10 years later, the greatest concentration of license buyers was between ages of 40 and 52

## 2022:

5 years from now, without new recruitment, WRC will begin losing the greatest concentration of license buyers

Source: Wildlife Resources Commission

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## WRC: Budget Takeaways

- Since FY 2010-11, net appropriation support has dropped from \$21.5 M to \$11.4 M in FY 2017-18
- Receipts make up ~87% of WRC's operating budget
- WRC must maintain control of its fishing & hunting license revenue to be eligible for certain federal funds
- WRC is responsible for its own capital, debt service
- Demographic and user trends may present a challenge for WRC in the future



## WRC Recent Budget Actions



## WRC: Budget Actions FY 2015-17

### FY 2015-16

- Reduced funding by \$2.1 M R and required a \$1M NR reduction
- Reduced expenditures for printing and postage and budgeted timber receipts to support a portion of 13 Forester positions
- Required a Continuation Review of the motor fuels tax transfer to the Boating Safety Account

## WRC: Budget Actions FY 2015-17

### FY 2016-17

- Restored the gas tax transfer to the Boating Safety Account following a continuation review
- Required a report on Lake Mattamuskeet Lodge (S.L. 2016-94, Sec. 14.14(c))
- Created the Outdoor Heritage Council
  - S.L. 2016-94, Sec. 14.A1



## Wildlife Resources Commission

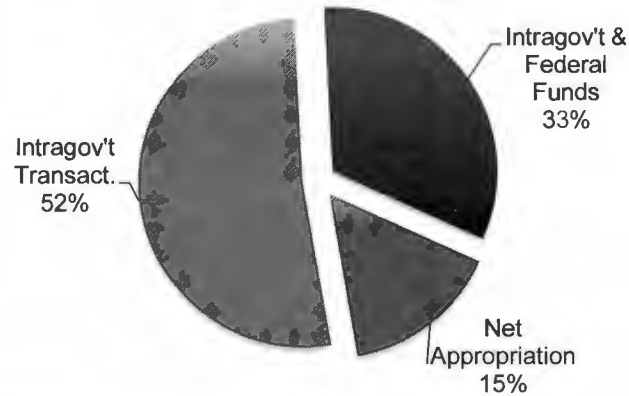
*Established to conserve and sustain the State's fish and wildlife resources through research, scientific management, wise use, and public input and to enforce the State's fishing, hunting, trapping and boating laws*

General Fund Budget Code: 14350

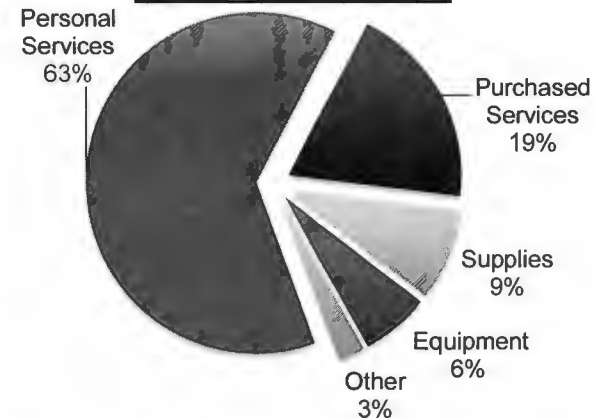
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 74,108,556	\$ 74,571,978	\$ 73,280,063	\$ (138,824)	\$ 73,141,239	\$ (138,824)	\$ 73,141,239
<b>Less Receipts</b>	\$ 62,947,978	\$ 64,409,196	\$ 62,813,030	\$ (1,000,000)	\$ 61,813,030	\$ -	\$ 61,813,030
<b>Net Approp.</b>	\$ 11,160,578	\$ 10,162,782	\$ 10,467,033	\$ 861,176	\$ 11,328,209	\$ (138,824)	\$ 11,328,209
<b>Positions</b>	0.00	647.81	647.81	0.00	647.81	0.00	647.81

### FY 2017-18 Base Budget: 14350

#### Source of Funds



#### Expenditure of Funds

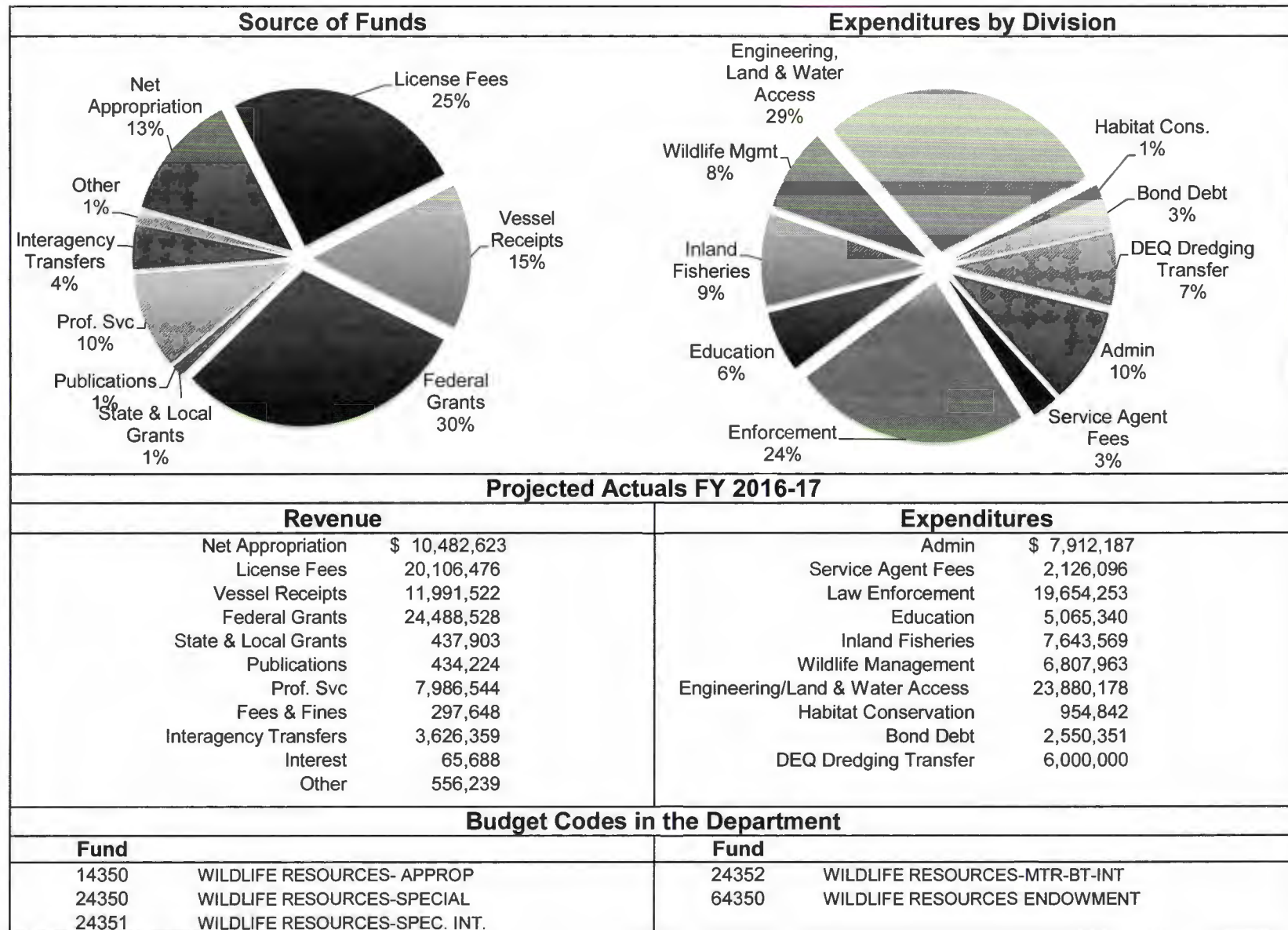


#### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
14350	\$ 46,199,481	\$ 14,159,548	\$ 6,271,190	\$ 4,681,247	\$ 1,829,773	\$ 73,141,239	647.81
<b>Total</b>	<b>\$ 46,199,481</b>	<b>\$ 14,159,548</b>	<b>\$ 6,271,190</b>	<b>\$ 4,681,247</b>	<b>\$ 1,829,773</b>	<b>\$ 73,141,239</b>	<b>647.81</b>

#### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	538-XXX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds		
14350	\$ -	\$ -	\$ 37,991,439	\$ 23,821,591	\$ 61,813,030	\$ 11,328,209
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,991,439</b>	<b>\$ 23,821,591</b>	<b>\$ 61,813,030</b>	<b>\$ 11,328,209</b>



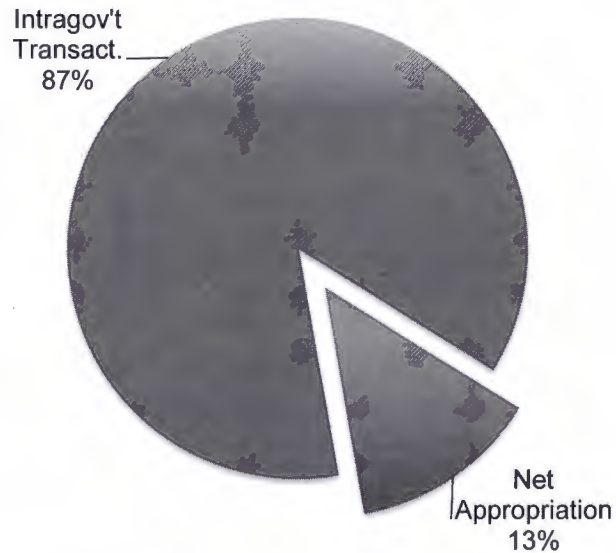
## Administration Wildlife Resources Commission

*Supports the operations of the Wildlife Resources Commission, includes the Director's Office, Governmental Affairs & Legal Services, Human Resources, Budget & Controller's Office, Information Technology, and Purchasing & Distribution*

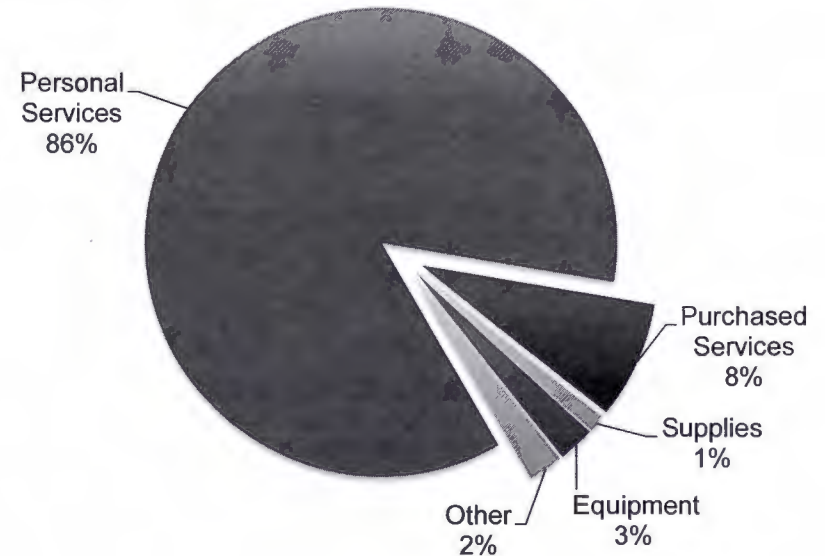
<i>General Fund Fund Codes Only</i>								
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget	
<b>Expenditures</b>	\$ 6,209,531	\$ 5,272,442	\$ 5,666,488	\$ 1,568	\$ 5,668,056	\$ 1,568	\$ 5,668,056	
<b>Less Receipts</b>	\$ 4,943,999	\$ 4,558,762	\$ 4,908,447	\$ -	\$ 4,908,447	\$ -	\$ 4,908,447	
<b>Net Approp.</b>	\$ 1,265,532	\$ 713,680	\$ 758,041	\$ 1,568	\$ 759,609	\$ 1,568	\$ 759,609	
<b>Positions</b>	52.50	55.00	55.00	0.00	55.00	0.00	55.00	

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



## Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1101	\$ 1,097,295	\$ 217,418	\$ 6,280	\$ 5,580	\$ 111,734	\$ 1,438,307	11.00
1111	\$ 827,825	\$ 20,616	\$ 37,699	\$ 2,495	\$ 15	\$ 888,650	10.00
1113	\$ 1,818,630	\$ 174,686	\$ 8,344	\$ 121,952	\$ 8,191	\$ 2,131,803	19.00
1115	\$ 489,085	\$ 25,109	\$ 5,281	\$ 2,689	\$ -	\$ 522,164	7.00
1116	\$ 195,098	\$ 3,445	\$ 5,000	\$ 3,800	\$ 3,480	\$ 210,823	2.00
1117	\$ 447,430	\$ 15,461	\$ 2,783	\$ 2,200	\$ 8,435	\$ 476,309	6.00
<b>Total</b>	<b>\$ 4,875,363</b>	<b>\$ 456,735</b>	<b>\$ 65,387</b>	<b>\$ 138,716</b>	<b>\$ 131,855</b>	<b>\$ 5,668,056</b>	<b>55.00</b>

## Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	538-XXX	Other	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds			
1101	\$ -	\$ -	\$ 1,315,008	\$ -	\$ -	\$ 1,315,008	\$ 123,299
1111	\$ -	\$ -	\$ 802,414	\$ -	\$ -	\$ 802,414	\$ 86,236
1113	\$ -	\$ -	\$ 1,702,339	\$ -	\$ -	\$ 1,702,339	\$ 429,464
1115	\$ -	\$ -	\$ 474,135	\$ -	\$ -	\$ 474,135	\$ 48,029
1116	\$ -	\$ -	\$ 186,808	\$ -	\$ -	\$ 186,808	\$ 24,015
1117	\$ -	\$ -	\$ 427,743	\$ -	\$ -	\$ 427,743	\$ 48,566
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,908,447</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,908,447</b>	<b>\$ 759,609</b>

## Detailed Adjustments to Base Budget

- Expenditure adjustment for Retirement:

- |                    |                    |
|--------------------|--------------------|
| - Fund 1101: \$301 | - Fund 1115: \$146 |
| - Fund 1111: \$263 | - Fund 1116: \$68  |
| - Fund 1113: \$644 | - Fund 1117: \$146 |

## Funds included in Administration

Fund			
1101	ADMIN POLICY AND REG	1115	PURCHASING & DISTRIBUTION
1111	CONTROLLERS OFFICE	1116	BUDGET AND PLANNING
1113	INFORMATION TECHNOLOGY	1117	HUMAN RESOURCES



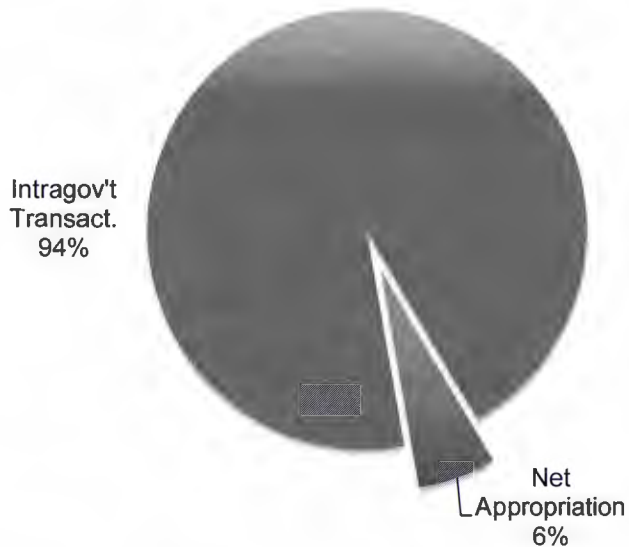
## Customer Support Services Wildlife Resources Commission

*Issues hunting, fishing, and trapping licenses as well as vessel registrations and titles*

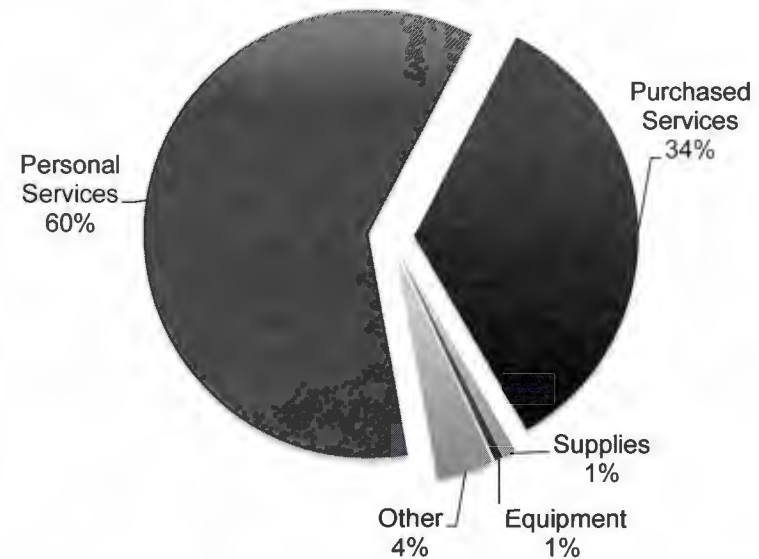
<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 2,755,335	\$ 3,056,175	\$ 3,054,075	\$ 587	\$ 3,054,662	\$ 587	\$ 3,054,662
<b>Less Receipts</b>	\$ 2,230,304	\$ 2,799,695	\$ 2,754,795	\$ -	\$ 2,754,795	\$ -	\$ 2,754,795
<b>Net Approp.</b>	\$ 525,030	\$ 256,481	\$ 299,280	\$ 587	\$ 299,867	\$ 587	\$ 299,867
<b>Positions</b>	29.00	31.00	31.00	0.00	31.00	0.00	31.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1112	\$ 993,494	\$ 752,083	\$ 22,170	\$ 7,279	\$ 100,789	\$ 1,875,815	17.00
1114	\$ 849,996	\$ 287,716	\$ 6,336	\$ 9,504	\$ 25,295	\$ 1,178,847	14.00
<b>Total</b>	<b>\$ 1,843,490</b>	<b>\$ 1,039,799</b>	<b>\$ 28,506</b>	<b>\$ 16,783</b>	<b>\$ 126,084</b>	<b>\$ 3,054,662</b>	<b>31.00</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	538-XXX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds		
1112	\$ -	\$ -	\$ 1,711,323	\$ -	\$ 1,711,323	\$ 164,492
1114	\$ -	\$ -	\$ 1,043,472	\$ -	\$ 1,043,472	
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,754,795</b>	<b>\$ -</b>	<b>\$ 2,754,795</b>	<b>\$ 164,492</b>

Detailed Adjustments to Base Budget		Major Programs/ Activities	
- Adjustment for Retirement Expenditures: - Fund 1112: \$326 - Fund 1114: \$261		- Hunting & fishing license administration and sales - Vessel titling and registration	
Funds included in Customer Support Services			
Fund			
1112	CUSTOMER SUPPORT SERVICES		
1114	WATERCRAFT REG/TITLING		

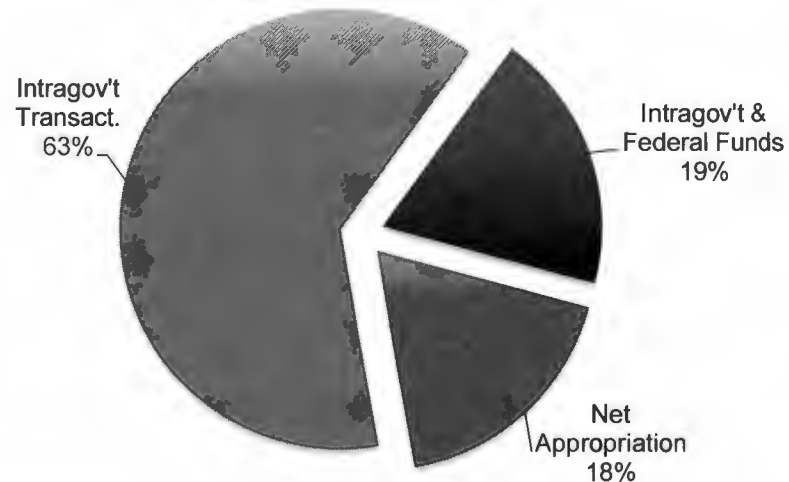
## Wildlife Education Division Wildlife Resources Commission

*Administers and coordinates educational programs designed to facilitate conservation of the State's wildlife*

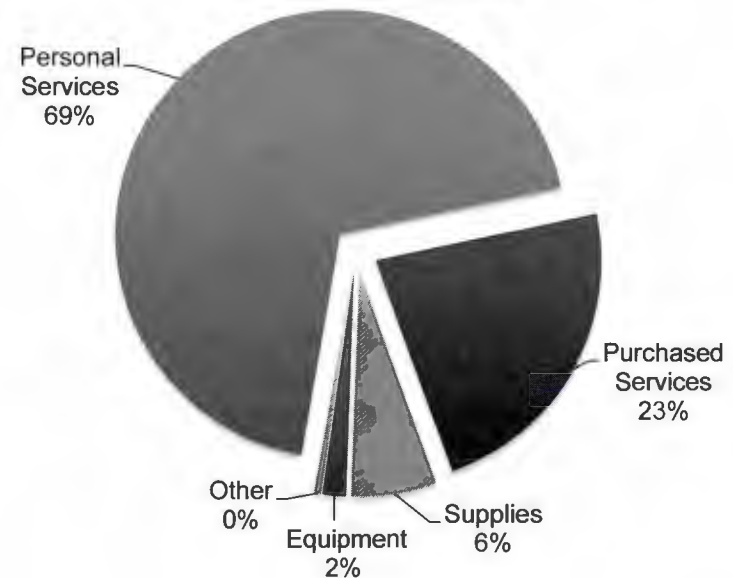
<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 3,438,745	\$ 5,333,435	\$ 5,077,736	\$ 2,353	\$ 5,080,089	\$ 2,353	\$ 5,080,089
<b>Less Receipts</b>	\$ 2,894,726	\$ 4,739,656	\$ 4,162,896	\$ -	\$ 4,162,896	\$ -	\$ 4,162,896
<b>Net Approp.</b>	\$ 544,020	\$ 593,779	\$ 914,840	\$ 2,353	\$ 917,193	\$ 2,353	\$ 917,193
<b>Positions</b>	39.50	51.00	51.00	0.00	51.00	0.00	51.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies	Equipment	Other	Total Expenditure	FTE
1131	\$ 2,954,626	\$ 768,079	\$ 258,618	\$ 69,623	\$ 23,834	\$ 4,074,780	43.00
1132	\$ (3,267)	\$ -	\$ -	\$ -	\$ -	\$ (3,267)	-
1133	\$ (450)	\$ -	\$ -	\$ -	\$ -	\$ (450)	-
1134	\$ (320)	\$ -	\$ -	\$ -	\$ -	\$ (320)	-
1135	\$ 548,315	\$ 391,178	\$ 52,383	\$ 15,770	\$ 1,700	\$ 1,009,346	8.00
<b>Total</b>	<b>\$ 3,498,904</b>	<b>\$ 1,159,257</b>	<b>\$ 311,001</b>	<b>\$ 85,393</b>	<b>\$ 25,534</b>	<b>\$ 5,080,089</b>	<b>51.00</b>

### Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
1131	\$ -	\$ -	\$ 2,161,885	\$ 973,001	\$ -	\$ 3,134,886	\$ 939,894
1132	\$ -	\$ -	\$ (2,450)	\$ -	\$ -	\$ (2,450)	\$ (817)
1133	\$ -	\$ -	\$ (338)	\$ -	\$ -	\$ (338)	\$ (112)
1134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (320)
1135	\$ -	\$ -	\$ 1,030,798	\$ -	\$ -	\$ 1,030,798	\$ (21,452)
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,189,895</b>	<b>\$ 973,001</b>	<b>\$ -</b>	<b>\$ 4,162,896</b>	<b>\$ 917,193</b>

Detailed Adjustments to Base Budget		Major Programs	
- Adjustment for Retirement Expenditures: - Fund 1131: \$2,353		- Wildlife education centers in Brevard, Corolla, and Fayetteville - Hunter education classes and programs - Targeted hunting and fishing educational events	
Funds included in Wildlife Education Division			
Fund			
1131	Wildlife Education		
1132	Pisgah Education Center		
1133	Centennial Education Center		
1134	Outer Banks Education Center		
1135	Publications		



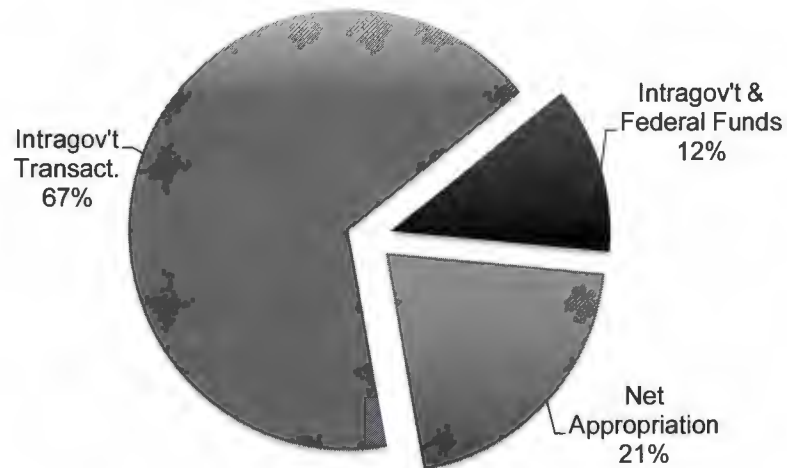
## Enforcement Division Wildlife Resources Commission

*Enforces the game, fish, and boating laws to protect the resources of the state and the safety of North Carolina citizens.*

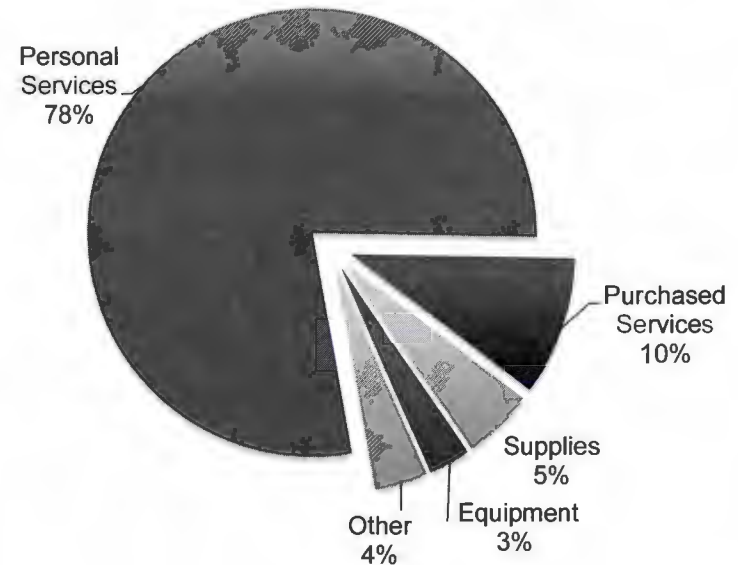
<i>General Fund Fund Codes Only</i>							
	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Authorized</b>	<b>2017-18 Adjust.</b>	<b>2017-18 Base Budget</b>	<b>2018-19 Adjust.</b>	<b>2018-19 Base Budget</b>
<b>Expenditures</b>	\$ 20,337,113	\$ 20,688,387	\$ 22,021,669	\$ 13,698	\$ 22,035,367	\$ 13,698	\$ 22,035,367
<b>Less Receipts</b>	\$ 15,617,694	\$ 16,257,682	\$ 17,470,587	\$ -	\$ 17,470,587	\$ -	\$ 17,470,587
<b>Net Approp.</b>	\$ 4,719,419	\$ 4,430,705	\$ 4,551,082	\$ 13,698	\$ 4,564,780	\$ 13,698	\$ 4,564,780
<b>Positions</b>	243.00	233.00	233.00	0.00	233.00	0.00	233.00

### FY 2017-18 Base Budget

**Source of Funds**



**Expenditure of Funds**



### Expenditures: Summary by Account

	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies	Equipment	Other	Total Expenditure	FTE
1121	\$ 17,203,748	\$ 2,212,093	\$ 1,132,951	\$ 653,855	\$ 832,720	\$ 22,035,367	233.00
<b>Total</b>	<b>\$ 17,203,748</b>	<b>\$ 2,212,093</b>	<b>\$ 1,132,951</b>	<b>\$ 653,855</b>	<b>\$ 832,720</b>	<b>\$ 22,035,367</b>	<b>233.00</b>

### Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
1121	\$ -	\$ -	\$ 14,763,894	\$ 2,706,693	\$ -	\$ 17,470,587	\$ 4,564,780
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,763,894</b>	<b>\$ 2,706,693</b>	<b>\$ -</b>	<b>\$ 17,470,587</b>	<b>\$ 4,564,780</b>

Detailed Adjustments to Base Budget		Major Programs/ Activities	
- Adjustment for Retirement Expenditures: \$13,693		- Law enforcement - Boating Safety Education - Boating safety inspections - Search & rescue operations	
Funds included in Enforcement Division			
Fund			
1121	Enforcement		

## Engineering / Land & Water Access Division

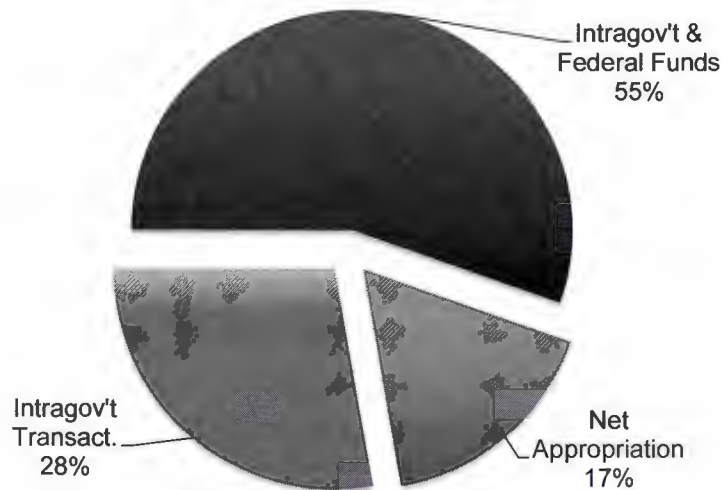
### Wildlife Resources Commission

*Directs, plans and manages all construction and engineering related projects as well as the Commissions'  
2+ million acres of public game lands*

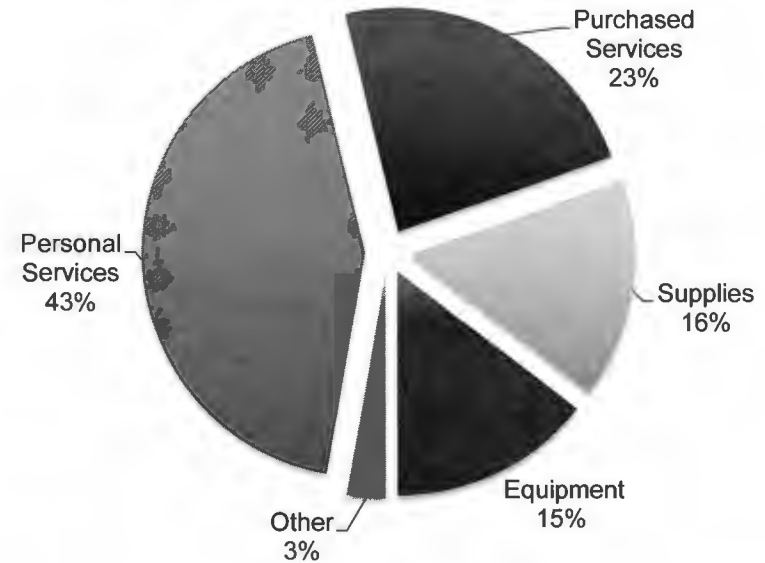
<i>General Fund Fund Codes Only</i>							
	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Authorized</b>	<b>2017-18 Adjust.</b>	<b>2017-18 Base Budget</b>	<b>2018-19 Adjust.</b>	<b>2018-19 Base Budget</b>
<b>Expenditures</b>	\$ 26,293,810	\$ 24,004,297	\$ 20,239,971	\$ 5,251	\$ 20,245,222	\$ 5,251	\$ 20,245,222
<b>Less Receipts</b>	\$ 24,592,441	\$ 21,046,458	\$ 16,827,629	\$ -	\$ 16,827,629	\$ -	\$ 16,827,629
<b>Net Approp.</b>	\$ 1,701,368	\$ 2,957,839	\$ 3,412,342	\$ 5,251	\$ 3,417,593	\$ 5,251	\$ 3,417,593
<b>Positions</b>	137.00	139.81	139.81	0.00	139.81	0.00	139.81

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

	531-XXX	532-XXX	533-XXX	534-XXX			
Fund Code	Personal Services	Purchased Services	Supplies	Equipment	Other	Total Expenditure	FTE
1161	\$ 3,730,170	\$ 1,278,893	\$ 1,154,995	\$ 434,959	\$ 561,435	\$ 7,160,452	59.55
1162	\$ 217,190	\$ 185,287	\$ 65,440	\$ 11,968	\$ 2,000	\$ 481,885	3.00
1166	\$ 4,846,986	\$ 3,268,241	\$ 1,994,563	\$ 2,493,095	\$ -	\$ 12,602,885	77.26
<b>Total</b>	<b>\$ 8,794,346</b>	<b>\$ 4,732,421</b>	<b>\$ 3,214,998</b>	<b>\$ 2,940,022</b>	<b>\$ 563,435</b>	<b>\$ 20,245,222</b>	<b>139.81</b>

### Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
1161	\$ -	\$ -	\$ 4,557,890	\$ 2,159,616	\$ -	\$ 6,717,506	\$ 442,946
1162	\$ -	\$ -	\$ 464,390	\$ -	\$ -	\$ 464,390	\$ 17,495
1166	\$ -	\$ -	\$ 606,397	\$ 9,039,336	\$ -	\$ 9,645,733	\$ 2,957,152
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,628,677</b>	<b>\$ 11,198,952</b>	<b>\$ -</b>	<b>\$ 16,827,629</b>	<b>\$ 3,417,593</b>

#### Detailed Adjustments to Base Budget

- Adjustment for Retirement Expenditures:  
 - Fund 1161: \$3,854  
 - Fund 1162: \$172  
 - Fund 1166: \$1,225

#### Major Programs

- Waterway markers  
 - Capital improvements  
 - Boat and fishing access  
 - Game lands management (prescribed burns, habitat mgmt, etc)

#### Funds included in Engineering / Land & Water Access Division

##### Fund

1161 Engineering Water Access  
 1162 Engineering and Facilities Management  
 1166 Gamelands Operations and Maintenance

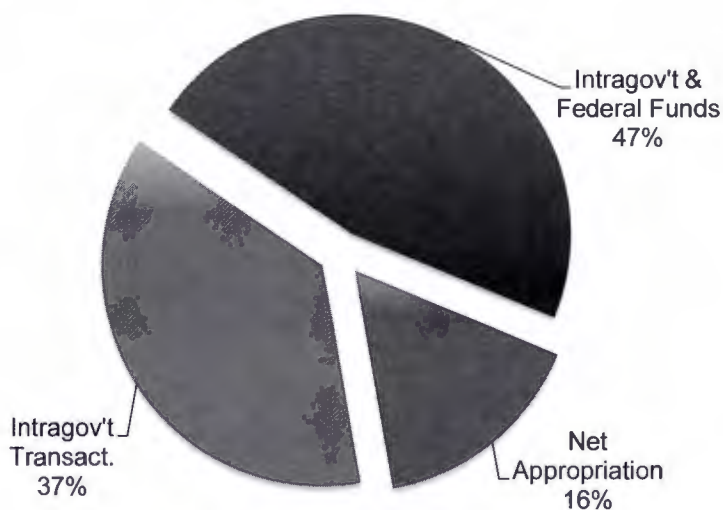
## Habitat Conservation Division Wildlife Resources Commission

*Serves as the primary contact for environmental permit review, comments, and negotiations and provides technical assistance on conservation and wildlife-friendly development*

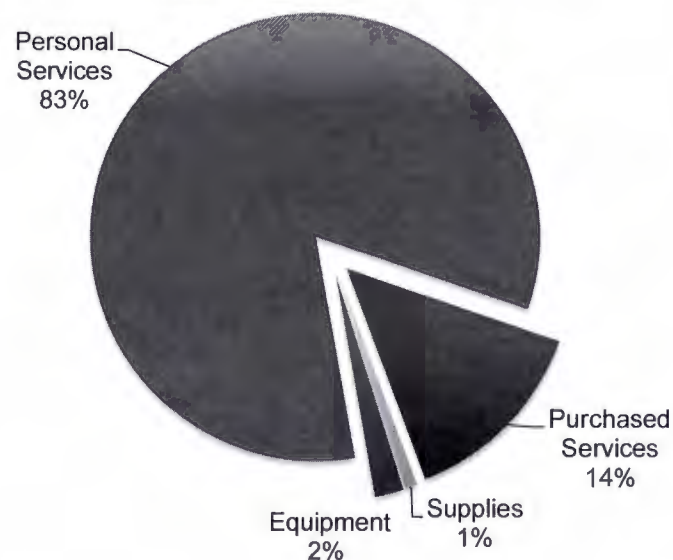
<i>General Fund Fund Codes Only</i>								
	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Authorized</b>	<b>2017-18 Adjust.</b>	<b>2017-18 Base Budget</b>	<b>2018-19 Adjust.</b>	<b>2018-19 Base Budget</b>	
<b>Expenditures</b>	\$ -	\$ 1,005,097	\$ 1,209,307	\$ 604	\$ 1,209,911	\$ 604	\$ 1,209,911	
<b>Less Receipts</b>	\$ -	\$ 377,721	\$ 1,016,476	\$ -	\$ 1,016,476	\$ -	\$ 1,016,476	
<b>Net Approp.</b>	\$ -	\$ 627,376	\$ 192,831	\$ 604	\$ 193,435	\$ 604	\$ 193,435	
<b>Positions</b>	0.00	13.00	13.00	0.00	13.00	0.00	13.00	

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1181	\$ 1,004,816	\$ 169,200	\$ 10,695	\$ 25,000	\$ 200	\$ 1,209,911	13.00
<b>Total</b>	<b>\$ 1,004,816</b>	<b>\$ 169,200</b>	<b>\$ 10,695</b>	<b>\$ 25,000</b>	<b>\$ 200</b>	<b>\$ 1,209,911</b>	<b>13.00</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	538-XXX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds		
1181	\$ -	\$ -	\$ 451,761	\$ 564,715	\$ -	\$ 193,435
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 451,761</b>	<b>\$ 564,715</b>	<b>\$ -</b>	<b>\$ 193,435</b>

Detailed Adjustments to Base Budget		Major Programs/ Activities	
- Adjustment for Retirement Expenditures: \$604		- Permitting - Green Growth Toolbox - Wildlife Friendly Development Certification - Wildlife Action Plan	
Funds included in Habitat Conservation Division			
Fund			
1181	Habitat Conservation		



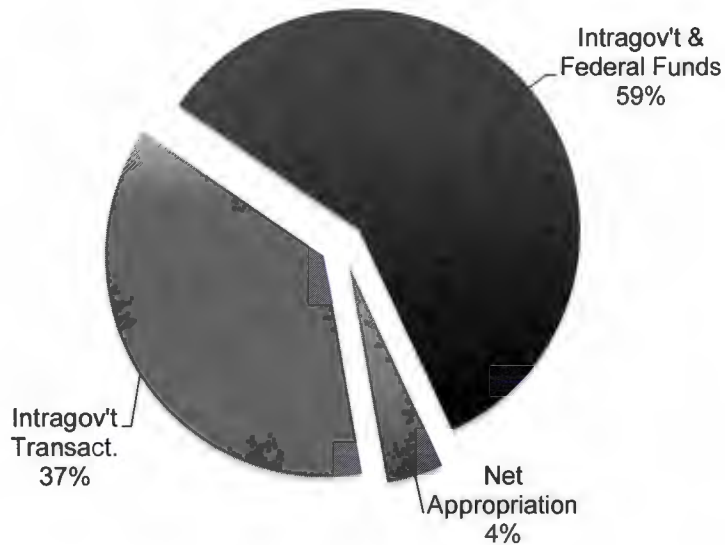
## Inland Fisheries Division Wildlife Resources Commission

*Manages North Carolina's inland fisheries in streams, rivers and reservoirs.*

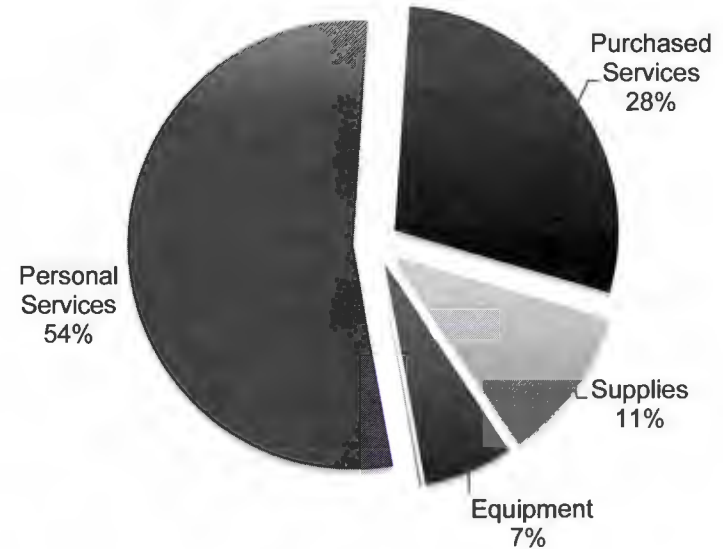
<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 9,255,313	\$ 8,045,862	\$ 8,716,553	\$ 3,392	\$ 8,719,945	\$ 3,392	\$ 8,719,945
<b>Less Receipts</b>	\$ 7,951,125	\$ 7,751,668	\$ 8,364,684	\$ -	\$ 8,364,684	\$ -	\$ 8,364,684
<b>Net Approp.</b>	\$ 1,304,188	\$ 294,194	\$ 351,869	\$ 3,392	\$ 355,261	\$ 3,392	\$ 355,261
<b>Positions</b>	83.00	69.00	69.00	0.00	69.00	0.00	69.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies	Equipment	Other	Total Expenditure	FTE
1141	\$ 4,040,300	\$ 2,154,021	\$ 1,060,553	\$ 522,610	\$ 12,570	\$ 7,790,054	60.00
1142	\$ 654,103	\$ 326,385	\$ (93,761)	\$ 43,150	\$ 14	\$ 929,891	9.00
<b>Total</b>	<b>\$ 4,694,403</b>	<b>\$ 2,480,406</b>	<b>\$ 966,792</b>	<b>\$ 565,760</b>	<b>\$ 12,584</b>	<b>\$ 8,719,945</b>	<b>69.00</b>

### Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
1141	\$ -	\$ -	\$ 2,865,936	\$ 4,671,972	\$ -	\$ 7,537,908	\$ 252,146
1142	\$ -	\$ -	\$ 390,093	\$ 436,683	\$ -	\$ 826,776	\$ 103,115
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,256,029</b>	<b>\$ 5,108,655</b>	<b>\$ -</b>	<b>\$ 8,364,684</b>	<b>\$ 355,261</b>

Detailed Adjustments to Base Budget		Major Programs/ Activities	
- Adjustment for Retirement Expenditures: - Fund 1141: \$3,285 - Fund 1142: \$107		- Fisheries management (research, planning, regulation, conservation) - Fish hatcheries - Technical assistance of fisheries resources	
Funds included in Inland Fisheries Division			
Fund			
1141	INLAND FISHERIES		
1142	AQUATIC WILDLIFE DIVERSITY		



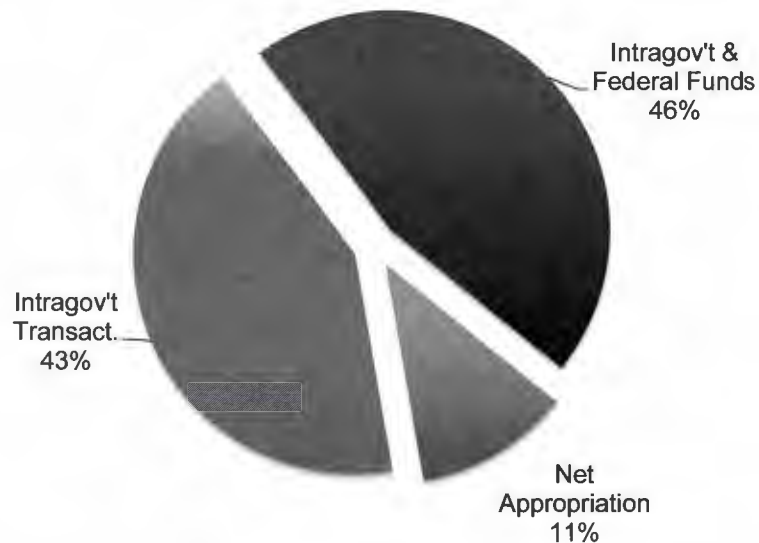
## Wildlife Management Division Wildlife Resources Commission

*Monitors the health and status of wildlife populations and develops and administers programs for wildlife management*

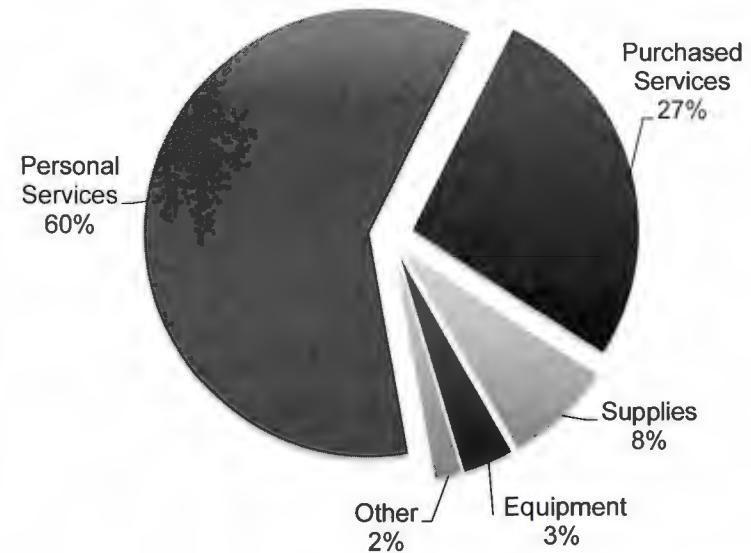
<i>General Fund Fund Codes Only</i>							
	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Authorized</b>	<b>2017-18 Adjust.</b>	<b>2017-18 Base Budget</b>	<b>2018-19 Adjust.</b>	<b>2018-19 Base Budget</b>
<b>Expenditures</b>	\$ 7,006,408	\$ 7,166,277	\$ 7,120,837	\$ 2,557	\$ 7,123,394	\$ 2,557	\$ 7,123,394
<b>Less Receipts</b>	\$ 5,717,200	\$ 6,877,554	\$ 6,307,516	\$ -	\$ 6,307,516	\$ -	\$ 6,307,516
<b>Net Approp.</b>	\$ 1,289,208	\$ 288,723	\$ 813,321	\$ 2,557	\$ 815,878	\$ 2,557	\$ 815,878
<b>Positions</b>	65.02	56.00	56.00	0.00	56.00	0.00	56.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1151	\$ 2,994,462	\$ 1,648,188	\$ 411,464	\$ 171,753	\$ 35,041	\$ 5,260,908	39.00
1152	\$ 1,228,771	\$ 179,598	\$ 95,033	\$ 83,965	\$ 18,487	\$ 1,605,854	16.00
1154	\$ 61,178	\$ 81,851	\$ 34,363	\$ -	\$ 79,240	\$ 256,632	1.00
<b>Total</b>	<b>\$ 4,284,411</b>	<b>\$ 1,909,637</b>	<b>\$ 540,860</b>	<b>\$ 255,718</b>	<b>\$ 132,768</b>	<b>\$ 7,123,394</b>	<b>56.00</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	538-XXX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds		
1151	\$ -	\$ -	\$ 2,211,296	\$ 2,545,218	\$ 4,756,514	\$ 504,394
1152	\$ -	\$ -	\$ 586,038	\$ 724,357	\$ 1,310,395	\$ 295,459
1154	\$ -	\$ -	\$ 240,607	\$ -	\$ 240,607	\$ 16,025
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,037,941</b>	<b>\$ 3,269,575</b>	<b>\$ 6,307,516</b>	<b>\$ 815,878</b>

Detailed Adjustments to Base Budget		Major Programs/ Activities	
- Adjustment for Retirement Expenditures: - Fund 1151: \$2,454 - Fund 1152: \$52 - Fund 1154: \$51		- Monitor wildlife health - Stock streams with game fish - Assist in nuisance wildlife management - Operate Beaver and Deer Management Assistance Programs	
Funds included in Wildlife Management Division			
Fund			
1151	WILDLIFE MANAGEMENT		
1152	WILDLIFE DIVERSITY PROGM		
1154	WATERFOWL PROGRAM		

## Reserves

### Wildlife Resources Commission

*General Fund Fund Codes Only*

	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
Expenditures	\$ -	\$ -	\$ 173,427	\$ (168,834)	\$ 4,593	\$ (168,834)	\$ 4,593
Less Receipts	\$ -	\$ -	\$ 1,000,000	\$ (1,000,000)	\$ -	\$ -	\$ -
Net Approp.	\$ -	\$ -	\$ (826,573)	\$ 831,166	\$ 4,593	\$ (168,834)	\$ 4,593
Positions	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### FY 2017-18 Base Budget

#### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1171	\$ -	\$ -	\$ -	\$ -	\$ 4,593	\$ 4,593	-
Total	\$ -	\$ -	\$ -	\$ -	\$ 4,593	\$ 4,593	-

#### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	538-XXX	Other	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds			
1171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,593
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,593

#### Detailed Adjustments to Base Budget

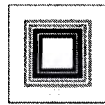
- Expenditure reduction for nonrecurring appropriation for Outdoor Heritage Council: (\$100,000)
- Expenditure reduction for nonrecurring Retirement and Compensation Reserves: (\$68,834)
- Receipt adjustment for nonrecurring transfer from special fund: (\$1,000,000)

#### Funds included in Reserves

##### **Fund**

1171 WILDLIFE APPROPRIATIONS





**FISCAL RESEARCH DIVISION**  
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## Department of Labor Overview

**Joint Appropriations Subcommittee on Agriculture,  
Natural, and Economic Resources**

February 28, 2017

Eric Moore

## Today's Agenda

### Department of Labor (DOL) Division Overviews

- Mission/ Programs
- Budget Information
- FY 2015-17 General Assembly Actions



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# NCDOL

N.C. Department of Labor

## Mission

To promote the "health, safety and general well-being" of North Carolina's workers.

## Statutory Reference

G.S. 95

## Divisions

- Administration
- Standards and Inspections
- Occupational Safety and Health

### **FY 2016-17 Budget Highlights**

#### Expenditures:

\$32.8 m

#### Receipts:

\$16.2 m

#### Appropriation:

\$16.6 m

FTE: 381.29



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## Labor Divisions & Bureaus

### **Administration**

- Administration & Government Affairs
- Legal
- Communications
- Human Resources
- Information Technology
- Research and Policy

### **Standards & Inspections**

- Boiler Safety Bureau
- Elevator & Amusement Device Bureau
- Mine & Quarry Bureau
- Wage & Hour Bureau
- Employment Discrimination Bureau

### **Occupational Safety and Health**

- Agricultural Safety & Health Bureau
- Compliance Bureau
- Consultative Services Bureau
- Education Training & Technical Assistance (ETTA) Bureau
- Planning, Statistics, and Information Management Bureau



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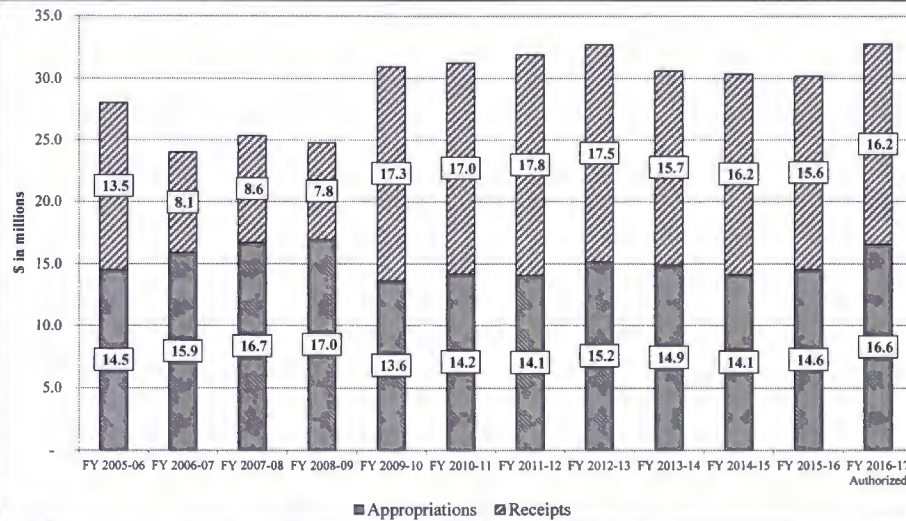
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## Labor: 10-Year Funding History



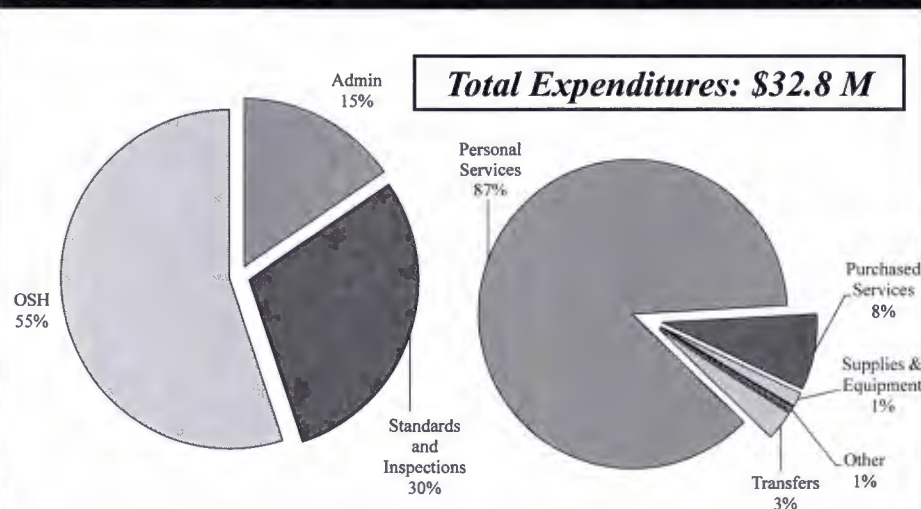
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## Labor: FY2016-17 Authorized Budget

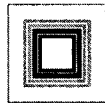


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## FISCAL RESEARCH DIVISION

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# Administration

## Labor: Administration

- Administration & Government
- Public Affairs
- Budget & Management
- Legal
- Communications
- Human Resources
- Information Technology
- Research & Policy
- Indirect cost reserve

### **FY 2017-18 Base Budget**

#### Expenditures:

\$4.9 m

#### Receipts:

\$3.3 m

#### Appropriation:

\$1.6 m

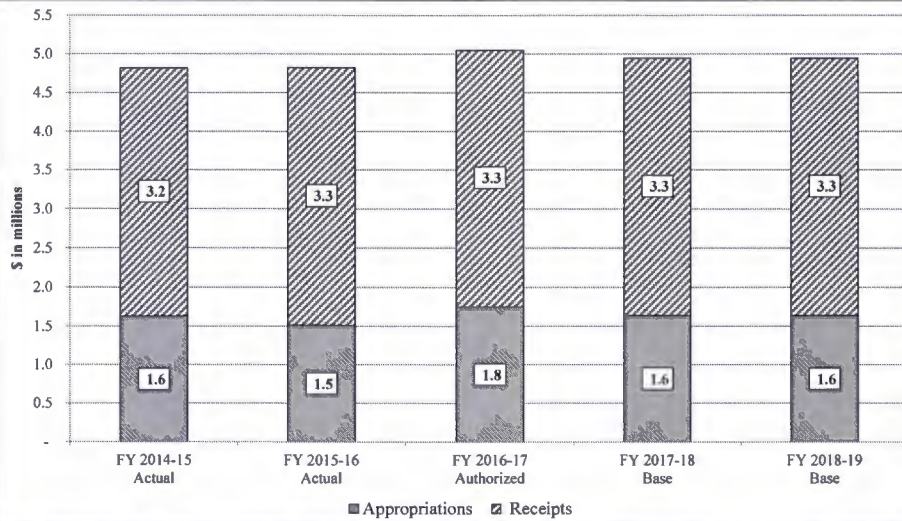
#### FTEs:

40.1





## Admin: 5-Year Expenditures

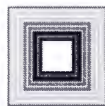


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## Standards & Inspections

## Standards & Inspections Bureaus

- Boilers & Pressure Vessels
- Elevator & Amusement Devices
- Employment Discrimination
- Mine & Quarry
- Wage & Hour

### FY 2017-18 Base Budget

#### Expenditures:

\$9.7 m

#### Receipts:

\$6.1 m

#### Appropriation:

\$3.1 m

#### FTEs:

117.0



## Standards & Inspections: Boiler Safety Bureau

- Enforces Uniform Boiler & Pressure Vessel Act  
(G.S. 95, Article 7A)
- Inspections include
  - High pressure and low pressure boilers
  - Antique boilers
  - Model/hobby boilers
  - Air storage tanks

### FY 2017-18 Base Budget

#### Expenditures:

\$2.2 m

#### Receipts:

\$2.2 m

#### Appropriation:

\$0 m

#### FTEs:

23.0



## Standards & Inspections: Elevators & Amusement Device Bureau

- **Enforces the Elevator Safety Act**  
(G.S. Chapter 95, Article 14A)
- **Responsible for proper installation and operation of**
  - Elevators
  - Amusement devices
  - Inflatable amusement devices
  - Portable rock walls
  - Escalators
  - Dumbwaiters
  - Moving walkways

### FY 2017-18 Base Budget

#### Expenditures:

\$4.3 m

#### Receipts:

\$4.3 m

#### Appropriation:

\$0 m

#### FTEs:

49



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## Standards & Inspections: Employment Discrimination Bureau (EDB)

- **Enforces the 1992 Retaliatory Employment Discriminatory Act (REDA) – G.S. 95, Article 21**
- **REDA protects employees involved in:**
  - Worker's compensation
  - Wage and hour
  - Safety and health
  - Genetic testing
  - Sickle Cell/Hemoglobin C
  - National Guard
  - Domestic disputes
  - Juvenile justice system

### FY 2017-18 Base Budget

#### Expenditures:

\$0.6 m

#### Receipts:

\$0 m

#### Appropriation:

\$0.6 m

#### FTEs:

8



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## Standards & Inspections: Mine & Quarry Bureau

- Enforces the 1975 Mine Safety & Health Act (G.S. Chapter 74, Article 2A)
- Provide training and evaluation
- Investigates complaints and serious accidents
- USDOL performs regular compliance inspections

### FY 2017-18 Base Budget

#### Expenditures:

\$0.5 m

#### Receipts:

\$0.2 m

#### Appropriation:

\$0.3 m

#### FTEs:

6



## Standards & Inspections: Wage & Hour Bureau

- Enforces the Wage & Hour Act (GS 95-25)
  - Minimum wage
  - Overtime
  - Youth employment
  - Record keeping
  - Promised wage provisions
- Enforces the Controlled Substance Examination Regulation Act (GS 95-230 – 235)
- Enforces the Private Personnel & Job Listing Service Act (GS 95-47.1-47.15 and GS 95-47.19-47.32, respectively)
- Can issue citations and penalties

### FY 2016-17 Budget Highlights

#### Expenditures:

\$2.1 m

#### Receipts:

\$0 m

#### Appropriation:

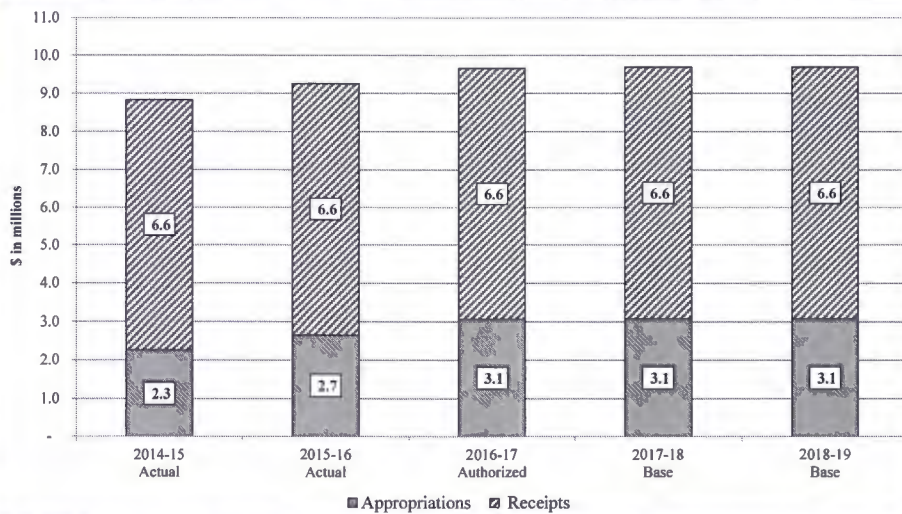
\$2.1 m

#### FTEs:

31



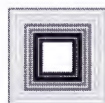
## Standards & Inspections Budget



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## Occupational Safety and Health (OSH)

# NC OSH Program

Established by General Assembly in 1973  
G.S. 95-126:156

- **NC is a State Plan State**
  - 1 of 26 states and two territories with own OSH program
  - Receive federal grants
  - Have to be at least as strict as federal requirements
  - Quarterly monitoring meetings with feds
  - “18(e)” status – provides NC with maximum flexibility
- **Covers all employees in NC**
  - **Except:**
    - Federal government employees
    - Maritime employees
    - Railroad employees



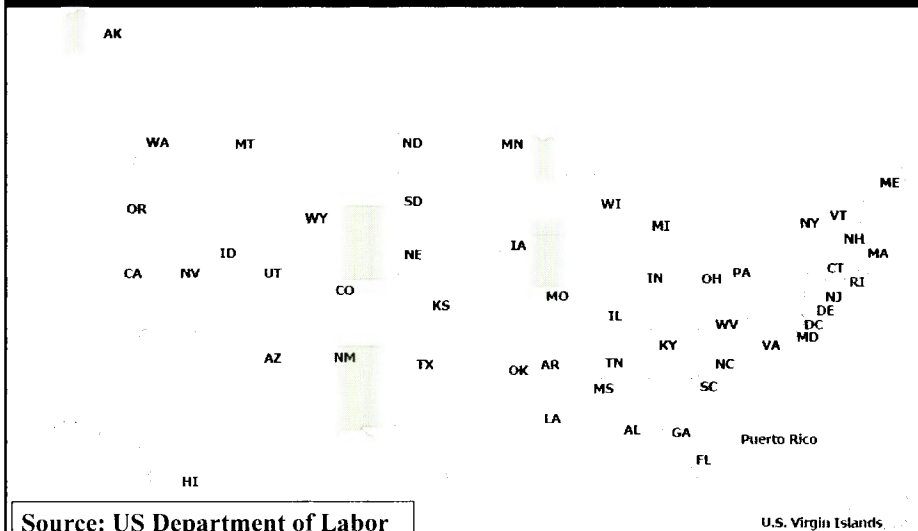
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## “State Plan” States



Source: US Department of Labor

U.S. Virgin Islands



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## OSH Bureaus

- Agriculture Safety and Health
- Planning Statistics & Information Management
- Compliance (East and West)
- Education Training & Technical Assistance
- Consultative Services
- + Review Commission

### FY 2017-18 Base Budget

#### Expenditures:

\$18.1 m

#### Receipts:

\$6.3 m

#### Appropriation:

\$11.8 m

#### FTEs:

219.04



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## OSH: Agricultural Safety & Health

- Migrant Housing Act of 1989 (G.S. 95: 222-229)
- Annual housing registration, inspection and compliance program
- Inspect all registered migrant housing 45 days prior to occupancy



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## OSH: Planning, Statistics & Information Management (PSIM)

- Construct and maintain the OSH Division Inspection Targeting System
- Conduct Public Sector Survey on injury & illness
- Archive investigative results
- Maintain statistics



## OSH: Compliance

- Perform unannounced compliance visits  
—Ability to enter any workplace (G.S. 95-136)
- Respond to complaints of unsafe working conditions
- Perform post-fatality investigation of workplace
- Provide safety standard interpretations and guidance
- Focus more on high-risk occupations
- Five regional offices divided between two bureaus





## OSH: Consultative Services

- Full-service on-site safety and health surveys
- Technical assistance & safety and health program assessment
- Ergonomics, air sampling, noise measurements

### **Free services available to:**

- Public Employers
- Private Employers of < 500 employees nationwide



## OSH: Educational Training & Technical Assistance (ETTA)

- Standards
  - Answer calls and emails
  - Produce publications
  - Evaluate all federal changes to OSH laws - rulemaking
- Education & Training - Internal
  - OSH 100 course
  - Legal Affairs course
- Education & Training – External
  - On-the-job
  - No charge



## OSH Review Commission

- Established in GS 95-135
- Review and issue decisions on OSH citation appeals
- Three members appointed by the Governor (6-year terms)
- Subject to open meeting and public records laws



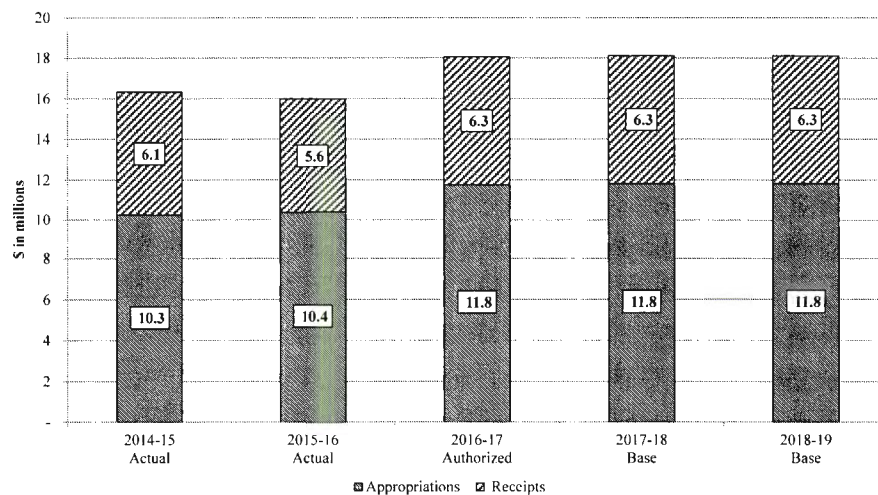
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## OSH Budget History



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# Labor

## FY 2015-17 NCGA Actions

- FY 2015-17:
  - Reduced OSH program by 4.6% (\$25,229) R
  - Shifted funds for two admin positions to receipts (\$130,150) R
- FY 2016-17:
  - Eliminated 2 vacant split-funded safety compliance officer positions (\$60,004) R



# Labor Divisions & Bureaus

Administration	Standards & Inspections	Occupational Safety and Health
<ul style="list-style-type: none"> <li>• Administration &amp; Government Affairs</li> <li>• Legal</li> <li>• Communications</li> <li>• Human Resources</li> <li>• Information Technology</li> <li>• Research and Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Boiler Safety Bureau</li> <li>• Elevator &amp; Amusement Device Bureau</li> <li>• Mine &amp; Quarry Bureau</li> <li>• Wage &amp; Hour Bureau</li> <li>• Employment Discrimination Bureau</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural Safety &amp; Health Bureau</li> <li>• Compliance Bureau</li> <li>• Consultative Services Bureau</li> <li>• Education Training &amp; Technical Assistance (ETTA) Bureau</li> <li>• Planning, Statistics, and Information Management Bureau</li> </ul>



## Contact Information

Fiscal Research Division  
919-733-4910

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*Agriculture, Commerce, Utilities Commission*

Lanier McRee – [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)  
*Natural & Cultural Resources, Wildlife Resources Commission*

Eric Moore – [Eric.Moore@ncleg.net](mailto:Eric.Moore@ncleg.net)  
*Environmental Quality, Labor, Workforce,  
Employment Security, State-aid Non-Profits*



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## Overview

### Department of Labor

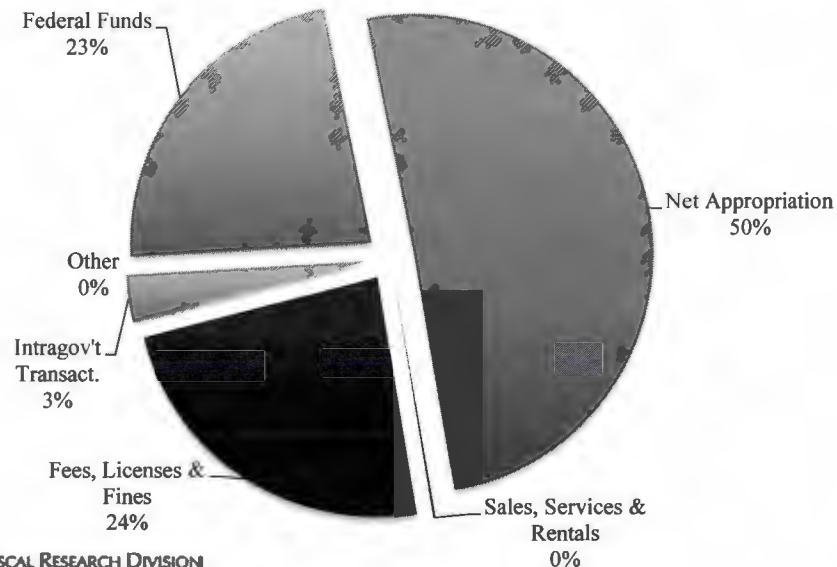
To promote the "health, safety and general well-being" of North Carolina's workers

#### General Fund Budget Code Funds Only

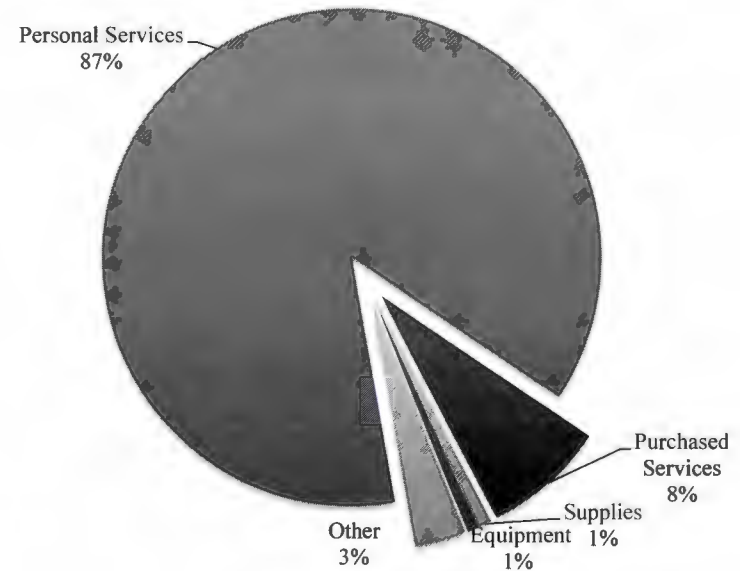
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 30,363,328	\$ 30,189,692	\$ 32,774,650	\$ (10,312)	\$ 32,764,338	\$ (2,715)	\$ 32,771,935
<b>Less Receipts</b>	\$ 16,220,995	\$ 15,630,653	\$ 16,193,593	\$ 48,817	\$ 16,242,410	\$ 48,817	\$ 16,242,410
<b>Net Approp.</b>	\$ 14,142,334	\$ 14,559,038	\$ 16,581,057	\$ (59,129)	\$ 16,521,928	\$ (51,532)	\$ 16,529,525
<b>Positions</b>	403.24	381.29	381.29	0.00	381.29	0.00	381.29

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
13800	\$ 28,581,370	\$ 2,592,584	\$ 274,921	\$ 226,710	\$ 1,088,753	\$ 32,764,338	381.29
	\$ 28,581,370	\$ 2,592,584	\$ 274,921	\$ 226,710	\$ 1,088,753	\$ 32,764,338	381.29

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-8XX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Federal Funds		
13800	\$ 47,687	\$ 7,738,976	\$ 1,017,618	\$ -	\$ 7,438,129	\$ 16,242,410	\$ 16,521,928
	\$ 47,687	\$ 7,738,976	\$ 1,017,618	\$ -	\$ 7,438,129	\$ 16,242,410	\$ 16,521,928

Detailed Adjustments to Base Budget	Major Programs
See divisional handouts for details	See divisional handouts for details
Funds included in Overview	
Fund	
See divisional handouts for details	

## Administration Department of Labor

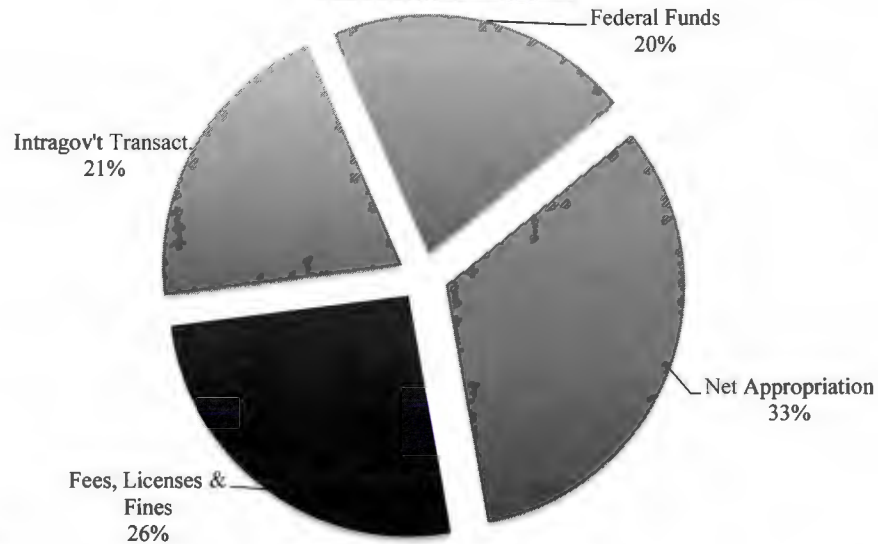
Administers the divisions and bureaus of the Department of Labor

### General Fund Budget Code Funds Only

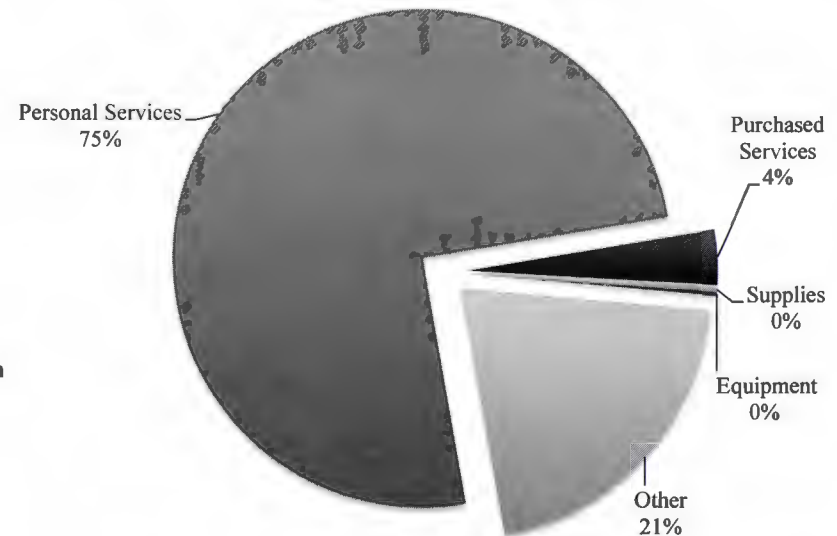
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 4,815,689	\$ 4,821,651	\$ 5,048,497	\$ (104,703)	\$ 4,943,794	\$ (104,703)	\$ 4,943,794
<b>Less Receipts</b>	\$ 3,187,882	\$ 3,309,573	\$ 3,298,286	\$ 10,367	\$ 3,308,653	\$ 10,367	\$ 3,308,653
<b>Net Approp.</b>	\$ 1,627,807	\$ 1,512,077	\$ 1,750,211	\$ (115,070)	\$ 1,635,141	\$ (115,070)	\$ 1,635,141
<b>Positions</b>	46.55	45.26	45.25	0.00	45.25	0.00	45.25

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1120	\$ 3,237,869	\$ 61,041	\$ 11,400	\$ 10,619	\$ 3,476	\$ 3,324,405	40.08
1210	\$ 477,481	\$ 113,411	\$ 175	\$ 2,295	\$ 8,410	\$ 601,772	5.17
1991	\$ -	\$ -	\$ -	\$ -	\$ 1,017,617	\$ 1,017,617	-
	\$ 3,715,350	\$ 174,452	\$ 11,575	\$ 12,914	\$ 1,029,503	\$ 4,943,794	45.25

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-8XX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Federal Funds		
1120	\$ -	\$ 1,118,875	\$ 635,157	\$ -	\$ -	\$ 1,754,032	\$ 1,570,373
1210	\$ -	\$ 154,543	\$ 382,461	\$ -	\$ -	\$ 537,004	\$ 64,768
1991	\$ -	\$ -	\$ -	\$ -	\$ 1,017,617	\$ 1,017,617	\$ -
	\$ -	\$ 1,273,418	\$ 1,017,618	\$ -	\$ 1,017,617	\$ 3,308,653	\$ 1,635,141

Detailed Adjustments to Base Budget	Major Programs	
<ul style="list-style-type: none"> <li>- Increases related to retirement contributions: \$10,968</li> <li>- Elimination of 2016-17 compensation reserves: (\$120,400)</li> <li>- Increase in anticipated fee revenues: \$3,689</li> <li>- Increases in indirect cost receipts: \$3,033</li> </ul>	Budget and Management Communications Governmental Affairs/BLS	Human Resources Information Technology Legal Affairs
Funds included in Administration		
<b>Fund</b> 1110 Commissioner's Office 1120 Administrative Services 1130 Information Office 1210 Research & Info Tech 1991 Indirect Cost - Reserve		



## Standards & Inspections Division Department of Labor

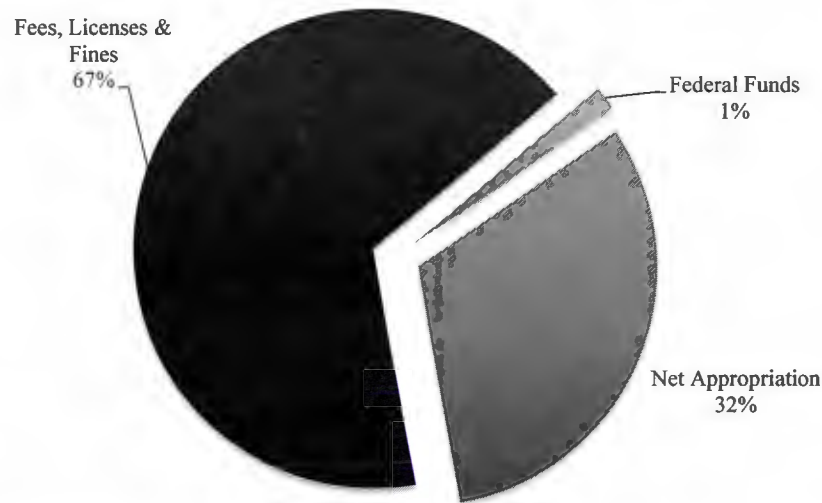
Five bureaus: Boiler Safety, Elevator & Amusement Device, Mine & Quarry, Wage & Hour, and Employment Discrimination

### General Fund Budget Code Funds Only

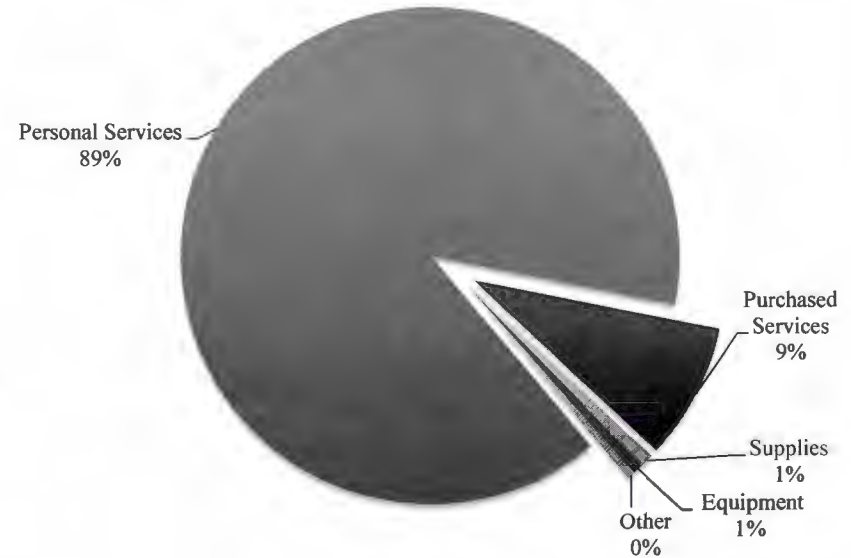
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 8,829,249	\$ 9,263,250	\$ 9,669,949	\$ 29,969	\$ 9,699,918	\$ 29,969	\$ 9,699,918
<b>Less Receipts</b>	\$ 6,566,222	\$ 6,598,653	\$ 6,599,686	\$ 19,624	\$ 6,619,310	\$ 19,624	\$ 6,619,310
<b>Net Approp.</b>	\$ 2,263,027	\$ 2,664,597	\$ 3,070,263	\$ 10,345	\$ 3,080,608	\$ 10,345	\$ 3,080,608
<b>Positions</b>	133.96	114.00	117.00		117.00		117.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



## Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1310	\$ 1,833,983	\$ 289,584	\$ 23,038	\$ 28,316	\$ 29,186	\$ 2,204,107	23.00
1320	\$ 3,822,025	\$ 372,336	\$ 39,542	\$ 15,095	\$ 12,453	\$ 4,261,451	49.00
1330	\$ 357,311	\$ -	\$ -	\$ -	\$ -	\$ 357,311	4.60
1331	\$ 100,333	\$ 49,564	\$ 974	\$ 2,856	\$ 25	\$ 153,752	1.40
1340	\$ 1,994,480	\$ 123,368	\$ 12,455	\$ 17,133	\$ 860	\$ 2,148,296	31.00
1345	\$ 547,791	\$ 21,474	\$ 4,162	\$ 1,517	\$ 57	\$ 575,001	8.00
	\$ 8,655,923	\$ 856,326	\$ 80,171	\$ 64,917	\$ 42,581	\$ 9,699,918	117.00

## Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-8XX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Federal Funds		
1310	\$ -	\$ 2,204,107	\$ -	\$ -	\$ -	\$ 2,204,107	\$ -
1320	\$ -	\$ 4,261,451	\$ -	\$ -	\$ -	\$ 4,261,451	\$ -
1330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 357,311
1331	\$ -	\$ -	\$ -	\$ -	\$ 153,752	\$ 153,752	\$ -
1340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,148,296
1345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,001
	\$ -	\$ 6,465,558	\$ -	\$ -	\$ 153,752	\$ 6,619,310	\$ 3,080,608

Detailed Adjustments to Base Budget	Major Programs
<ul style="list-style-type: none"> <li>- Increases related to retirement contributions: \$29,969</li> <li>- Increases in anticipated inspection receipts: \$19,276</li> <li>- Increases in budgeted federal grant receipts: \$348</li> </ul>	Boiler Safety Bureau Elevator and Amusement Device Employment Discrimination Bureau Mine and Quarry Bureau Wage and Hour Bureau
Funds included in Standards & Inspections Division	
<b>Fund</b> 1310 Boiler Inspection 1320 Elevator Inspection 1330 Mine and Quarry 1331 Mine Safety and Health Administration 1340 Wage & Hour 1345 Employment Discrimination	

# Occupational Safety and Health Department of Labor

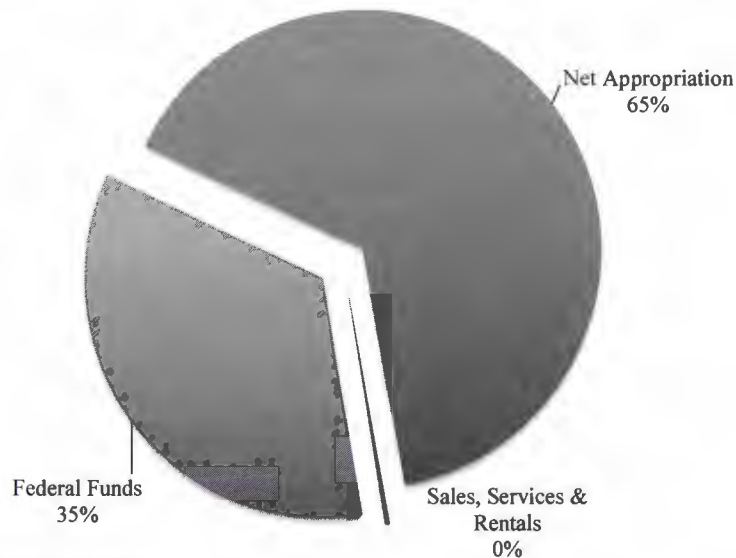
Implements and enforces the State's plan for workplace health and safety policies

*General Fund Budget Code Funds Only*

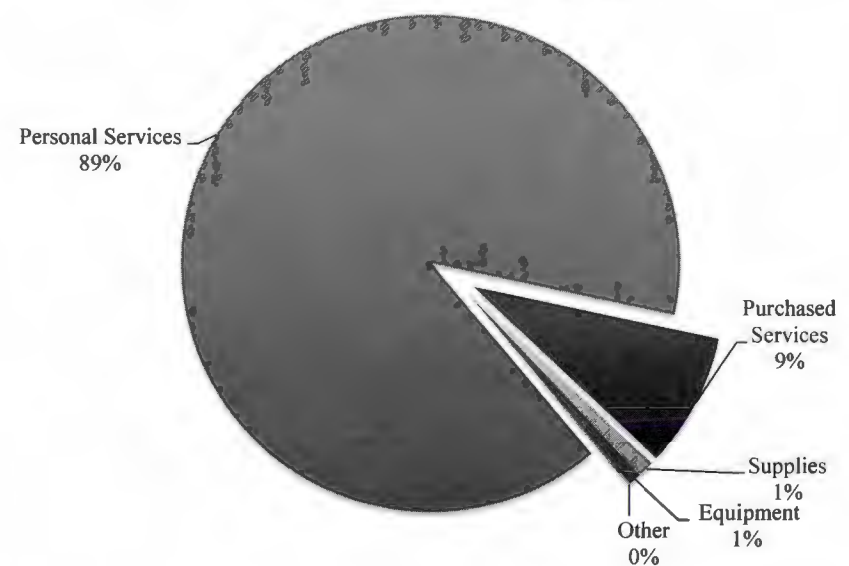
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 16,338,390	\$ 15,989,793	\$ 18,056,204	\$ 64,422	\$ 18,120,626	\$ 72,019	\$ 18,128,223
<b>Less Receipts</b>	\$ 6,086,447	\$ 5,607,427	\$ 6,295,621	\$ 18,826	\$ 6,314,447	\$ 18,826	\$ 6,314,447
<b>Net Approp.</b>	\$ 10,251,944	\$ 10,382,367	\$ 11,760,583	\$ 45,596	\$ 11,806,179	\$ 53,193	\$ 11,813,776
<b>Positions</b>	223.04	221.03	219.04	0.00	219.04	0.00	219.04

## FY 2017-18 Base Budget

### Source of Funds



### Expenditure of Funds



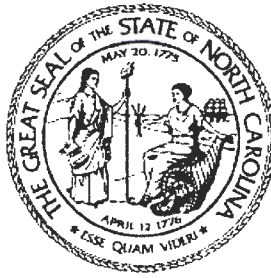
## Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1350	\$ 6,453,194	\$ 662,928	\$ 43,164	\$ 15,862	\$ 4,680	\$ 7,179,828	87.77
1351	\$ 201,179	\$ 53,660	\$ 892	\$ 1,758	\$ 240	\$ 257,729	3.00
1352	\$ 7,169,201	\$ 470,846	\$ 25,155	\$ 29,297	\$ 11,644	\$ 7,706,143	96.56
1353	\$ 685,775	\$ 361,583	\$ 107,477	\$ 101,362	\$ -	\$ 1,256,197	9.92
1358	\$ 1,457,581	\$ 2,742	\$ -	\$ -	\$ -	\$ 1,460,323	17.79
1360	\$ 243,167	\$ 10,047	\$ 6,487	\$ 600	\$ 105	\$ 260,406	4.00
	\$ 16,210,097	\$ 1,561,806	\$ 183,175	\$ 148,879	\$ 16,669	\$ 18,120,626	219.04

## Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-8XX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Federal Funds		
1350	\$ 47,687	\$ -	\$ -	\$ -	\$ 3,566,072	\$ 3,613,759	\$ 3,566,069
1351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 257,729
1352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,706,143
1353	\$ -	\$ -	\$ -	\$ -	\$ 1,256,197	\$ 1,256,197	\$ -
1358	\$ -	\$ -	\$ -	\$ -	\$ 1,314,288	\$ 1,314,288	\$ 146,035
1360	\$ -	\$ -	\$ -	\$ -	\$ 130,203	\$ 130,203	\$ 130,203
	\$ 47,687	\$ -	\$ -	\$ -	\$ 6,266,760	\$ 6,314,447	\$ 11,806,179

Detailed Adjustments to Base Budget	Major Programs
<ul style="list-style-type: none"> <li>- Increases related to retirement contributions: \$57,046</li> <li>- Increases for rental/lease requirements: \$7,376</li> </ul>	Agricultural Safety and Health Bureau (ASH) Compliance Bureau Consultative Services Bureau Education, Training and Technical Assistance (ETTA) Planning, Statistics and Information Management (PSIM)
Funds included in Occupational Safety and Health	
<b>Fund</b> 1350 OSHA Admin 1351 OSHA Review Bd 1352 OSHA State Funds 1353 OSHA Federal Funds 1358 21(D) On-site Consultation 1360 OSHA/BLS Statistical	



February 28, 2016

(DATE)

**APPROPRIATIONS, AGRICULTURE, AND NATURAL ECONOMIC  
RESOURCES RM. 421**

(COMMITTEE)

*A* SENATE SERGEANT-AT-ARMS

✓ Sham Patel

✓ Giles Jeffreys

*A* House of Representatives Sgt. At Arms

✓ Jonas Cherry

✓ Joe Austin

✓ Bill Bass



# HOUSE PAGES

**Week of February 27 - March 2, 2017**

<b>Name:</b>	<b>County:</b>	<b>Sponsor:</b>
Sheridan Charles	Wake	Speaker Tim Moore
Melvin McLawhorn	Wake	Speaker Tim Moore
Kelsey Peterson	Buncombe	John Ager
Brion Rogers	Alamance	Speaker Tim Moore
Elizabeth Sebestyen	Onslow	Phillip Shepard
Michaela-Sivan Steele	Cabarrus	Speaker Tim Moore
Mariah-Sydney Steele	Cabarrus	Speaker Tim Moore
James Williams	Wake	Speaker Tim Moore





## VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee


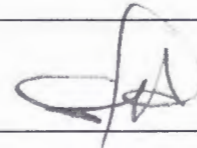
2-28-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

	
H. Nguyen	NCEM
Lex Jones	DNCR
Lisa Song	NC policy watch
Andy Miller	DEQ
Sharon Creech	OSBM
Allison Diego	OSBM



# VISITOR REGISTRATION SHEET

Joint Committee on Appropriations on Natural and Economic Resources

DATE 2-28-17

~~WEDNESDAY, FEBRUARY 23, 2017~~

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE  
CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Stan Williams	NCS
Bryan Kilgore	NCS
LeB Hunt	PLA
Sarah Kewice	NCDOL
Jennifer Haiswood	NCDOL
Jack Brinson	NCDOL
Chris Broughton	MWC
A Proctor	WRC
IC Briggs	WRC
Catherine Stogner	NCDA & CS
Jon Lanier	NCDA & CS
Grady McCallie	NC Coastal Mgmt.
Will Morgan	MFS



**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Wednesday, March 1, 2017

**TIME:** 8:30 AM

**LOCATION:** 421 LOB

**COMMENTS:** House presiding, Rep. McElraft

**TOPICS:** Review DEQ  
DNCR Budgets

Respectfully,

Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:24 AM on Thursday, February 23, 2017.

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**Joint Appropriations Meeting of  
House and Senate Committees on Agriculture and Natural and Economic  
Resources**

**Agenda**

Wednesday, March 1, 2017, 8:30 A.M.  
Room 421, Legislative Office Building

**Rep. McElraft, Presiding**

- 1. Welcome and Opening Comments**
- 2. Department of Environmental Quality Overview**  
Eric Moore, Fiscal Research Division
- 3. Adjourn**

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**House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

**Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton,

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**House Committee on Appropriations, Agriculture and Natural and Economic Resources**  
**Wednesday, March 1, 2017 at 8:30 AM**  
**Room 421 of the Legislative Office Building**

**MINUTES**

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on March 1, 2017 in Room 421 of the Legislative Office Building. Representatives Dixon, Hall, McElraft, Ross, Agner, Dulin, Richardson, Wray, and Yarborough attended.

Senators Cook, Bryant, and Newton attended as well.

Representative Pat McElraft, Chair, presided.

The meeting was called to order and the Chair welcomed everyone and the sergeant-at-arms and Pages were noticed and thanked for their service.

Eric Moore, from Fiscal Research division, gave the presentation from the Department of Environmental Quality. The following Divisions were included: (See Attachment #1)


1. Division of Environmental Assistance and Customer Services
2. Division of Air Quality
3. Division of Energy, Mineral, and Land Resources
4. Division of Waste Management
5. Division of Mitigation Services
6. Division of Water Infrastructure
7. Division of Water Resources

Lanier McRee, from Fiscal Research, presented the last two Divisions.

1. Division of Coastal Management
2. Division of Marine Fisheries

We had questions and discussion. Representative Dixon requested that several documents be presented for discussion at a later date.

The meeting adjourned at 9:50 AM.

  
Representative Pat McElraft, Chair  
Presiding

  
Nancy Fox, Committee Clerk

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**HOUSE COMMITTEE ON APPROPRIATIONS: AGRICULTURAL  
AND NATURAL AND ECONOMIC RESOURCES**

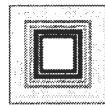
[illegible]

Sen. Bill Cook ✓

Sen. Angela Bryant ✓

Sen. Paul Newton ✓

# 1



**FISCAL RESEARCH DIVISION**  
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## **Department of Environmental Quality**

Joint Appropriations Subcommittee on Agriculture,  
Natural, and Economic Resources

**February 28, 2017**

**Eric Moore and Lanier McRee**

## **Today's Agenda**

- **Department Budget Overview**
  - Administration and Programs in Secretary's Office
- **Division Overviews**
  - Mission/Programs
  - Budget Information
  - FY 2015-17 General Assembly actions



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## DEQ Major Functions

- Administration
- Environmental Protection/Regulation
  - Monitoring
  - Permitting
  - Enforcement
- Infrastructure Funding
  - Drinking Water and Wastewater



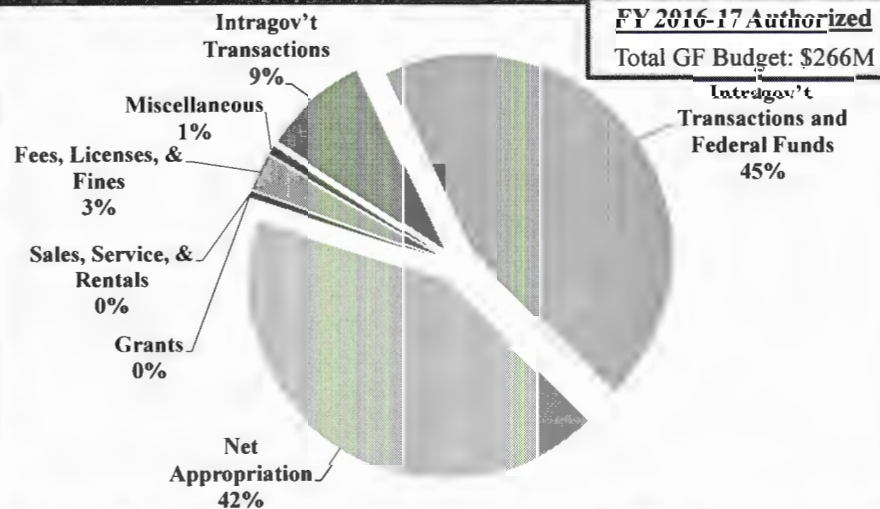
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## DEQ: General Fund Source of Funds



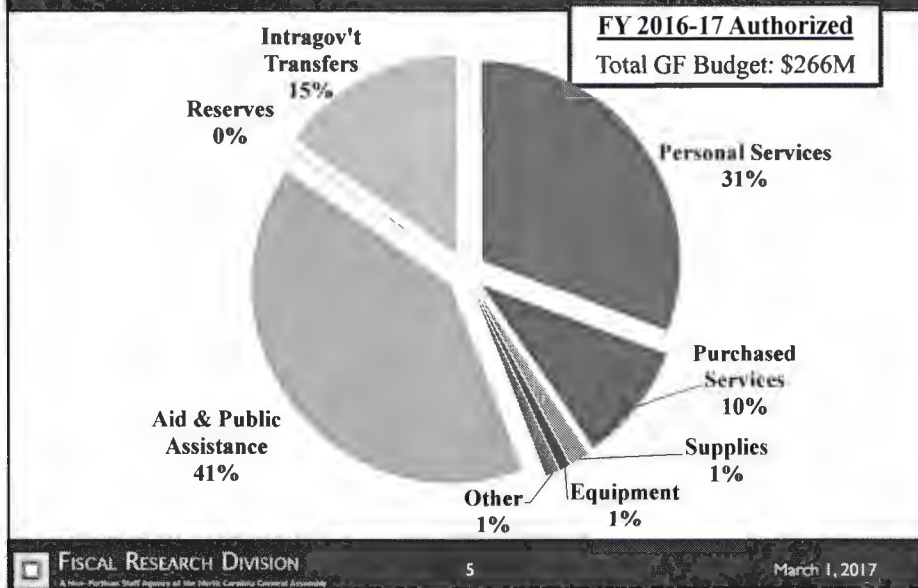
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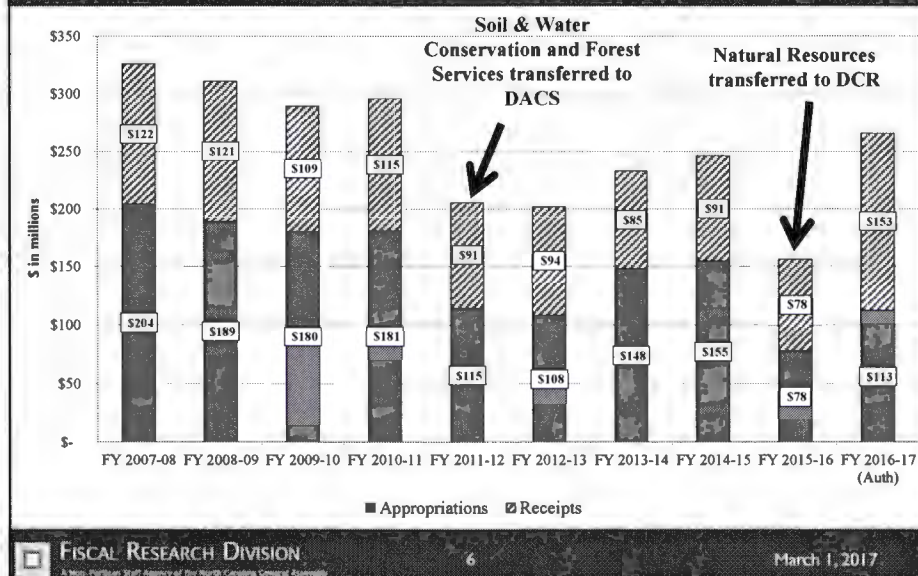
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March 1, 2017

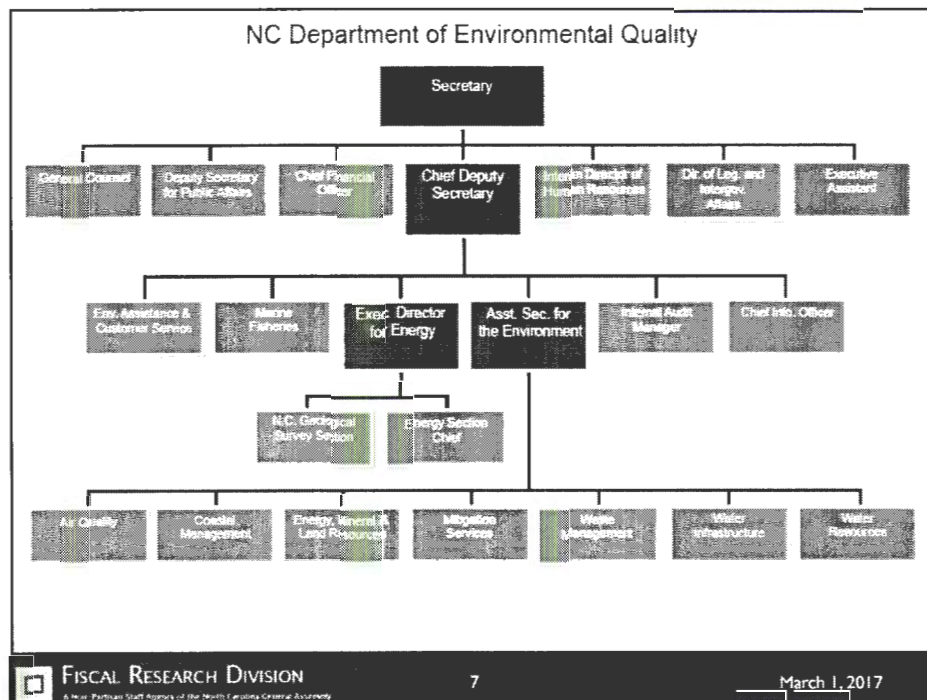
## DEQ: How General Funds Are Spent



## DEQ: 10-Year General Fund History







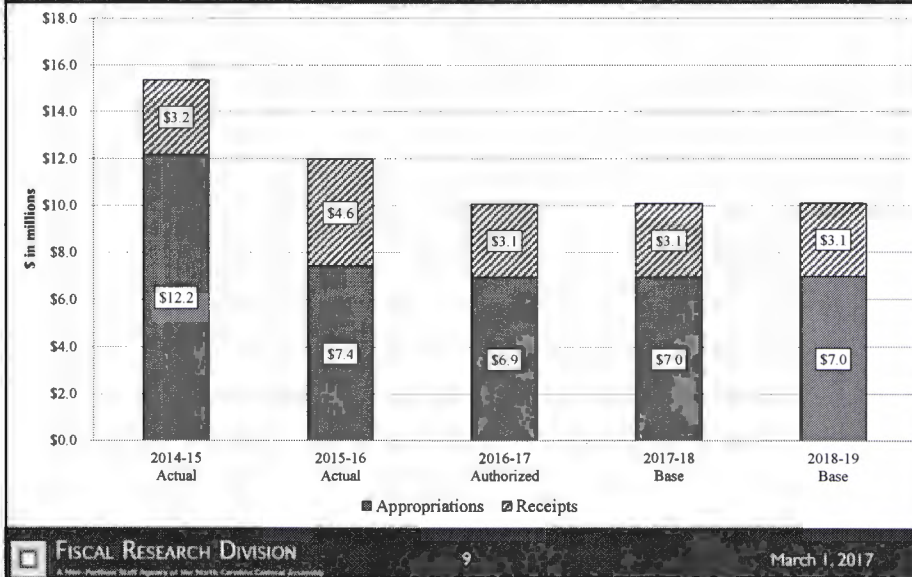
## DEQ Administration

- Executive Offices
  - General Counsel, Legislative Affairs, Policy Analysts
- Administrative Services
  - Budget & Planning, Controller, IT, Purchasing, HR
- Environmental Education & Public Affairs
  - Outreach and public information
- Coal Ash
- Reserves & Transfers
  - Transfers to special funds

	68.45FTE
<u>2017-18 Base Budget</u>	
Expenditures:	\$ 10.1 M
Receipts:	\$ 3.1 M
Net Approp.:	\$ 7.0 M

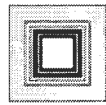


## Admin: 5-Year Expenditure



## Admin: 2015-17 GA Budget Actions

- **2015-17 Biennial Budget**
  - Department-wide reductions to contracts, rentals, travel, postage, and supplies = (\$1M) R
  - Operating reduction and fund shift 2 FTE = (\$285K) R
  - Elimination of 24.94 vacant FTE and transfer of 15.45 filled FTE to DNCR = (\$3.1M) R
- **2016-17 Budget**
  - Department-wide reduction to salary reserve = (\$307K) R
  - Elimination of three PIO positions = (\$215K) R
  - Elimination of vacant attorney position = (\$88K) R



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# Division of Environmental Assistance and Customer Services

## DEACS Mission

Mission: To protect & improve NC's  
environment and economy through:

- Environmental Assistance Program
- **Recycling Program**
- **Outreach Programs**

84.99 FTE

2017-18 Base Budget

Expenditures: \$ 9.4 M

Receipts: \$ 3.8 M

Net Approp.: \$ 5.6 M



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## Regional Offices



- 7 locations
- Perform the Department's duties on a local level



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## Division of Air Quality

## DAQ's Mission

Mission: Work with the state's citizens to protect and improve outdoor, or ambient, air quality in North Carolina for the health, benefit and economic well-being of all.

213.80 FTE

### 2017-18 Base Budget

Expenditures:	\$ 23.6 M
Receipts:	\$ 23.5 M
Fund Balance:	(\$ 0.2 M)
Net Approp.:	\$ 0.0 M

- Monitor the level of pollutants in the air
- Permit and inspect stationary air emissions sources
- Compliance assurance activities
- Develop and implement plans to meet federal air quality standards
- Assist, educate and inform the public on air quality issues



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## Air Quality Monitoring

- Meet federal monitoring requirements
- Focus on ozone, fine particles, sulfur dioxide, nitrogen oxides, carbon monoxide, air toxics
- Collect air samples and perform scientific analysis
- Make data available to the public in near real-time via the internet



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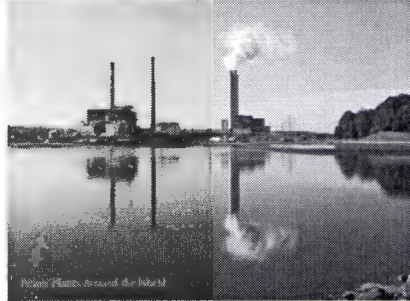
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## Permitting: 2 Types

- **Title V** – larger facilities
  - Federally mandated
  - 292 facilities
    - Examples: power plants, paper plants, chemical plants
  - Inspected yearly
- **Non-Title V** – smaller facilities
  - ~2500 facilities
    - Examples: asphalt plants, quarries
  - Inspected at least every 2 years



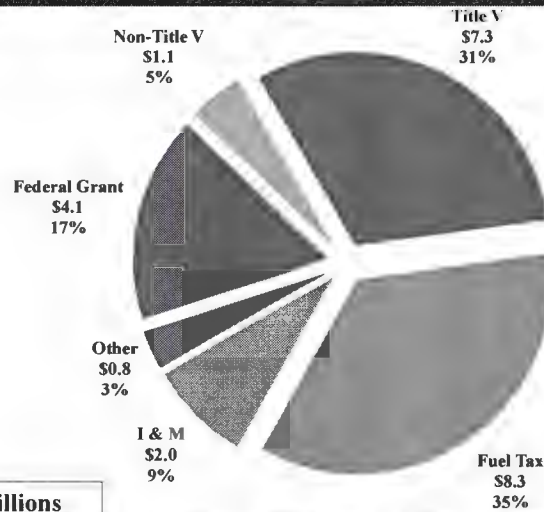
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## DAQ Receipt Sources



\$ in millions



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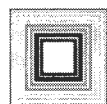
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## DAQ: 2015-17 GA Budget Actions

- 2015-17 Biennial Budget
  - Required Fuel Tax transfer continuation review = (\$7.3M) R, \$7.3M NR (for 2015-16)
  - Required Inspections & Maintenance fee transfer continuation review = (\$3.6M) R, \$3.1M NR (for 2015-16)
- 2016-17 Budget
  - Restored fee transfer for Inspections & Maintenance program = \$2M R
  - Restored Fuel Tax transfer = \$7.3M R
  - Reallocated motor fuel excise tax revenue between Commercial LUST and Water and Air Quality Accounts



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**Division of Energy, Mineral, and  
Land Resources (DEMLR)**

## DEMLR's Mission

- To promote the wise use and protection of North Carolina's land and geologic resources
  - Dam Safety
  - Mining
  - Erosion & Sediment Control
  - Stormwater Permitting

76.99 FTE	
<u>2017-18 Base Budget</u>	
Expenditures:	\$ 7.5 M
Receipts:	\$ 3.2 M
Fund Balance:	(\$ 0.1 M)
Net Approp.:	\$ 4.2 M

## Dam Safety Program



2,262 Jurisdictional Dams

- 1,244 high hazard
- 289 intermediate hazard
- 729 low hazard

- Enforces Dam Safety Law of 1967  
(GS 143-215.23 et seq.)
- Reviews permit applications
- Performs inspections



## Erosion & Sedimentation Control Program

- Enforces Sedimentation Pollution Control Act of 1973 (GS 113A-50 et seq.)
- Reviews and approves erosion & sedimentation control plans
- Inspects sites
- Oversees delegated local sedimentation programs and DOT delegation



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02/28/2017

## DEMLR: 2015-17 GA Budget Actions

- 2015-17 Biennial Budget
  - Offset portion of Energy Chief's position with receipts = (\$37,483) R
  - Offset portion of GF fund support for university-based energy centers using Petroleum Violation Escrow settlement = (\$417,908) NR
  - Eliminated filled shale gas Rules Review Coordinator – (\$51,027) R
  - Offset GF with cash balance of three special funds = (\$346,560) NR
  - Funded temporary positions to support dam Emergency Action Plan reviews = \$250,000 NR (both years)
  - Provided funding to drill new test holes in shale-bearing basins and associated analyses = \$500,000 NR (for 2015-16)
- 2016-17 Budget
  - None

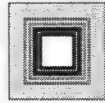


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## FISCAL RESEARCH DIVISION

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### Energy Office

### Energy Office Purpose

**Mission:** dedicated to ensuring a sustainable energy future for the citizens of North Carolina.

- Geological Survey Section
- Oil and Gas Program
- Energy Program
- Weatherization Assistance Program

32.17 FTE

2017-18 Base Budget

Expenditures: \$ 26.2 M

Receipts: \$ 23.7 M

Net Approp.: \$ 2.7 M

Fund Balance: \$ 0.1 M



## Energy Program

- Energy Assurance Program
  - Prepare for energy emergencies
- Utility Savings Initiative
  - Reduce public entities' energy and water consumption
- Technical Assistance
  - Federally funded assistance
  - Energy surveys
  - Strategic energy plan

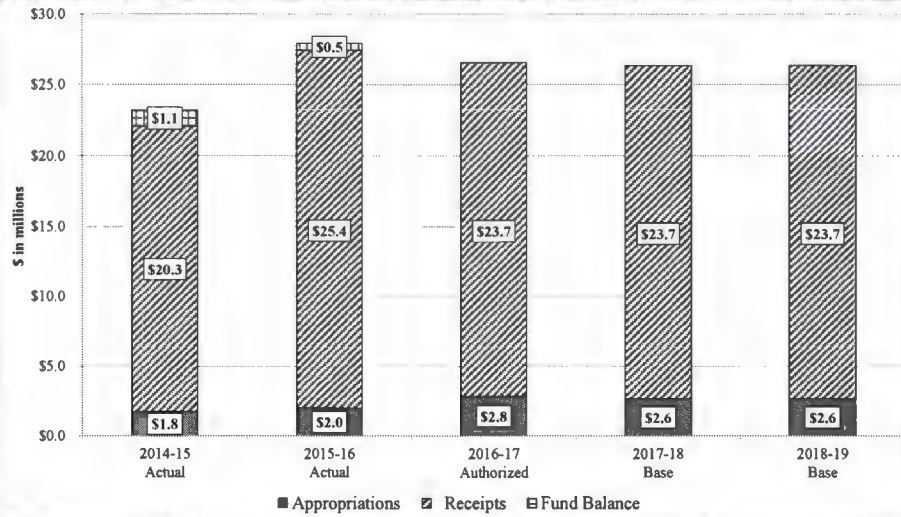


## Weatherization Assistance Program

- Educates clients about safety and energy efficiency
- Evaluates single-family dwellings, multi-family dwellings, and mobile homes for safety and energy efficiency
- Tunes, repairs or replaces heating and air systems
- Insulates attics, floors and walls
- Makes minor repairs to homes for health and safety
- Installs smoke and carbon monoxide detectors
- Performs base load and general heat waste measures



## Energy Office: 5-Year Expenditures

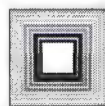


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## Division of Waste Management

## DWM Purpose

To protect public health and the environment by preventing the release of harmful waste and cleaning up existing contamination

203.67 FTE

2017-18 Base Budget

Expenditures: \$ 20.6 M

Receipts: \$ 16.2 M

Net Approp.: \$ 4.4 M

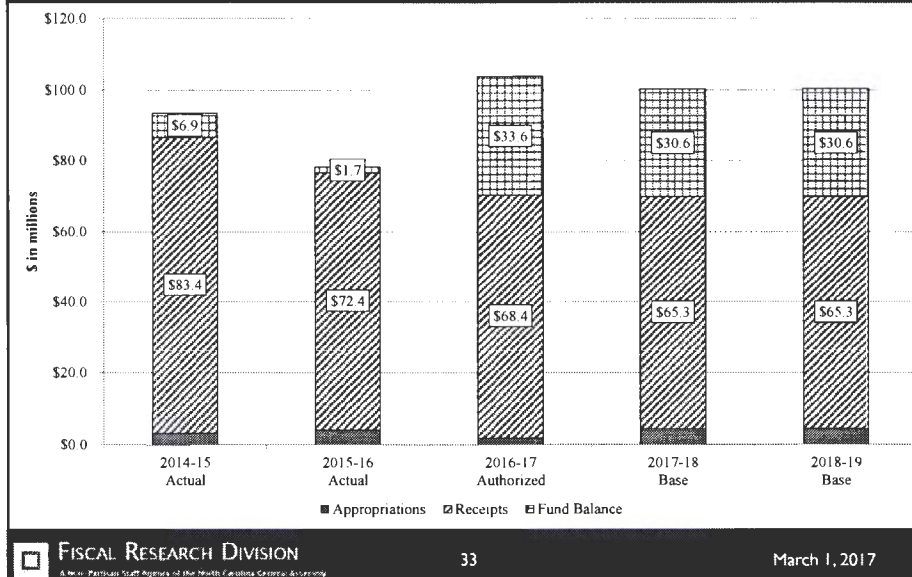
### Programs:

Storage Tanks	Dry-Cleaning	Electronics
Brownfields	Petroleum	Hazardous Waste
Coal Ash	Scrap Tires	Medical Waste
Compost	Solid Waste	Mercury Switch
Disaster Debris	Superfund	Oil Terminal

## DWM: Storage Tanks

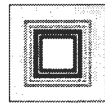
- Leaking Underground Storage Tanks (LUSTs)
- Federal requirements on financial responsibility
- Non-commercial fund eliminated in December
- Commercial fund budgeted at \$52.7M
  - \$16.2M transfers from Highway Fund
  - \$10M tank owner fees
  - \$26.5M from fund balance

## DWM: 5-Year Expenditures



## DWM: 2015-17 GA Budget Actions

- 2015-17 Biennial Budget
  - Eliminated filled Environmental specialist and reduced legal services and communications/data processing lines = (\$282,259) R
  - Offset GF reduction with cash balance from UST Soil Permitting special fund = (\$43,595) NR (for 2015-16)
  - Increased Noncommercial Leaking Petroleum UST to reduced backlog accrued through June 30, 2015 = \$2,369,428 NR (for 2015-16)
  - Eliminated funding for Noncommercial Leaking Petroleum UST for released reported after October 1, 2015 = (\$3,417,105) R
  - Partly offset elimination of the transfer of Noncommercial Leaking Petroleum UST to GF = \$1M R
- 2016-17 Budget
  - Offset GF reduction with cash balance from Mercury Pollution Prevention Account = (\$2.54M) NR



## FISCAL RESEARCH DIVISION

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# Division of Mitigation Services

## DMS: Mission

**Mission:** to provide cost-effective mitigation alternatives that improve the state's water resources through:

- Restoring, enhancing, and protecting the State's wetlands, streams, and riparian buffers
- Offsetting unavoidable environmental damage from transportation infrastructure improvement and other economic development
- Conduct basin-scale planning for mitigation projects to restore historic ecosystem functions
- Oversee private ecosystem restoration projects

24.43 FTE

2017-18 Base Budget

Expenditures: \$ 3.2 M

Receipts: \$ 3.2 M

Net Approp.: \$ 0.0 M

Fund Balance: \$ 0.0 M



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## DMS: In-Lieu Fee Programs

- Purpose
  - Satisfy compensatory mitigation requirements in State and federal law
- Types
  - NCDOT Stream/Wetland
  - Statewide Stream/Wetland
  - Riparian Buffer
  - Nutrient Offset



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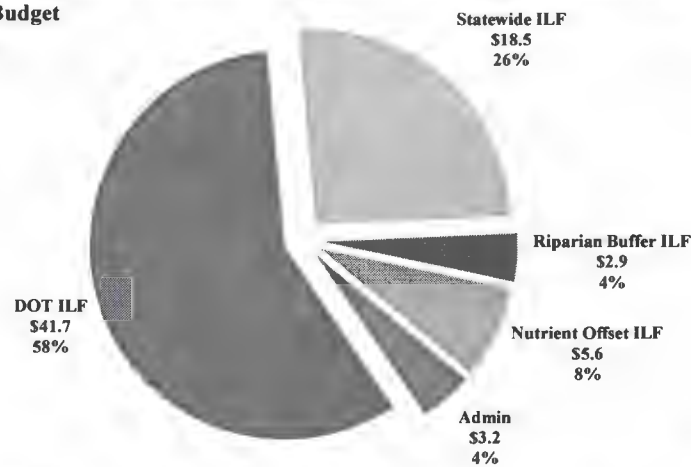
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## DMS: Mitigation Expenditures

2017-18 Base Budget

Total: \$71.9M



\$ in millions



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## DMS: 2015-17 GA Budget Actions

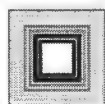
- 2015-17 Biennial Budget
  - Directed DEQ to petition Army Corps of Engineers for additional mitigation flexibility
- 2016-17 Budget
  - Directed DEQ and DOT to catalog all wetland and stream mitigation credits held by the State



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## Division of Water Infrastructure



## Division of Water Infrastructure

Provides financial assistance for projects that improve water quality.

Programs fund many types of projects:

- sewer collection and treatment systems
- drinking water distribution systems
- water treatment plants
- storm water management systems
- stream restoration

45.00 FTE

2017-18 Base Budget

Expenditures: \$ 107.06 M

Receipts: \$ 86.67 M

Fund Balance: (\$ 0.11 M)

Net Approp.: \$ 20.28 M



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## DWI: Major Programs

- Programs
  - Federal - Community Development Block Grant-Infrastructure (CDBG-I)
  - State Revolving Funds (20% State match)
  - State Reserves and Grants
    - Including State Bond
- Awards
  - At least one funding round per year
  - Made by State Water Infrastructure Authority



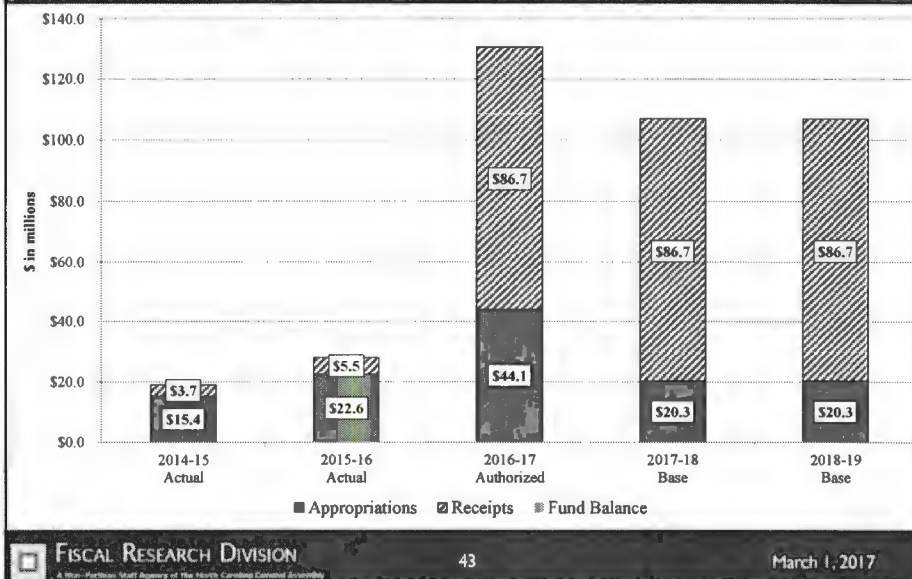
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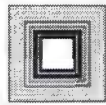
March 1, 2017

## DWI: 5-Year Funding



## DWI: 2015-17 GA Budget Actions

- 2015-17 Biennial Budget
  - Reduced cell phones = (\$1,592) R
  - Reduced unneeded DWSRF State match = (\$478,825) R
  - Increased CWSRF State match = \$100K R
  - Expanded State grant program = \$5M R, \$2.4M NR (2015-16), \$5M NR (2016-17)
  - Made number of modifications to State Water Infrastructure Authority programs
  - Directed DEQ to identify systems that are candidates for interconnect
- 2016-17 Budget
  - Expanded State grant program = \$18,798,981 NR



## FISCAL RESEARCH DIVISION

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# Division of Water Resources

## DWR Mission

To protect and enhance North Carolina's water and groundwater resources through

- Water Resource Planning
- Pollution Control
- Dredging

366.48 FTE

2017-18 Base Budget

Expenditures: \$ 37.12 M

Receipts: \$ 25.12 M

Net Approp.: \$ 11.99 M



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## DWR: Water Resource Planning

- Technical assistance to local govts:
  - Water conservation & efficiency
  - Drought response planning
- Statewide drought management & response
- Management of Interbasin Transfer Program
  - Surface water transfers > 2,000,000 gallons / day
- Implementation of Coastal Plain Capacity Use Area
  - Sustainable use of coastal aquifers



## DWR: Pollution Control

- Drinking Water
  - Implementation of federal Safe Drinking Water Act
  - Oversight of over 6,300 public water supplies in NC
  - Training and technical assistance to all types of public water systems, public and privately-owned
- Wastewater
  - Implementation of National Pollutant Discharge Elimination System
  - Financial and technical assistance for publicly owned wastewater treatment facilities



## DWR: Dredging

### Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund

- Established 2013
- DWR contracts with Army Corps
- Budget - \$23M
  - \$12.5M from motor fuels tax
  - \$5.1M from vessel registrations (WRC)
  - \$2.1M in appropriations

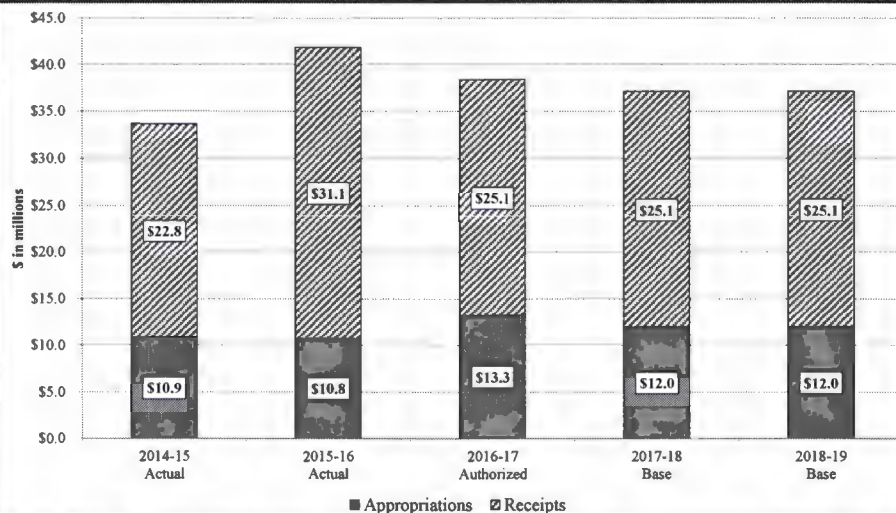


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## DWR: 5-Year Expenditure



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## DWR: 2015-17 GA Budget Actions

- 2015-17 Biennial Budget
  - Added appropriations for Shallow Draft Dredging Fund = \$1,579,268 R (2015-16) and \$2,130,357 R (2016-17)
- 2016-17 Budget
  - Provided funds for a study and trial of alternative in-situ water treatment strategies in Jordan and Falls Lakes = \$1.3M NR

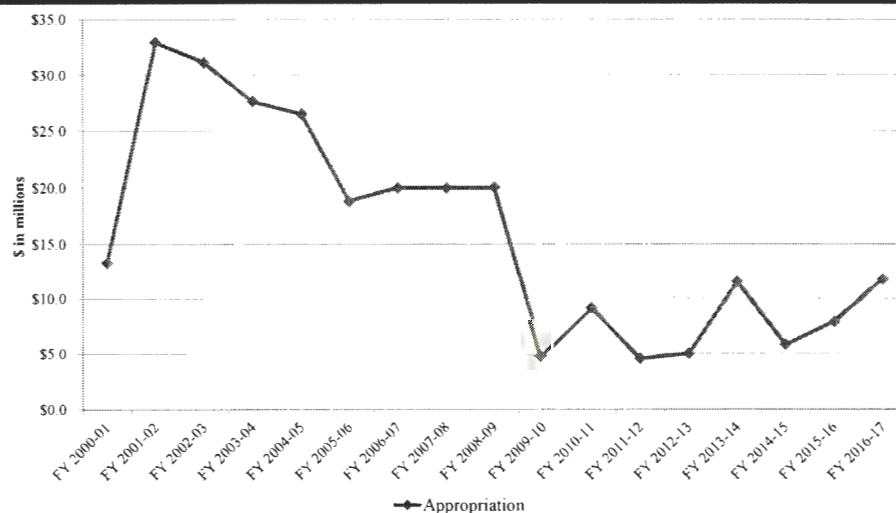


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## Water Resources Development Projects

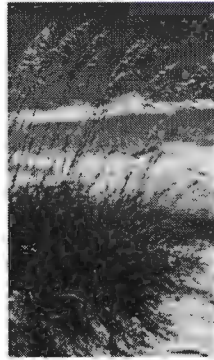


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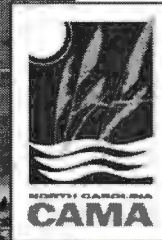
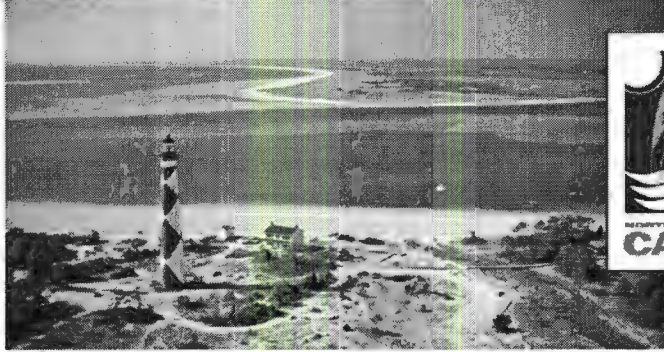


## Division of Coastal Management DCM

## DCM: What does the division do?



## Coastal Area Management Act (CAMA)



- 20 coastal counties
- 3 Types of Permits
- Compliance monitoring & enforcement



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## Grant Programs

### Beach & Waterfront Access

- G.S. 113A-134.2
- 5% of PARTF
- 25% local match required

#### Uses:

- Beach access, parking
- Boardwalks, restrooms
- Urban waterfront redevelopment

### Marine Sewage Pump Out

- Federal Clean Vessel Act
- 25% match required

#### Uses:

- Install/ renovate pump-out stations

### Planning & Mgmt Grants

- G.S. 113A-112

#### Uses:

- CAMA land-use plans
- Implementation projects

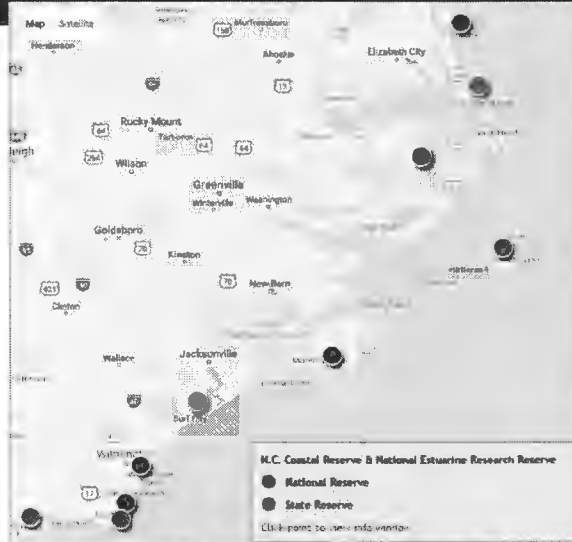


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# Coastal Reserve Program



10 Sites  
40,000 acres

Authorized by  
G.S. 113A-129.2  
Long-term research  
Education  
Stewardship

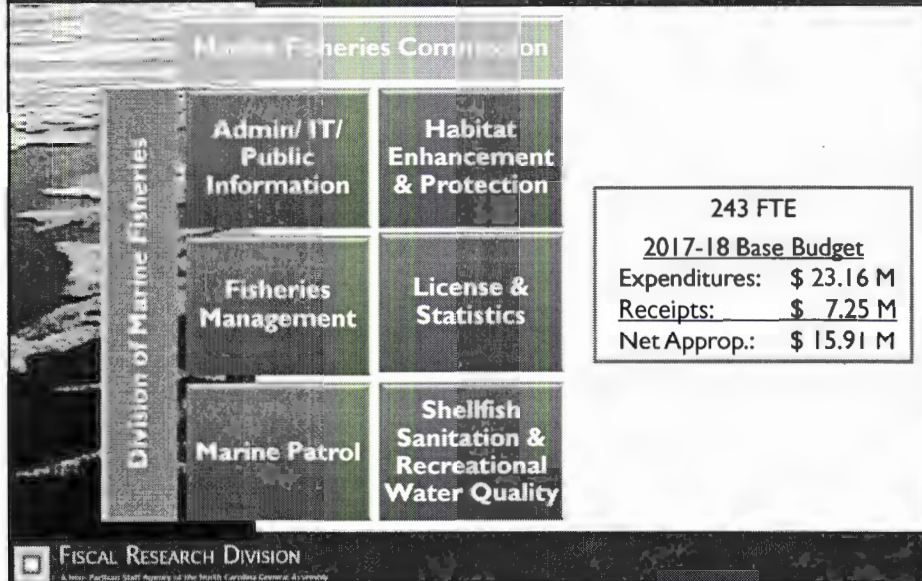
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Division of Marine Fisheries

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## Division of Marine Fisheries (DMF)



## DMF Program Sections

### Licenses & Statistics

- License, Permit Issuance
- Statistics & Economic Analysis



### Habitat Enhancement & Protection

- Shellfish rehabilitation
- Oyster sanctuaries

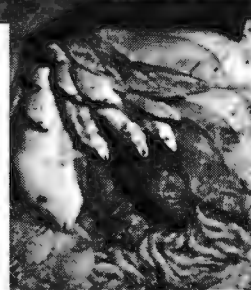
### Marine Patrol

- Compliance monitoring
- Inspections

## DMF Program Sections

### Fisheries Management

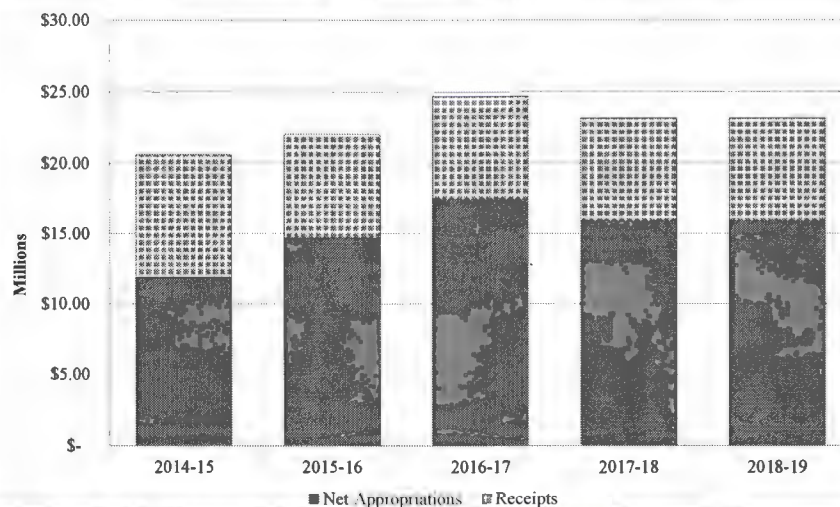
- Resource assessment & monitoring
- Fisheries & gear research
- Fisheries Management Plans



### Shellfish Sanitation and Recreational Water Quality

- Monitor water quality
- Inspect processing facilities

## DMF Funding History



## Recent Legislative Actions

### FY 2015-16

- \$50K R for Shellfish Rehabilitation
- \$450K R for Oyster Research & Development with UNC-W

### FY 2016-17

- \$1.03M NR + \$200K R for Oyster Sanctuaries
- \$149K R for 2 FTE to support shellfish production & recycling
- \$300K for cultch planting (shellfish rehabilitation)
- \$100K NR for Crab Pot cleanup
- \$150K NR for Marine Patrol equipment



FISCAL RESEARCH DIVISION

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## Contact Information

Fiscal Research Division  
919-733-4910

Eric Moore – [Eric.Moore@ncleg.net](mailto:Eric.Moore@ncleg.net)  
*Environmental Quality*

Lanier McRee – [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)  
*Divisions of Coastal Management, Marine Fisheries*



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## Overview

### Department of Environmental Quality

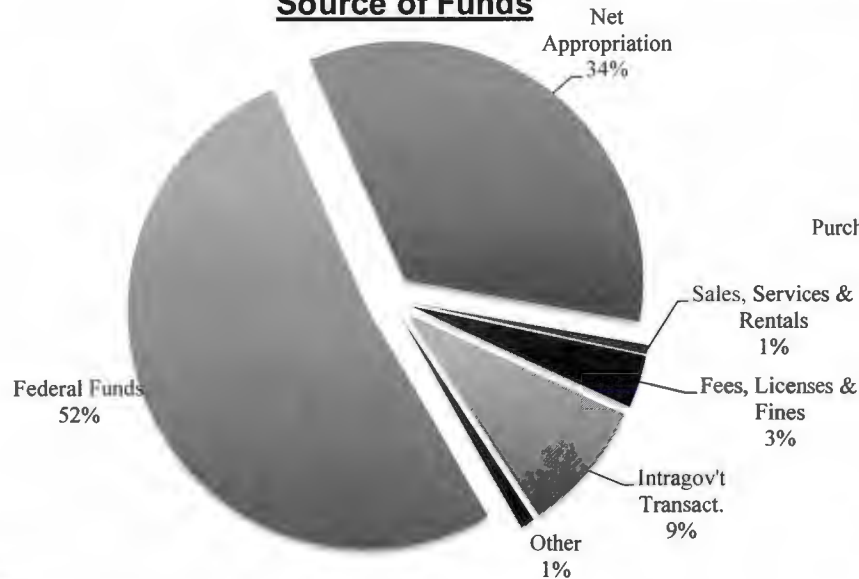
Lead stewardship agency for the protection of North Carolina's environmental resources

#### General Fund Budget Code Funds Only

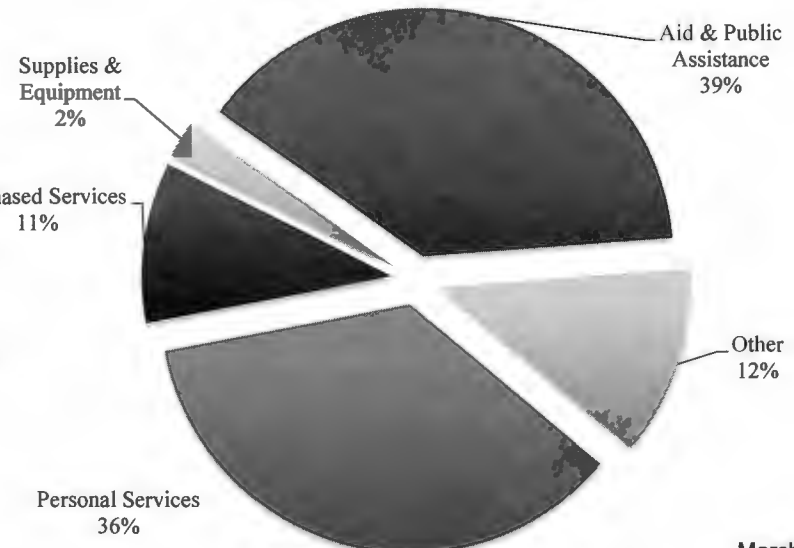
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 246,219,611	\$ 156,221,226	\$ 265,969,542	\$ (37,834,058)	\$ 228,135,484	\$ (37,834,058)	\$ 228,135,484
<b>Less Receipts</b>	\$ 91,364,290	\$ 78,167,534	\$ 153,320,572	\$ (3,040,000)	\$ 150,280,572	\$ (3,040,000)	\$ 150,280,572
<b>Net Approp.</b>	\$ 154,855,321	\$ 78,053,692	\$ 112,648,970	\$ (34,794,058)	\$ 77,854,912	\$ (34,794,058)	\$ 77,854,912
<b>Positions</b>	2,366.50	1,209.71	1,110.84	0.00	1,110.84	0.00	1,110.84

#### FY 2017-18 Base Budget

##### Source of Funds



##### Expenditure of Funds



March 1, 2017

### Expenditures: Summary by Account

	531-XXX	532-XXX	533 - 534-XXX	536-XXX	535, 537 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies & Equipment	Aid & Public Assistance	Other	Total Expenditure	FTE
13800	\$ 81,865,058	\$ 23,889,404	\$ 5,507,261	\$ 88,864,396.00	\$ 28,009,365	\$ 228,135,484	1,110.84
	\$ 81,865,058	\$ 23,889,404	\$ 5,507,261	\$ 88,864,396	\$ 28,009,365	\$ 228,135,484	1,110.84

### Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX		538-8XX		
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Other	Federal Funds	Total Revenue	Net Appropriation
13800	\$ 1,296,040	\$ 7,930,958	\$ 20,301,645	\$ 2,093,957	\$ 118,657,972	\$ 150,280,572	\$ 77,854,912
	\$ 1,296,040	\$ 7,930,958	\$ 20,301,645	\$ 2,093,957	\$ 118,657,972	\$ 150,280,572	\$ 77,854,912

Detailed Adjustments to Base Budget	Major Programs
See divisional handouts for details	See divisional handouts for details
Funds included in Overview	
Fund	
See divisional handouts for details	

## Reserves

### Department of Environmental Quality

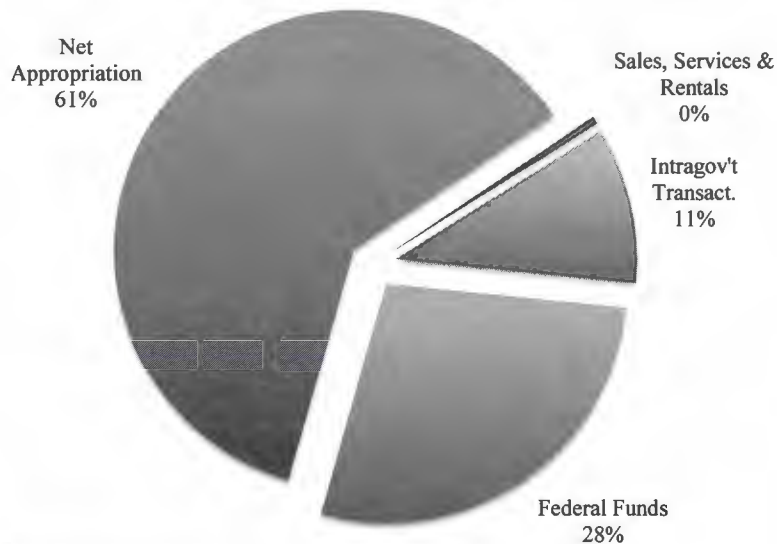
Account that holds funds in reserve to be distributed to other fund codes

#### General Fund Budget Code Funds Only

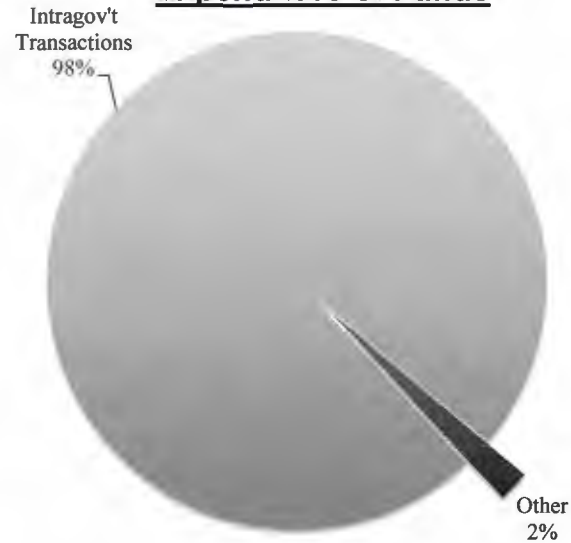
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 13,009,333	\$ 11,620,997	\$ 17,688,773	\$ (10,347,934)	\$ 7,340,839	\$ (13,202,236)	\$ 4,486,537
<b>Less Receipts</b>	\$ 7,482,865	\$ 5,664,868	\$ 2,854,302	\$ -	\$ 2,854,302	\$ (2,854,302)	\$ -
<b>Net Approp.</b>	\$ 5,526,468	\$ 5,956,129	\$ 14,834,471	\$ (10,347,934)	\$ 4,486,537	\$ (10,347,934)	\$ 4,486,537
<b>Positions</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

	531-XXX	532-XXX	533 - 534-XXX	535- 537-XXX	538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies and Equipment	Other	Intragov't Transactions	Total Expenditure	FTE
1910	\$ -	\$ -	\$ -	\$ 36,180	\$ 4,450,357	\$ 4,486,537	-
1931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1940	\$ -	\$ -	\$ -	\$ 112,243	\$ 2,742,059	\$ 2,854,302	-
	\$ -	\$ -	\$ -	\$ 148,423	\$ 7,192,416	\$ 7,340,839	-

### Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX		538-8XX		
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Other	Federal Funds	Total Revenue	Net Appropriation
1910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,486,537
1931	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
1932	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
1940	\$ 36,332	\$ -	\$ 773,715		\$ 2,044,255	\$ 2,854,302	\$ -
	\$ 36,332	\$ -	\$ 773,715	\$ -	\$ 2,044,255	\$ 2,854,302	\$ 4,486,537

Detailed Adjustments to Base Budget	Major Programs
<ul style="list-style-type: none"> <li>- Clearing of reserves related to compensation: (\$347,934)</li> <li>- Clearing of reserves related to Hurricane Matthew (\$10,000,000)</li> </ul>	None
Funds included in Reserves	
<b>Fund</b> 1910 Reserves and Transfers 1931 Prior Year - Refunds 1932 Prior Year - Encumbrances 1940 Federal - Special - Indirect	



## Administration

### Department of Environmental Quality

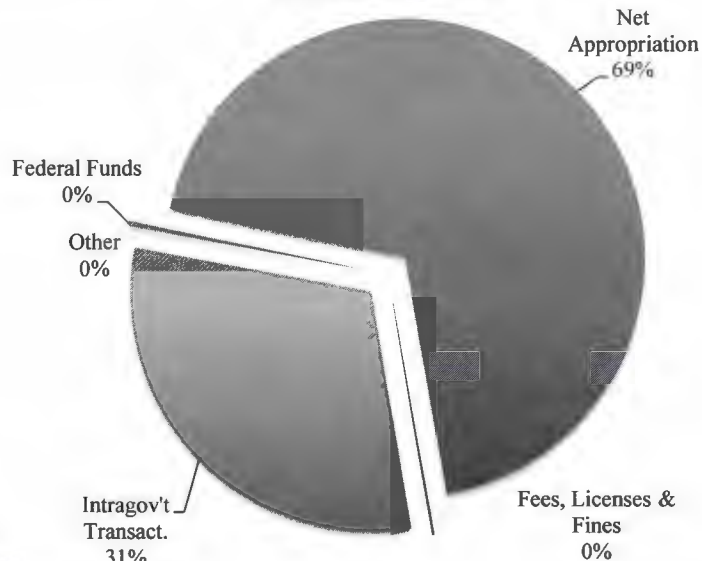
To conserve and protect North Carolina's natural resources and to maintain an environment of high quality, for the health, well being, and benefit of all

#### General Fund Budget Code Funds Only

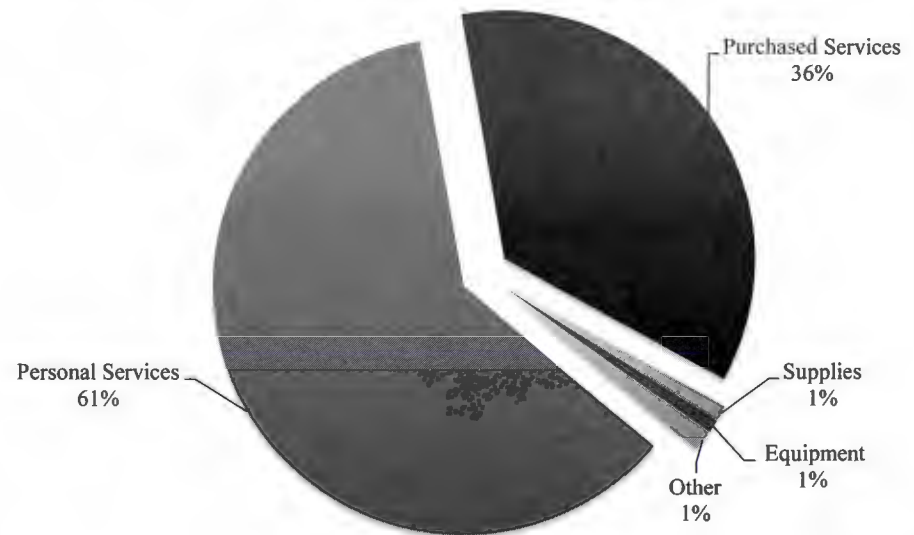
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 15,352,446	\$ 11,983,862	\$ 10,086,553	\$ 23,883	\$ 10,110,436	\$ 23,883	\$ 10,110,436
<b>Less Receipts</b>	\$ 3,190,536	\$ 4,554,231	\$ 3,143,271	\$ -	\$ 3,143,271	\$ -	\$ 3,143,271
<b>Net Approp.</b>	\$ 12,161,909	\$ 7,429,630	\$ 6,943,282	\$ 23,883	\$ 6,967,165	\$ 23,883	\$ 6,967,165
<b>Positions</b>	113.36	95.28	68.45		68.45		68.45

#### FY 2017-18 Base Budget

##### Source of Funds



##### Expenditure of Funds



### Expenditures: Summary by Account

	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies	Equipment	Other	Total Expenditure	FTE
1140	\$ 6,175,616	\$ 3,622,887	\$ 99,728	\$ 81,372	\$ 130,833	\$ 10,110,436	68.45
	\$ 6,175,616	\$ 3,622,887	\$ 99,728	\$ 81,372	\$ 130,833	\$ 10,110,436	68.45

### Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX		538-8XX		
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Other	Federal Funds	Total Revenue	Net Appropriation
1140		\$ 11,412	\$ 3,096,723	\$ 11	\$ 35,125	\$ 3,143,271	\$ 6,967,165
	\$ -	\$ 11,412	\$ 3,096,723	\$ 11	\$ 35,125	\$ 3,143,271	\$ 6,967,165

Detailed Adjustments to Base Budget	Major Programs
- Increases related to retirement contributions: \$23,883	Financial Services General Counsel Human Resources Information Technology Services Stewardship Program
Funds included in Administration	
<b>Fund</b>	
1140 Administrative Services	24340-2440 Coal Ash
24300-2410 Conservation Grant	64307-6704 CGE Principal
24310-2823 Hurricane Irene 2011	64307-6705 CGE Interest
24317-2931 Network Data IT Project	64307-6706 CGE-CWMTF

## Division of Air Quality

### Department of Environmental Quality

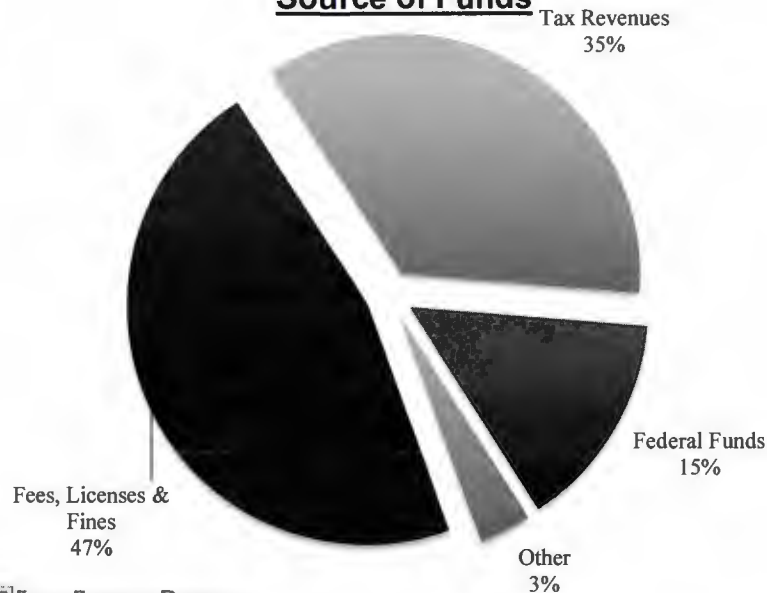
Operates a statewide air quality monitoring network to measure the level of pollutants in the outdoor air, develops and implements plans to meet future air quality initiatives, assures compliance with air quality rules, and educates, informs and assists the public with regard to air quality issues

*Funds: 14300-1770, 24300-2331,2333,2338,2342, and 24301-2334*

	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 21,553,796	\$ 21,203,183	\$ 23,621,595	\$ -	\$ 23,621,595	\$ -	\$ 23,621,595
<b>Less Receipts</b>	\$ 18,909,883	\$ 22,676,914	\$ 23,451,640	\$ -	\$ 23,451,640	\$ -	\$ 23,451,640
<b>Net Approp.</b>	\$ (144,025)	\$ 43,544	\$ -	\$ -	\$ -	\$ -	\$ -
<b>ΔFund Balance</b>	\$ (2,787,938)	\$ 1,517,276	\$ (169,955)		\$ (169,955)		\$ (169,955)
<b>Positions</b>	267.90	232.78	213.80		213.80		213.80

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies	Equipment	Other	Total Expenditure	FTE
1770	\$ 2,092,648	\$ 208,334	\$ 52,680	\$ 665,592	\$ 1,179,519	\$ 4,198,773	25.83
24300-2331	\$ 867,623	\$ 187,832	\$ 800	\$ -	\$ -	\$ 1,056,255	11.65
24300-2333	\$ 6,607,835	\$ 431,624	\$ 8,840	\$ 2,000	\$ 258,702	\$ 7,309,001	84.05
24300-2338	\$ 833,860	\$ 920,018	\$ 41,527	\$ -	\$ 188,491	\$ 1,983,896	11.40
24300-2342	\$ 125,440	\$ 44,500	\$ 2,000	\$ -	\$ 453,500	\$ 625,440	1.64
24301-2334	\$ 5,627,559	\$ 901,844	\$ 120,125	\$ 303,064	\$ 1,495,638	\$ 8,448,230	79.23
	\$ 16,154,965	\$ 2,694,152	\$ 225,972	\$ 970,656	\$ 3,575,850	\$ 23,621,595	213.80

### Revenues: Summary by Account

	434-XXX	435-XXX	431-XXX	538-8XX			
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Tax Revenues	Federal Funds	Other	Total Revenue	Net Appropriation
1770		\$ 565,648	\$ -	\$ 3,428,746	\$ 204,379	\$ 4,198,773	\$ -
24300-2331		\$ 1,056,255	\$ -	\$ -	\$ -	\$ 1,056,255	\$ -
24300-2333		\$ 7,309,001	\$ -	\$ -	\$ -	\$ 7,309,001	\$ -
24300-2338		\$ 1,983,896	\$ -	\$ -	\$ -	\$ 1,983,896	\$ -
24300-2342		\$ -	\$ -	\$ -	\$ 625,440	\$ 625,440	\$ -
24301-2334		\$ -	\$ 8,278,275	\$ -	\$ -	\$ 8,278,275	\$ -
	\$ -	\$ 10,914,800	\$ 8,278,275	\$ 3,428,746	\$ 829,819	\$ 23,451,640	\$ -

Detailed Adjustments to Base Budget	Major Programs
None	Air Quality Monitoring Motor Vehicles Rules AQ Forecasts Planning Compliance Permitting Emission Inventories
Funds included in Division of Air Quality	
Fund	
1770 Air Quality Control	24300-2338 I & M Air Pollution Control
24300-2331 Air Permits	24300-2342 CMAQ/DOT
24300-2333 Clean Air Act	
24301-2334 Fuel Tax	

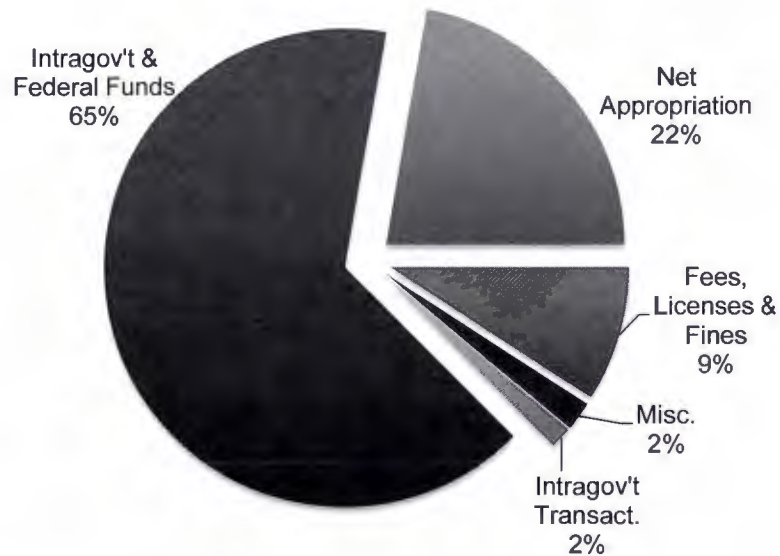
## Division of Coastal Management Department of Environmental Quality

*Works to protect, conserve and manage North Carolina's coastal resources through an integrated program of planning, permitting, education and research in the 20 coastal counties*

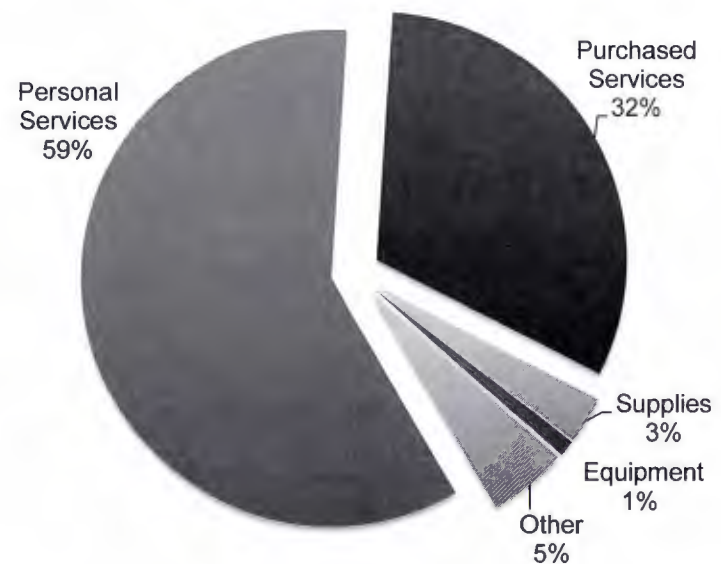
<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 5,051,944	\$ 4,876,661	\$ 6,159,075	\$ 3,748	\$ 6,162,823	\$ 3,748	\$ 6,162,823
<b>Less Receipts</b>	\$ 3,725,935	\$ 3,609,505	\$ 4,792,662	\$ -	\$ 4,792,662	\$ -	\$ 4,792,662
<b>Net Approp.</b>	\$ 1,326,010	\$ 1,267,156	\$ 1,366,413	\$ 3,748	\$ 1,370,161	\$ 3,748	\$ 1,370,161
<b>Positions</b>	0.00	48.65	48.65	0.00	48.65	0.00	48.65

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies	Equipment	Other	Total Expenditure	FTE
1625	\$ 3,659,717	\$ 1,943,244	\$ 187,502	\$ 61,271	\$ 311,089	\$ 6,162,823	48.65
<b>Total</b>	<b>\$ 3,659,717</b>	<b>\$ 1,943,244</b>	<b>\$ 187,502</b>	<b>\$ 61,271</b>	<b>\$ 311,089</b>	<b>\$ 6,162,823</b>	<b>48.65</b>

### Revenues: Summary by Account

	435-XXX	437-XXX	438-XXX	538-XXX			
Fund Code	Fees, Licenses & Fines	Misc.	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
1625	\$ 560,054	\$ 118,841	\$ 89,965	\$ 4,023,526	\$ 276	\$ 4,792,662	\$ 1,370,161
<b>Total</b>	<b>\$ 560,054</b>	<b>\$ 118,841</b>	<b>\$ 89,965</b>	<b>\$ 4,023,526</b>	<b>\$ 276</b>	<b>\$ 4,792,662</b>	<b>\$ 1,370,161</b>

### Detailed Adjustments to Base Budget

- Adjustment for Retirement Expenditures: \$3,748

### Major Programs

- 8 regional offices
- Coastal Resources Commission
- Coastal Area Management Area Permitting & Enforcement
- Grant programs (Public Beach & Coastal Waterfront Access, Marine Sewage Pump-out)
- Coastal Reserve Program
- Local government land use planning assistance
- Technical studies & long-range planning

### Funds included in Coastal Management

Fund	
1625	DCM - Coastal Management
24317-2500	DCM - Coastal and Estuarine Water Beach Access Fund

## Division of Environmental Assistance and Customer Services

### Department of Environmental Quality

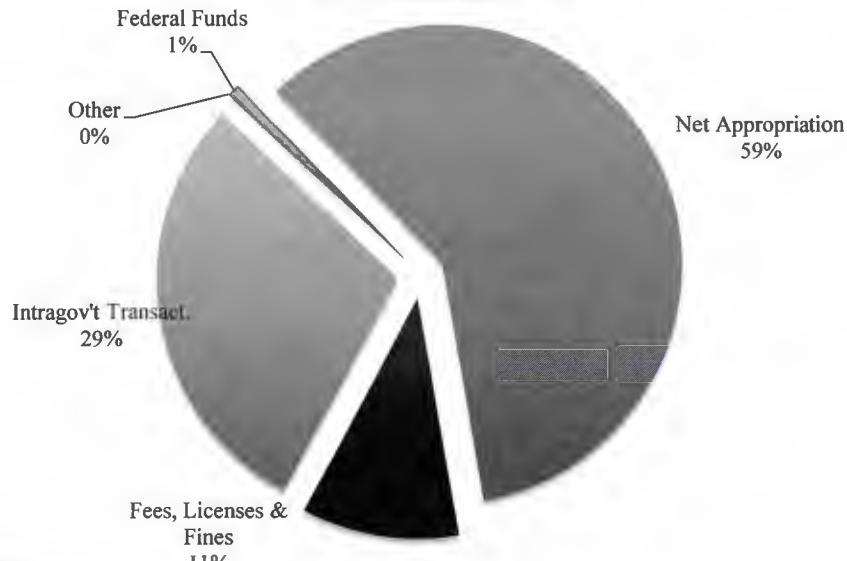
Helps expand the use of sustainable practices regarding waste reduction, energy efficiency, water conservation and emissions reductions

*Budget Codes 14300-1130, -1615; 24300-2356*

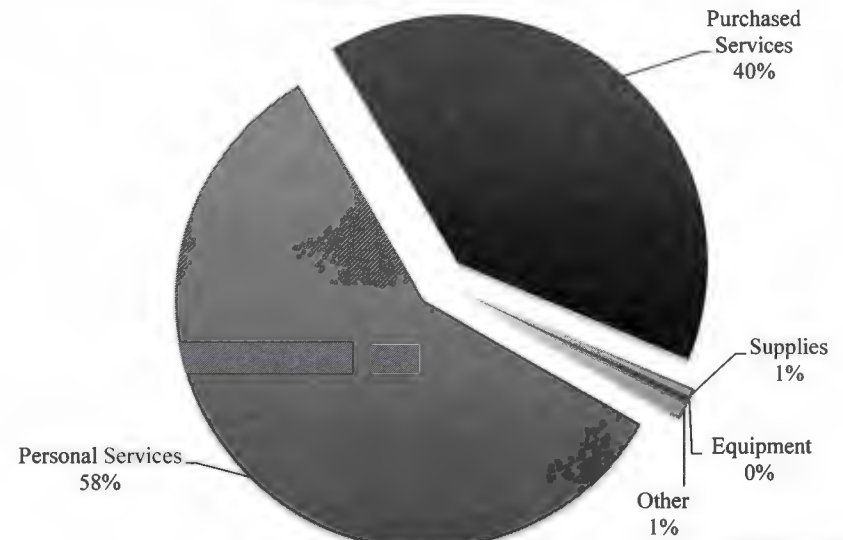
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 9,056,340	\$ 9,075,653	\$ 9,427,313	\$ 14,142	\$ 9,441,455	\$ 14,142	\$ 9,441,455
<b>Less Receipts</b>	\$ 4,282,176	\$ 4,173,369	\$ 3,837,300	\$ -	\$ 3,837,300	\$ -	\$ 3,837,300
<b>Net Approp.</b>	\$ 5,132,838	\$ 5,332,916	\$ 5,590,013	\$ 14,142	\$ 5,604,155	\$ 14,142	\$ 5,604,155
<b>Δ Fund Balance</b>	358,674	430,632	-		-		-
<b>Positions</b>	101.19	94.84	84.99		84.99		84.99

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



March 1, 2017



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1130	\$ 1,807,976	\$ 3,440,846	\$ 34,902	\$ 6,042	\$ 1,303	\$ 5,291,069	39.00
1615	\$ 2,779,590	\$ 285,391	\$ 26,477	\$ 15,794	\$ 40,804	\$ 3,148,056	34.95
24300-2356	\$ 913,457	\$ 26,500	\$ 3,273	\$ -	\$ 59,100	\$ 1,002,330	11.04
	\$ 5,501,023	\$ 3,752,737	\$ 64,652	\$ 21,836	\$ 101,207	\$ 9,441,455	84.99

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-8XX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Federal Funds		
1130	\$ -	\$ -	\$ 2,597,409	\$ 100	\$ -	\$ 2,597,509	\$ 2,693,560
1615	\$ -	\$ -	\$ 160,654	\$ 2,061	\$ 74,746	\$ 237,461	\$ 2,910,595
24300-2356	\$ -	\$ 1,002,330	\$ -	\$ -	\$ -	\$ 1,002,330	\$ -
	\$ -	\$ 1,002,330	\$ 2,758,063	\$ 2,161	\$ 74,746	\$ 3,837,300	\$ 5,604,155

Detailed Adjustments to Base Budget	Major Programs
- Increases related to retirement contributions: \$14,142	Express Permitting NC Green Travel NC Environmental Stewardship Initiative Energy, Water, and Waste Reduction Recycling
Funds included in Division of Environmental Assistance and Customer Services	
<b>Fund</b> 1130 - Regional Field Offices 1615 - DEACS 24300-2356 - Express Permit 64303-6760 - Solid Waste Management Outreach	

## Division of Energy, Mineral, and Land Resources

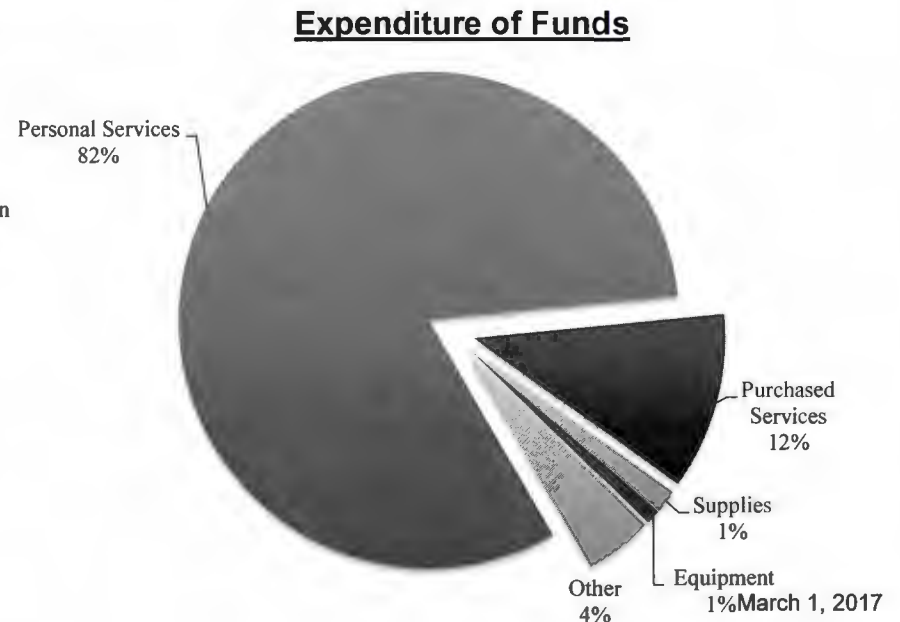
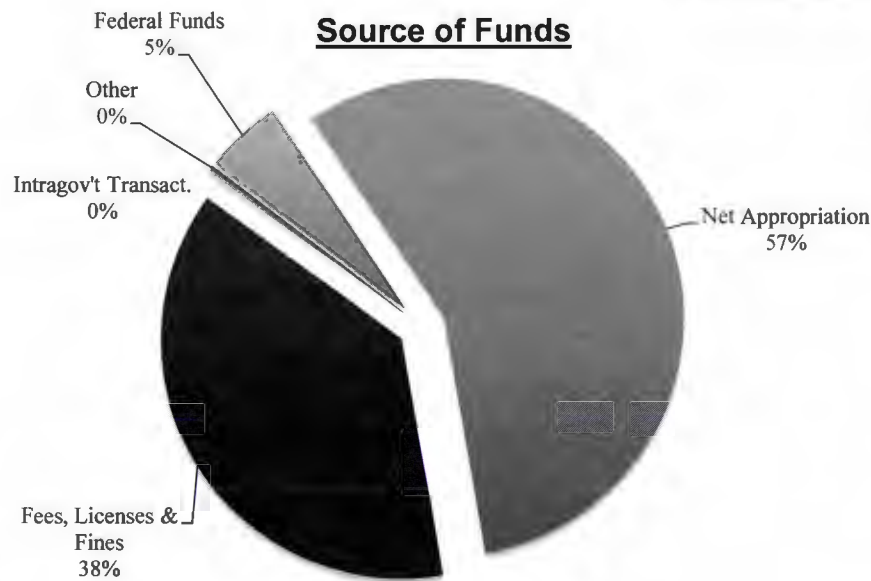
### Department of Environmental Quality

Regulates and provides technical assistance related to mining, dams, sediment and erosion control and stormwater management

*Budget Codes 14300-1730, -1740; 24300-2735*

	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 6,363,005	\$ 6,370,890	\$ 7,716,326	\$ (237,367)	\$ 7,478,959	\$ (237,367)	\$ 7,478,959
<b>Less Receipts</b>	\$ 2,595,174	\$ 3,317,681	\$ 3,225,901	\$ -	\$ 3,225,901	\$ -	\$ 3,225,901
<b>Net Approp.</b>	\$ 4,276,652	\$ 3,831,994	\$ 4,437,426	\$ (237,367)	\$ 4,200,059	\$ (237,367)	\$ 4,200,059
<b>Δ Fund Balance</b>	508,821	778,785	(52,999)		(52,999)		(52,999)
<b>Positions</b>	67.22	79.67	76.99		76.99		76.99

### FY 2017-18 Base Budget



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1730	\$ 344,098	\$ 14,088	\$ 100	\$ 600	\$ 864	\$ 359,750	3.04
1740	\$ 4,530,924	\$ 499,146	\$ 52,310	\$ 32,313	\$ 286,197	\$ 5,400,890	57.02
24300-2735	\$ 1,243,485	\$ 344,628	\$ 57,300	\$ 34,417	\$ 38,489	\$ 1,718,319	16.93
	\$ 6,118,507	\$ 857,862	\$ 109,710	\$ 67,330	\$ 325,550	\$ 7,478,959	76.99

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-8XX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Federal Funds		
1730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,750
1740	\$ -	\$ 1,144,662	\$ 16,822	\$ 15,168	\$ 383,929	\$ 1,560,581	\$ 3,840,309
24300-2735	\$ -	\$ 1,665,320	\$ -	\$ -	\$ -	\$ 1,665,320	\$ -
	\$ -	\$ 2,809,982	\$ 16,822	\$ 15,168	\$ 383,929	\$ 3,225,901	\$ 4,200,059

Detailed Adjustments to Base Budget	Major Programs
<ul style="list-style-type: none"> <li>- Increases related to retirement contributions: \$12,633</li> <li>- Elimination of nonrecurring funds in Dam Safety Program: (\$250,000)</li> </ul>	NC Geological Survey Energy Stormwater Mining Erosion and Sediment Control Dam Safety
Funds included in Division of Energy, Mineral, and Land Resources	
<b>Fund</b> 1730 DEMLR Admin 1740 Land Quality 24300-2625 Mine Reclamation 24300-2735 Sedimentation Fees 24300-2740 Dam Safety Account	

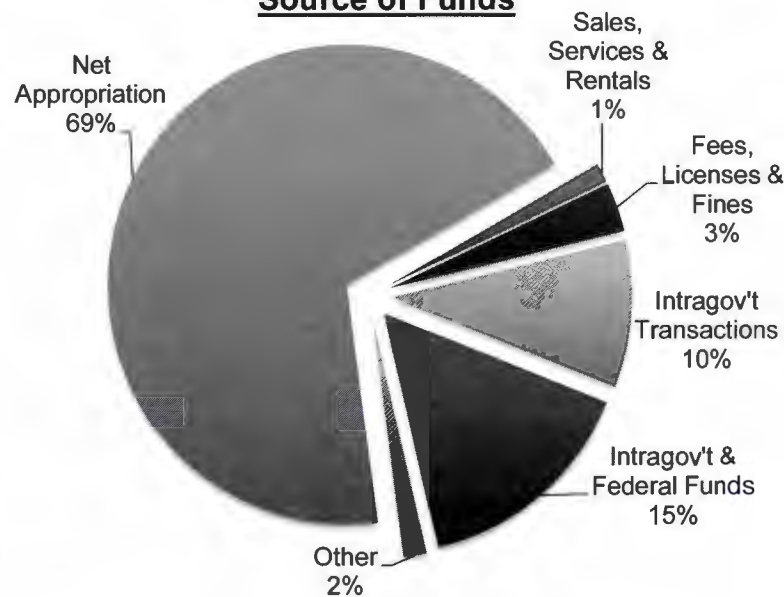
## Division of Marine Fisheries Department of Environmental Quality

*Responsible for the stewardship of North Carolina's marine and estuarine resources in coastal waters up to 3 miles offshore; agency policies are established by the 9-member Marine Fisheries Commission and the Secretary of the Department of Environmental Quality*

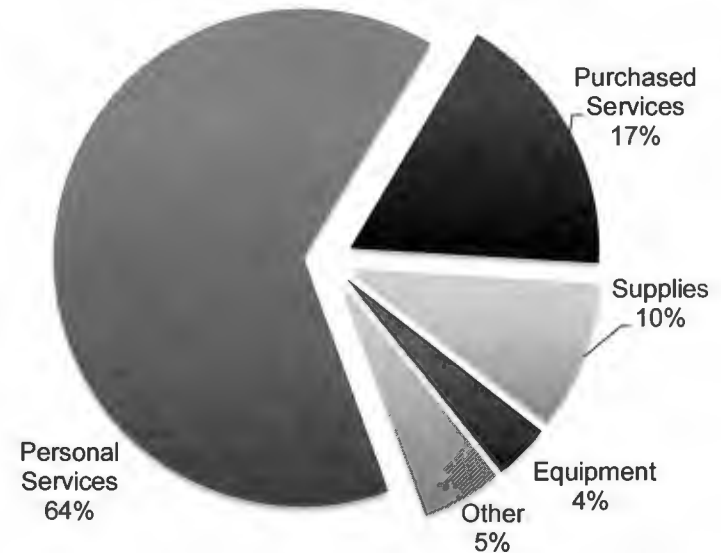
<i>General Fund Fund Codes Only</i>							
	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Authorized</b>	<b>2017-18 Adjust.</b>	<b>2017-18 Base Budget</b>	<b>2018-19 Adjust.</b>	<b>2018-19 Base Budget</b>
<b>Expenditures</b>	\$ 20,615,732	\$ 22,051,922	\$ 24,698,189	\$ (1,540,575)	\$ 23,157,614	\$ (1,540,575)	\$ 23,157,614
<b>Less Receipts</b>	\$ 8,741,684	\$ 7,354,991	\$ 7,247,329	\$ -	\$ 7,247,329	\$ -	\$ 7,247,329
<b>Net Approp.</b>	\$ 11,874,048	\$ 14,696,931	\$ 17,450,860	\$ (1,540,575)	\$ 15,910,285	\$ (1,540,575)	\$ 15,910,285
<b>Positions</b>	0.00	259.00	243.00	0.00	243.00	0.00	243.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



## Expenditures: Summary by Account

	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies	Equipment	Other	Total Expenditure	FTE
1315	\$ 1,738,285	\$ 479,202	\$ 305,559	\$ 42,516	\$ 58,649	\$ 2,624,211	2,288,422.00
1320	\$ 6,410,247	\$ 2,008,931	\$ 1,437,776	\$ 467,931	\$ 865,608	\$ 11,190,493	9,074,034.00
1325	\$ 5,061,937	\$ 1,328,536	\$ 385,024	\$ 293,414	\$ 228,115	\$ 7,297,026	4,370,804.00
1495	\$ 1,634,710	\$ 215,972	\$ 99,741	\$ 36,747	\$ 58,714	\$ 2,045,884	1,717,600.00
<b>Total</b>	<b>\$ 14,845,179</b>	<b>\$ 4,032,641</b>	<b>\$ 2,228,100</b>	<b>\$ 840,608</b>	<b>\$ 1,211,086</b>	<b>\$ 23,157,614</b>	<b>17,450,860.00</b>

## Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transactions	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
1315	\$ 62,398	\$ 842	\$ -	\$ 256,000	\$ 10,067	\$ 329,307	\$ 2,294,904
1320	\$ 208,721	\$ -	\$ -	\$ 3,001,313	\$ 321,482	\$ 3,531,516	\$ 7,658,977
1325	\$ 25,040	\$ 749,896	\$ 2,287,150	\$ 975	\$ 500	\$ 3,063,561	\$ 4,233,465
1495	\$ -	\$ -	\$ -	\$ 296,543	\$ 26,402	\$ 322,945	\$ 1,722,939
<b>Total</b>	<b>\$ 296,159</b>	<b>\$ 750,738</b>	<b>\$ 2,287,150</b>	<b>\$ 3,554,831</b>	<b>\$ 358,451</b>	<b>\$ 7,247,329</b>	<b>\$ 15,910,285</b>

Detailed Adjustments to Base Budget		Major Programs	
<ul style="list-style-type: none"><li>- Retirement expenditures increase: \$27,894</li><li>- LEO Retirement Expenditure increase: \$11,531</li><li>- Expenditure reduction for nonrecurring appropriations:<ul style="list-style-type: none"><li>- Marine Patrol equipment (\$150,000)</li><li>- Crap Pot cleanup (\$100,000)</li><li>- Shellfish Rehabilitation (\$300,000)</li><li>- Oyster Sanctuaries (\$1.03 million)</li></ul></li></ul>		<ul style="list-style-type: none"><li>- Marine Fisheries Commission</li><li>- Marine Patrol (Law Enforcement)</li><li>- Fisheries management</li><li>- Habitat Enhancement &amp; Protection</li><li>- License &amp; Statistics</li><li>- Shellfish Sanitation and Recreational Water Quality Program</li></ul>	
Funds included in Marine Fisheries			
Fund		Fund	
1315 DMF-Marine Fisheries Admin		24300-2940 DMF-Federal Contracts	
1320 DMF-Marine Fisheries Research		24303-2990 DMF-Marine Conservation Fund	
1325 DMF-Marine Patrol Law Enforcement		24317-2359 DMF-Advance License Sales Odd Year	
1495 DEH-Shellfish Sanitation		24318-2353 DMF-Commercial Fishing Resource Fund	
24300-2128 DMF-Development of Artificial Reef/SCUBA		24323 (All Funds) Marine Resources Fund	
24300-2129 DMF-Red Drum Tag		24324-2150 DMF-Fisheries Information Network	
24300-2131 DMF-Art Reef Honor Employee		24325-2053 DWR-FER Cheoah Relicense	
24300-2392 DMF-Advance License Sales		64353 (All Funds) DMF Lifetime Licenses	



## Division of Mitigation Services

### Department of Environmental Quality

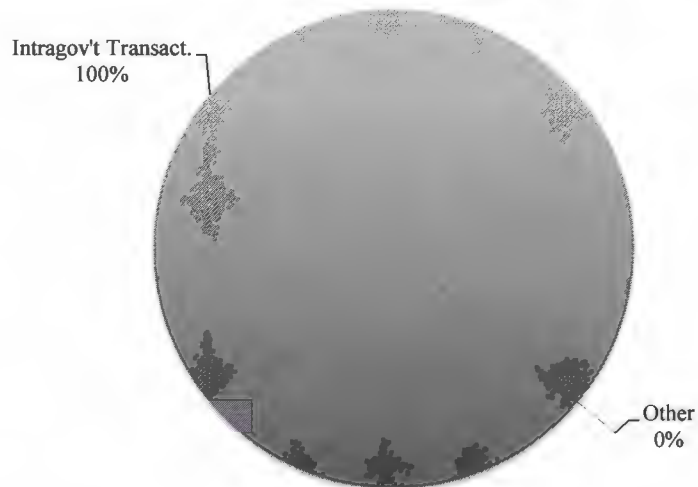
Offers four In-Lieu Fee mitigation programs designed to assist private and public entities comply with state and federal compensatory mitigation for streams, wetlands, riparian buffers, and nutrients

#### Special Fund Budget Code 24300

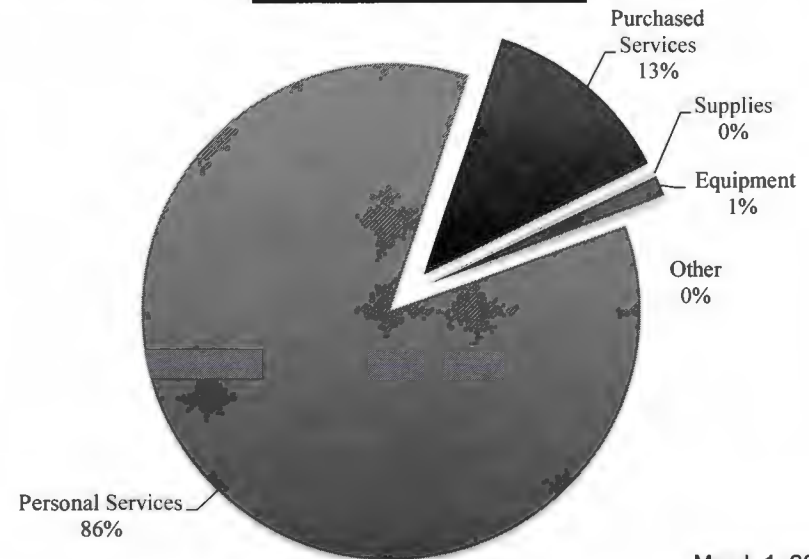
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 2,600,711	\$ 2,660,287	\$ 3,212,753	\$ -	\$ 3,212,753	\$ -	\$ 3,212,753
<b>Less Receipts</b>	\$ 2,610,416	\$ 2,660,287	\$ 3,212,753	\$ -	\$ 3,212,753	\$ -	\$ 3,212,753
<b>Net Approp.</b>	\$ (9,705)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Positions</b>	46.00	27.43	24.43		24.43		24.43

#### FY 2017-18 Base Budget

##### Source of Funds



##### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other	Expenditure	
24300-2930	\$ 2,749,269	\$ 404,601	\$ 9,361	\$ 42,417	\$ 7,105	\$ 3,212,753	24.43
	\$ 2,749,269	\$ 404,601	\$ 9,361	\$ 42,417	\$ 7,105	\$ 3,212,753	24.43

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX		538-8XX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Other	Federal Funds		
24300-2930	\$ -	\$ -	\$ 3,212,133	\$ 620	\$ -	\$ 3,212,753	\$ -
	\$ -	\$ -	\$ 3,212,133	\$ 620	\$ -	\$ 3,212,753	\$ -

Detailed Adjustments to Base Budget		Major Programs	
- None		NCDOT Stream/Wetland In-Lieu Fee	
		Statewide Stream/Wetland In-Lieu Fee	
		Riparian Buffer In-Lieu Fee	
		Nutrient Offset In-Lieu Fee	
Funds included in Division of Mitigation Services			
Fund			
24300-2930 DMS Administration		24304-29NE Riparian Buffer - Neuse	24304-2984 MOA-DOT
24300-2937 Oyster Reef Mitigation (new)		24304-29TP Riparian Buffer - Tar Pamlico	
24300-2938 Sparrow Modeling (new)		24304-29YA Riparian Buffer - Yadkin	
24304-29CA Riparian Buffer - Catawba		24304-2981 Compensatory Mitigation (6.57 FTE)	
24304-29CF Riparian Buffer - Cape Fear		24304-2982 Riparian Buffers (0.50 FTE)	



## Division of Water Infrastructure Department of Environmental Quality

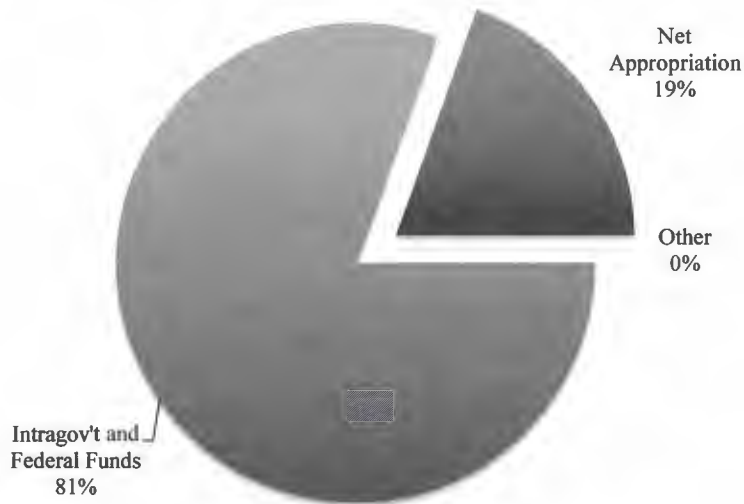
Provides financial assistance for projects, including sewer collection and treatment systems, drinking water distribution systems, water treatment plants, storm water management systems, and stream restoration

*14300-1460,-1685; 64304-6233; 64311-6685; 64320-63A4 codes only*

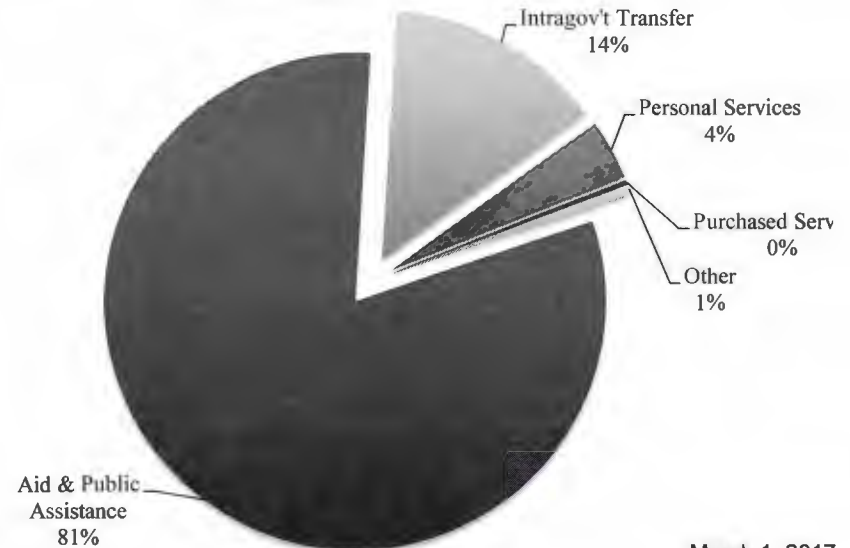
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 18,918,475	\$ 28,172,154	\$ 130,857,734	\$ (23,797,530)	\$ 107,060,204	\$ (23,797,530)	\$ 107,060,204
<b>Less Receipts</b>	\$ 3,717,984	\$ 5,459,969	\$ 86,669,073	\$ -	\$ 86,669,073		\$ 86,669,073
<b>Net Approp.</b>	\$ 15,358,315	\$ 22,571,502	\$ 44,073,908	\$ (23,797,530)	\$ 20,276,378	\$ (23,797,530)	\$ 20,276,378
<b>ΔFund Balance</b>	\$ 157,824	\$ (140,683)	\$ (114,753)	\$ -	\$ (114,753)	\$ -	\$ (114,753)
<b>Positions</b>	35.20	46.00	45.00		45.00		45.00

### FY 2017-18 Base Budget

Source of Funds



Expenditure of Funds



March 1, 2017

### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533 - 535-XXX	536-XXX	538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Other	Aid & Public Assistance	Intragov't Transfer		
1460	\$ 659,724	\$ 207,225	\$ 90,696	\$ 86,933,983	\$ 14,600,000	\$ 102,491,628	7.00
1685	\$ 35,521	\$ 1,690	\$ 4,150	\$ -	\$ -	\$ 41,361	-
64304-6233	\$ 172,419	\$ 5,600	\$ 4,400	\$ -	\$ -	\$ 182,419	2.00
64311-6685	\$ 2,476,722	\$ 107,319	\$ 450,983	\$ -	\$ 334,831	\$ 3,369,855	26.00
64320-63A4	\$ 822,938	\$ 8,289	\$ 72,209	\$ -	\$ 71,505	\$ 974,941	10.00
	\$ 4,167,324	\$ 330,123	\$ 622,438	\$ 86,933,983	\$ 15,006,336	\$ 107,060,204	45.00

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-XXX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Intragov't and Federal Funds		
1460	\$ -	\$ -		\$ -	\$ 82,215,250	\$ 82,215,250	\$ 20,276,378
1685	\$ -	\$ -		\$ 3,450	\$ 37,911	\$ 41,361	\$ -
64304-6233	\$ -	\$ -		\$ -	\$ -	\$ -	
64311-6685	\$ -	\$ -		\$ -	\$ 581,608	\$ 581,608	
64320-63A4	\$ -	\$ -		\$ -	\$ 903,436	\$ 903,436	
	\$ -	\$ -	\$ -	\$ 3,450	\$ 83,738,205	\$ 83,741,655	\$ 20,276,378

#### Detailed Adjustments to Base Budget

- Increases related to retirement contributions: \$1,451
- Elimination of nonrecurring funding for grants: (\$23,798,981)

#### Major Programs

Clean and Drinking Water State Revolving Loan Funds  
Wastewater and Drinking Water State Reserves

#### Budgets included in Division of Water Infrastructure

##### Budget

14300-1460 - Water Infrastructure  
14300-1685 - State Revolving Fund  
64304 - DEQ Clean Water Revolving Loan  
64311 - DEQ Water Pollution Revolving Loan  
64320 - DEQ Drinking Water State Reserve Fund  
64324 - DEQ Drinking Water Reserve

## Division of Waste Management Department of Environmental Quality

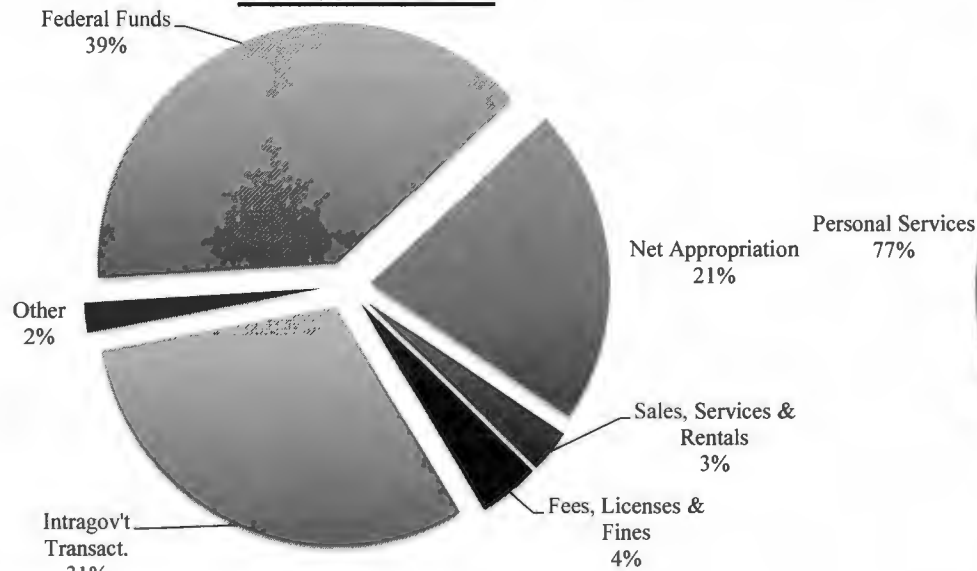
Protects public health and the environment by assuring that solid and hazardous wastes and underground storage tanks are managed properly,  
and that existing contamination is cleaned up

### General Fund Budget Code Funds Only

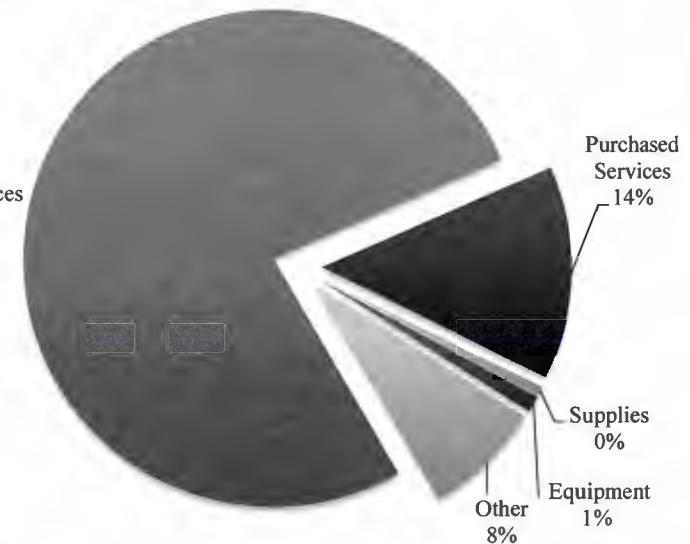
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 18,596,264	\$ 18,112,530	\$ 21,062,387	\$ (492,019)	\$ 20,570,368	\$ (492,019)	\$ 20,570,368
<b>Less Receipts</b>	\$ 15,359,094	\$ 13,971,021	\$ 19,207,597	\$ (3,040,000)	\$ 16,167,597	\$ (3,040,000)	\$ 16,167,597
<b>Net Approp.</b>	\$ 3,237,169	\$ 4,141,509	\$ 1,854,790	\$ 2,547,981	\$ 4,402,771	\$ 2,547,981	\$ 4,402,771
<b>Positions</b>	217.17	209.35	203.67		203.67		203.67

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



## Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1665	\$ 2,416,068	\$ 790,968	\$ 25,682	\$ 109,028	\$ 303,858	\$ 3,645,604	30.20
1671	\$ 4,458,685	\$ 516,018	\$ 15,066	\$ 26,556	\$ 330,387	\$ 5,346,712	61.15
1760	\$ 8,925,117	\$ 1,531,181	\$ 95,106	\$ 76,468	\$ 950,180	\$ 11,578,052	112.32
	\$ 15,799,870	\$ 2,838,167	\$ 135,854	\$ 212,052	\$ 1,584,425	\$ 20,570,368	203.67

## Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-8XX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Federal Funds		
1665	\$ -	\$ -	\$ -	\$ 126,453	\$ 3,519,089	\$ 3,645,542	\$ 62
1671	\$ -	\$ -	\$ 4,261,955	\$ -	\$ -	\$ 4,261,955	\$ 1,084,757
1760	\$ 592,597	\$ 848,533	\$ 2,039,004	\$ 275,975	\$ 4,503,991	\$ 8,260,100	\$ 3,317,952
	\$ 592,597	\$ 848,533	\$ 6,300,959	\$ 402,428	\$ 8,023,080	\$ 16,167,597	\$ 4,402,771

Detailed Adjustments to Base Budget		Major Programs	
- Increases related to retirement contributions: \$7,981 - Restoration of the nonrecurring reduction for mercury switches \$2,540,000		Storage Tanks Brownfields Coal Ash Compost Disaster Debris	Dry-Cleaning Petroleum Scrap Tires Solid Waste Superfund Electronics Hazardous Waste Medical Waste Mercury Switch Oil Terminal
Select funds included in Division of Waste Management			
Funds above \$1M in requirements			
14300-1665 - UST-Leaking		64305-6379 - Inactive Haz Sites SB1492	
14300-1671 - UST Compliance		64305-6375 - Superfund Cost Share Fund	
14300-1760 - Waste Management		24300-2387 - Hazardous Waste Fees	
64305-6370 - Leaking Petroleum ST		24306-2126 - Admin Dry Cleaning Solvent	
24306-2127 - Clean-up Dry Cleaning Solv.		64303-6780 - White Good Fund	
		64303-6770 - Scrap Tire Fund	
		24300-2394 - Solid Waste Permit	

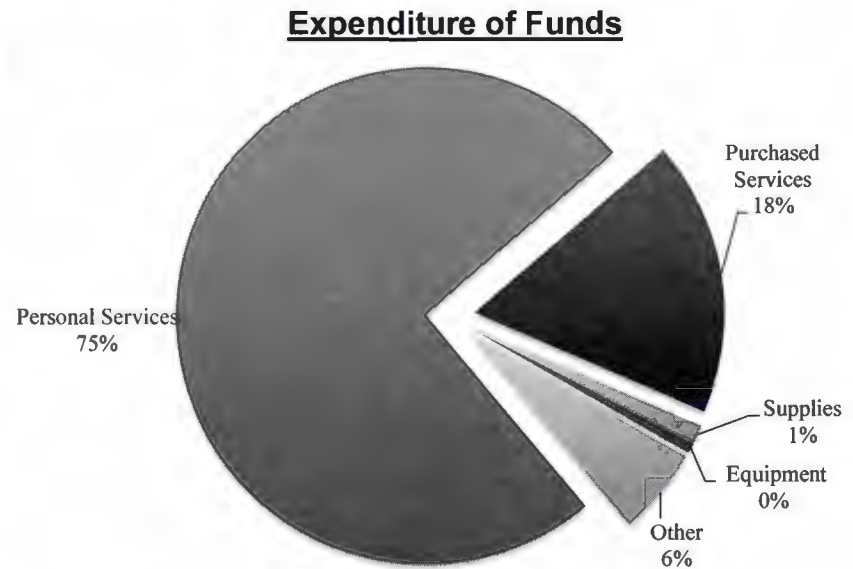
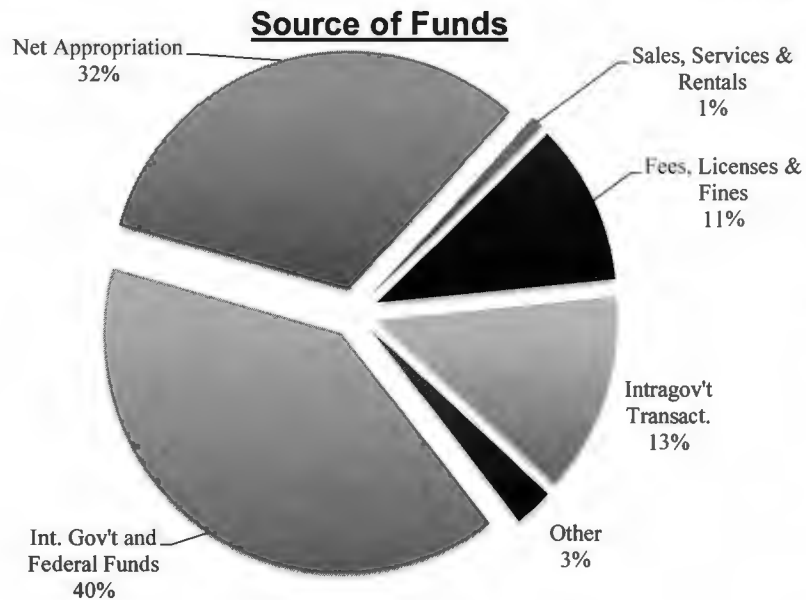
## Division of Water Resources Department of Environmental Quality

Ensures safe drinking water in accordance with federal requirements, issues pollution control permits, monitors permit compliance, evaluates environmental water quantity and quality, and carries out enforcement actions for violations of environmental regulations

### General Fund Budget Code Funds Only

	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 33,708,898	\$ 41,853,918	\$ 38,381,540	\$ (1,264,963)	\$ 37,116,577	\$ (1,264,963)	\$ 37,116,577
<b>Less Receipts</b>	\$ 22,815,488	\$ 31,092,198	\$ 25,124,819	\$ -	\$ 25,124,819	\$ -	\$ 25,124,819
<b>Net Approp.</b>	\$ 10,893,410	\$ 10,761,720	\$ 13,256,721	\$ (1,264,963)	\$ 11,991,758	\$ (1,264,963)	\$ 11,991,758
<b>Positions</b>	423.69	373.63	366.48		366.48		366.48

### FY 2017-18 Base Budget





## Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1490-Water Supply	\$ 4,672,394	\$ 368,651	\$ 20,325	\$ 47,493	\$ 351,531	\$ 5,460,394	59.00
1610-LWS	\$ 656,832	\$ 26,007	\$ 2,313	\$ 4,497	\$ 23,300	\$ 712,949	7.00
1620-Water Planning	\$ 2,595,402	\$ 2,500,488	\$ 69,335	\$ 92,852	\$ 32,977	\$ 5,291,054	32.44
1635-Lab Services	\$ 2,146,142	\$ 198,912	\$ 140,585	\$ 945	\$ 60	\$ 2,486,644	28.50
1660-Grndwater Prot.	\$ 783,690	-	-	\$ -	\$ 80,249	\$ 863,939	11.33
1690-Control	\$ 10,205,830	\$ 1,172,425	\$ 171,578	-	\$ 1,393,090	\$ 12,942,923	138.97
1695-Permit Fee	\$ 3,800,523	\$ 346,312	\$ 14,983	\$ 50,393	\$ 1,251	\$ 4,213,462	50.74
1705-Alb/Pam Sounds	\$ 1,005,101	\$ 140,830	\$ 14,975	\$ 26,100	\$ -	\$ 1,187,006	14.00
1710-EPA Grant	\$ 140,799	\$ 107,850	\$ 7,467	\$ -	\$ 16,922	\$ 273,038	2.00
1720-Non-Point Src	\$ 1,752,238	\$ 1,732,978	-	-	\$ 198,879	\$ 3,684,095	22.50
1725-Wetlands	\$ 1,073	\$ -	\$ -	\$ -	\$ -	\$ 1,073	-
	\$ 27,760,024	\$ 6,594,453	\$ 441,561	\$ 222,280	\$ 2,098,259	\$ 37,116,577	366.48

## Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	Other	538-XXX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.		Int. Gov't and Federal Funds		
1490-Water Supply	\$ -	\$ 2,279,213	\$ -	\$ 225,301	\$ 2,720,426	\$ 5,224,940	\$ 235,454
1610-LWS	\$ -	\$ -	\$ -	\$ -	\$ 563,590	\$ 563,590	\$ 149,359
1620-Water Planning	\$ 324,215	\$ -	\$ 780,364	\$ 58,522	\$ 795,511	\$ 1,958,612	\$ 3,332,442
1635-Lab Services	\$ -	\$ 733,475	\$ -	\$ -	\$ -	\$ 733,475	\$ 1,753,169
1660-Grndwater Prot.	\$ -	\$ -	\$ -	\$ 80,249	\$ 783,690	\$ 863,939	\$ -
1690-Control	\$ -	\$ 1,020,958	\$ -	\$ 409,095	\$ 4,991,536	\$ 6,421,589	\$ 6,521,334
1695-Permit Fee	\$ -	\$ 16,265	\$ 4,197,197	\$ -	\$ -	\$ 4,213,462	\$ -
1705-Alb/Pam Sounds	\$ -	\$ -	\$ -	\$ -	\$ 1,187,006	\$ 1,187,006	\$ -
1710-EPA Grant	\$ -	\$ -	\$ -	\$ 16,922	\$ 256,116	\$ 273,038	\$ -
1720-Non-Point Src	\$ -	\$ -	\$ -	\$ 198,879	\$ 3,485,216	\$ 3,684,095	\$ -
1725-Wetlands	\$ -	\$ -	\$ -	\$ -	\$ 1,073	\$ 1,073	\$ -
	\$ 324,215	\$ 4,049,911	\$ 4,977,561	\$ 988,968	\$ 14,784,164	\$ 25,124,819	\$ 11,991,758

Detailed Adjustments to Base Budget	Major Programs	
- Increases related to retirement contributions: \$35,037	Public Water Supply	Water Quality Regional Ops.
- Elimination of nonrecurring funding for in-situ technologies (\$1,300,000)	Water Planning	Water Sciences
	Water Quality Permitting	
Select funds included in Division of Water Resources		
Funds above \$1M		
24300-2182 - Shallow Dredging Fund	64320-64A0 through -66A5 - Drinking Water State Revolving Funds	
24300-2341 - Water Permits	24310-2767 - SB7 Hazard Remediation	
<div><div><div></div><div>FISCAL RESEARCH DIVISION</div><div>A Staff Agency of the North Carolina General Assembly</div></div></div>		

## Energy Office

### Department of Environmental Quality

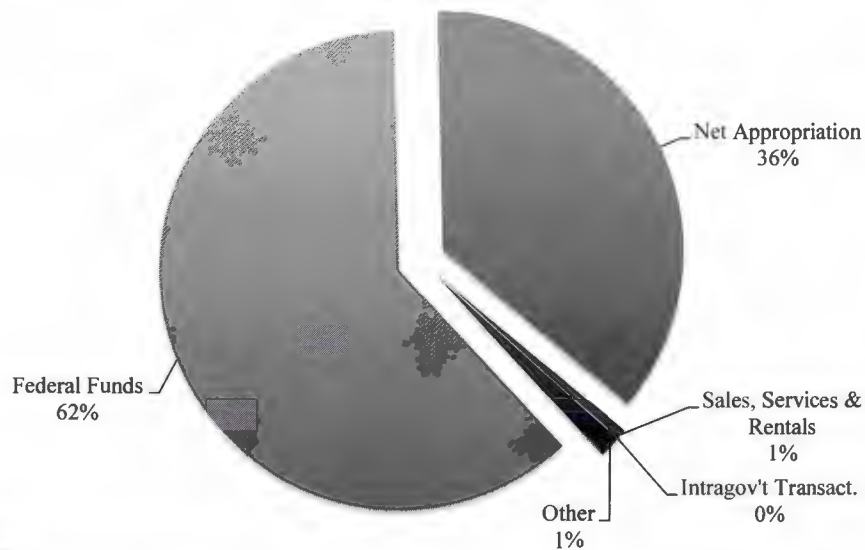
Provides services and technical expertise focused on energy efficiency in the public sector

*Fund Codes 14300-1735, -1749; 24300-2406, -2480*

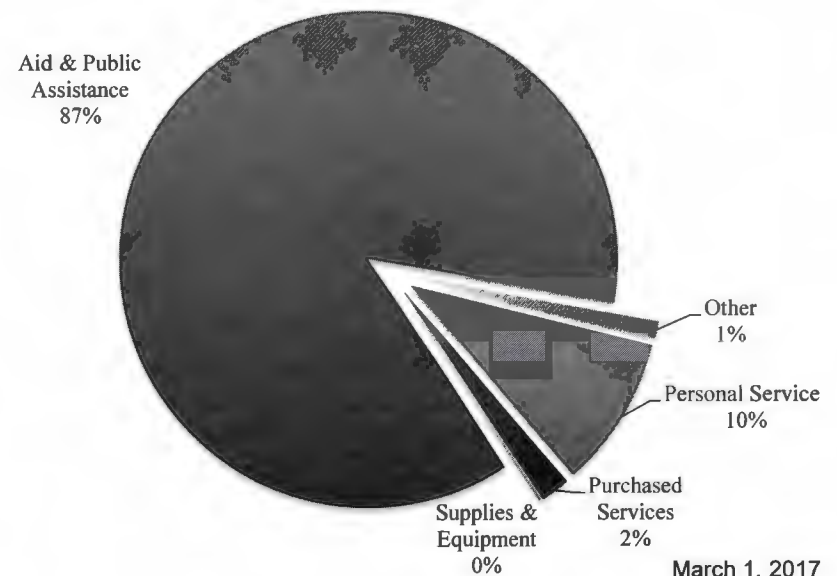
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 23,211,733	\$ 27,901,130	\$ 26,362,876	\$ (195,443)	\$ 26,167,433	\$ (195,443)	\$ 26,167,433
<b>Less Receipts</b>	\$ 20,307,662	\$ 25,369,775	\$ 23,672,760	\$ -	\$ 23,672,760	\$ -	\$ 23,672,760
<b>Net Approp.</b>	\$ 1,770,850	\$ 2,020,661	\$ 2,841,086	\$ (195,443)	\$ 2,645,643	\$ (195,443)	\$ 2,645,643
<b>ΔFund Balance</b>	(1,133,221)	(519,814)	138,965		138,965		138,965
<b>Positions</b>	32.63	35.18	32.17		32.17		32.17

### FY 2017-18 Base Budget

Source of Funds



Expenditure of Funds





## Expenditures: Summary by Account

	531-XXX	532-XXX	533 - 534-XXX	534-XXX	535, 537 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies & Equipment	Aid & Public Assistance	Other	Total Expenditure	FTE
1735	\$ 927,852	\$ 70,287	\$ 15,107	\$ 2,000	\$ 36,881	\$ 1,052,127	12.05
1749	\$ 446,319	\$ 131,005	\$ 16,041	\$ 1,056,933	\$ 42,875	\$ 1,693,173	5.00
24300-2406	\$ 566,401	\$ 137,063	\$ 4,311	\$ 21,672,075	\$ 98,804	\$ 22,478,654	7.33
24300-2480	\$ 629,319	\$ 156,546	\$ 11,000	\$ 50,000	\$ 96,614	\$ 943,479	7.79
	\$ 2,569,891	\$ 494,901	\$ 46,459	\$ 22,781,008	\$ 275,174	\$ 26,167,433	32.17

## Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX		538-8XX		
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Other	Federal Funds	Total Revenue	Net Appropriation
1735	\$ 46,461		\$ 687	\$ 100	\$ 52,409	\$ 99,657	\$ 952,470
1749	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 1,693,173
24300-2406	\$ -		\$ -	\$ 49,402	\$ 3,517,456	\$ 3,566,858	\$ -
24300-2480	\$ -		\$ -	\$ 47,807	\$ 895,672	\$ 943,479	\$ -
	\$ 46,461	\$ -	\$ 687	\$ 97,309	\$ 4,465,537	\$ 4,609,994	\$ 2,645,643

Detailed Adjustments to Base Budget		Major Programs	
- Increases related to retirement contributions: \$4,557		NC Energy Program	Weatherization Program
- Elimination of nonrecurring funds for NC State Energy Center: (\$200,000)		Energy Assurance Program	Oil and Gas Program
		Utility Savings Initiative	
Funds included in Energy Office			
Fund			
14300-1735 - Geological Survey		24300-2456 - DOE Special Grants	
14300-1749 - State Energy Office		24300-2480 - State Energy Program Formula	
24300-2406 - Weatherization Program		24300-2487 - Energy - Stripper Well	
24300-2430 - Energy Revolving Loan		64327-696E - DOA Occidental Settlement	
24300-2431 - Clean Energy Roadmapping		64328-694E - Energy Revolving Loan	
24300-2455 - State Energy Office		64329-697E - EPACT	

Committee Sergeants at Arms

NAME OF COMMITTEE Joint Appropriations AG/NER

DATE: 03-01-2017 Room: 421

House Sgt-At Arms:

1. Name: Bill Bass

2. Name: [REDACTED]

3. Name: Will Crocker

4. Name: David Linthicum

5. Name:

Senate Sgt-At Arms:

1. Name: Terry Edmondson

2. Name: Becky Myrick

3. Name:

4. Name:

5. Name:



**SECRET**



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

3-1-17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Rwan Mewald	Wm
Sarah McQuillan	KGANC
<del>Dora Grant</del>	<del>S/A</del>
BEN Whittington	DEQ
Angela Maynard	NC Commissioner of Baitz
Allison Diego	OSBM
Shannon Creech	OSBM
Lex Janes	DNCR
Terry Schill	NCTA
Henry M Lancaster	LCA



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

Date 3/1/17

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Amy Bissette	Agriculture
Jon Lanier	NCDA + CS
DAVID SNEED	CCA NC
Sarah Kince	NC DOL
Jennifer Hargraves	NC DOL
Rob Lally	PLA
Tom BERN	EDF, NC SEN
Grady McCallin	NC Customized Natural.
Zoe Schulte	Rep Hall Intern
Isabel Villa-Garcia	NC REALTORS
JHR	MWC





# Senate Pages Attending

COMMITTEE: Jt. App. Ag, Nat'l & Eco. Res. ROOM: 421

DATE: 3-1-17 TIME: 8:30

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!....or else!!!!

	Page Name	Hometown	Sponsoring Senator
1.	Kaela Curtis	Durham	Michael Woodward
2.			
3.			
4.			
5.			
6.			
7.			
8.			

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



**House Pages  
Assignments  
Tuesday, March 1, 2017  
Session: 10:00 AM**

<b>Committee</b>	<b>Room</b>	<b>Time</b>	<b>Staff</b>	<b>Comments</b>	<b>Member</b>
Agriculture / Environment / Natural Resources	421	8:30 AM	Kelsey Peterson		Rep. John Ager
Appropriations on Department of Transportation	1027/1128	8:30 AM	Elizabeth Sebestyen		Rep. Phillip Shepard
Appropriations on General Government and Information Technology	425	8:30 AM	Mariah-Sydney Steele		Rep. Speaker Tim Moore
Appropriations on Health and Human Services	643	8:30 AM	Melvin McLawhorn		Rep. Speaker Tim Moore
			James Williams		Rep. Speaker Tim Moore
Appropriations on Justice and Public Safety	415	8:30 AM	Sheridan Charles		Rep. Speaker Tim Moore
			Brion Rogers		Rep. Speaker Tim Moore
Appropriations, Education	Other	8:30 AM	Michaela-Sivan Steele		Rep. Speaker Tim Moore



**Nancy Fox (Rep. Pat McElraft)**

---

**From:** Kirk O'Steen (Rep. Stephen Ross)  
**To:** Thursday, March 02, 2017 11:45 AM  
Kirk O'Steen (Rep. Stephen Ross)  
**Subject:** <NCGA> House Appropriations, Agriculture and Natural and Economic Resources  
Committee Meeting Notice for Tuesday, March 07, 2017 at 8:30 AM (Joint)  
**Attachments:** Add Meeting to Calendar\_LINC\_ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Tuesday, March 7, 2017  
**TIME:** 8:30 AM  
**LOCATION:** 421 LOB  
**COMMENTS:** Rep. Stephen M. Ross Presiding  
**Topic:** Review of Governor's Budget

Respectfully,

Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:44 AM on Thursday, March 02, 2017.

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Kirk O'Steen (Committee Assistant)



**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

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**LOCATION:** 421 LOB  
**COMMENTS:** Rep. Stephen M. Ross Presiding  
**Topic:** Review of Governor's Budget

Respectfully,

Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:44 AM on Thursday, March 02, 2017.

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Kirk O'Steen (Committee Assistant)





**Joint Appropriations Meeting of  
House and Senate Committees on Agriculture and Natural and Economic  
Resources**

**Agenda**

**Tuesday, March 7, 2017, 8:30 A.M.  
Room 421, Legislative Office Building**

**Rep. Ross, Presiding**

**1. Welcome and Opening Comments**

**2. Administrative Updates**

Lanier McRee, Fiscal Research Division

**3. Overview of the Governor's Recommended Budget**

Shannon Creech, Office of State Budget & Management  
Allison Diego, Office of State Budget & Management

**4. Department of Labor**

Kevin Beauregard, Deputy Commissioner/OSH Division Director  
Jennifer Haigwood, Director of Administration & Governmental Affairs

**5. Department of Commerce**

Susan Fleetwood, Executive Director of Economic Development  
John Hardin, Executive Director of the Office of Science, Technology & Innovation

**6. Adjourn**

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**House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

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**Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton,



**House Committee on Appropriations, Agriculture and Natural and Economic Resources**  
**Tuesday, March 7, 2017 at 8:30 AM**  
**Room 421 of the Legislative Office Building**

**MINUTES**

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on March 7, 2017 in Room 421 of the Legislative Office Building. Representatives Ager, Dixon, Dulin, K. Hall, Harrison, Ross, and Yarborough attended. Senators Bryant, Cook, Clark, Gunn, Newton, and Wade also attended.

Representative Stephen M. Ross, Chair, presided.

The meeting was called to order at 8:29am. The chair then welcomed everyone to the meeting and recognized the Senate pages and sergeant-at-arms for their service.

8:31am - Lanier McRee was recognized to give administrative updates for the committee. Members were referred to the governor's recommended budget that they were instructed to bring. No copies of the budget were provided at the meeting.

8:33am - Shannon Creech was recognized to present on the governor's recommended budget

8:54am - Allison Diego was recognized to present an overview on the governor's recommended budget

9:04am - The floor was opened to questions and discussion from Rep. Dulin, Rep. Yarborough, Sen. Clark, and Sen. Gunn.

9:10am - Jennifer Haigwood was recognized to present on the Dept. of Labor in the governor's recommended budget

9:13am - Kevin Beauregard was recognized to present on the Dept. of Labor in the governor's recommended budget

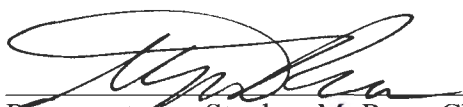
9:16am - The floor was opened to questions and discussion from Rep. Dulin.

9:18am - Susan Fleetwood was recognized to present on the Dept. of Commerce in the governor's recommended budget

9:28am - John Hardin was recognized to present on the Dept. of Commerce in the governor's recommended budget

The meeting adjourned at 9:32am.





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Representative Stephen M. Ross, Chair  
Presiding



---

Kirk O'Steen, Committee Clerk





**HOUSE COMMITTEE ON APPROPRIATIONS: AGRICULTURAL  
AND NATURAL AND ECONOMIC RESOURCES**

[illegible]



## Tentative ANER Committee Subcommittee Schedule\*

Tuesday	Wednesday	Thursday
March		
28	1	2
Agency Base Budget Overview		
7	8	9
Tentative: Governor's Budget Review and Agency Base Budget Overviews		
14	15	16
Commerce, Economic Development, State-Aid		
21	22	23
<u>Potential Presentations:</u> DEQ: Coastal Issues, Dredging, Falls & Jordan Lake Commerce: Workforce		
28	29	30
<u>Potential Presentations:</u> WRC: Lake Mattamuskeet, Outdoor Heritage Council DNCR: Merger, Science Museums, Zoo, etc. DEQ: Water Infrastructure		
April		
4	5	6
<u>Potential Presentations:</u> DEQ: Waste Management DACS: Forestry, Farmland Preservation, etc. Connect NC Bonds		
11	12	13
<u>Potential Presentations:</u> Presentation Follow-up and Overflow, Additional Topics TBD		

\* Schedule and presentation topics subject to change



## VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-07-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Wayne Martin	NC Arts Council - Dept. of Natural & Cultural Resources
Reid Wilson	DNCR
Mary Penny Kelley	DEQ
John Nicholson	DEQ
Michael Regan	DEQ
Jerry Schill	NC Fisheries Association
Karen Wells	Arts NC



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources  
Name of Committee

3-07-2017  
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Heather Horton	Commerce
Beth A. Friedrich	Commerce
Dave Efrid	"
Stan Williams	NCS
John Hardin	Commerce
George Sherrill	Commerce
Christopher Gergen	Innovate NC
Jeff Sural	NC DIT
Susan Flitwood	NC DOC
Dana Grant	SA
Lisa Sorg	NC Policy Watch





## VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-07-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Allison Diego

OSBM

DAVID SNEED

CCA NC



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-07-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jack Brimmer	Labor
Joshua Davis	DNCR
Ashley Godwin	NC WPC
BEN Whittington	NC DEQ
Tarah Councilman	DEQ
Rex Whaley	DEQ
Sarah Hardin	NCEM
Will Morgan	MFS
Lex Jones	DNCR
Tacey Little	OSBM
Shannon Creech	OSBM



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources  
Name of Committee

3-07-2017  
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jon Lanier	NCDA + CS
N. David Smith	NCDA + CS
Catherine Stogner	NCDA + CS
Amy Bisette	NCDA + CS
Chris Broughton	MWC
LUKE STANGL	JSL
Laura Kilian	Vita
Rian Mawald	WM
Jennifer Haigwood	NC DOL
KEVIN BEAUREGARD	NC DOL
Sarah Koorce	NC DOL





Committee Sergeants at Arms

NAME OF COMMITTEE Joint Appropriations, AG/NER

DATE: 03-07-2017

Room: 421

House Sgt-At Arms:

1. Name: Bill Bass
2. Name: Mark Cone
3. Name: Will Crocker
4. Name: Thomas Terry
5. Name: \_\_\_\_\_

Senate Sgt-At Arms:

1. Name: Terry Barthardt
2. Name: Linda Matthews
3. Name: \_\_\_\_\_
4. Name: \_\_\_\_\_
5. Name: \_\_\_\_\_



# Senate Pages Attending

COMMITTEE: Jt. App. <sup>Ag. Natl & Eco.</sup> Resources ROOM: 421

DATE: 3-7 TIME: 8:30

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!....or else!!!!

	Page Name	Hometown	Sponsoring Senator
1.	Cameron Heathman	New London	McHissick
2.	Andrew H Beck	New London	McEnnis <del>McEnnis</del>
3.			
4.			
5.			
6.			
7.			
8.			

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Wednesday, March 8, 2017

**TIME:** 8:30 AM

**LOCATION:** 421 LOB

**COMMENTS:** Senator Cook, presiding

**TOPIC:** Natural & Cultural Resources Overview

Respectfully,

Representative Jimmy Dixon, Co-Chair

Representative Kyle Hall, Co-Chair

Representative Pat McElraft, Co-Chair

Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:15 AM on Thursday, March 02, 2017.

\_\_\_\_ Principal Clerk

\_\_\_\_ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



# **Joint Appropriations Meeting of House and Senate Committees on Agriculture and Natural and Economic Resources**

## **Agenda**

Wednesday, March 8, 2017, 8:30 A.M.  
Room 421, Legislative Office Building

**Sen. Cook, Presiding**

### **1. Welcome and Opening Comments**

### **2. Department of Environmental Quality**

Andy Miller, Legislative Affairs Program Director  
Mary Penny Kelley, Senior Advisor for Policy and Innovation

### **3. Department of Natural & Cultural Resources**

Reid Wilson, Chief Deputy Secretary  
Staci Meyer, Deputy Secretary for Arts & Libraries  
Kevin Cherry, Deputy Secretary for Archives & History

### **4. Department of Agriculture & Consumer Services**

David Smith, Chief Deputy Commissioner

### **5. Department of Natural & Cultural Resources Overview**

Lanier McRee, Fiscal Research Division

### **6. Adjourn**

---

#### **House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

---

#### **Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton,





**Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources**  
**Wednesday, March 8, 2017 at 8:30 AM**  
**Room 421 of the Legislative Office Building**

**MINUTES**

The Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources met at 8:30 AM on March 8, 2017 in Room 421 of the Legislative Office Building. 5 members of the Senate were present and Co-Chairman Representative Kyle Hall, Co-Chairman Representative Pat McElraft, Representative John Ager, Representative Andy Dulin, Representative Bobbie Richardson, and Representative Larry Yarborough.

Senator Bill Cook, Chair, presided.

Senator Cook called the meeting to order and introduced the Sergeant-At-Arms for the meeting as Jim Hamilton and Steve McKaig from the Senate, and Bill Bass, Mark Cone, and Will Crocker, from the House. Serving as pages for the meeting were Dajah Stallings and Brandon Hayes from the Senate, and Mahlaysia Thomas, and Tyler Phillips from the House.

**Presentation 1**-Department of Environmental Quality-Andy Miller, Legislative Affairs Program Director, and Mary Penny Kelley, Senior Advisor for Policy and Innovation. (Attachment 1) Ms. Kelley went through the department requests including additional resources for Dam Safety, Sediment Control, Service for Mining, Water Resources Permitting, Leaking Underground Storage Tank Clean-up, Coal Ash Management, Marine Patrol Equipment, Oysters Sanctuaries, and Shellfish Rehabilitation. Ms. Kelley's presentation (Attachment 1) is attached to the end of these minutes.

Senator Cook opened the floor for committee questions. Several members asked about the requests for more staff in several areas, the sale of used boats, the coal ash management, the oyster industry, the effect of rules on economic development, and recycling of electronic devices.

Senator Cook introduced Reid Wilson, Chief Deputy Secretary for the Department of Natural and Cultural Resources for the next presentation.

**Presentation 2**-Department of Natural and Cultural Resources-Reid Wilson, Chief Deputy Secretary (Attachment 2) Mr. Wilson stated that the department protects, sustains, enhances, and promotes all the things that people love about North Carolina including our parks, trails, rivers, beaches, mountains, museums, aquariums, and zoo. He highlighted the need for funds in the Clean Water Trust Fund, the Parks and Recreation Trust Fund, the Grassroots grants to science museums, operating funds for the Connect NC bond projects, and the Great Carolina Trails Master Plan. He introduced Deputy Secretary Staci Meyer who spoke briefly about the Arts and the Libraries, and Deputy Secretary Kevin Cherry who spoke briefly about the Archives and historic properties which had been cut nearly 80% during the recession. Senator Cook opened the floor to the committee for questions and concerns and the committee asked a few questions about controlled burns in parks, walkway construction at the Capital building, on-line credit card accounting, and a park in Wilson. Mr. Wilson's remarks (Attachment 2) are attached at the end



of these minutes. Senator Cook introduced Chief Deputy Commissioner, David Smith with the Department of Agriculture and Consumer Services.

**Presentation 3**-Department of Agriculture and Consumer Services-David Smith, Chief Deputy Commissioner (Attachment 3). Mr. Smith spoke briefly about the budget for the department including pesticide waste disposal, farmland preservation and farmland preservation with the military. Mr. Smith's presentation (Attachment 3) is attached at the end of these minutes.

Senator Cook called on Lanier McRee, Fiscal Research for an in depth review of the Department of Natural and Cultural Resources Budget.

**Presentation 4**-Department of Natural and Cultural Resources Budget-Lanier McRee

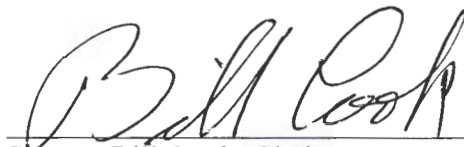
Ms. McRee made a more detailed presentation of the overall budget for the department including individual department dashboards. Ms. McRee's presentation (Attachment 4) is attached at the end of these minutes.

Senator Cook allowed a brief time for comments and questions. Questions were asked about the Clean Water Trust Fund, decline in historical sites, grants for trails, and an overall comment about the excellent presentation.

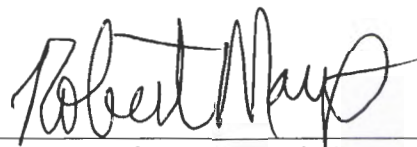
Staff mentioned that the next meeting of the Committee would begin the discussion of Divisions.

Senator Cook asked for any questions from the committee and from the audience. Hearing none he adjourned the meeting.

The meeting adjourned at 9:50 AM.



Senator Bill Cook, Chair  
Presiding



Robert Mays, Committee Clerk



**Robert Mays (Sen. Trudy Wade)**

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**From:** Jordan Hennessy (Sen. Bill Cook)  
**Sent:** Monday, March 06, 2017 03:25 PM  
**To:** Jordan Hennessy (Sen. Bill Cook)  
**Subject:** <NCGA> Senate Appropriations on Agriculture, Natural, and Economic Resources  
Committee Meeting Notice for Wednesday, March 08, 2017 at 8:30 AM (Joint)  
**Attachments:** Add Meeting to Calendar\_LINC\_.ics

Principal Clerk

Reading Clerk

**SENATE**  
**NOTICE OF JOINT COMMITTEE MEETING**  
**AND**  
**BILL SPONSOR NOTICE**

The **Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources** will meet at the following time:

<b>DAY</b>	<b>DATE</b>	<b>TIME</b>	<b>ROOM</b>
Wednesday	March 8, 2017	8:30 AM	421 LOB

Senate Presiding: Sen. Bill Cook  
Topic: Natural & Cultural Resources Overview

Senator Bill Cook, Co-Chair  
Senator Rick Gunn, Co-Chair  
Senator Trudy Wade, Co-Chair

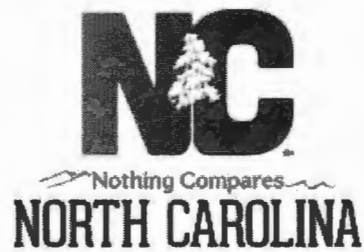




March 8, 2017

Joint Appropriations on Agriculture and Natural and  
Economic Resources

*Department of Environmental Quality*







## Keeping Pace With Economic Development

Due to the improving economy, DEQ proposed additional staffing as outlined in the Governor's Budget. These requests will promote economic development by investing funds to provide more timely customer service, permit review and approvals; allow for quicker responses to environmental issues and increase the frequency of inspections

	<u>FY 17-18</u>	<u>FY 18-19</u>
<u>DEMLR</u>		
• Additional Resources for Dam Safety	\$336,115 4.0 FTE	\$ 336,115 4.0 FTE
• Expand Sediment Control Capacity	\$500,000 5.0 FTE	\$1,000,000 10.00 FTE
• Improve Service In Mining Program	\$365,000 4.0 FTE	\$ 365,000 4.0 FTE
<u>DWR</u>		
• Water Resources Permitting Staff	\$300,000 4.0 FTE	\$ 600,000 7.00 FTE
<u>DWM</u>		
• Improve Leaking Underground Storage Tank Clean-up	\$258,739 3.0 FTE	\$ 258,739 3.0 FTE

*Department of Environmental Quality*





*Keeping Pace with Development*  
Additional Resources for Dam Safety



**NC**



*Keeping Pace with Development*  
Expand Sediment Control Capacity



**NC**





*Keeping Pace with Development*  
Improve Service in Mining Program

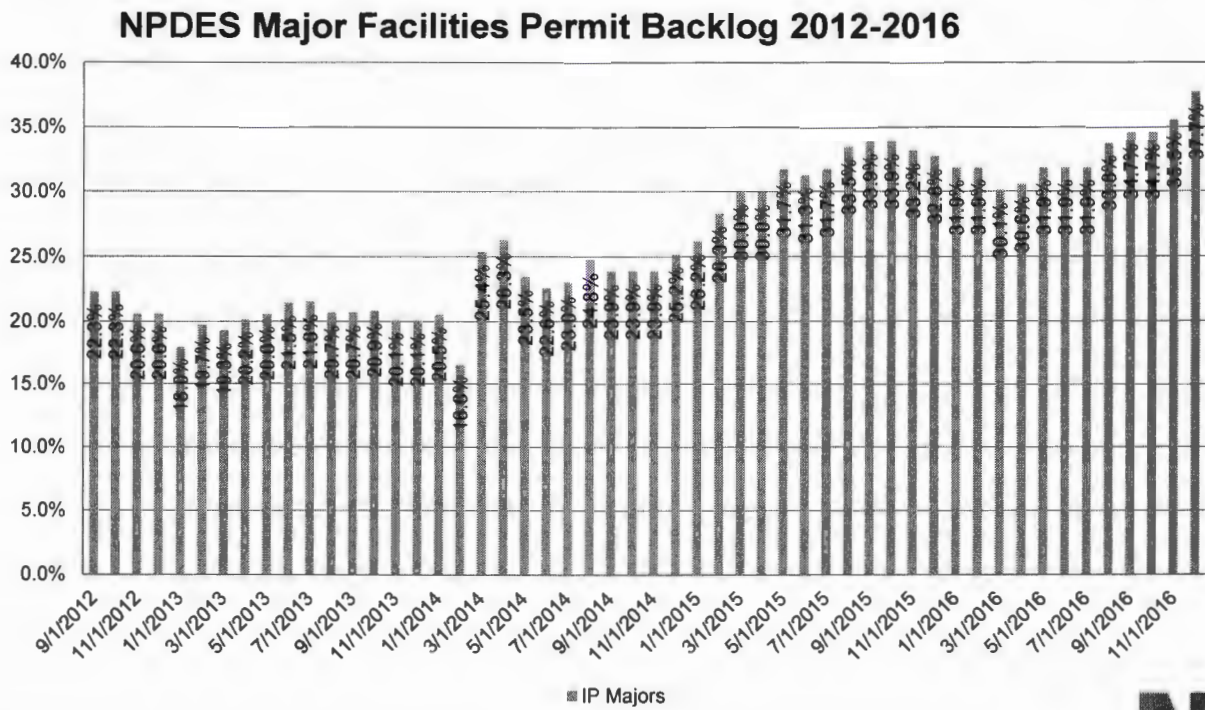


**NC**

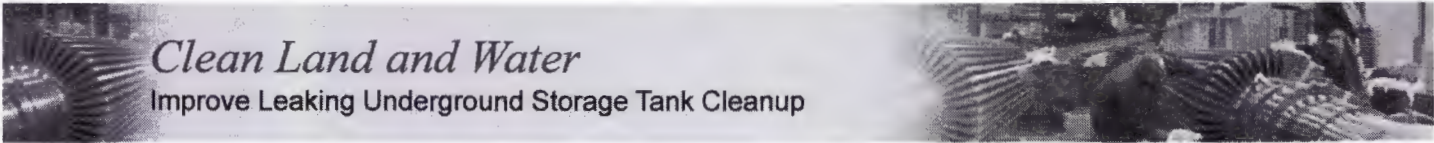




*Keeping Pace with Development*  
Water Resources Permitting Staff







## *Clean Land and Water*

Improve Leaking Underground Storage Tank Cleanup



**NC**





These funds will cleanup pollution, turn waste into source material, conserve energy and enhance our marine fishery resources.

	<u>FY 17-18</u>	<u>FY 18-19</u>
<u>DWM</u>		
• Noncommercial Trust Fund Outstanding Claims	\$1,000,000	
<u>COAL ASH</u>		
• Operating funds for Coal Ash Management	\$ 635,000	\$ 635,000
<u>DEACS</u>		
• Expand Recycling Grant Program	\$ 300,000	
• Expand Utility Savings Initiative	\$ 395,000	\$ 395,000
<u>DMF</u>		
• Marine Patrol Equipment	\$ 596,261	\$ 496,261
• Fisheries Information Network Maintenance Cost	\$ 100,000	\$ 100,000

*Department of Environmental Quality*





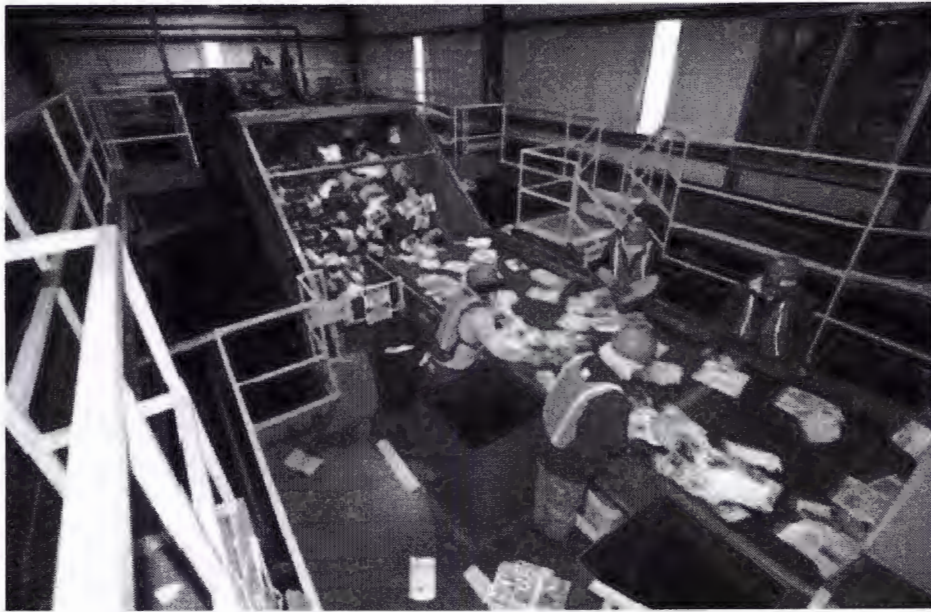
*Clean Land and Water*  
Operating Funds for Coal Ash Management







*Sonoco Recycling Operates Materials Recovery Facilities in  
Raleigh, Jacksonville and Wilmington*



**NC**



*Utility Savings Initiative Performance Contract Assistance to NC Museum of Art  
(post-project)*



**NC**



## *Marine Patrol Equipment*



**NC**



*Fisheries Information Network: Maintenance costs*



**NC**





## *Coastal Economic Development*

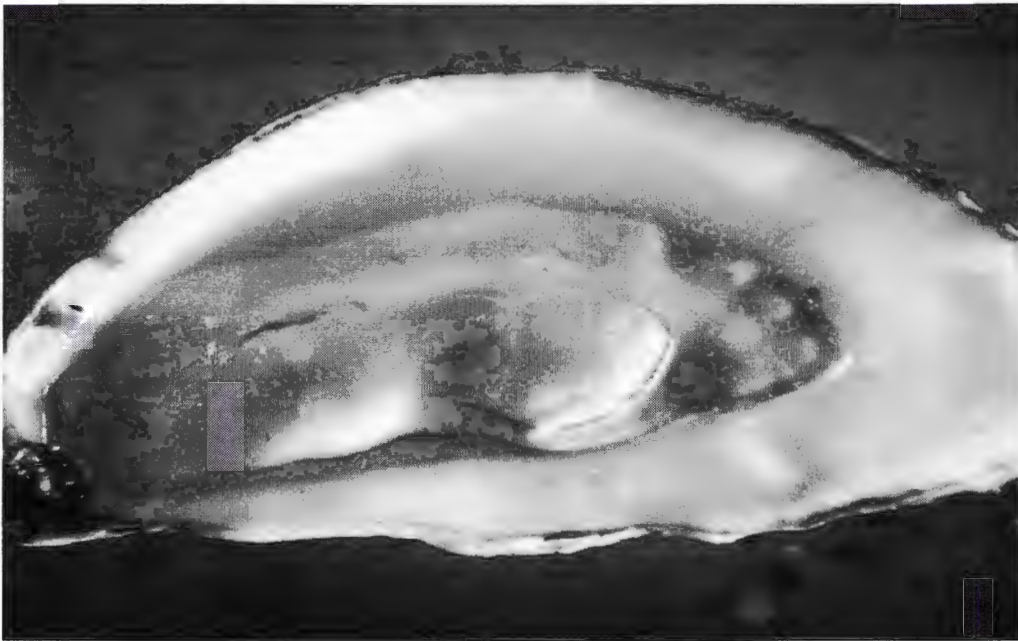
Investing in North Carolina seafood production, grows our economy, cleans our waters and promotes tourism.

	<u>FY 17-18</u>	<u>FY 18-19</u>
• Oyster Sanctuaries	\$1,000,000	
• Shellfish Rehabilitation	\$ 200,000	\$ 200,000
• Crab Pot Cleanup	\$ 100,000	\$ 100,000





## *Oyster Sanctuaries*



**NC**



## *Shellfish Rehabilitation – Cultch Planting*



**NC**



## *Crab Pot Cleanup*



**NC**





**Governor's Budget - Department of Environmental Quality**

March 8, 2017 Presentation

<b>Keeping Pace With Economic Development</b>		<b>FY 17-18</b>	<b>FY 18-19</b>
<u>4. Additional Resources for Dam Safety</u>		336,115	336,115
<i>Invest recurring funds for four positions to conduct the initial review and annual updates of Emergency Action Plans and associated dam safety inspections for the 1,559 intermediate and high hazard dams. There were 20 dam breaches across the state during Hurricane Matthew.</i>	4.00 FTE	4.00 FTE	
<u>6. Expand Sediment Control Capacity</u>		500,000	1,000,000
<i>Adds capacity in the Erosion and Sediment Control program to provide more timely assistance to customers, quicker response to complaints and environmental issues, and increase frequency of inspections of projects.</i>	5.00 FTE	10.00 FTE	
<u>10. Improve Service in Mining Program</u>		365,000	365,000
<i>Invests recurring funds for four positions in the Mining Program to allow for more timely permit review and approval.</i>	4.00 FTE	4.00 FTE	
<u>7. Water Resources Permitting Staff</u>		300,000	600,000
<i>Adds additional capacity to provide more timely processing of water resources permits. Allows for timely processing of National Pollution Discharge Elimination System Permits. There is a 40% backlog and a two-year wait time for review.</i>	4.00 FTE	7.00 FTE	
<u>8. Improve Leaking Underground Storage Tank Cleanup</u>		258,739	258,739
<i>Supports the assessment and cleanup of sites where petroleum and hazardous substance releases to the environment have occurred. Additional positions will allow the return of more commercial and residential properties to a safe, usable condition. New positions will be located regionally in order to provide better response to petroleum spills, 4,300 ongoing incidents and nearly 700 incidents reported annually.</i>	3.00 FTE	3.00 FTE	
<b>Clean Land and Water</b>			
<u>9. Noncommercial Trust Fund Outstanding Claims</u>		1,000,000	-
<i>Provides nonrecurring funds to cover the outstanding balance of claims against the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund.</i>			
<u>5. Funds for Coal Ash Management</u>		635,000	635,000
<i>Provides support for operating expenses not included in the funding allocation in the Coal Ash Management Act. This request is supported by a special provision to restore the Coal Ash Combustion Residuals fee to 0.03%. This additional funding is needed to meet all the requirements of the Coal Ash Management Act.</i>			
<u>11. Expand Recycling Grant Program</u>		300,000	-
<i>Provide additional funding for Recycling Business Development Grants. The program provides grants to new or expanding recycling businesses in North Carolina.</i>			
<u>12. Expand Utility Savings Initiative</u>		395,000	395,000
<i>Increases utility savings at public facilities through efficiency programs that save energy and water. Additional funding will enable the department to provide supplemental training, technical assistance and energy project incentives to state government agencies. Had the USI not been in place for FY 2014-2015 an additional \$166 million would have been needed for budget utility costs.</i>			
<u>13. Replace Aging Marine Patrol Equipment</u>		596,261	496,261
<i>Replace 19 patrol vessels, 10 outboard motors and 8 boat trailers purchased prior to 2003 to provide Marine Patrol Officers with safe and dependable equipment.</i>			
<u>14. Fisheries Information Network Maintenance Costs</u>		100,000	100,000
<i>Upgraded Fisheries Information Network is scheduled to be completed in June 2017. Funding is needed to cover annual maintenance costs for the system.</i>			
<b>Coastal Economic Development</b>			
<u>15. Establish Four Oyster Sanctuaries</u>		1,000,000	-
<i>Provide additional nonrecurring funding to support a network of oyster sanctuaries. These sanctuaries encourage the growth of large healthy oyster populations that can act as a brood stock for the rest of NC's coastal waters.</i>			
<u>16. Shellfish Rehabilitation</u>		200,000	200,000
<i>Provides additional funding for cultch planting. Planting sites are located in coastal waters from Dare to Brunswick Counties.</i>			
<u>17. Crab Pot Clean-Up</u>		100,000	100,000
<i>After an extremely successful result from the FY 2016-17 pilot project where 4,270 crab pots were collected. This was the largest number of pots collected in 13 years. 138 volunteers removed 3.5 tons of debris in one day. This provides additional funds for crab pot cleanup.</i>			



## March 8 ANER Committee Meeting Follow-up

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### Department of Environmental Quality: Division of Marine Fisheries (DMF)

#### 1) Shellfish Leasing Program Background

The NC Shellfish Leasing Program allows individuals and businesses to lease public bottom or a recognized submerged land claim for the purpose of the commercial production of shellfish.

- In 1990 the law was amended to allow the use of the water column above a bottom lease, thereby creating “column leases.”
- In 2015 the law was amended to (1) allow gear up to 18 inches off the bottom on bottom leases, thus allowing cage and rack and bag culture of oysters and (2) remove the survey requirement for lease applicants.

Annual lease rent: \$10/acre for a bottom lease / \$100/acre for a water column amendment

Contract Term: Ten years

Other Terms:

- Bottom & Column treated in law as real property and are subject to all laws relating to taxation, sale, devise, inheritance, gift, seizure and sale under execution or other legal process.
- Lessees must meet minimum production standards for sale and planting
- Leases must meet several standards listed in statute and rule:
  - May not be sited in polluted areas, over a natural shellfish bed, in navigational channels, or in management or other restricted areas.
  - Cultivation of shellfish in the leased area must be compatible with the lawful utilization by the public of other marine and estuarine resources including, but not limited to, navigation, fishing and recreation.
    - This compatibility is often difficult to ascertain and use conflict is the primary obstacle to leasing in many areas of the state. The law allows the Secretary (delegated to the DMF director) to condition or delete a portion of a lease that would otherwise be denied to protect the public interest.
  - Marine Fisheries Commission may limit the number of acres in any area that may be granted as shellfish cultivation leases.
- Federal requirements also apply through the US Army Corps of Engineers (USACE).
  - To prevent applicants from having to seek an individual USACE permit for a shellfish lease, North Carolina uses the Nationwide Permit #48 for Shellfish Aquaculture. To be granted under this permit, lease applicants must meet additional criteria listed in both the Nationwide and regional conditions.
  - All USACE Nationwide Permits will renew March 17, 2017.

#### 2) Can the DMF give priority to NC residents/ companies on oyster leases?

Under G.S. 113-202(a) only residents of NC may apply for a shellfish lease.

Last year saw a **four-fold increase in interest of shellfish leasing**. Around 50 lease applications were received by the division, most using either bottom cage, rack and bag, or floating cage culture methods. DMF created a new application to:

- Capture information needed by the USACE for the Nationwide Permit 48,

- Allow the division to evaluate the requested acreage with the lease management plan,
- Identify areas the might cause use conflict, and
- Identify possible activities not covered under the USACE permit that might need additional state permitting.

### 3) Are there conflicts between column leases and tourism?

There can be conflicts between many different users and shellfish leases including tourism on both bottom and water column leases. Many use conflicts are possible, including recreation and boating, commercial or recreational fishing, view shed issues, and public opinion on the use of public trust areas for cultivation.

### 4) Is boating allowed through a column leases?

Boating is allowed through and over a water column lease. However, navigation can also be restricted depending upon the type of bottom and water column gear. The General Statutes for both bottom and water column leases address use of the water over or around the lease:

### 5) Are there measures to address conflicts between tourism and column leases?

Yes. The MFC has the authority to limit the number of acres in any area that may be granted as shellfish cultivation leases. However, the DMF division director does not know of any time when this authority has been exercised. The Secretary or division director may also condition or reduce acreage on a proposed lease as a condition of granting. The applicant must accept the conditions or acreage reduction or the lease is denied, but they may appeal that decision.

Other states, such as Florida, have developed Aquaculture Enterprise Zones where large areas are permitted by the state through normal federal-state processes and then subdivided and issued to growers through a permit system. Currently, DMF does not have the authority to grant leases as non-transferrable permits. Other options may be to limit some areas to traditional bottom aquaculture methods (oyster cultch or spat-on shell, or bottom clam culture) only where the only visible structures would be corner markers and smaller markers across the lease site.

### 6) How much money has been made from the sale of equipment authorized in S.L. 2016-94?

S.L. 2016-94, Sec. 14.9 directed DMF to sell the certain aircraft and water vessels from its fleet and to use the proceeds of those sales on new equipment to support the Marine Patrol's enforcement efforts.

As of March 15, 2017, DMF has sold 3 of the 4 aircraft and vessels for proceeds of \$66,778: A breakdown of these proceeds is provided below:

- 1999 48' Sea Ark – patrol vessel "Roanoke." – *not yet sold*.
  - Marine Patrol has been unsuccessful with several attempts to sell this vessel. The highest bid received was \$125,000 against a \$167,000 reserve. Thus, Marine Patrol is still in possession of this vessel.
- 1995 Husky airplane: Sold.

- The proceeds of the sale, **\$52,532**, are going towards the total purchase price of a 23-foot Parker boat, motor, and trailer (total price: \$68,425). This new vessel will replace an older patrol vessel currently still in service.
- 1998 25' Parker boat hull with trailer.
- 1993 18' Parker boat with engine and trailer.
  - Shellfish Sanitation sold both of these boats for a total of **\$14,246**. The proceeds from this sale will be used to subsidize the purchase of a Ford F-250 towing vehicle to be used to tow vessels to sample shellfish harvest waters and support observation of shellfish harvest activity by the Marine Patrol.

## **Department of Natural and Cultural Resources: Division of Parks & Recreation**

### **1) Why does the Division not use NC Forest Service for controlled/ prescribed burns?**

#### NC Forest Service, DACS

According to the Department of Agriculture and Consumer Services (DACS), this is a matter of capacity; the NC Forest Service *does not have the capacity* to assist with burns. There are a limited number of days in which prescribed burns can be done, and DACS already has a backlog / waiting list for prescribed burns for private landowners. Plus, DACS and the NC Forest Service have State property that requires burns as well, including DACS' State Forests and forests on their Research Stations.

#### Land & Water Access, WRC

The Land & Water Access Division within WRC also conducts prescribed burns. WRC has an agreement with the State Parks and The Nature Conservancy (TNC) to assist them with prescribed fires "when requested and available".

However, the problem is that WRC typically *does not have the capacity* to assist with a burn on State Park property when a burn is also planned on a Game Land. WRC has occasionally helped construct fire lines or other related activities when staff was available. Further, in terms of capacity for prescribed fire, WRC does not have the capacity to complete the staff-recommended burns on WRC-managed Game Lands in a given year and, the Commission seeks assistance from TNC's burn crews to help meet WRC goals. WRC contracts with temporary burn crews from TNC and private entities, and has an agreement with the NC Forest Service for aerial ignitions.

### **2) What is being done at the State Capital?**

The sidewalk project that is underway at the State Capital officially began in December 2016 and was expected to take 90 days and cost \$417,465. However, the sidewalks were barricaded starting in November so that contractors could provide the required mock-ups. The project has been delayed by weather (you cannot pour concrete when it is near freezing), bad soils, tree roots (additional efforts had to be taken to avoid damaging roots and killing trees), and other historic preservation concerns. At this time, it is expected that another 8 weeks are needed to complete the project.





DRAFT

Good morning. I'm Reid Wilson, Chief Deputy Secretary of the Department of Natural and Cultural Resources. With me today are Deputy Secretary Staci Meyer and Deputy Secretary Kevin Cherry.

The natural resources divisions report to me, Staci has the arts and administrative functions, and Kevin has archives and history. We will each spend five minutes on the expansion items in our divisions in the Governor's budget.

But first, a quick overview. The Department of Natural and Cultural Resources protects, sustains, enhances, and promotes all the things that **people love about North Carolina**. Our incredible arts and library. Our rich history. Our diverse culture. Our parks and trails, rivers, beaches and mountains. And our world class museums, aquariums, and zoo.

The department contributes to better public health, stronger educational programs, enhanced quality of life, and accelerated economic development. **Travel and tourism** is the second largest industry in the state, and the department's sites, grants, and programs contribute substantially to that economic impact.

In addition, employers want parks, trails, and arts and cultural institutions for their employees, making our department's work key to **attracting new jobs** to North Carolina.

Yesterday in this room the Office of State Budget and Management ably described the expansion items in the Governor's budget. We won't go through the list again, but will





instead highlight some of the results, and needs, from these programs across the state.

**The Clean Water Management Trust Fund** protects clean water, restores degraded waterways, and preserves historic resources through grants to local governments, state agencies, and nonprofits. Clean water is critical for economic growth.

Last year roughly \$25 million in grants was distributed to projects in 47 counties, and over time CWMTF has made grants in all 100 counties totaling more than \$1 billion. Successful recent projects include \$300,000 to Randleman in Randolph County to help create the Deep River Greenway, and \$1.2 million to protect land, water quality, and fishing spots along a beautiful stretch of the Cane River in Yancey County. And CWMTF has helped create gamelands throughout the state.

CWMTF has received **135 applications totaling \$67 million** in requests for this next fiscal year. Proposed projects include the Alamance County Recreation and Parks Department for acquisition of land for the Cane Creek Mountains Natural Area, and a huge tract in Granville County that drains into Falls Lake.

**The Parks and Recreation Trust Fund** has also provided grants in all 100 counties. 65% of funding goes toward state parks, 30% toward local parks, and 5% for waterway public access. Just last week the PARTF board made 18 grants totaling \$3 million from the Connect NC Bond to provide enhanced local park facilities for children with disabilities and disabled



veterans. As with all PARTF funding cycles, there was way more demand than available funding.

Over the years PARTF has made 7 grants to create and develop Dismal Swamp State Park, 8 grants for Cliffs of the Neuse State Park, and 6 grants for Haw River State Park, to name just a few. State Parks visitation was at an all-time high in 2016, by the way, at nearly 19 million, even with wildfires and Hurricane Matthew. North Carolinians love their parks.

Last year was the first year for the Museum of Natural Sciences to make **grassroots grants to science museums**, children's museums and similar institutions around the state. 41 grants were made totaling \$2.4 million, to improve and expand science education. Sites in Tier 1 counties received \$77,000 each; sites in Tier 2 counties received \$62,00 each, and sites in Tier 3 counties received \$52,000 each.

As an example, the Core Sound Waterfowl Museum is creating a new "STEM zone" kids' area with interactive exhibits and activities. They are also re-designing field trip lesson plans and developing a new summer camp that has a STEM education focus.

The Nature Science Center of Greensboro is planning several new wildlife research projects and activities. These projects will involve the public through citizen science engagement and educational events. It's exciting to see these science education programs spreading because they help kids prepare for the jobs of the future.



The **Connect NC** bond provides funding to all state parks, some for facilities, some for land acquisition. The governor's budget calls for increased operating expenses for 12 parks projects scheduled to be completed and operational over the biennium. Again, this will drive up visitation and associated visitor spending.

Increasingly, North Carolinians are using trails and greenways to improve their physical and mental health. The **Great Carolina Trails Master Plan** will create a statewide strategy to coordinate and support local efforts to accelerate planned trail projects while ensuring collaborative integration from the arts, culture, nature, and historic perspectives.

Lastly from the natural resources side, one of the ways to protect wildlife habitat AND prevent catastrophic wildfires is to conduct prescribed fires, or controlled burns, to reduce available fuel. Currently, State Parks has only one **fire crew statewide**. The budget calls for adding one more crew, to conduct controlled burns in parks and also to respond to wildfires when needed.

I'll now turn it over to Deputy Secretary Staci Meyer.



## 16. Freedom Monument Planning

Governor's Budget: Provides one-time funding for the African American Heritage Commission to complete the planning, construction documents, and related costs of the African American Monument on the southeast corner of the State Capitol grounds.

FY 2018-19 \$200,000 Nonrecurring

Planning for the monument that has already taken place:

8 public hearings across the state

The public hearings led to a summary document to summarize the hearings

The Summary Document was posted for review and public comment

There were no suggested changes from the public comment period

This information was presented to African American Heritage Commission and NCHC – the first time joint meeting. They voted to accept the summary document and voted unanimously for the south east corner of the State Capitol grounds location, materials will granite and bronze, and include multiple narratives.

### Next Steps

Create a request for qualifications document. It will be reviewed and approved by AAHC and NCHC. Evidence of artists previous work, skill level, and references.

After review of the artists who submitted their qualifications, AAHC and NCHC will review evidence of artist's previous work, skill level, and references.

3 finalists will be selected. DNCR will pay 3 finalists approximately \$10,000 for a conceptual design.

AAHC and NCHC will meet to select the artist with the preferred design.

The selected artist will do a conceptual design of the monument.





## North Carolina Department of Agriculture & Consumer Services



### N.C. Department of Agriculture & Consumer Services

	SFY 17-18 Recurring	SFY 17-18 Non-Recurring	FTE	SFY 18-19 Recurring	SFY 18-19 Non-Recurring
Operating including: Maintenance Agreements, Scientific Supplies, Gas, Utilities & Equipment	\$1,426,561			\$1,426,561	
Bacteriology Section Head Veterinary Division	\$154,435		1	\$154,435	
Emergency Program Warehouse	\$100,000			\$100,000	
Emergency Program Logistician	\$79,812	\$20,000	1	\$79,812	



## N.C. Department of Agriculture &amp; Consumer Services

	SFY 17-18 Recurring	SFY 17-18 Non-Recurring	FTE	SFY18-19 Recurring	SFY 18-19 Non-Recurring
Pesticide Waste Disposal	\$80,000			\$80,000	
Marketing	\$800,000		1	\$800,000	
Research Stations Seasonal Temporary Labor	\$400,000			\$400,000	
Soil & Water	\$600,000		6	\$600,000	



## N.C. Department of Agriculture &amp; Consumer Services

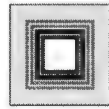
	SFY 17-18 Recurring	SFY 17-18 Non-Recurring	FTE	SFY18-19 Recurring	SFY 18-19 Non-Recurring
Food Distribution - Farm to School		\$75,000			
Readiness Response Needs for N.C. Forest Service	\$3,500,000			\$3,500,000	
Assistant County Rangers for N.C. Forest Service	\$325,551	\$243,000	9	\$325,551	
Headwaters State Forest Staffing, Equipment, Operating	\$306,415	\$605,000	3	\$306,415	



## N.C. Department of Agriculture &amp; Consumer Services

	SFY 17-18 Recurring	SFY 17-18 Non-Recurring	FTE	SFY18-19 Recurring	SFY 18-19 Non-Recurring
Forest Development	\$100,000			\$100,000	
Operating Funds for Department	\$202,000			\$202,000	
Farmland Preservation & Environmental Specialist Position	\$2,600,000		1	\$2,600,000	\$19,270,000
Farmland Preservation – Military		\$8,000,000			\$11,750,000
<b>TOTALS</b>	<b>\$10,674,774</b>	<b>\$8,943,000</b>	<b>22</b>	<b>\$10,674,774</b>	<b>\$31,020,000</b>





**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

## Department of Natural, & Cultural Resources (DNCR)

*March 8, 2017*

Lanier McRee

### Agenda



1. DNCR at-a-Glance
2. DNCR Divisions
  - Base Budgets
  - Major Functions
  - Recent Budget Actions
3. Questions



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

2

March 8, 2017

# DNCR At a Glance

**North Carolina Arts**

North Carolina's state art museum, symphony and arts council give all North Carolinians access to world-class arts experiences and fuel the state's creative economy.

**North Carolina History**

The North Carolina Office of Archives and History celebrates history from the pre-colonial times to the present and preserves North Carolina's treasures and artifacts.

**North Carolina Libraries**

The State Library of North Carolina builds on the capacity of all libraries in North Carolina, and develops and supports access to traditional and online collections.

**North Carolina Nature**

North Carolina's state parks, aquarium, science museum and zoo preserve our state's natural resources and give everyone the chance to discover them.



FISCAL RESEARCH DIVISION

3

March 8, 2017

# DNCR Sites

Region	Institution
Piedmont	12
Northwest Piedmont	9
Southern Piedmont	9
Midwest	14
Southwest	15
Central Eastern	12
Mountain Triangle	21 + admin



Source: Department of Natural and Cultural Resources



FISCAL RESEARCH DIVISION

4

March 8, 2017



## DNCR Base Budget

General Fund Budget Code: 14800, 14802

	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
Expenditures	\$ 72,612,554	\$ 197,388,236	\$ 225,460,622	\$ (18,788,711)	\$ 206,671,911	\$ (18,784,709)	\$ 206,675,913
Less Receipts	\$ 8,912,871	\$ 36,454,563	\$ 39,824,288	\$ 18,596	\$ 39,842,884	\$ 18,596	\$ 39,842,884
Net Approp.	\$ 63,699,683	\$ 160,933,673	\$ 185,636,334	\$ (18,807,307)	\$ 166,829,027	\$ (18,803,305)	\$ 166,833,029
Positions	669.92	1,804.83	1,811.78	(5.00)	1,806.78	(5.00)	1,806.78

- Reductions of:
  - ~\$18.8M net appropriations
  - 5 FTE



FISCAL RESEARCH DIVISION

A Non-Partisan Staff Agency of the North Carolina General Assembly

5

March 8, 2017

## DNCR Base Budget Adjustments

### Expenditure Adjustments

- Increases for retirement: \$273 K
- Increase for IT/ Communication: \$914 K
- Increase for Travel: \$115 K
- Increase for Rent: \$3.9 K
- Decreases for NR spending: (\$19.73 M)

### Revenue Adjustments

- Increase gate admissions: \$3.6 K
- Increase non-capital gifts: \$1.2 K
- Increase intragov'tal transactions: \$13.5 K

### Eliminated NR Expenditures:

- Clean Water Mgmt Trust Fund: (\$8.60 M)
- Parks & Rec Trust Fund: (\$6.33 M)
- Misc. Grants in Aid: (\$1.55 M)
- Queen Anne's Revenge: (\$870.1 K)
- Grassroots Art Grants: (\$650 K)
- Compensation Reserves: (\$640 K)
- A+ Schools: (\$482.7 K)
- Historic Site Support: (\$350 K)
- Children's Digital Library: (\$200 K)
- Parks Centennial Funding: (\$200 K)
- Tryon Palace: (\$150 K)
- Museum of Art: (\$120 K)
- Science Museum Grants: (\$100 K)
- Maritime Museum in Southport: (\$100 K)



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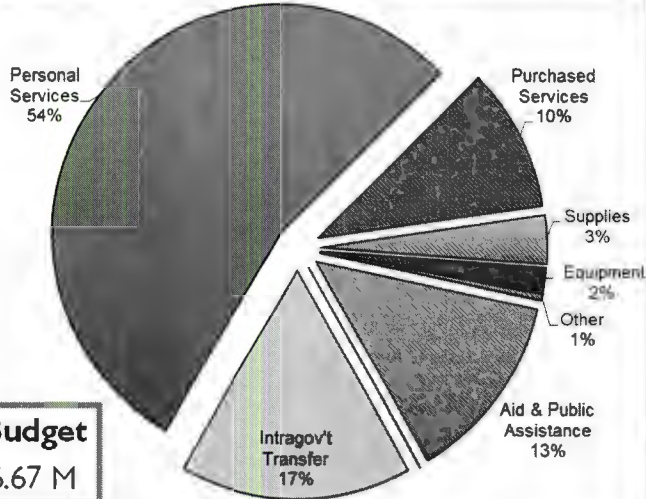
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# DNCR Base Budget

**FY 2017-18 Base Budget**  
Expenditures : \$ 206.67 M



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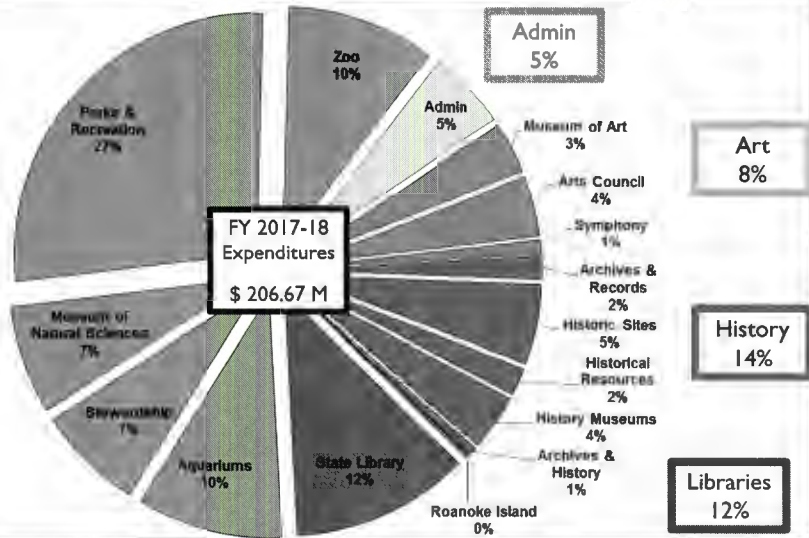
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# Base Budget: How is the Money Spent?

**Nature**  
61%



**FY 2017-18 Expenditures**  
\$ 206.67 M

**Admin**  
5%

**Art**  
8%

**History**  
14%

**Libraries**  
12%



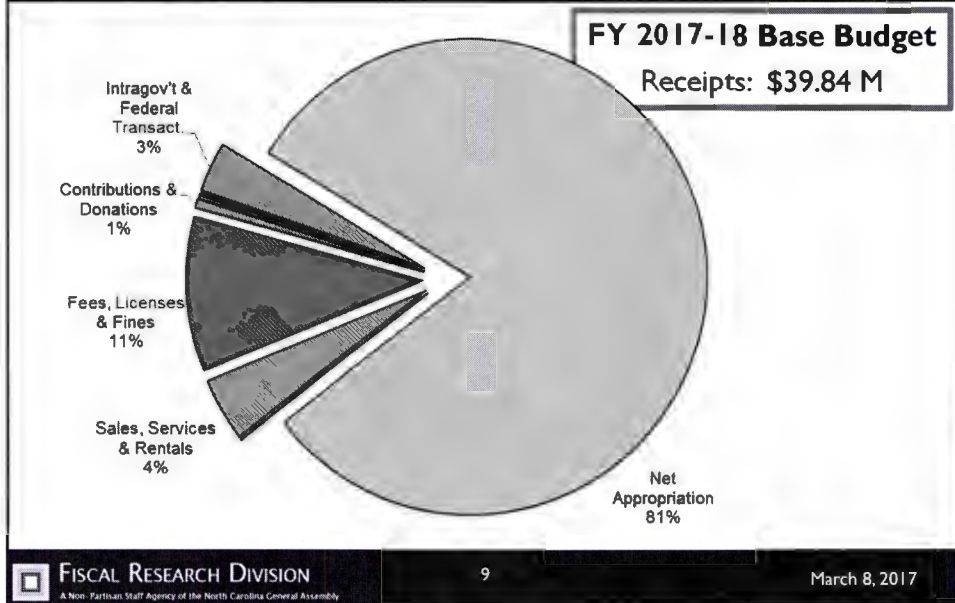
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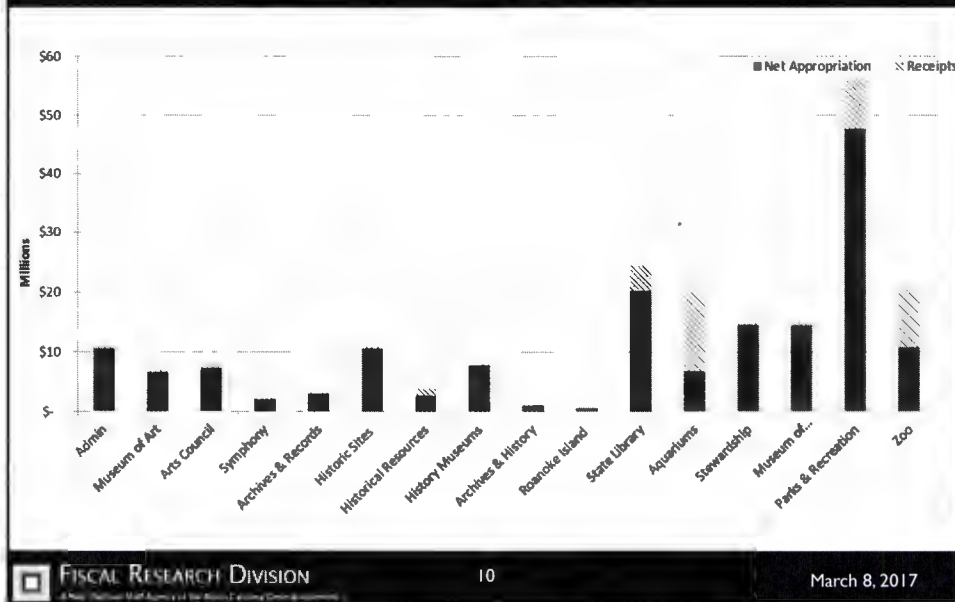
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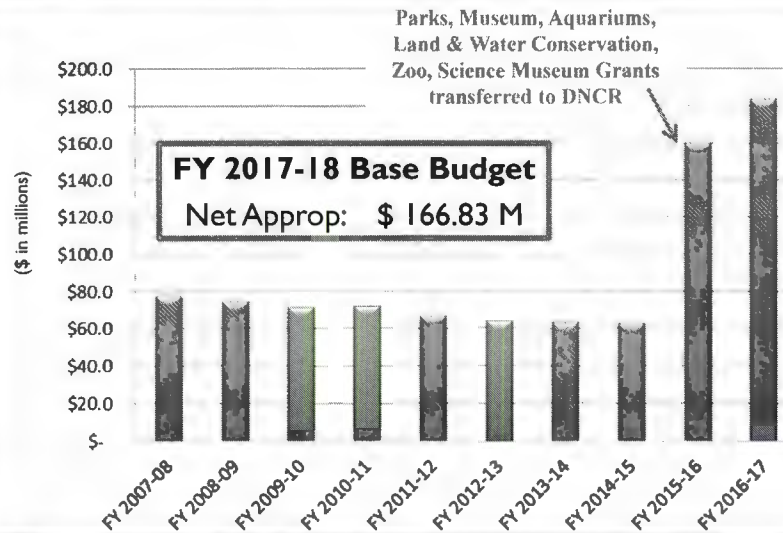
## Base Budget: Sources of Funds



## Base Budget: Funding Source by Division



## DNCR: Net Appropriation History









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## Merging Natural & Cultural Resources

	FY 2014-15	FY 2016-17
	815+ FTE	1,640+ FTE
	\$ 72.1 M Expenditures \$ 8.9 M Receipts	\$ 206.7 M Expenditures \$ 39.8 M Receipts
	366 Buildings	1,827 Buildings
	4,859 Acres of Land	234,261 Acres of Land
	500+ Grants	650+ Grants
	43 Support Groups 29 Advisory Boards	76 Support Groups 31 Advisory Boards



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## Facilities Management

- Significant decline in maintenance budget since FY 2007-08:

Historic Sites - 1241	FY 2007-08	FY 2009-10	FY 2015-16
Total Expenditures	\$ 9,167,594	\$ 8,470,492	\$ 7,226,099
Maintenance Expenditures	\$ 675,859	\$ 508,923	\$ 145,428
% of total expenditures	7.37%	6.01%	2.01%

- R&R allocation formula
- Special Funds can be used for Maintenance:
  - PARTF for Parks
  - Zoo, Aquarium Special Funds
  - State Historic Sites and Museum Special Fund



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## Grant Programs

~ \$56 Million in grants awarded in FY 2015-16



Grassroots Arts Grants  
Artist Fellowships  
Arts in Education Grants  
Arts Grants to Individuals & Organizations

Historic Preservation Grants (federal)



State-aid to Public Libraries  
Library Services & Technology Grants (federal)

Parks & Recreation Trust Grants  
Clean Water Management Trust Fund Grants  
Grassroots Science Museum Grants  
Various Federal Grants



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# Advisory Committees

## 34 Advisory Committees 24 "policy-making" | 5 advisory | 2 fundraising

### Office of the Secretary

1. North Carolina Awards Committee
2. Executive Mansion Fine Arts Committee
3. Executive Mansion Fine Arts Fund Board of Directors

### Arts and Libraries

4. NC Arts Council Board of Directors
5. African American Heritage Commission
6. State Library Commission
7. Public Librarian Certification Commission
8. North Carolina Symphony Society Board of Trustees
9. North Carolina Museum of Art Board of Trustees
10. Vagabond School of Drama Board
11. Roanoke Island Historical Association (Lost Colony)

### Parks, Zoo, Aquariums

12. Parks and Recreation Authority
13. North Carolina Trails Committee
14. North Carolina Zoological Park Council
15. - 18. NC Aquariums Advisory Committees

### Archives, History

19. State Casual Fund Advisory Board
20. North Carolina Historical Commission
21. Department of Historic Architecture Board of Consultants
22. National Register Advisory Committee
23. Highway Historical Marker Committee
24. State Historical Records Advisory Board
25. Tryon Palace Commission
26. USS North Carolina Battleship Commission
27. Roanoke Island Commission
28. Edenton Historical Commissions
29. Historic Bath Commission
30. Historic Hillsborough Commission
31. Historic Mufreesboro Commission

### Nature and Science

32. Clean Water Management Trust Fund Board
33. Natural Heritage Program Advisory Committee
34. Governor's Museum Advisory Committee (NCMNS)



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# Friend Groups

- 77 "Friend" Groups support DNCR-based programs
  - Historical Sites
  - Museums (Art, History, & Natural Sciences)
  - State Parks
  - Aquariums
  - State Archives
  - NC Symphony,
  - NC Arts Council (new!)
- 70 MOAs to address strategy, governance, finances, transparency, accountability, etc.
  - Site Manager/ Executive Director required to serve as an ex-officio board member of the support group



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## DNCR Takeaways

- More than doubled in size in FY 2015-16 with transfer of “Nature”
- ~ 19% receipt / 81% net appropriation-supported
- ~ 27% of expenditures are grants
- Large decrease, \$18.8 M, between FY 2016-17 and base budget primarily due to NR appropriations
- Maintains over 1,800 sites, many of which are historic
- Support over 100 advisory committees, friends groups

## DNCR Divisions



### North Carolina Arts

North Carolina's state art museums, symphony and arts council give all North Carolinians access to world-class arts experiences and fuel the state's creative economy.



### North Carolina History

The North Carolina Office of Archives and History celebrates history from the pre-colonial times to the present and preserves North Carolina's treasures and artifacts.



### North Carolina Libraries

The State Library of North Carolina builds on the capacity of all libraries in North Carolina, and develops and supports access to traditional and online collections.



### North Carolina Nature

North Carolina's state parks, aquariums, science museums and zoo preserve our state's natural treasures and give everyone the chance to discover them.

## Office of the Secretary/Administration

2017-18 Base Budget	
Expenditures	\$ 10,878,892
Receipts	\$ 302,101
Net Approp.	\$ 10,576,791
FTE	79.00

- Budgeting and Finance
- Information Technology
- Capital Projects Planning
- Human Resources
- Reserves



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## Budget Actions FY 2015-17

Program	FY 2015-16	FY 2016-17
Vacant Position	-	(\$68,186) (1 FTE)
Grants-in-Aid	-	\$1.2 M NR
Downtown Winston-Salem Museum	-	\$1 m NR
Ingram Planetarium	-	\$50k NR
Fair Bluff Community Library	-	\$50k NR
Fuquay-Varina Arts Center & Dreams of Wilmington	-	\$100k NR
Salary Reserve (dept-wide)	-	(\$62,203)



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## NC Symphony



North Carolina Arts

- 175 performances annually - 45 free to school children
  - ~100,000 audience members in 2016
- \$13M total operating budget, \$2M from State funds
  - \$1.6M expended as grant to NC Symphony

### 2017-18 Base Budget

Expenditures	\$ 2,116,589
Receipts	\$ 39,191
Net Approp.	\$ 2,077,398
FTE	8.01

NORTH CAROLINA  
**SYMPHONY**



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## Museums of Art



- NC Museum of Art in Raleigh
  - 521,000 visitors in 2016
- Southeastern Center for Contemporary Art in Winston-Salem
  - 23,200 visitors in 2016



2017-18 Base Budget	
Expenditures	\$ 7,183,024
Receipts	\$ 544,455
Net Approp.	\$ 6,638,569
FTE	119.30

**NCMA**  
**SECCA**

## NC Arts Council

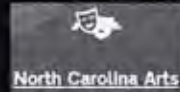


- Variety of programs to provide access to the arts, aid economic development and education
  - A+ Schools
  - SmART Initiative
  - Arts Trails
  - Poet Laureate Program
- ~ \$6.5M in base budget for grants

2017-18 Base Budget	
Expenditures	\$ 8,301,841
Receipts	\$ 947,824
Net Approp.	\$ 7,354,017
FTE	22.11



## Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
A+ Schools	\$232,711 NR	\$482,711 NR
Grassroots Art Grants	\$150,000 NR	\$650,000 NR
Museum of Art	\$130,000 NR	\$214,877 R \$120,000 NR 4 FTE



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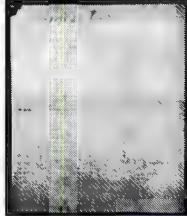
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# Office of Archives & History



*"...collect, preserve, and utilize the state's historic resources so that present and future residents may better understand their history."*



2017-18 Base Budget	
Expenditures	\$ 1,170,988
Receipts	\$ 139,831
Net Approp.	\$ 1,031,157
FTE	13.00

## 4 Divisions

Archives & Records

Historical Resources

State Historic Sites

State History Museums



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# Archives & Records



## "State Archives of North Carolina"

- Provide guidance on preservation, management of government records
- Collect, preserve and manage historical materials
  - Photographs, videos, audio recordings
  - Maps, military papers, and private collections

2017-18 Base Budget	
Expenditures	\$ 3,178,425
Receipts	\$ 146,780
Net Approp.	\$ 3,031,645
FTE	50.76



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## Historical Resources



1. Historical Publications
2. Historic Preservation
3. Highway Markers Program
4. Archaeology

2017-18 Base Budget	
Expenditures	\$ 3,824,295
Receipts	\$ 1,179,057
Net Approp.	\$ 2,645,238
FTE	47.51



## Historic Sites



- 27 Historical Sites
  - 24 managed exclusively by DNCR
  - 3 managed by Commission
- ~2 million visitors in 2016 (all 27 sites)

2017-18 Base Budget*	
Expenditures	\$ 10,649,252
Receipts	\$ 354,407
Net Approp.	\$ 10,294,845
FTE	175.80

\* Excludes Roanoke Island Festival Park, budgeted separately





# State History Museums



2017-18 Base Budget	
Expenditures	\$ 7,837,905
Receipts	\$ 1,400
Net Approp.	\$ 7,836,505
FTE	120.00

**FY 2015-16 Visitation:** 865,000 visitors  
across all 7 museum locations



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# Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
Federal Historic Tax Credit	\$190,730 R 4 FTE	\$190,730 R 4 FTE
Historic Site Support	-	\$750,000 NR
Tryon Palace	\$100,000 NR	\$150,000 NR
Queen Anne's Revenge	\$929,161 NR	\$870,839 NR
Chief Curator	\$102,000 R 1 FTE	\$102,000 R 1 FTE
Archaeology Research Center	-	\$169,269 R 3 FTE
History Museum	-	\$56,412 R
Maritime Museum – Southport	-	\$100,000 NR



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## DNCR Divisions



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## State Library



North Carolina Libraries

1. NC Government & Heritage Library
2. Library for the Blind and Physically Handicapped
3. Library Development Section

- State Aid to Libraries (G.S. 125-7)

- Allocated on formula
- ~\$14.2 M in State Aid

- Federal Library Services & Technology Act Grants

- ~\$4.3 M in federal grant funds
- Require matching funds

#### 2017-18 Base Budget

Expenditures	\$ 24,559,310
Receipts	\$ 4,342,299
Net Approp.	\$ 20,217,011
FTE	76.00



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# Budget Actions FY 2015-17



North Carolina Libraries

Program	FY 2015-16	FY 2016-17
State-aid Library Grants	\$1,000,000 R	\$1,000,000 R
Digital Children's Library	-	\$200,000 NR



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# Land & Water Stewardship



## North Carolina Conservation Planning Tool

2017-18 Base Budget	
Expenditures	\$ 14,802,746
Receipts	\$ 210,796
Net Approp.	\$ 14,594,950
FTE	22.00



### Natural Heritage Program (NHP)

- Online natural resources information clearinghouse
- Provides geographic data layers and detailed reports
- Conservation planning tools and resources

# Land & Water Stewardship

## ▪ Clean Water Management Trust Fund

- Works with local governments, state agencies, nonprofits
- Provides grant for 6 primary purposes
  - Grant awards decided by the CWMTF Trustees
- Primarily funded by net appropriation, small amount of funding from license plates
  - FY 2016-17: \$22.4 M for grants
    - \$1 M R for military buffers
  - 2017 Grant Cycle: over \$67 M in requests

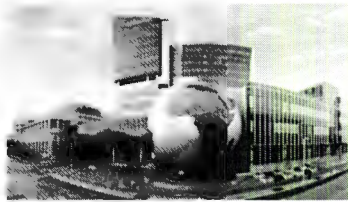




## Museum of Natural Sciences



- Founded in 1879 – NC's 1<sup>st</sup> public museum
- 2 Satellite locations
  - Museum of Forestry in Whiteville,
  - Prairie Ridge Eco-station in Raleigh
- Free admission except for special exhibits
- FY 2015-16 Visitation: 939,000



2017-18 Base Budget	
Expenditures	\$ 14,948,200
Receipts	\$ 489,045
Net Approp.	\$ 14,459,155
FTE	152.00



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## Parks & Recreation



- Created in **1916** - Mt. Mitchell State Park
- Extensive system of recreation areas:
  - 35 State parks
  - 7 State lakes
  - 4 State recreation areas
  - 5 State trails
  - 20 State natural areas
- FY 2015-16 Visitation: 18.1 M



2017-18 Base Budget	
Expenditures	\$ 56,316,095
Receipts	\$ 8,526,750
Net Approp.	\$ 47,789,345
FTE	480.5



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## Parks & Recreation



In addition to recreation, administer grant programs:

- Federal Programs:
  - Recreational Trails Program (RTP): base budget: ~\$1.2M
  - Land and Water conservation Fund (LWCF): base budget: ~\$2.5M
- Parks and Recreation Trust Fund (PARTF):
  - Base Budget: ~\$17.8M
  - 65% for the State Parks System
  - 30% for local government grants
  - 5% Beach and Waterfront Access grants



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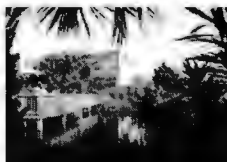
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## Aquariums



Roanoke Island



Fort Fisher



- \$ 12.3M in admissions
- FY 2015-16 Visitation:  
1.23 M

Jennette's Pier



Pine Knoll Shores



### 2017-18 Base Budget

Expenditures	\$ 19,970,623
Receipts	\$ 13,021,152
Net Approp.	\$ 6,949,471
FTE	177.75



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- World's largest "natural-habitat" zoo
  - Two continents – Africa and North America – One Aviary
  - Permanent exhibits first opened in 1979
- \$ 7.6 M in gate admissions
- FY 2015-16 Visitation: 755,567

2017-18 Base Budget	
Expenditures	\$ 20,378,155
Receipts	\$ 9,597,796
Net Approp.	\$ 10,780,359
FTE	263.25



## Budget Actions FY 2015-17

Program	FY 2015-16	FY 2016-17
CWMTF Military Buffers	\$ 1,000,000 R	\$ 1,000,000 R
CWMTF Program Expansion	\$ 5,000,000 NR	\$ 8,600,000 NR
NHP Operating Reduction (when transferred)	(\$ 314,726) (4.1 FTE)	(\$ 314,726) (4.1 FTE)
NHP Operating "Restoration"	-	\$314,726 4.1 FTE
PARTF Funding	\$ 190,924	\$ 4,427,007 R \$ 6,330,000 NR
Parks Centennial Funding	\$ 250,000 NR	\$ 200,000 NR
Brock's Mill House Funding	\$ 100,000 NR	-



## Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
MNS Vacant Position	-	(\$ 54,630) (1 FTE)
Science Museum Grants	-	\$ 100,000 NR
Zoo Vacant Position	-	(\$ 58,772) (1 FTE)

## Questions?



Fiscal Research Division  
919-733-4910

Lanier McRee – [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)  
*Natural & Cultural Resources*





## Department of Natural and Cultural Resources

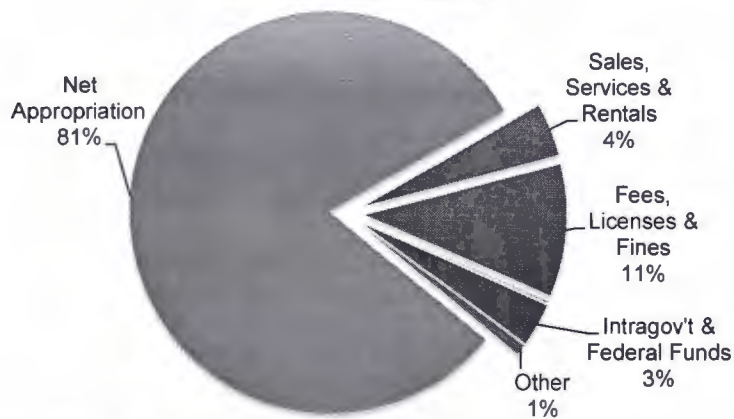
*Creating opportunities to experience excellence in the arts, history, libraries and nature to stimulate learning, inspire creativity, preserve the State's history, conserve the State's natural heritage, encourage tourism, and promote economic development*

General Fund Budget Code: 14800, 14802

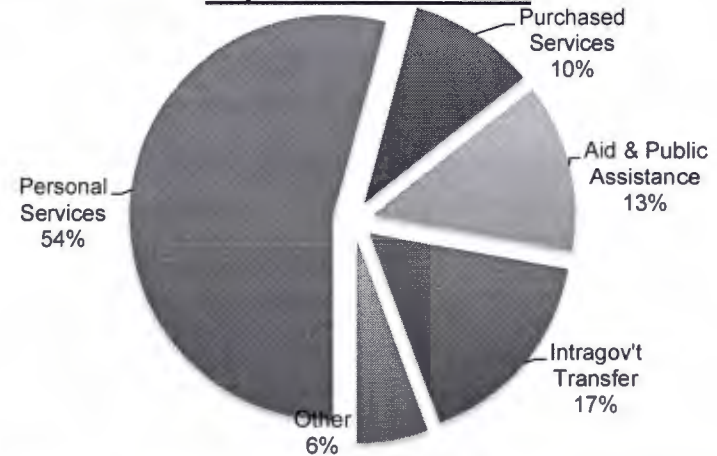
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 72,612,554	\$ 197,388,236	\$ 225,460,622	\$ (18,788,711)	\$ 206,671,911	\$ (18,784,709)	\$ 206,675,913
<b>Less Receipts</b>	\$ 8,912,871	\$ 36,454,563	\$ 39,824,288	\$ 18,596	\$ 39,842,884	\$ 18,596	\$ 39,842,884
<b>Net Approp.</b>	\$ 63,699,683	\$ 160,933,673	\$ 185,636,334	\$ (18,807,307)	\$ 166,829,027	\$ (18,803,305)	\$ 166,833,029
<b>Positions</b>	669.92	1,804.83	1,811.78	(5.00)	1,806.78	(5.00)	1,806.78

### FY 2017-18 Base Budget: 14350

**Source of Funds**



**Expenditure of Funds**



### Expenditures: Summary by Account

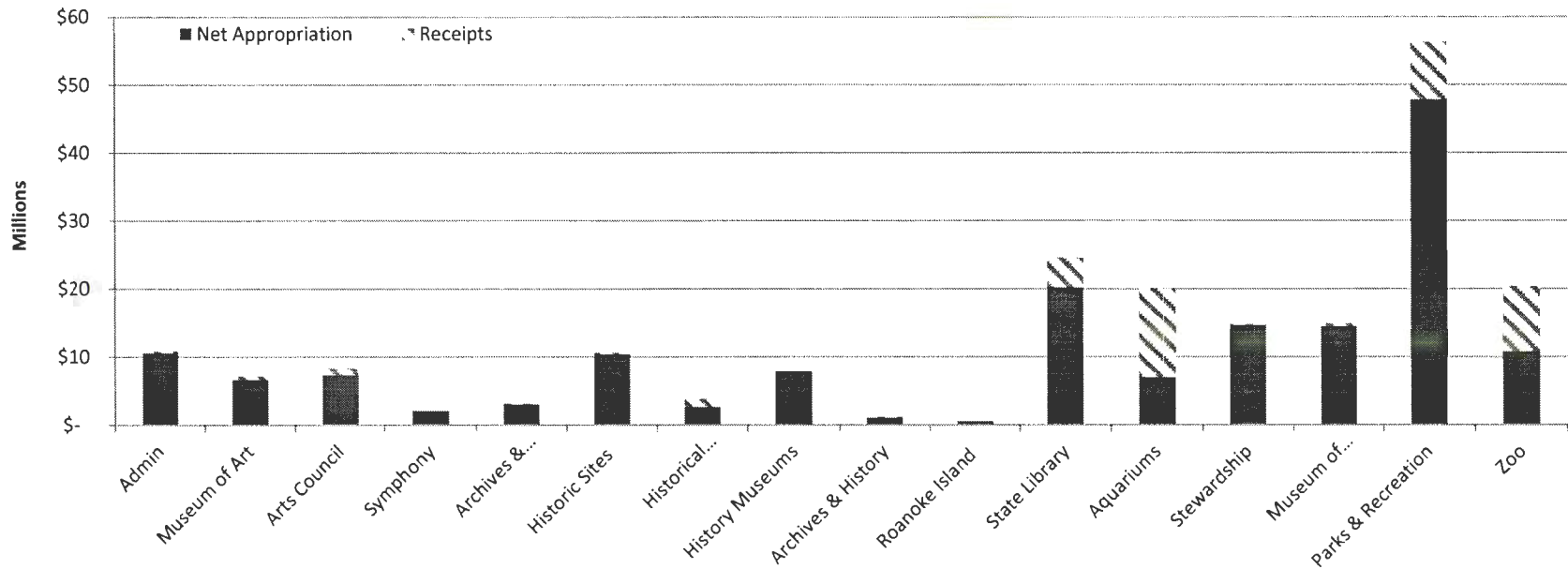
Fund Code	531-XXX	532-XXX	536-XXX	538-XXX	Other	Total Expenditure	FTE
	Personal Services	Purchased Services	Aid & Public Assistance	Intragov't Transfer			
14800	\$ 111,989,458	\$ 21,043,276	\$ 27,812,019	\$ 33,494,440	\$ 11,777,147	\$ 206,116,340	1,806.78
14802	\$ -	\$ -	\$ -	\$ 555,571	\$ -	\$ 555,571	-
<b>Total</b>	<b>\$ 111,989,458</b>	<b>\$ 21,043,276</b>	<b>\$ 27,812,019</b>	<b>\$ 34,050,011</b>	<b>\$ 11,777,147</b>	<b>\$ 206,671,911</b>	<b>1,806.78</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	438-XXX	538-XXX	Other	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds			
14800	\$ 8,808,212	\$ 21,858,606	\$ 264,945	\$ 7,166,044	\$ 1,745,077	\$ 39,842,884	166,273,456.00
14802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	555,571.00
<b>Total</b>	<b>\$ 8,808,212</b>	<b>\$ 21,858,606</b>	<b>\$ 264,945</b>	<b>\$ 7,166,044</b>	<b>\$ 1,745,077</b>	<b>\$ 39,842,884</b>	<b>166,829,027.00</b>

### Expenditures by Division

Administration	\$ 10,878,892	Land & Water Stewardship	\$ 14,802,746	Parks & Rec.	\$ 56,316,095
Aquariums	\$ 19,970,623	Museum of Art	\$ 7,183,024	Roanoke Island Commission	\$ 555,571
Archives & Records	\$ 3,178,425	Museum of Natural Sciences	\$ 14,948,200	State Library	\$ 24,559,310
Historic Sites	\$ 10,649,252	NC Arts Council	\$ 8,301,841	Symphony	\$ 2,116,589
Historical Resources	\$ 3,824,295	Office of Archives & History	\$ 1,170,988	Zoo	\$ 20,378,155
History Museums	\$ 7,837,905				



### Budget Codes in the Department\*

Budget Code		Budget Code	
14800	General Fund	24813	Queen Anne's Revenge-Special Revenue
14802	Roanoke Island Commission	24814	North Carolina Zoo
24800	Special	24815	Zoo gifts, donations, and sales
24801	Art Museum	24816	Aquariums
24803	Special Revenue	24817	Parks & Rec.-Land & Water Conservation Fund
24804	Special - Tryon Palace	24818	Clean Water Management Trust Fund
24805	Special - General Fund	24819	CWFTF Endowment Fund
24806	Interest Earning - Special Revenue	24820	DPR-PARTF (Parks & Recreation Trust Fund)
24807	Interest Earning - Historic Sites	54800	Enterprise - Historic Sites
24809	Museum of History Special Revenue	54801	Enterprise - USS North Carolina Battleship Comm.
24811	Interest Earning - Special Revenue	54803	Enterprise - Transportation Museum
24812	NC Arts Council A+ Schools - Special Revenue	54804	Enterprise - Roanoke Island Fund

\* Some fund titles have been adjusted for space and clarity; ex: Recreation has been shortened to Rec. for 24817

# Administration

## Department of Natural & Cultural Resources

*Supports the operations of the Department of Natural & Cultural Resources*

**General Fund Fund Codes Only**

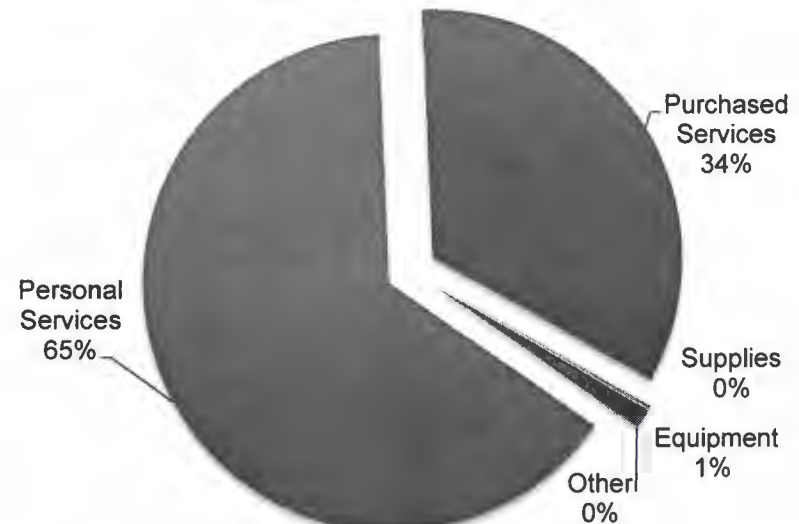
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 6,357,205	\$ 11,999,307	\$ 9,353,308	\$ 1,304,083	\$ 10,657,391	\$ 1,304,083	\$ 10,657,391
<b>Less Receipts</b>	\$ 515,624	\$ 340,140	\$ 79,876	\$ 724	\$ 80,600	\$ 724	\$ 80,600
<b>Net Approp.</b>	\$ 5,841,581	\$ 11,659,167	\$ 9,273,432	\$ 1,303,359	\$ 10,576,791	\$ 1,303,359	\$ 10,576,791
<b>Positions</b>	45.00	81.00	79.00	0.00	79.00	0.00	79.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1110	\$ 3,791,985	\$ 85,677	\$ 18,146	\$ 1,123	\$ 2,890	\$ 3,899,821	46.00
1120	\$ 3,097,915	\$ 3,515,422	\$ 8,222	\$ 136,011	\$ -	\$ 6,757,570	33.00
<b>Total</b>	<b>\$ 6,889,900</b>	<b>\$ 3,601,099</b>	<b>\$ 26,368</b>	<b>\$ 137,134</b>	<b>\$ 2,890</b>	<b>\$ 10,657,391</b>	<b>79.00</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	538-XXX	Other	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Intragov't & Federal Funds			
1110	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ 250	\$ 3,899,571
1120	\$ 1,800	\$ -	\$ -	\$ -	\$ 78,550	\$ 80,350	\$ 6,677,220
<b>Total</b>	<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ 250</b>	<b>\$ -</b>	<b>\$ 78,550</b>	<b>\$ 80,600</b>	<b>\$ 10,576,791</b>

### Detailed Adjustments to Base Budget

- Expenditure increase for retirement: \$17,780
- Receipt increase for retirement: \$724
- Expenditure increase of IT/ Communications Services: \$1.17 million
- Expenditure increase for Travel: \$114,750

### Funds included in Administration

Fund	
1110	Office of the Secretary
1120	Administrative Services

# NC Aquariums

## Department of Natural & Cultural Resources

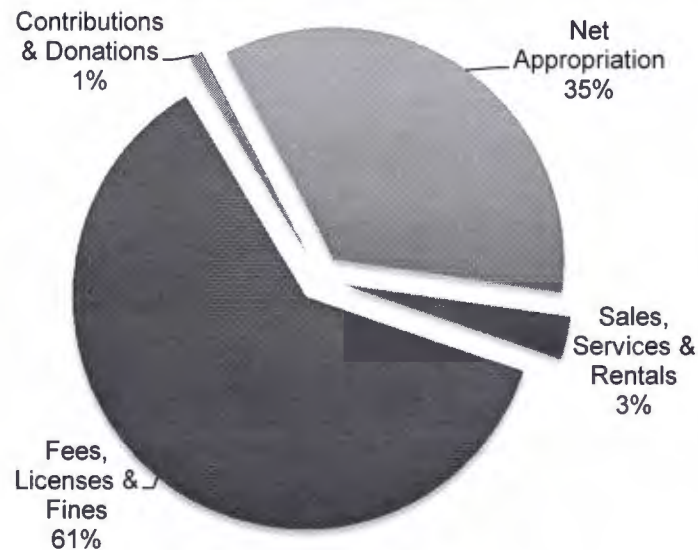
*Operates North Carolina's three aquariums - Pine Knoll Shores, Roanoke Island, and Fort Fisher - and one fishing pier, Jennette's Pier*

### General Fund Fund Codes Only

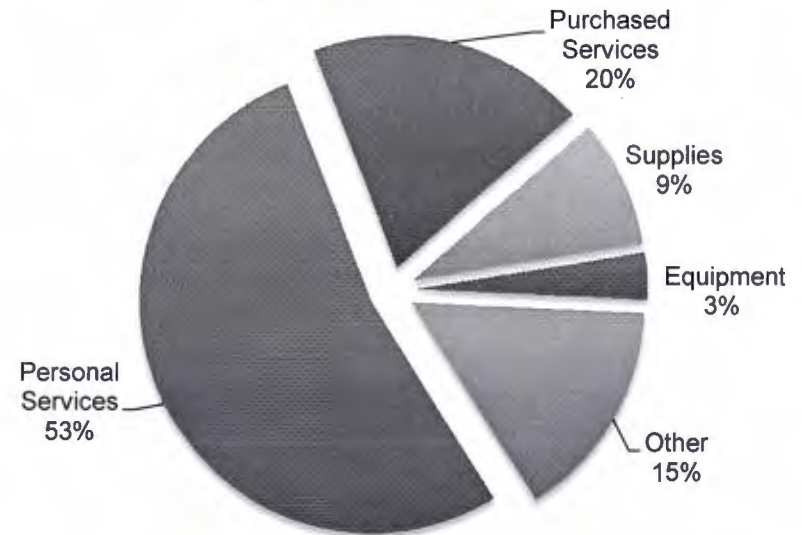
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 9,732,739	\$ 16,185,876	\$ 19,942,923	\$ 27,700	\$ 19,970,623	\$ 27,700	\$ 19,970,623
<b>Less Receipts</b>	\$ 2,626,319	\$ 9,351,637	\$ 13,015,914	\$ 5,238	\$ 13,021,152	\$ 5,238	\$ 13,021,152
<b>Appropriations</b>	\$ 7,106,420	\$ 6,834,239	\$ 6,927,009	\$ 22,462	\$ 6,949,471	\$ 22,462	\$ 6,949,471
<b>Positions</b>	118.50	177.75	177.75	0.00	177.75	0.00	177.75

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditures	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1855	\$ 10,589,896	\$ 3,880,448	\$ 1,770,596	\$ 655,937	\$ 3,073,746	\$ 19,970,623	177.75
						\$ -	
<b>Total</b>	<b>\$ 10,589,896</b>	<b>\$ 3,880,448</b>	<b>\$ 1,770,596</b>	<b>\$ 655,937</b>	<b>\$ 3,073,746</b>	<b>\$ 19,970,623</b>	<b>177.75</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	437-XXX		Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Misc.	Other		
1855	\$ 593,874	\$ 12,252,292	\$ 150,000	24000	\$ 986	\$ 13,021,152	\$ 6,949,471
<b>Total</b>	<b>\$ 593,874</b>	<b>\$ 12,252,292</b>	<b>\$ 150,000</b>	<b>\$ 24,000</b>	<b>\$ 986</b>	<b>\$ 13,021,152</b>	<b>\$ 6,949,471</b>

### **Detailed Adjustments to Base Budget**

- Expenditure increase for retirement: \$27,700
- Receipt increase for gate admissions: \$4,759
- Receipt increase for OSC transfer: \$479

### **Funds included in NC Aquariums**

Fund	
1855	AQM - NC AQUARIUMS
24816-2865	AQM AQUARIUMS-ADMISSIONS

# Archives & Records

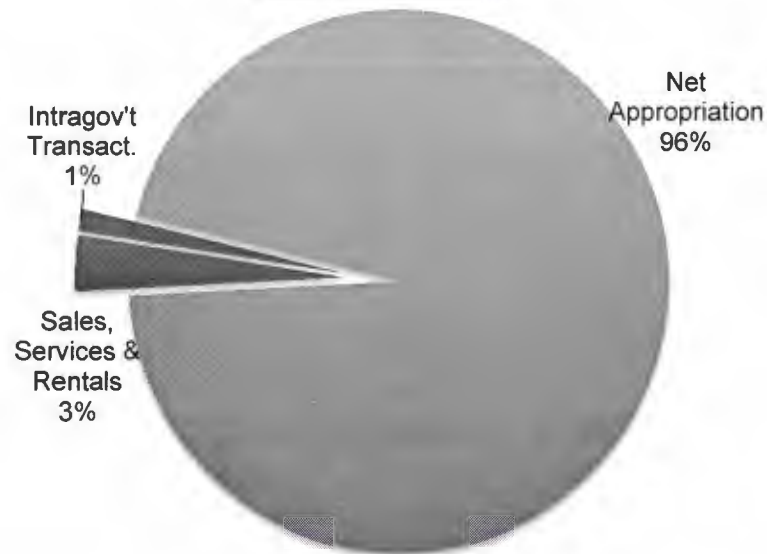
## Department of Natural & Cultural Resources

*Collects, preserves, and makes available for public use historical and evidential materials related to North Carolina, including both public records of all level of government in the State and private materials donated by individuals and organizations.*

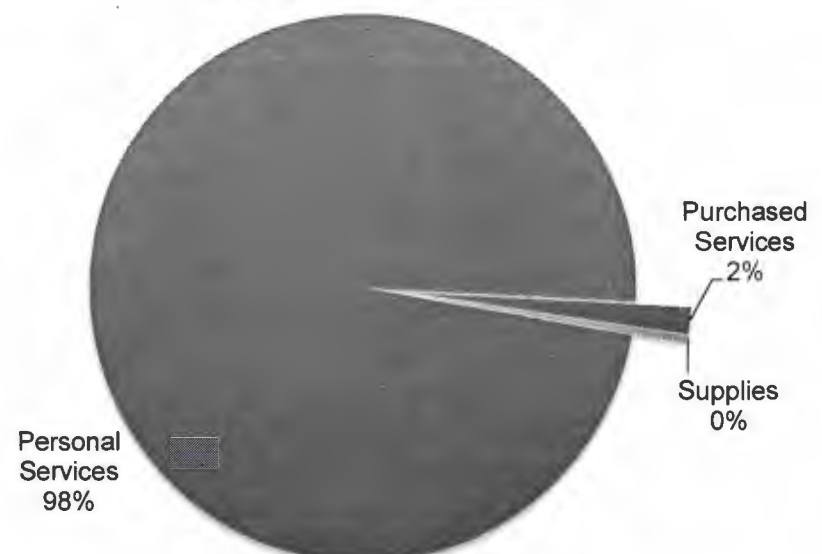
General Fund Fund Codes Only							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 2,961,520	\$ 3,071,114	\$ 3,169,338	\$ 9,087	\$ 3,178,425	\$ 9,087	\$ 3,178,425
<b>Less Receipts</b>	\$ 213,105	\$ 169,274	\$ 145,374	\$ 1,406	\$ 146,780	\$ 1,406	\$ 146,780
<b>Net Approp.</b>	\$ 2,748,415	\$ 2,901,840	\$ 3,023,964	\$ 7,681	\$ 3,031,645	\$ 7,681	\$ 3,031,645
<b>Positions</b>	51.86	50.86	50.76	0.00	50.76	0.00	50.76

### FY 2017-18 Base Budget

**Source of Funds**



**Expenditure of Funds**





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditures	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1230	\$ 3,114,909	\$ 50,375	\$ 11,891	\$ -	\$ 1,250	\$ 3,178,425	50.76
Total	\$ 3,114,909	\$ 50,375	\$ 11,891	\$ -	\$ 1,250	\$ 3,178,425	50.76

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	438-XXX	Other	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Intragov't Transact.			
1230	\$ 104,615	\$ -	\$ -	\$ 42,165	\$ -	\$ 146,780	\$ 3,031,645
Total	\$ 104,615	\$ -	\$ -	\$ 42,165	\$ -	\$ 146,780	\$ 3,031,645

Detailed Adjustments to Base Budget		Major Programs	
<div>- Increase retirement expenditures: \$9,087</div> <div>- Increase receipts for printing sales, indirect costs: \$1,406</div>		<div>- Public records management</div> <div>- State Historical Records Advisory Board</div> <div>- Private collections program</div> <div>- Digital collections initiatives</div>	
Funds included in Archives & Records			
Fund			
1230	ARCHIVAL & RECORDS MANAGEMENT		
28411-2230	ARCH & RECORDS MGT - SPEC REV		

# NC Arts Council

## Department of Natural & Cultural Resources

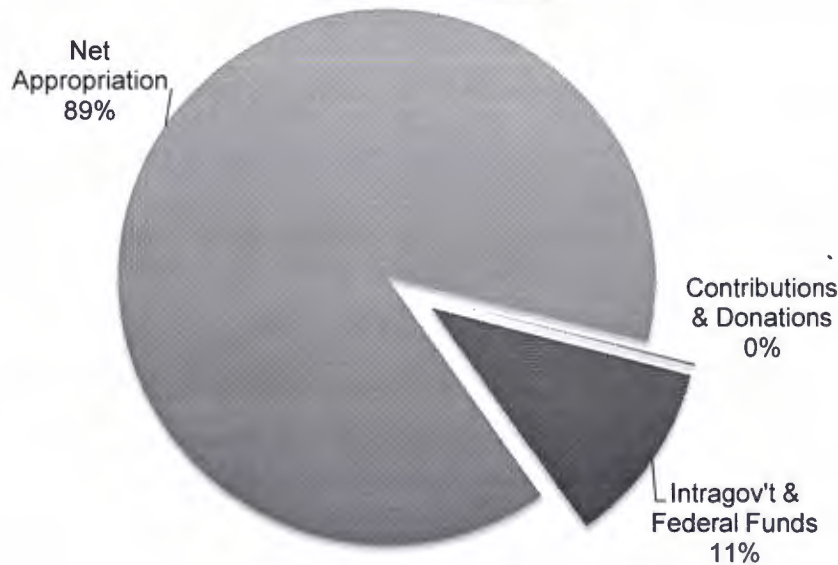
*Invests in and supports North Carolina's arts infrastructure, providing ways for citizens to engage in the arts, enhancing student learning through arts education, and supporting local economies through cultural tourism and arts organizations*

### General Fund Fund Codes Only

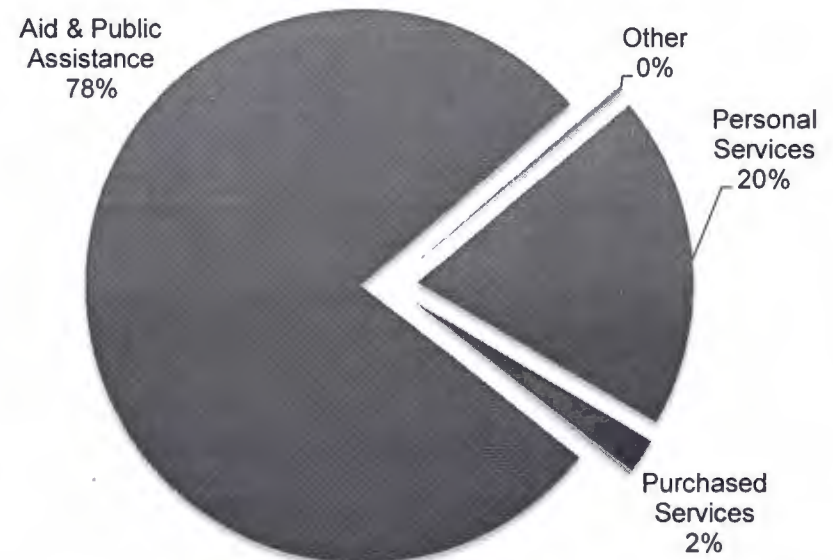
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 8,328,798	\$ 8,571,542	\$ 9,424,123	\$ (1,122,282)	\$ 8,301,841	\$ (1,122,282)	\$ 8,301,841
<b>Less Receipts</b>	\$ 1,034,213	\$ 941,218	\$ 947,786	\$ 38	\$ 947,824	\$ 38	\$ 947,824
<b>Net Approp.</b>	\$ 7,294,585	\$ 7,630,324	\$ 8,476,337	\$ (1,122,320)	\$ 7,354,017	\$ (1,122,320)	\$ 7,354,017
<b>Positions</b>	20.26	21.11	22.11	0.00	22.11	0.00	22.11

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	536-XXX	Other	Total Expenditures	FTE
	Personal Services	Purchased Services	Supplies	Aid & Public Assistance			
1330	\$ 1,543,198	\$ 95,485	\$ 6,848	\$ 5,712,345	\$ 6,852	\$ 7,364,728	21.11
1355	\$ 80,871	\$ 74,242	\$ 5,000	\$ 762,000	\$ 15,000	\$ 937,113	1.00
<b>Total</b>	<b>\$ 1,624,069</b>	<b>\$ 169,727</b>	<b>\$ 11,848</b>	<b>\$ 6,474,345</b>	<b>\$ 21,852</b>	<b>\$ 8,301,841</b>	<b>22.11</b>

### Revenues: Summary by Account

Fund Code	434-XXX	436-XXX	437-XXX	538-XXX	Other	Total Revenues	Net Appropriation
	Sales, Services & Rentals	Contributions & Donations	Misc.	Intragov't & Federal Funds			
1330	\$ -	\$ 10,561	\$ 150	\$ -	\$ -	\$ 10,711	\$ 7,354,017
1355	\$ -	\$ -	\$ 15,000	\$ 922,113	\$ -	\$ 937,113	\$ -
							\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,150</b>	<b>\$ 922,113</b>	<b>\$ -</b>	<b>\$ 947,824</b>	<b>\$ 7,354,017</b>

Detailed Adjustments to Base Budget		Major Programs	
<div>- Increase retirement expenditures: \$10,391</div> <div>- Decrease expenditures for nonrecurring arts grant funds: (\$650,000)</div> <div>- Decrease expenditure for transfer to 24812: (\$482,711)</div> <div>- Increase receipts from noncapital gifts: \$38</div>		<div>- Arts Grants</div> <div>- A+ Schools</div> <div>- NC Arts Trails</div> <div>- SmART Initiative</div> <div>- African American Historical Commission</div> <div>- NC Folklife Program/ Heritage Awards</div> <div>- Poet Laureate Program</div>	
Funds included in NC Arts Council			
Fund		Fund	
1330	DIVISION OF THE ARTS COU	24805-2350	NCARTS- DOT -AFRICAN AMER
1336	ARTS INTER & AFRICAN AMERICAN	24805-2351	NCARTS- DOT- BLUE RIDGE
1355	NC ARTS COUNCIL-FEDERAL	24805-2353	NCARTS-DOT-FREEDOM RDS
24803-2950	ART THAT MOVES YOU	24812-2361	NC Arts Council A+ Schools Special Fund



## Historic Sites

### Department of Natural & Cultural Resources

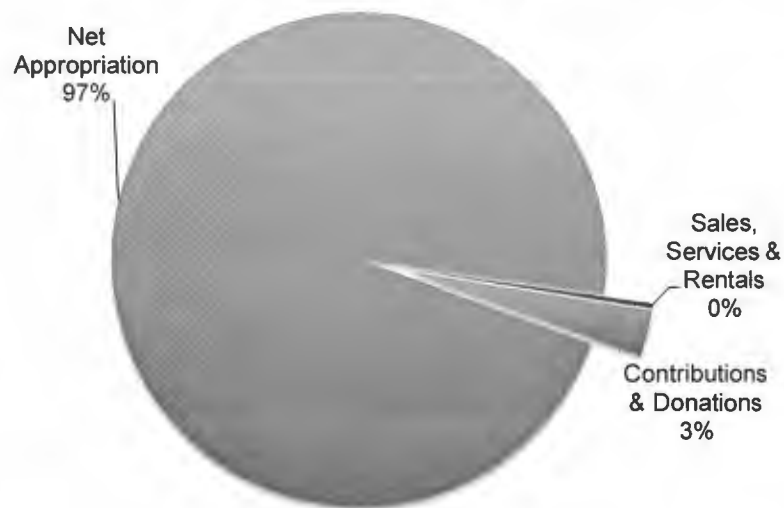
*Preserves, operates, and interprets the State's historic sites enabling visitors to explore North Carolina's rich and diverse heritage, including the State Capitol in Raleigh, Tryon Palace in New Bern, the Transportation Museum in Spencer, and Battleship North Carolina in Wilmington*

#### General Fund Fund Codes Only

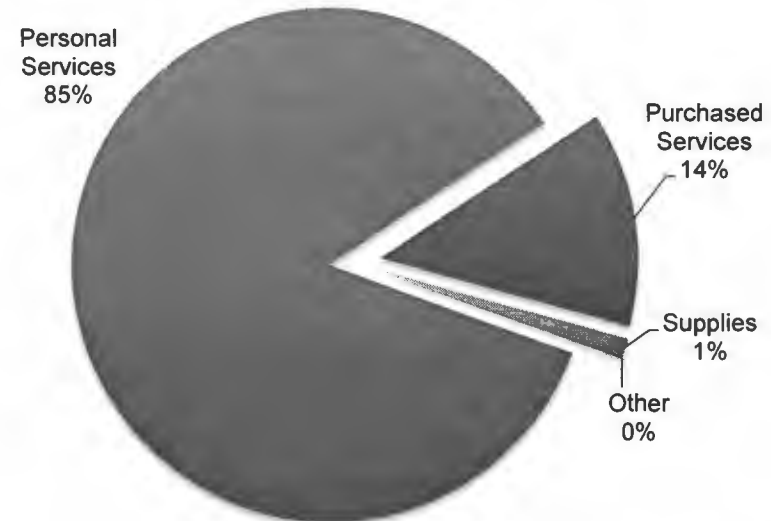
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 9,982,223	\$ 10,377,347	\$ 11,124,826	\$ (475,574)	\$ 10,649,252	\$ (475,574)	\$ 10,649,252
<b>Less Receipts</b>	\$ 278,721	\$ 367,759	\$ 353,677	\$ 730	\$ 354,407	\$ 730	\$ 354,407
<b>Net Approp.</b>	\$ 9,703,502	\$ 10,009,588	\$ 10,771,149	\$ (476,304)	\$ 10,294,845	\$ (476,304)	\$ 10,294,845
<b>Positions</b>	175.80	175.80	175.80	0.00	175.80	0.00	175.80

#### FY 2017-18 Base Budget

##### Source of Funds



##### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditures	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1241	\$ 6,472,881	\$ 766,764	\$ 101,273	\$ 11,427	\$ 2,233	\$ 7,354,578	125.80
1242	\$ 2,269,063	\$ 671,651	\$ 8,717	\$ 5,050	\$ 2,100	\$ 2,956,581	44.00
1243	\$ 328,940	\$ 7,704	\$ 1,249	\$ -	\$ 200	\$ 338,093	6.00
<b>Total</b>	<b>\$ 9,070,884</b>	<b>\$ 1,446,119</b>	<b>\$ 111,239</b>	<b>\$ 16,477</b>	<b>\$ 4,533</b>	<b>\$ 10,649,252</b>	<b>175.80</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	437-XXX		Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Misc.	Other		
1241	\$ 620	\$ -	\$ -	\$ -	\$ -	\$ 620	\$ 7,353,958
1242	\$ 33,670	\$ -	\$ 319,522	\$ 395	\$ -	\$ 353,587	\$ 2,602,994
1243	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ 200	\$ 337,893
<b>Total</b>	<b>\$ 34,290</b>	<b>\$ -</b>	<b>\$ 319,722</b>	<b>\$ 395</b>	<b>\$ -</b>	<b>\$ 354,407</b>	<b>\$ 10,294,845</b>

### Detailed Adjustments to Base Budget

- Expenditure increase for retirement: \$24,426
- Expenditure reduction for appropriated salary expenses: (\$100,000)
- Expenditure reduction for nonrecurring appropriations for Tryon Palace, Brunswick Town, Fort Dobbs, and the Transportation Museum: (\$400,000)
- Receipt increase for noncapital gifts: \$730

### Funds included in Historic Sites

Fund		Fund	
1241	STATE HISTORIC SITES	24807-2734	HORN CREEK HISTORICAL FARM
1242	TRYON PALACE	24807-2735	HOUSE-IN-THE-HORSESHOE
1243	STATE CAPITOL/VISITOR SERVICES	24807-2737	HISTORIC EDENTON
24804-2260	TRYON PALACE	24807-2739	POLK MEMORIAL
24806-2601	BENTONVILLE BATTLEGROUND	24807-2740	REED GOLD MINE
24807-2720	STATE HIST SITES FUND- INTEREST	24807-2741	STATE HISTORIC SITES FUND
24807-2721	ALAMANCE BATTLEGROUND	24807-2742	TOWN CREEK INDIAN MOUND
24807-2722	AYCOCK BIRTHPLACE	24807-2743	VANCE BIRTHPLACE
24807-2723	HISTORIC BATH	24807-2744	THOMAS WOLFE MEMORIAL
24807-2724	BENNETT PLACE	24807-2746	HISTORIC STAGVILLE
24807-2726	BRUNSWICK TOWN	24807-2748	CSS NEUSE-QUEEN ST.
24807-2727	CHARLOTTE HAWKINS BROWN MEMORI	24807-2749	STATE CAPITOL
24807-2728	CSS NEUSE & GO CASWELL MEMORI	24807-2750	SOMERSET PLACE
24807-2729	DUKE HOMESTEAD	54800-5241	HISTORIC SITE SALES
24807-2731	FORT DOBBS	54803-5300	TRANSPORTATION MUS SPEC FUND
24807-2732	FORT FISHER	54801-5500	BATTLESHIP PAYROLL
24807-2733	HISTORIC HALIFAX		

## Historical Resources

### Department of Natural & Cultural Resources

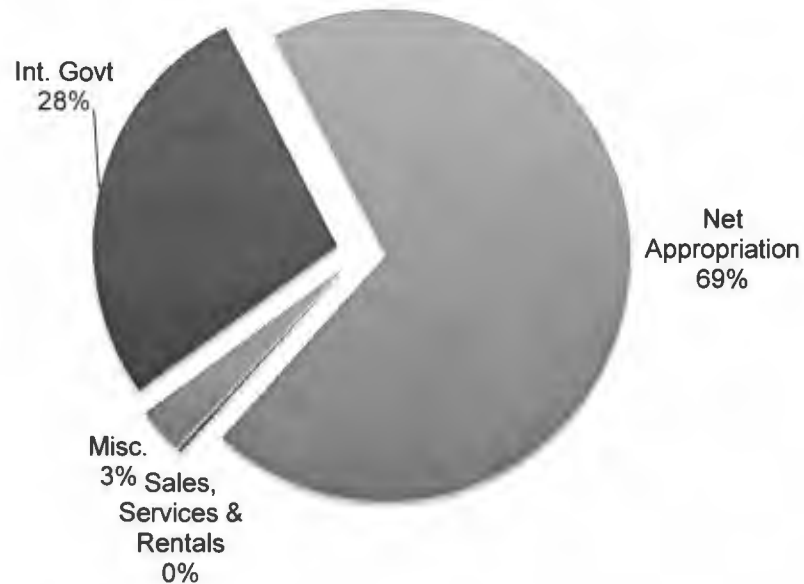
*Operates diverse array of programs intended to preserve and educate North Carolinians about the State's history*

#### General Fund Fund Codes Only

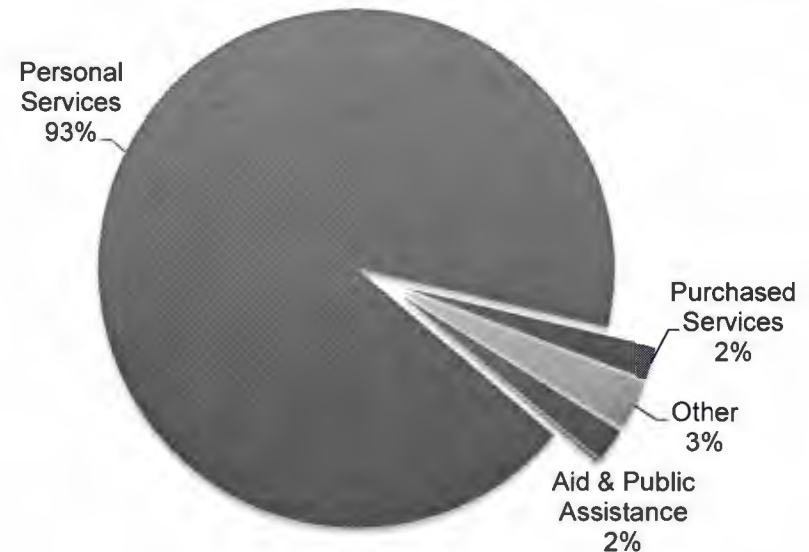
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 3,535,908	\$ 3,932,076	\$ 4,682,188	\$ (857,893)	\$ 3,824,295	\$ (857,893)	\$ 3,824,295
<b>Less Receipts</b>	\$ 1,284,037	\$ 1,233,180	\$ 1,178,092	\$ 965	\$ 1,179,057	\$ 965	\$ 1,179,057
<b>Net Approp.</b>	\$ 2,251,871	\$ 2,698,896	\$ 3,504,096	\$ (858,858)	\$ 2,645,238	\$ (858,858)	\$ 2,645,238
<b>Positions</b>	47.02	54.45	52.51	(5.00)	47.51	(5.00)	47.51

#### FY 2017-18 Base Budget

##### Source of Funds



##### Expenditure of Funds





## Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	535-XXX	536-XXX	Other	Total Expenditures	FTE
	Personal Services	Purchased Services	Other	Aid & Public Assistance			
1220	\$ 257,430	\$ -	\$ -	\$ -	\$ -	\$ 257,430	4.00
1250	\$ 1,310,776	\$ 39,552	\$ 400	\$ -	\$ 7,400	\$ 1,358,128	18.05
1255	\$ 753,115	\$ 28,420	\$ 116,812	\$ 80,471	\$ -	\$ 978,818	10.70
1260	\$ 1,218,245	\$ 10,399	\$ -	\$ -	\$ 1,275	\$ 1,229,919	14.76
<b>Total</b>	<b>\$ 3,539,566</b>	<b>\$ 78,371</b>	<b>\$ 117,212</b>	<b>\$ 80,471</b>	<b>\$ 8,675</b>	<b>\$ 3,824,295</b>	<b>47.51</b>

## Revenues: Summary by Account

Fund Code	434-XXX	436-XXX	437-XXX	538-XX	Other	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Contributions & Donations	Misc.	Int. Govt			
1220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 257,430
1250	\$ 8,704	\$ -	\$ 300	\$ 77,901	\$ -	\$ 86,905	\$ 1,271,223
1255	\$ -	\$ -	\$ 116,812	\$ 862,006	\$ -	\$ 978,818	\$ -
1260	\$ 1,000	\$ -	\$ -	\$ 112,334	\$ -	\$ 113,334	\$ 1,116,585
<b>Total</b>	<b>\$ 9,704</b>	<b>\$ -</b>	<b>\$ 117,112</b>	<b>\$ 1,052,241</b>	<b>\$ -</b>	<b>\$ 1,179,057</b>	<b>\$ 2,645,238</b>

Detailed Adjustments to Base Budget		Major Programs	
<ul style="list-style-type: none"><li>- Increase retirement expenditures: \$7,080</li><li>- Eliminate nonrecurring expenditures for Queen Anne's Revenge:<ul style="list-style-type: none"><li>- Transfer to 24813: (\$570,839)</li><li>- Misc. line items: (\$294,134)</li></ul></li><li>- Increase revenue for reimbursement from DOT: \$965</li></ul>		<ul style="list-style-type: none"><li>- Office of State Archaeology</li><li>- Highway Markers Program</li><li>- State Historical Preservation Office</li><li>- Office of Historical Research &amp; Publications</li><li>- Queen Anne's Revenge</li></ul>	
Funds included in Historical Resources			
Fund		Fund	
1220	HISTORICAL PUBLICATIONS	24800-2220	HIST.PUBLICATIONS-PRINTING
1250	ARCHIVES/HISTORIC PRESERVATION	24800-2435	HPO-HIST PRES OFF-REC
1255	HISTORIC PRES-FEDERAL	24805-2650	HIST PRES TAX CREDIT FEE
1260	OFFICE OF STATE ARCHAEOLOGY	24813-2132	QAR INT-BEARING SPEC FUND

# Land & Water Stewardship

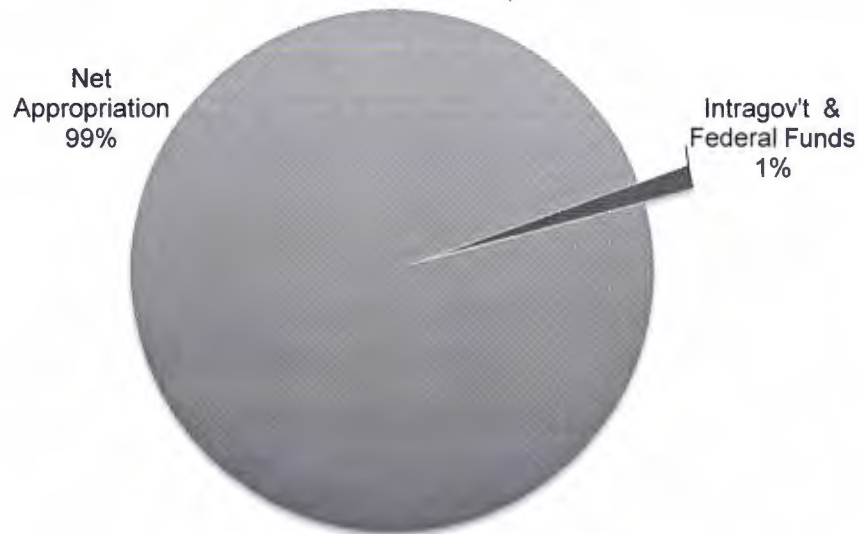
## Department of Natural & Cultural Resources

*Works to preserve North Carolina's environment through the Clean Water Management Trust Fund land acquisition grant program and the Natural Heritage Program's conservation clearinghouse*

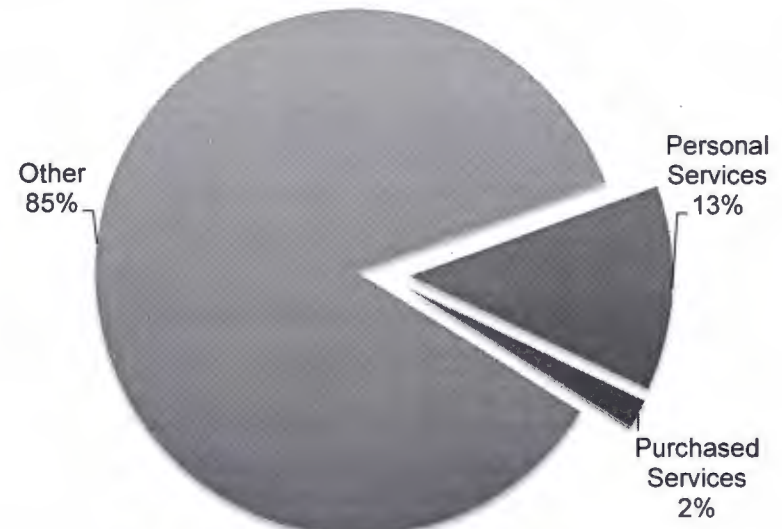
<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 13,825,430	\$ 19,495,995	\$ 23,385,386	\$ (8,582,640)	\$ 14,802,746	\$ (8,582,640)	\$ 14,802,746
<b>Less Receipts</b>	\$ 56,810	\$ 263,327	\$ 210,295	\$ 501	\$ 210,796	\$ 501	\$ 210,796
<b>Net Approp.</b>	\$ 13,768,620	\$ 19,232,668	\$ 23,175,091	\$ (8,583,141)	\$ 14,591,950	\$ (8,583,141)	\$ 14,591,950
<b>Positions</b>	35.50	17.00	22.00	0.00	22.00	0.00	22.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies	Equipment	Other	Total Expenditure	FTE
1115	\$ 986,859	\$ 181,966	\$ 1,526	\$ 7,800	\$ 12,657,830	\$ 13,835,981	10.00
1116	\$ 671,857	\$ 80,330	\$ 825	\$ -	\$ 2,957	\$ 755,969	9.10
1610	\$ 210,796	\$ -	\$ -	\$ -	\$ -	\$ 210,796	2.90
Total	\$ 1,869,512	\$ 262,296	\$ 2,351	\$ 7,800	\$ 12,660,787	\$ 14,802,746	22.00

### Revenues: Summary by Account

	434-XXX	435-XXX	436-XXX	538-XXX			
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
1115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,835,981
1116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 755,969
1610	\$ -	\$ -	\$ -	\$ 210,796	\$ -	\$ 210,796	\$ -
Total	\$ -	\$ -	\$ -	\$ 210,796	\$ -	\$ 210,796	\$ 14,591,950

### Detailed Adjustments to Base Budget

- Expenditure increase for retirement reserve distribution:
  - Fund 1115: \$14,332
  - Fund 1116: \$2,527
  - Fund 1610: \$501
- Increase receipts for retirement expenses: Fund 1610: \$501
- Eliminate nonrecurring appropriation for CWMTF grants: (\$8.6 million)

### Major Programs

- Clean Water Management Trust Fund (CWMTF)
- Natural Heritage Program (NHP)

### Funds included in Land & Water Stewardship

Fund			
1115	LWS-CLEAN WATER MANAGEMENT TRUST	24305-2003	NHP-LAND ACQ.GRANTS/ADMINISTRATION
1116	NHP-ADMINISTRATION	24305-2005	LWS-CONS EASE-PRINC
1610	LWS NATURAL RESOURCE PLANNING	24305-2006	LWS-CONS EASE INTEREST
24305-2002	CLEAN WATER TRUST GRANTS	24305-2007	LWS-CWMTF STEWARDSHIP OPERATING



# Museum of Art

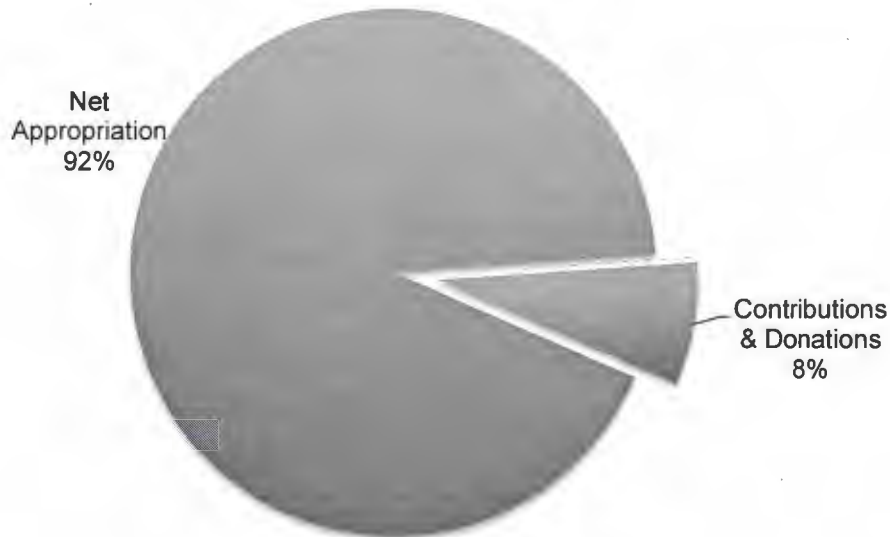
## Department of Natural & Cultural Resources

*Operates the Museum of Art in Raleigh and provides support to the Southeastern Center for Contemporary Art in Winston-Salem*

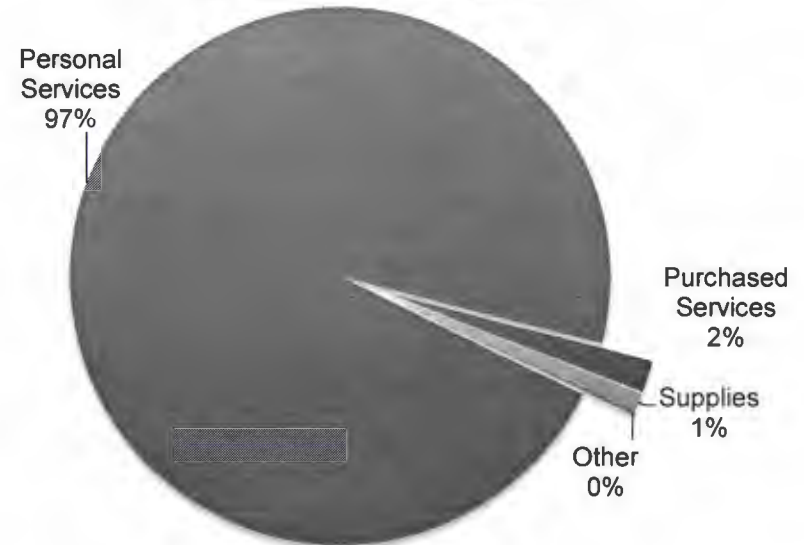
<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 6,587,995	\$ 6,664,055	\$ 7,273,963	\$ (90,939)	\$ 7,183,024	\$ (90,939)	\$ 7,183,024
<b>Less Receipts</b>	\$ 460,275	\$ 564,044	\$ 542,761	\$ 1,694	\$ 544,455	\$ 1,694	\$ 544,455
<b>Net Approp.</b>	\$ 6,127,720	\$ 6,100,011	\$ 6,731,202	\$ (92,633)	\$ 6,638,569	\$ (92,633)	\$ 6,638,569
<b>Positions</b>	117.05	115.31	119.30	0.00	119.30	0.00	119.30

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditures	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1320	\$ 6,952,640	\$ 138,318	\$ 73,040	\$ 5,026	\$ 14,000	\$ 7,183,024	119.30
<b>Total</b>	<b>\$ 6,952,640</b>	<b>\$ 138,318</b>	<b>\$ 73,040</b>	<b>\$ 5,026</b>	<b>\$ 14,000</b>	<b>\$ 7,183,024</b>	<b>119.30</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	437-XXX	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Misc.		
1320	\$ 2,000	\$ -	\$ 542,455	\$ -	\$ 544,455	\$ 6,638,569
<b>Total</b>	<b>\$ 2,000</b>	<b>\$ -</b>	<b>\$ 542,455</b>	<b>\$ -</b>	<b>\$ 544,455</b>	<b>\$ 6,638,569</b>

### **Detailed Adjustments to Base Budget**

- Expenditure increase for retirement: \$29,061
- Expenditure reduction for misc. contractual services: (\$120,000)
- Receipt increase for noncapital gifts: \$1,694

### **Funds included in Museum of Art**

Fund

1320 MUSEUM OF ART  
24801-2321 NC MUSEUM OF ART SPECIAL FUND

# Museum of History

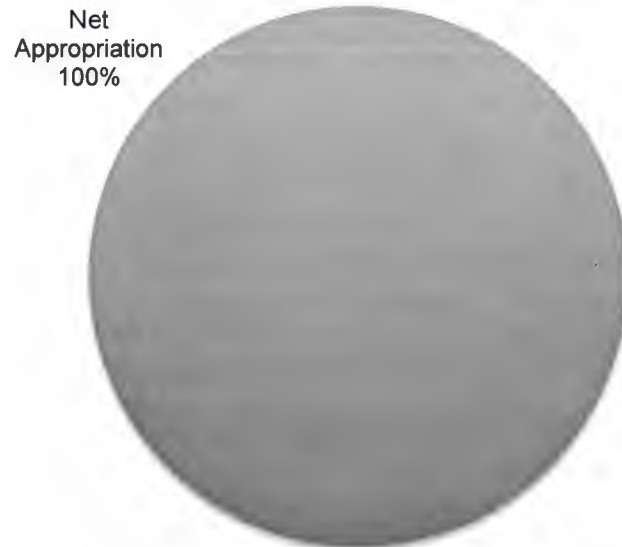
## Department of Natural & Cultural Resources

*Operates the Museum of History in Raleigh, three regional history museums in Old Fort, Fayetteville, and Elizabeth City, and three Maritime Museums in Beaufort, Hatteras, and Southport.*

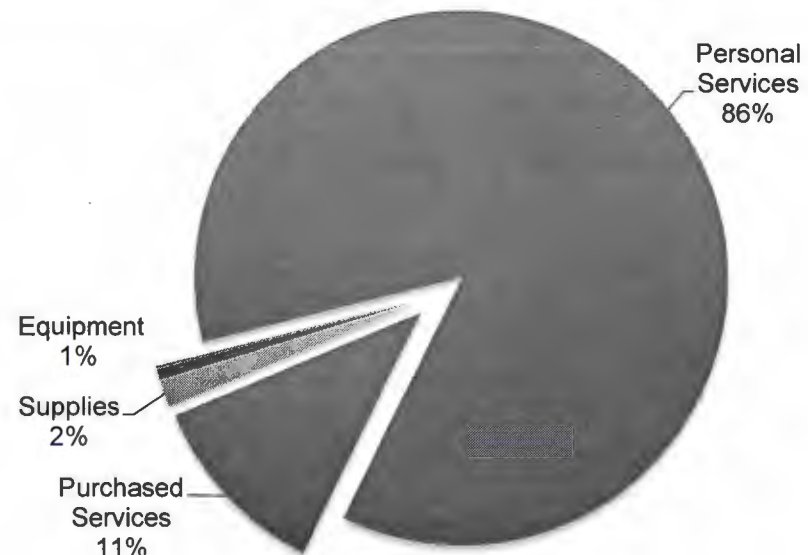
<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 7,273,971	\$ 7,335,989	\$ 7,926,558	\$ (88,653)	\$ 7,837,905	\$ (88,653)	\$ 7,837,905
<b>Less Receipts</b>	\$ -	\$ 10,110	\$ 1,400	\$ -	\$ 1,400	\$ -	\$ 1,400
<b>Net Approp.</b>	\$ 7,273,971	\$ 7,325,879	\$ 7,925,158	\$ (88,653)	\$ 7,836,505	\$ (88,653)	\$ 7,836,505
<b>Positions</b>	130.50	119.00	120.00	0.00	120.00	0.00	120.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditures	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1245	\$ 1,422,539	\$ 297,073	\$ 24,148	\$ -	\$ 6,450	\$ 1,750,210	27.00
1500	\$ 5,329,995	\$ 602,038	\$ 99,368	\$ 50,794	\$ 5,500	\$ 6,087,695	93.00
<b>Total</b>	<b>\$ 6,752,534</b>	<b>\$ 899,111</b>	<b>\$ 123,516</b>	<b>\$ 50,794</b>	<b>\$ 11,950</b>	<b>\$ 7,837,905</b>	<b>120.00</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	437-XXX		Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Misc.	Other		
1245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,750,210
1500	\$ 1,400	\$ -	\$ -	\$ -	\$ -	\$ 1,400	\$ 6,086,295
<b>Total</b>	<b>\$ 1,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,400</b>	<b>\$ 7,836,505</b>

### Detailed Adjustments to Base Budget

- Expenditure increase for retirement: \$11,347
- Expenditure decrease for nonrecurring appropriation to the Maritime Museum in Southport: (\$100,000)

### Funds included in Museum of History

Fund	
1245	NC MARITIME MUSEUM
1500	MUSEUM OF HISTORY
24800-2047	GIFT SHOP-MARINERS MUSE
24805-2655	MUSEUM OF HISTORY
24809-2947	MUS OF HIS-RAL-SPECIAL

# Museum of Natural Sciences

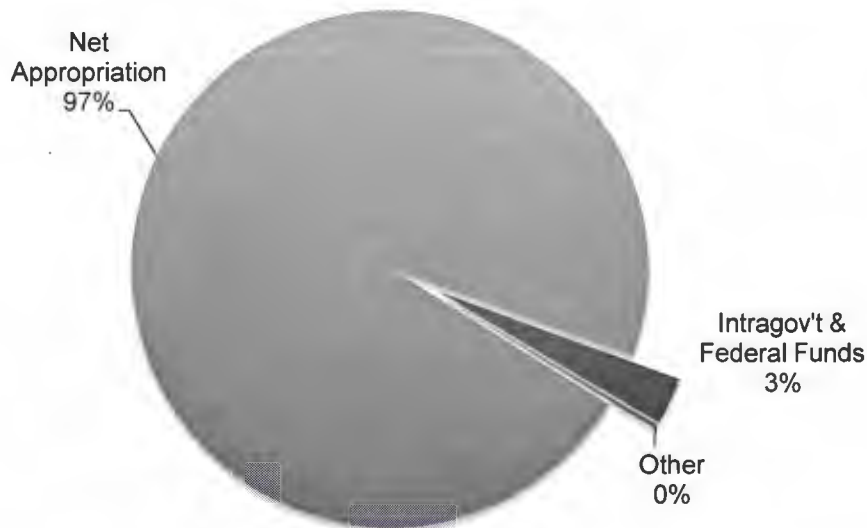
## Department of Natural & Cultural Resources

*Operates the North Carolina Museum of Natural Sciences, include the Nature Research Center, the Museum of Natural Sciences at Whiteville, and the Prairie Ridge Ecostation*

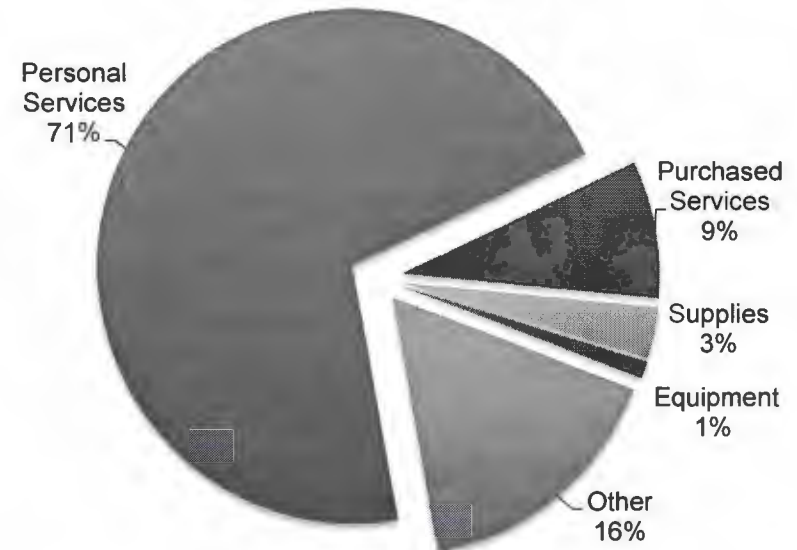
<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 11,607,773	\$ 11,720,376	\$ 15,018,708	\$ (70,508)	\$ 14,948,200	\$ (70,508)	\$ 14,948,200
<b>Less Receipts</b>	\$ 383,020	\$ 468,471	\$ 479,845	\$ 9,200	\$ 489,045	\$ 9,200	\$ 489,045
<b>Net Approp.</b>	\$ 11,224,754	\$ 11,251,905	\$ 14,538,863	\$ (79,708)	\$ 14,459,155	\$ (79,708)	\$ 14,459,155
<b>Positions</b>	153.99	152.00	152.00	0.00	152.00	0.00	152.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1760	\$ 10,565,457	\$ 1,292,926	\$ 475,120	\$ 159,628	\$ 2,455,069	\$ 14,948,200	152.00
<b>Total</b>	<b>\$ 10,565,457</b>	<b>\$ 1,292,926</b>	<b>\$ 475,120</b>	<b>\$ 159,628</b>	<b>\$ 2,455,069</b>	<b>\$ 14,948,200</b>	<b>152.00</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	538-XXX		Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Intragov't & Federal Funds	Other		
1760	\$ -	\$ -	\$ -	\$ 443,601	\$ 45,444	\$ 489,045	\$ 14,459,155
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 443,601</b>	<b>\$ 45,444</b>	<b>\$ 489,045</b>	<b>\$ 14,459,155</b>

### **Detailed Adjustments to Base Budget**

- Expenditure increase for retirement: \$29,492
- Receipt increase for retirement: \$9,200
  - Receipt adjustments to reimbursed personnel expenses
- Eliminate nonrecurring appropriation for the Science Museum grants: (\$100,000)

### **Funds included in Museum of Natural Sciences**

#### **Fund**

1760 MUSEUM OF NATURAL SCIENCE  
 24800-2460 MNS-RESEARCH  
 24800-2463 MNS-PUBLIC PROGRAMS  
 24800-2464 MNS-EXTENSION ACTIVITY  
 24800-2468 MNS-MUS BELIZE FUNDS  
 24800-2470 MNS-MUS SCHOOL PROGRAMS

# Office of Archives & History

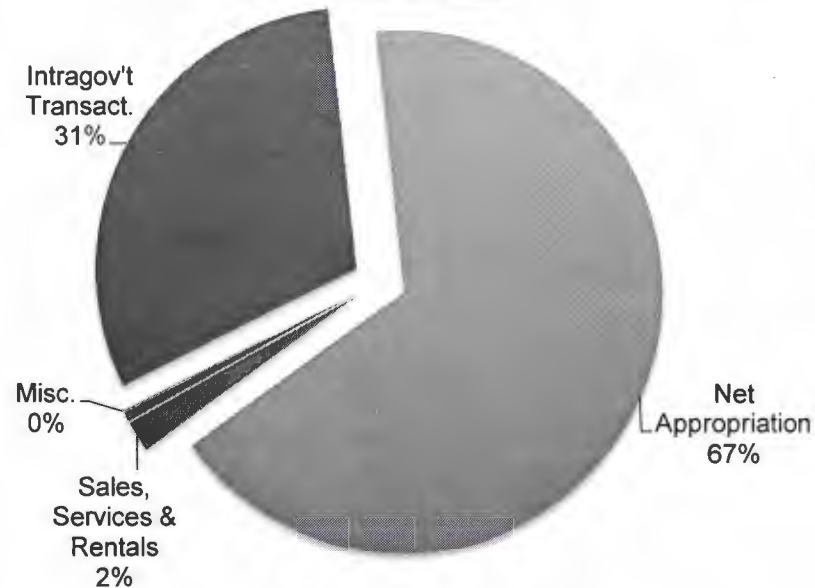
## Department of Natural & Cultural Resources

*Supports the operations of the four programs within the Office of Archives & History: (1) Archives & Records, (2) Historical Resources, (3) State Historic Sites, and (4) State History Museums; and administers the Western Office of Archives & History in Asheville*

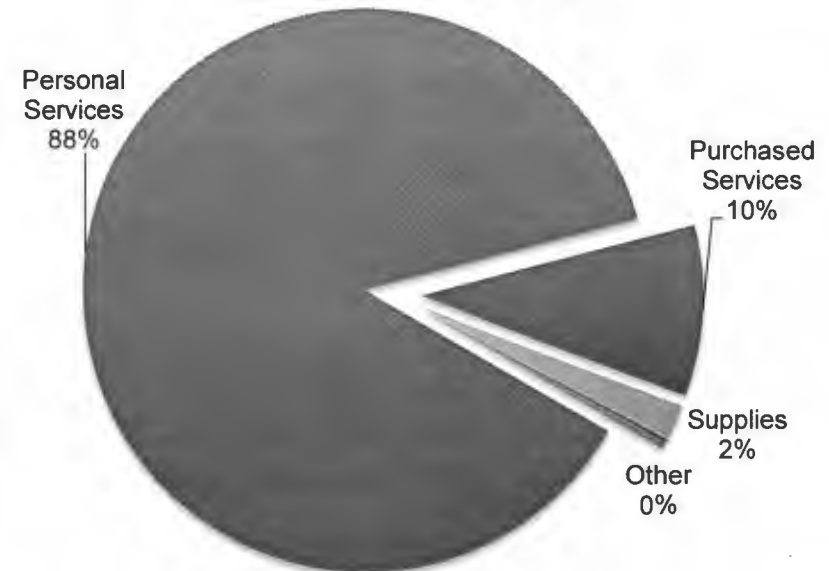
<i>General Fund Fund Codes Only</i>								
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget	
<b>Expenditures</b>	\$ 989,359	\$ 952,662	\$ 1,155,073	\$ 15,915	\$ 1,170,988	\$ 15,915	\$ 1,170,988	
<b>Less Receipts</b>	\$ 201,967	\$ 146,942	\$ 139,374	\$ 457	\$ 139,831	\$ 457	\$ 139,831	
<b>Net Approp.</b>	\$ 787,392	\$ 805,720	\$ 1,015,699	\$ 15,458	\$ 1,031,157	\$ 15,458	\$ 1,031,157	
<b>Positions</b>	9.00	13.00	13.00	0.00	13.00	0.00	13.00	

### FY 2017-18 Base Budget

**Source of Funds**



**Expenditure of Funds**



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX		Total Expenditures	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1210	\$ 895,352	\$ 35,449	\$ 15,133	\$ 2,534	\$ 4,102	\$ 952,570	
1290	\$ 130,606	\$ 80,135	\$ 7,377	\$ -	\$ 300	\$ 218,418	
						\$ -	
<b>Total</b>	<b>\$ 1,025,958</b>	<b>\$ 115,584</b>	<b>\$ 22,510</b>	<b>\$ 2,534</b>	<b>\$ 4,402</b>	<b>\$ 1,170,988</b>	<b>-</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	437-XXX	438-XXX		Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intragov't Transact.	Other		
1210	\$ -	\$ 2,500	\$ 442	\$ 128,849	\$ -	\$ 131,791	263,582.00
1290	\$ 8,040	\$ -	\$ -	\$ -	\$ -	\$ 8,040	16,080.00
							-
<b>Total</b>	<b>\$ 8,040</b>	<b>\$ 2,500</b>	<b>\$ 442</b>	<b>\$ 128,849</b>	<b>\$ -</b>	<b>\$ 139,831</b>	<b>279,662.00</b>

Detailed Adjustments to Base Budget		Major Programs	
<div>- Increases retirement expenditures: \$15,915</div> <div>- Increases receipts for intragovernmental transactions: \$457</div>		<div>- Western Office</div> <div>See separate summaries for these programs:</div> <div><div>- Archives &amp; Records</div><div>- Historical Resources</div><div>- State Historic Sites</div><div>- State History Museums</div></div>	
Funds included in Office of Archives & History			
Fund			
1210	HIST RES-PROG ADM & SUPP		
1290	WESTERN OFFICE-HIST. RES		



# Parks & Recreation

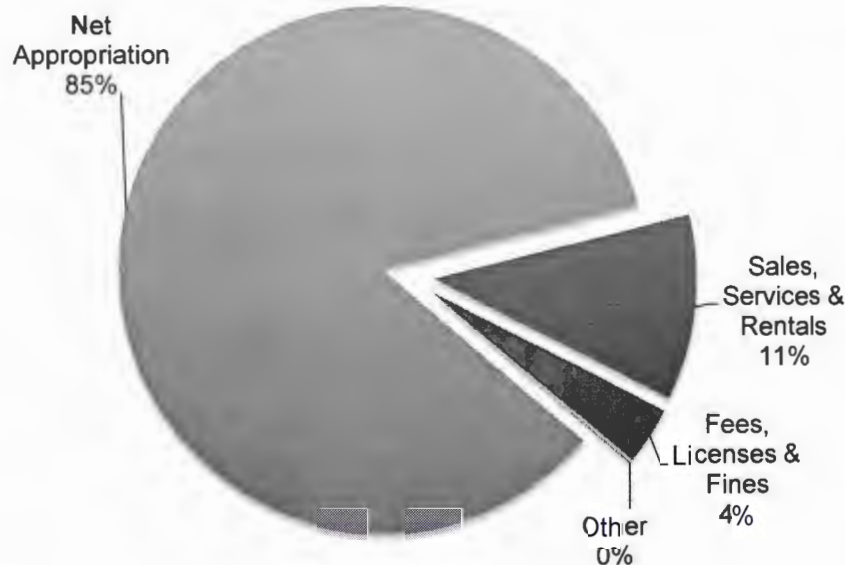
## Department of Natural & Cultural Resources

*Operates the State's parks, recreation areas, natural areas, and lakes, provides outdoor recreation opportunities, protects North Carolina's natural diversity, and encourages good stewardship of natural resources through interpretation, education, and other outreach efforts*

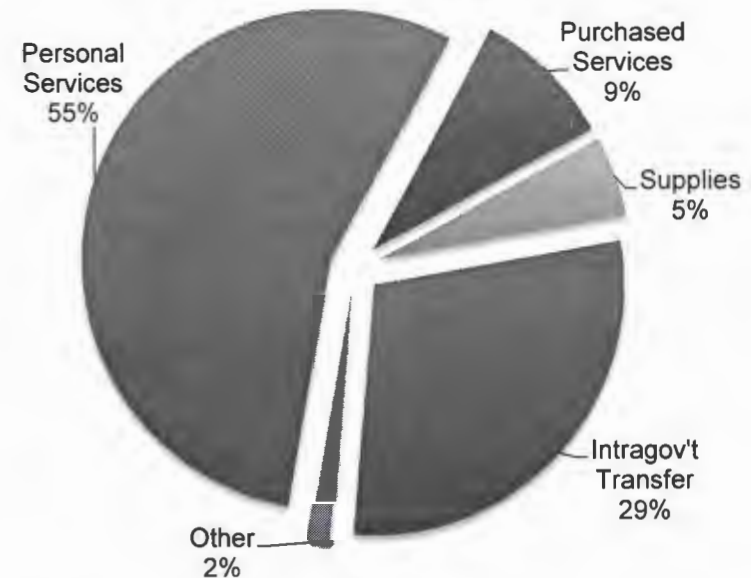
<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 49,452,246	\$ 51,147,225	\$ 62,800,139	\$ (6,484,044)	\$ 56,316,095	\$ (6,484,044)	\$ 56,316,095
<b>Less Receipts</b>	\$ 8,528,420	\$ 9,888,396	\$ 8,532,039	\$ (5,289)	\$ 8,526,750	\$ (5,289)	\$ 8,526,750
<b>Net Approp.</b>	\$ 40,923,826	\$ 41,258,829	\$ 54,268,100	\$ (6,478,755)	\$ 47,789,345	\$ (6,478,755)	\$ 47,789,345
<b>Positions</b>	466.50	480.50	480.50		480.50		480.50

### FY 2017-18 Base Budget

**Source of Funds**



**Expenditure of Funds**



## Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	538-XXX	Other	Total Expenditures	FTE
	Personal Services	Purchased Services	Supplies	Intragov't Transfer			
1680	\$ 31,021,813	\$ 5,164,047	\$ 2,920,312	\$ 16,383,089	\$ 826,834	\$ 56,316,095	480.50
<b>Total</b>	<b>\$ 31,021,813</b>	<b>\$ 5,164,047</b>	<b>\$ 2,920,312</b>	<b>\$ 16,383,089</b>	<b>\$ 826,834</b>	<b>\$ 56,316,095</b>	<b>480.50</b>

## Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	437-XXX	Other	Total Revenues	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Misc.			
1680	\$ 6,451,169	\$ 2,016,145	\$ 3,870	\$ 19,892	\$ 35,674	\$ 8,526,750	\$ 47,789,345
<b>Total</b>	<b>\$ 6,451,169</b>	<b>\$ 2,016,145</b>	<b>\$ 3,870</b>	<b>\$ 19,892</b>	<b>\$ 35,674</b>	<b>\$ 8,526,750</b>	<b>\$ 47,789,345</b>

### Detailed Adjustments to Base Budget

- Increase to retirement expenditures: \$45,956
- Eliminate nonrecurring fund for Centennial celebration: (\$200,000)
- Eliminate nonrecurring funds for PARTF: (\$6.33 m)
- Decrease expected gate admission receipts: (\$5,289)

### Major Programs

- Parks & Recreation Trust Fund (not included above)
- Land & Water Conservation Fund grants (federal)
- Recreational Trail Program grants (federal)

### Funds included in Parks & Receptions

#### Fund

1680 DPR PARKS AND RECREATION  
 24817-2802 DPR-LAND WATER CONS FUND  
 24817-2803 DPR RECREATIONAL TRAILS  
 24820-2235 DPR-PARKS&REC TRUST FUND

# Roanoke Island Festival Park

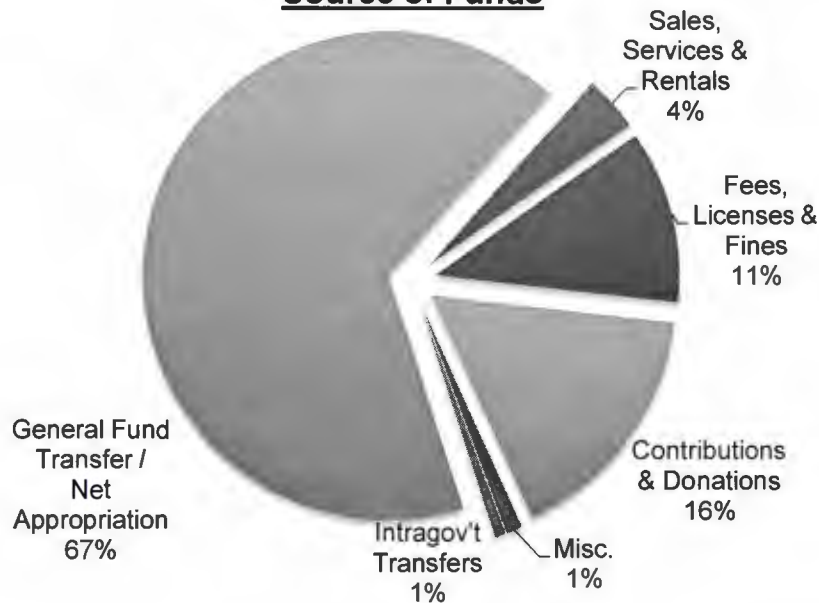
## Department of Natural & Cultural Resources

*Operates the 27-acre Festival Park in Manteo and provides interpretative activities and exhibits related to the period of the Roanoke Voyages of 1584-1587*

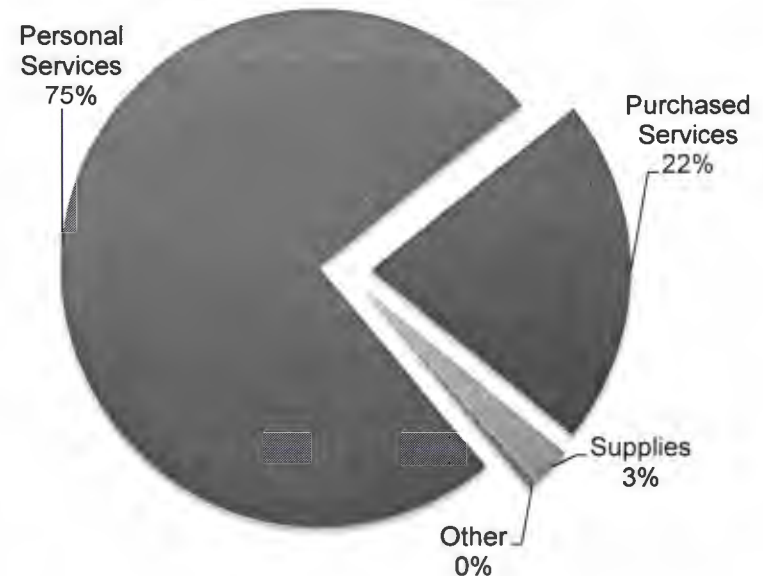
<i>Enterprise Fund Codes Only</i>								
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget	
<b>Expenditures</b>	\$ 1,707,430	\$ 1,737,945	\$ 1,793,495	\$ 4,969	\$ 1,798,464	\$ 4,969	\$ 1,798,464	
<b>Less Receipts</b>	\$ 1,377,813	\$ 1,469,203	\$ 1,255,644	\$ 4,969	\$ 1,260,613	\$ 4,969	\$ 1,260,613	
<b>+/- Fund Balance</b>	\$ (329,617)	\$ (268,742)	\$ (537,851)	\$ -	\$ (537,851)	\$ -	\$ (537,851)	
<b>Positions</b>	35.00	23.00	22.00		22.00		22.00	

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
54804-5800	\$ 1,355,005	\$ 390,098	\$ 44,375	\$ 2,264	\$ 6,722	\$ 1,798,464	22.00
<b>Total</b>	<b>\$ 1,355,005</b>	<b>\$ 390,098</b>	<b>\$ 44,375</b>	<b>\$ 2,264</b>	<b>\$ 6,722</b>	<b>\$ 1,798,464</b>	<b>22.00</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	437-XXX	438-XXX	Total Revenue	General Fund Transfer / Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Misc.	Intragov't Transfers		
54804-5800	\$ 76,346	\$ 236,696	\$ 340,000	\$ 22,000	\$ 15,000	\$ 690,042	\$ 555,571
<b>Total</b>	<b>\$ 76,346</b>	<b>\$ 236,696</b>	<b>\$ 340,000</b>	<b>\$ 22,000</b>	<b>\$ 15,000</b>	<b>\$ 690,042</b>	<b>\$ 1,380,084</b>

### Detailed Adjustments to Base Budget

- Receipt increase for transfer from General Fund (14802): \$4,969
- Expenditure increase for retirement in 54804: \$4,969

### Funds included in Roanoke Island Festival Park

Fund	
14802-1584	ROANOKE ISLAND COMMISSION
54804-5800	HISTORIC ROANOKE ISLAND FUND



# State Library

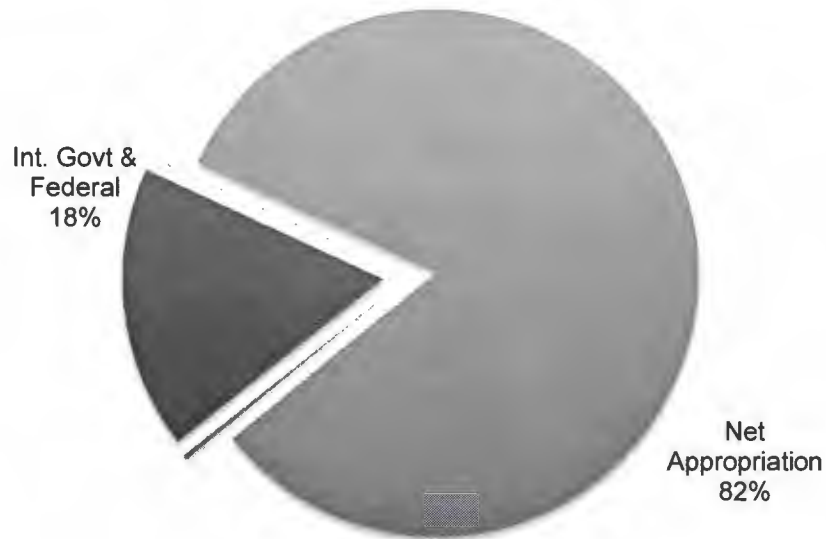
## Department of Natural & Cultural Resources

*Serves as the main depository for State publications; provides access to information for State government agencies, employees, and citizens; creates and administers programs to improve and expand public library services across the State*

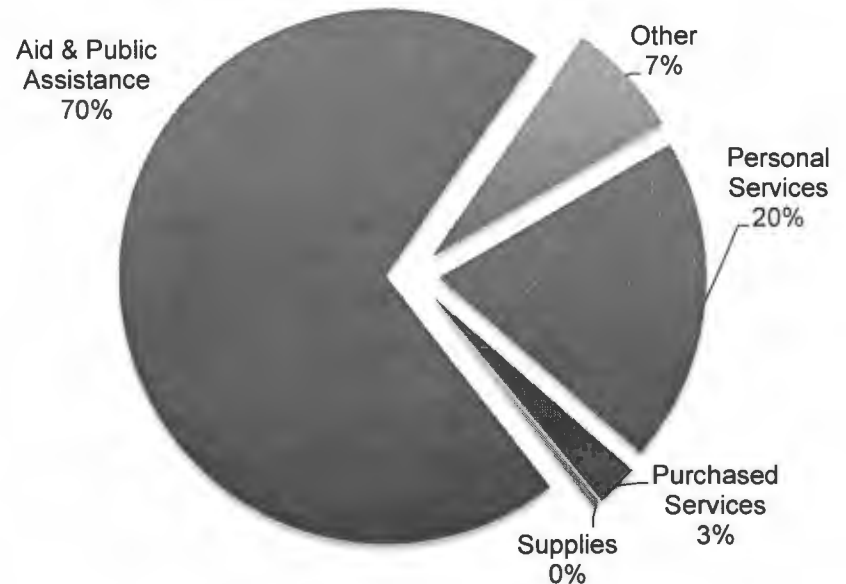
General Fund Fund Codes Only							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 23,832,446	\$ 24,099,730	\$ 24,740,090	\$ (180,780)	\$ 24,559,310	\$ (176,778)	\$ 24,563,312
<b>Less Receipts</b>	\$ 4,746,501	\$ 4,338,486	\$ 4,342,299	\$ -	\$ 4,342,299	\$ -	\$ 4,342,299
<b>Net Approp.</b>	\$ 19,085,946	\$ 19,761,244	\$ 20,397,791	\$ (180,780)	\$ 20,217,011	\$ (176,778)	\$ 20,221,013
<b>Positions</b>	65.22	76.00	76.00	76.00	76.00	0.00	76.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



## Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	536-XXX	Other	Total Expenditures	FTE
	Personal Services	Purchased Services	Supplies	Aid & Public Assistance			
1410	\$ 4,018,740	\$ 406,421	\$ 20,632	\$ -	\$ 146,587	\$ 4,592,380	63.00
1480	\$ -	\$ 123,401	\$ 53,874	\$ 14,182,131	\$ 1,294,406	\$ 15,653,812	-
1495	\$ 816,018	\$ 103,047	\$ 46,221	\$ 3,049,451	\$ 298,381	\$ 4,313,118	13.00
<b>Total</b>	<b>\$ 4,834,758</b>	<b>\$ 632,869</b>	<b>\$ 120,727</b>	<b>\$ 17,231,582</b>	<b>\$ 1,739,374</b>	<b>\$ 24,559,310</b>	<b>76.00</b>

## Revenues: Summary by Account

Fund Code	434-XXX	436-XXX	437-XXX	538-XXX	Other	Total Revenues	Net Appropriation
	Sales, Services & Rentals	Contributions & Donations	Misc.	Int. Govt & Federal			
1410	\$ 9,242	\$ 9,316	\$ 9,343	\$ -	\$ 1,280	\$ 29,181	\$ 4,563,199
1480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,653,812
1495	\$ -	\$ -	\$ 33,000	\$ 4,280,118	\$ -	\$ 4,313,118	\$ -
<b>Total</b>	<b>\$ 9,242</b>	<b>\$ 9,316</b>	<b>\$ 42,343</b>	<b>\$ 4,280,118</b>	<b>\$ 1,280</b>	<b>\$ 4,342,299</b>	<b>\$ 20,217,011</b>

Detailed Adjustments to Base Budget		Major Programs	
<div>- Increase retirement expenditures: \$15,317</div> <div>- Increase rent/lease expenditures:<div>- FY 2017-18: \$3,903</div><div>- FY 2018-19: \$7,905</div></div> <div>- Decrease nonrecurring funds for Children's Digital Library: (\$200,000)</div>		<div>- Federal Library Services and Technology Act (LSTA) Grants</div> <div>- State-aid to Libraries</div> <div>- NC State Publications Clearinghouse</div> <div>- Library for the Blind and Physically Handicapped</div>	
Funds included in State Library			
Fund			
1410	STATE LIBRARY SERVICES		
1480	STATEWIDE PROGRAMS AND GRANTS		
1495	STATE LIBRARY - FEDERAL		

# NC Zoo

## Department of Natural & Cultural Resources

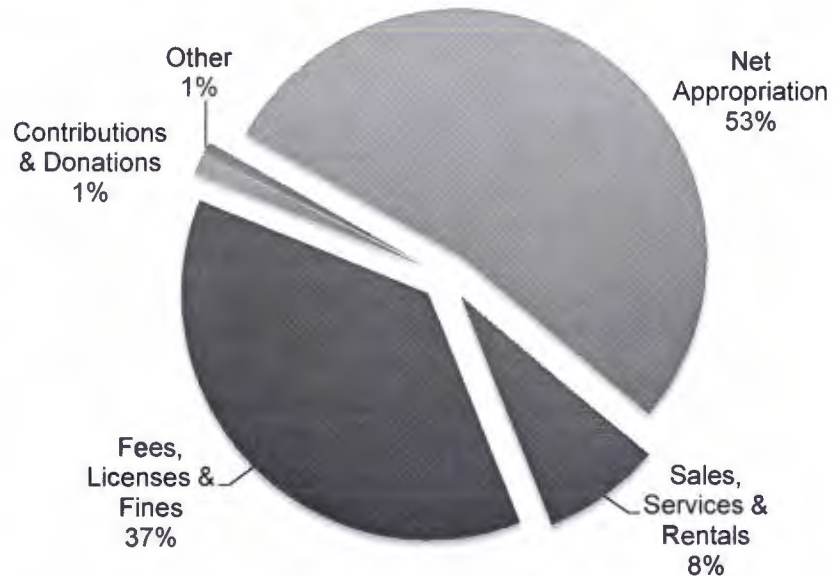
*Operates the North Carolina Zoo in Asheboro*

### General Fund Fund Codes Only

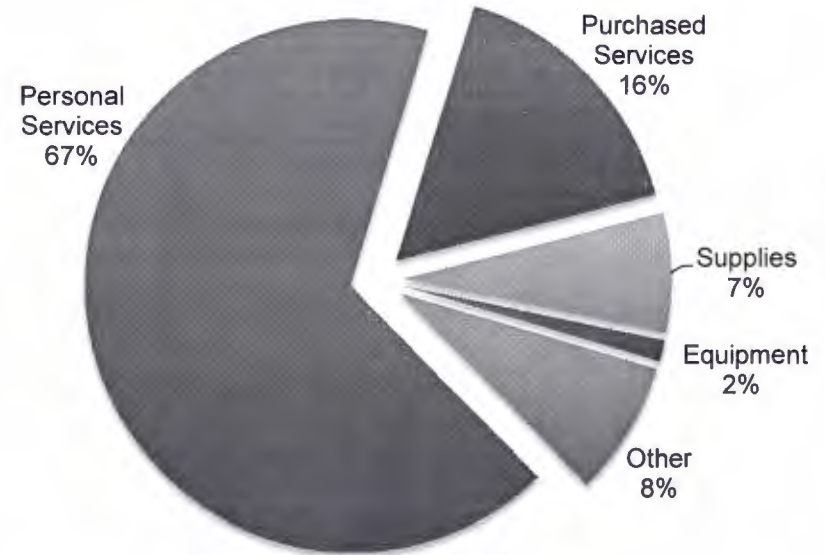
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 18,181,498	\$ 18,929,676	\$ 20,337,519	\$ 40,636	\$ 20,378,155	\$ 40,636	\$ 20,378,155
<b>Less Receipts</b>	\$ 7,763,442	\$ 8,191,234	\$ 9,595,046	\$ 2,750	\$ 9,597,796	\$ 2,750	\$ 9,597,796
<b>Net Approp.</b>	\$ 10,418,056	\$ 10,738,442	\$ 10,742,473	\$ 37,886	\$ 10,780,359	\$ 37,886	\$ 10,780,359
<b>Positions</b>	263.75	263.25	263.25	0.00	263.25	0.00	263.25

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1805	\$ 13,647,004	\$ 3,310,646	\$ 1,487,005	\$ 264,500	\$ 1,669,000	\$ 20,378,155	263.25
<b>Total</b>	<b>\$ 13,647,004</b>	<b>\$ 3,310,646</b>	<b>\$ 1,487,005</b>	<b>\$ 264,500</b>	<b>\$ 1,669,000</b>	<b>\$ 20,378,155</b>	<b>263.25</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	538-XXX	Other	Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Intragov't & Federal Funds			
1805	\$ 1,592,078	\$ 7,587,069	\$ 251,301	\$ -	\$ 167,348	\$ 9,597,796	\$ 10,780,359
<b>Total</b>	<b>\$ 1,592,078</b>	<b>\$ 7,587,069</b>	<b>\$ 251,301</b>	<b>\$ -</b>	<b>\$ 167,348</b>	<b>\$ 9,597,796</b>	<b>\$ 10,780,359</b>

### Detailed Adjustments to Base Budget

- Expenditure increase for retirement: \$40,636
- Receipt increase for retirement: \$724
  - Receipt adjustments to vending, gate admissions, and noncapital gifts

### Funds included in NC Zoo

#### Fund

1805 ZOO-NC ZOOLOGICAL PARK  
 24815-2241 ZOO GIFTS DONATIONS SALES

## Reserves

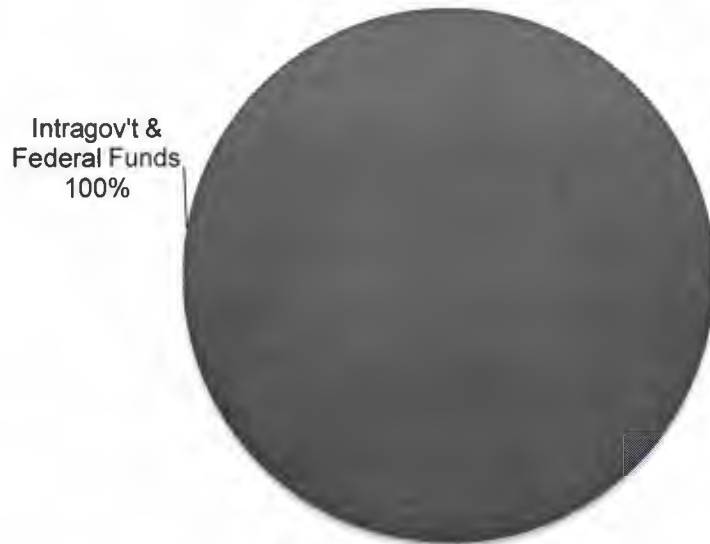
### Department of Natural & Cultural Resources

*Reserve fund codes for indirect costs and legislative appropriations*

<i>General Fund Fund Codes Only</i>							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
Expenditures	\$ 178,107	\$ 168,578	\$ 2,461,375	\$ (2,239,874)	\$ 221,501	\$ (2,239,874)	\$ 221,501
Less Receipts	\$ 178,428	\$ 180,347	\$ 221,454	\$ 47	\$ 221,501	\$ 47	\$ 221,501
Net Approp.	\$ (321)	\$ (11,769)	\$ 2,239,921	\$ (2,239,921)	\$ -	\$ (2,239,921)	\$ -
Positions	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	535-536-XXX	537-XXX	538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Other	Reserves	Intragov't Transfer		
1991	\$ -	\$ -	\$ -	\$ 67,680	\$ 153,821	\$ 221,501	-
1992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,680</b>	<b>\$ 153,821</b>	<b>\$ 221,501</b>	<b>-</b>

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	436-XXX	538-XXX		Total Revenue	Net Appropriation
	Sales, Services & Rentals	Fees, Licenses & Fines	Contributions & Donations	Intragov't & Federal Funds	Other		
1991	\$ -	\$ -	\$ -	\$ 221,501	\$ -	\$ 221,501	\$ -
1992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 221,501</b>	<b>\$ -</b>	<b>\$ 221,501</b>	<b>\$ -</b>

### Detailed Adjustments to Base Budget

- Expenditure decrease for FY2016-17 nonrecurring grants-in-aid: (\$1.6 million)
  - Downtown Winston Salem Museum: (\$100,000)
  - Town of Fuquay: (\$50,000)
  - Fair Bluff Library: (\$50,000)
  - Ingram Planetarium: (\$50,000)
  - Dreams of Wilmington: (\$50,000)
  - Advance planning funds Fort Fisher: (\$400,000)
- Expenditure decrease for nonrecurring portion of Compensation and Retirement Reserves: (\$639,921)
- Expenditure increase for transfer to fund 1210: (\$47)
- Revenue increase from federal library grants indirect costs: \$47

### Funds included in Reserves

Fund	
1991	Indirect Reserve
1992	Continuation Reserve



APPROPRIATIONS COMMITTEE

ON

NATURAL AND ECONOMIC RESOURCES

MARCH 8, 2017

SENATE SERGEANT-AT-ARMS:

JIM HAMILTON

STEVE MCKAIG

HOUSE SERGEANT AT ARMS

BILL BASS

MARK CONE

WILL CROCKER



# Senate Pages Attending

COMMITTEE: Ag., Nat'l & Economic Resources ROOM: 421  
 DATE: 3-8 TIME: 8:30

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!.....or else!!!!

	Page Name	Hometown	Sponsoring Senator
①	Dajah Stallings	Durham	McKissick
②	Brandon Hayes	New London	McInnis
3.			
4.			
5.			
6.			
7.			
8.			

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.





**House Pages  
Assignments  
Wednesday, March 08, 2017  
Session: 2:00 PM**

<b>Committee</b>	<b>Room</b>	<b>Time</b>	<b>Staff</b>	<b>Comments</b>	<b>Member</b>
Appropriations on Department of Transportation	1027/1128	8:30 AM	Dylan Gabard		Rep. Speaker Tim Moore
			Jacob Harris		Rep. Ted Davis
Appropriations on General Government and Information Technology	425	8:30 AM	Rayquian Jones		Rep. Speaker Tim Moore
			Kaleah Poole		Rep. Speaker Tim Moore
Appropriations, Agriculture and Natural and Economic Resources	421	8:30 AM	Mahlaysia Thomas		Rep. Speaker Tim Moore
Appropriations, Education	Other	8:30 AM	Tyler Phillips		Rep. Mike Clampitt
			Leonardo Tamburro		Rep. Gale Adcock
Appropriations, Health and Human Services	643	8:30 AM	Nikyah Bowers		Rep. Speaker Tim Moore
Appropriations, Justice and Public Safety	415	8:30 AM	Shaun Robinson		Rep. Speaker Tim Moore
Commerce and Job	544	8:30 AM	Christopher Irvin		Rep. Speaker Tim



**House Pages  
Assignments  
Wednesday, March 08, 2017**

<b>Committee</b>	<b>Room</b>	<b>Time</b>	<b>Staff</b>	<b>Comments</b>	<b>Member</b>
Development					Moore
			Michael Lee		Rep. Speaker Tim Moore
Judiciary IV	1228/1327	10:00 AM	Brian Ornelas		Rep. Speaker Tim Moore



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-08-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Andy Miller	DEQ
Michael S Regan	DEQ
John Nicholson	DEQ
Michael Pietreaj	DEQ
Sarah Hardin	NCEL
Chris Broughton	MWC
Kirk Ross	WFO
A Goodman	WRC
Stephen Kouba	KMA
Elizabeth Biser	Brooks Pierce



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-08-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Kevin Cherry	DNCR
Wayne Martin	DNCR - Arts Council
Stan Meyer	DNCR
Reid Wilson	DNCR
Joshua Davis	DNCR
Grady McElhin	NR Consultant NCH
Art Baerhardt	NC DEQ - UST SECTION
Jon Lanier	NCDA + CS
N. David Smith	NCDA & CS
Catherine Stagner	NCDA & CS
Amy Bissette	NCDA + CS





# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-08-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

LUKE STANFEL	JONES STREET CONSULTING
Mary Penny Kelley	DEQ
Jana Granger	SEA
Bob Lunn	DLA
John Harlow	MFS
Lex Jones	DNCR
Sarah Kuonce	NCDEQ
Jennifer Hargrave	NCDEQ
Terah Councilman	NCDEQ
Rex Whaley	DEQ
Ben Whittington	DEQ



# VISITOR REGISTRATION SHEET

## Agriculture and Natural and Economic Resources

Name of Committee

3-08-2017

Date \_\_\_\_\_

**VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK**

NAME \_\_\_\_\_

FIRM OR AGENCY AND ADDRESS

Nathan Butts

NCBA

Allison Diego

OSBM

Ketang Knyding - JP



**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Thursday, March 9, 2017  
**TIME:** 8:30 AM  
**LOCATION:** 421 LOB  
**COMMENTS:** Rep. Jimmy Dixon, presiding

**Topic:** Agriculture & Consumer Services Overview

Respectfully,

Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:58 AM on Tuesday, July 11, 2017.

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Michael Wiggins (Committee Assistant)





**Nancy Fox (Rep. Pat McElraft)**

---

**From:** Michael Wiggins (Rep. Jimmy Dixon)  
**Sent:** Thursday, March 02, 2017 11:38 AM  
**To:** Michael Wiggins (Rep. Jimmy Dixon)  
**Subject:** <NCGA> House Appropriations, Agriculture and Natural and Economic Resources Committee Meeting Notice for Thursday, March 09, 2017 at 8:30 AM (Joint)  
**Attachments:** Add Meeting to Calendar\_LINC\_ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

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Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:33 AM on Thursday, March 02, 2017.

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Michael Wiggins (Committee Assistant)



**Joint Appropriations Meeting of  
House and Senate Committees on Agriculture and Natural and Economic  
Resources**

**Agenda**

Thursday, March 9, 2017, 8:30 A.M.  
Room 421, Legislative Office Building

**Rep. Dixon, Presiding**

**1. Welcome and Opening Comments**

**2. Department of Natural & Cultural Resources Overview, *continued***

Lanier McRee, Fiscal Research Division

**3. Department of Agriculture & Consumer Services Overview**

William Childs, Fiscal Research Division

**4. Adjourn**

---

**House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

---

**Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton.



**Joint Committee on Appropriations, Agriculture and Natural and Economic Resources**  
**Thursday, March 9, 2017 at 8:30 AM**  
**Room 421 of the Legislative Office Building**

**MINUTES**

The Joint Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on March 9, 2017 in Room 421 of the Legislative Office Building. Representatives Ager, Dixon, Dulin, K. Hall, Harrison, Hunter, McElraft, Millis, B. Richardson, and Ross attended. Senators Newton, Gunn, Cook, Bryant, Wade, Brock attended.

Representative Jimmy Dixon, Chair, presided.

Rep. Dixon calls meeting to order and welcomes those in attendance.

He then acknowledges the House Sgt. at Arms who were in attendance along with the Paige's from both the House and Senate who assisted the Sgt at Arms in the committee meeting.

Rep. Dixon reviews the agenda and then turns the meeting over to fiscal staff who will be discussing the topics in detail.

Lanier McRee (Fiscal Research Dept.) continues the discussion that began on March 8<sup>th</sup> of the Dept. of Natural & Cultural Resources and the general overview of that Department in particular their Base Budgets figures, Major Functions as a Department and recent budget actions.( See Attachments starting on pg.10 of DNCR Handout )

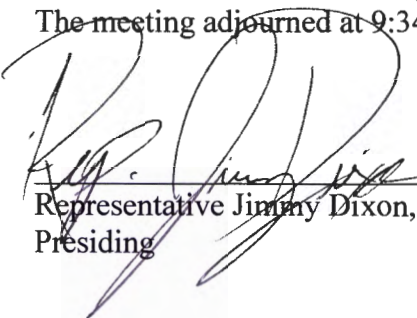
William Childs (Fiscal Research Dept.) gave an overview of Agriculture and Consumer Services Department mainly focusing on the Mission and Structure of the Department. The budget history, trends within the budget and finally a breakdown of the Divisions within DACS.

They are Administration, Ag Services, Consumer Services and Forest Services with past budget figures for each and projections. (See Attachments DACS Handouts)

During William's presentation there were a couple of questions from members who he had answered by David Smith who was in attendance on behalf of the Dept. of Agriculture.

At the conclusion of William's discussion Rep. Dixon thanked all who attended and ask for final comments or remarks. Hearing none we adjourned

The meeting adjourned at 9:34am.

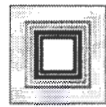


Representative Jimmy Dixon, Chair  
Presiding



Michael Wiggins, Committee Clerk





## FISCAL RESEARCH DIVISION

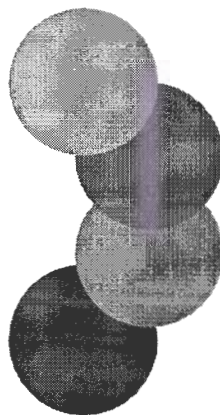
A Staff Agency of the North Carolina General Assembly

# Department of Natural, & Cultural Resources (DNCR)

*March 8, 2017*

Lanier McRee

## Agenda



1. DNCR at-a-Glance

2. DNCR Divisions

Base Budgets

Major Functions

Recent Budget Actions

3. Questions



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March 8, 2017



## DNCR At a Glance



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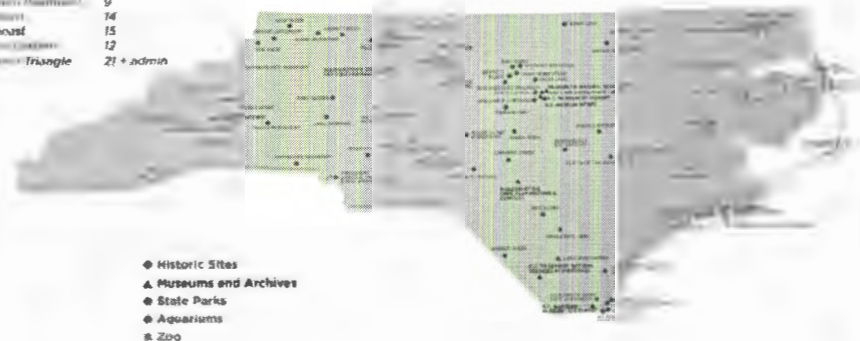
A Division of the North Carolina Department of Natural and Cultural Resources

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March 8, 2017

## DNCR Sites

Region	Count
Charlotte	10
Charlotte Region	9
Charlotte Region	9
Charlotte Region	14
Charlotte Region	15
Charlotte Region	12
Charlotte Region	21 + admin



Source: Department of Natural and Cultural Resources



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A Division of the North Carolina Department of Natural and Cultural Resources

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March 8, 2017

## DNCR Base Budget

General Fund Budget Code: 14800, 14802

	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
Expenditures	\$ 72,612,554	\$ 197,388,236	\$ 225,460,622	\$ (18,788,711)	\$ 206,671,911	\$ (18,784,709)	\$ 206,675,913
Less Receipts	\$ 8,912,871	\$ 36,454,563	\$ 39,824,288	\$ 18,596	\$ 39,842,884	\$ 18,596	\$ 39,842,884
Net Approp.	\$ 63,699,683	\$ 160,933,673	\$ 185,636,334	\$ (18,807,307)	\$ 166,829,027	\$ (18,803,305)	\$ 166,833,029
Positions	669.92	1,804.83	1,811.78	(5.00)	1,806.78	(5.00)	1,806.78

- Reductions of:
  - ~\$18.8M net appropriations
  - 5 FTE



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March 8, 2017

## DNCR Base Budget Adjustments

### Expenditure Adjustments

- Increases for retirement: \$273 K
- Increase for IT/ Communication: \$914 K
- Increase for Travel: \$115 K
- Increase for Rent: \$3.9 K
- Decreases for NR spending: (\$19.73 M)

### Revenue Adjustments

- Increase gate admissions: \$3.6 K
- Increase non-capital gifts: \$1.2 K
- Increase intragov'tal transactions: \$13.5 K

### Eliminated NR Expenditures:

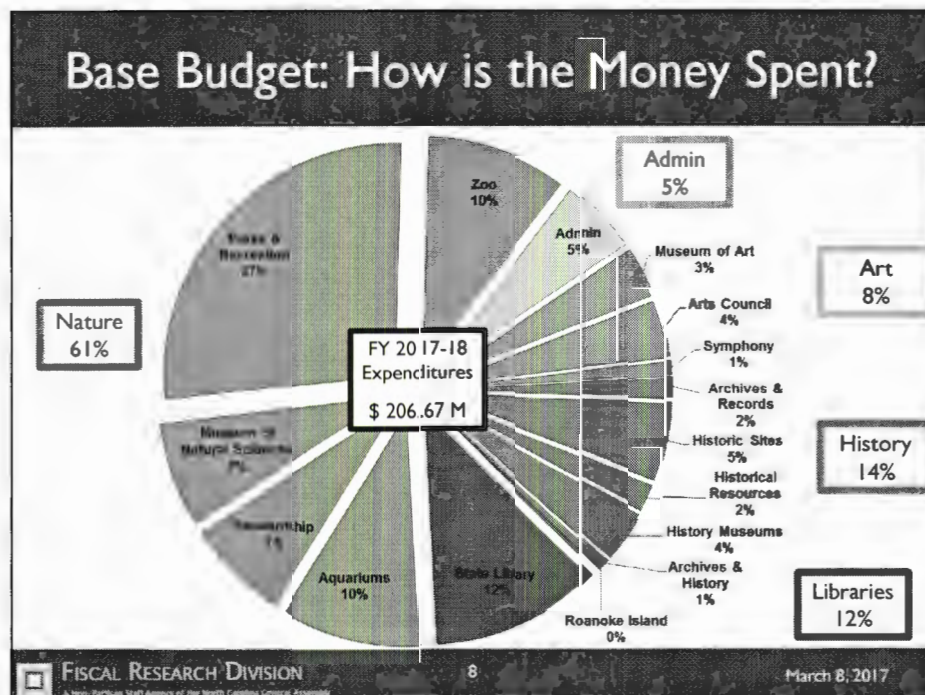
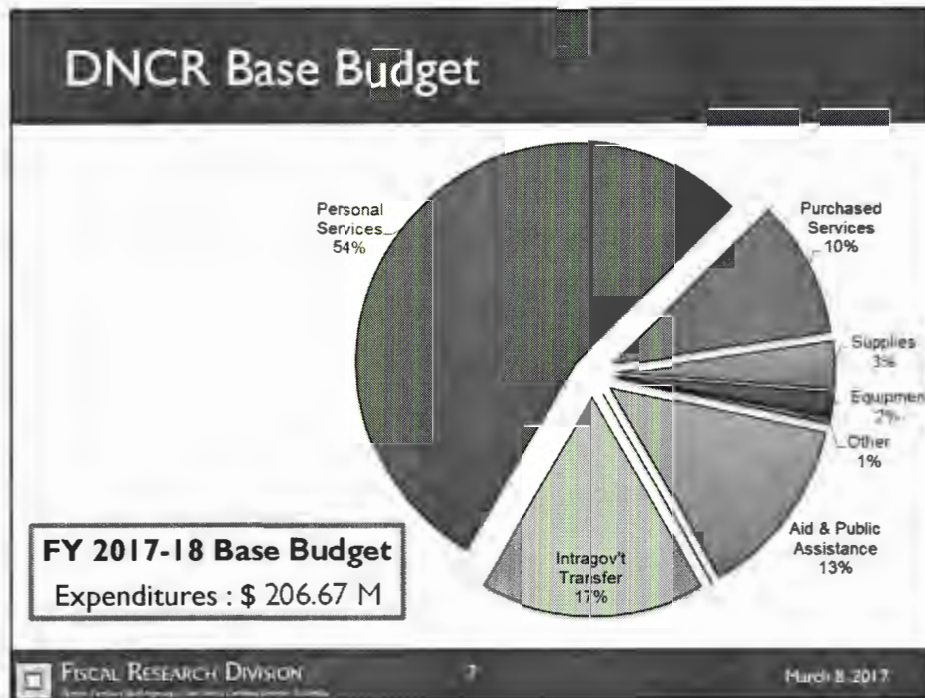
- Clean Water Mgmt Trust Fund: (\$8.60 M)
- Parks & Rec Trust Fund: (\$6.33 M)
- Misc. Grants in Aid: (\$1.55 M)
- Queen Anne's Revenge: (\$870.1 K)
- Grassroots Art Grants: (\$650 K)
- Compensation Reserves: (\$640 K)
- A+ Schools: (\$482.7 K)
- Historic Site Support: (\$350 K)
- Children's Digital Library: (\$200 K)
- Parks Centennial Funding: (\$200 K)
- Tryon Palace: (\$150 K)
- Museum of Art: (\$120 K)
- Science Museum Grants: (\$100 K)
- Maritime Museum in Southport: (\$100 K)



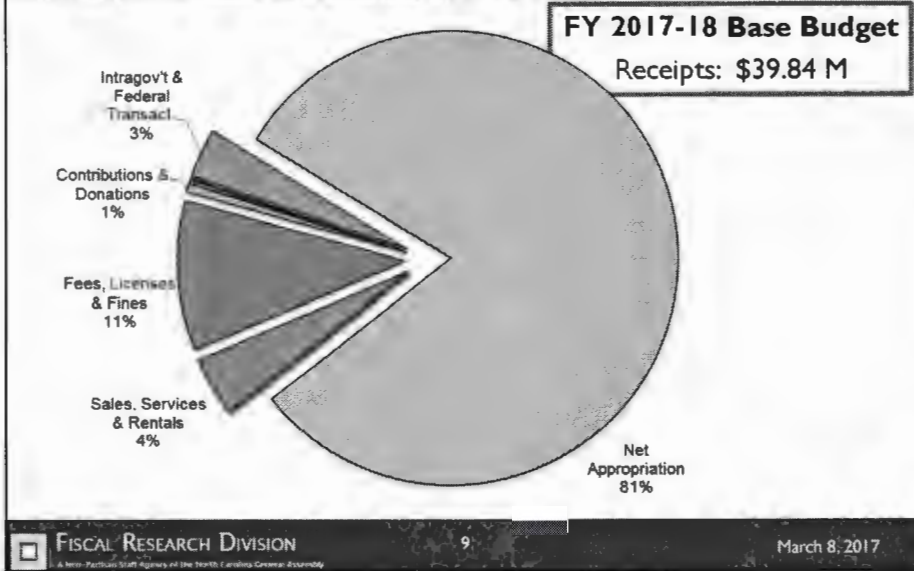
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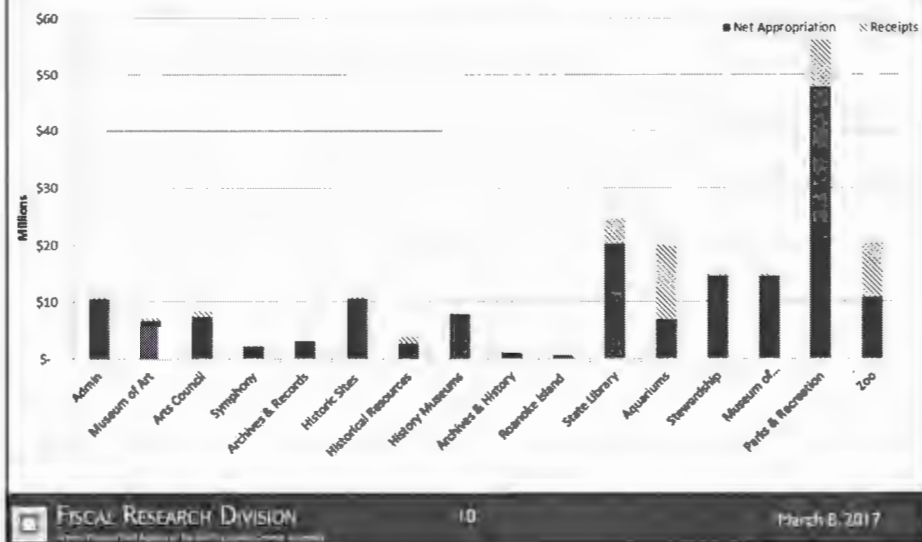
March 8, 2017



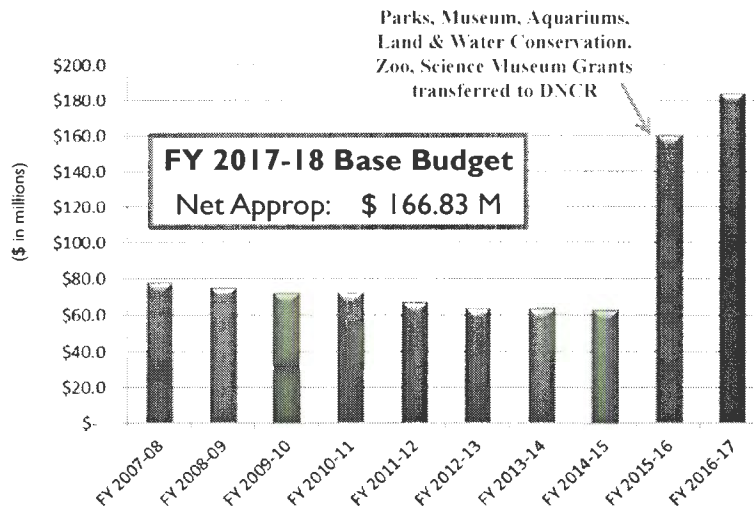
## Base Budget: Sources of Funds



## Base Budget: Funding Source by Division



## DNCR: Net Appropriation History









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March 8, 2017

## Merging Natural & Cultural Resources

	FY 2014-15	FY 2016-17
	815+ FTE	1,640+ FTE
	\$ 72.1 M Expenditures \$ 8.9 M Receipts	\$ 206.7 M Expenditures \$ 39.8 M Receipts
	366 Buildings	1,827 Buildings
	4,859 Acres of Land	234,261 Acres of Land
	500+ Grants	650+ Grants
	43 Support Groups 29 Advisory Boards	76 Support Groups 31 Advisory Boards



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March 8, 2017



## Facilities Management

- Significant decline in maintenance budget since FY 2007-08:

Historic Sites - 1241	FY 2007-08	FY 2009-10	FY 2015-16
Total Expenditures	\$ 9,167,594	\$ 8,470,492	\$ 7,226,099
Maintenance Expenditures	\$ 675,859	\$ 508,923	\$ 145,428
% of total expenditures	7.37%	6.01%	2.01%

- R&R allocation formula
- Special Funds can be used for Maintenance:
  - PARTF for Parks
  - Zoo, Aquarium Special Funds
  - State Historic Sites and Museum Special Fund



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March 8, 2017

## Grant Programs

~ \$56 Million in grants awarded in FY 2015-16



Grassroots Arts Grants  
Artist Fellowships  
Arts in Education Grants  
Arts Grants to Individuals & Organizations

Historic Preservation Grants (federal)



State-aid to Public Libraries  
Library Services & Technology Grants (federal)

Parks & Recreation Trust Grants  
Clean Water Management Trust Fund Grants  
Grassroots Science Museum Grants  
Various Federal Grants



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March 8, 2017

# Advisory Committees

## 34 Advisory Committees 24 “policy-making” | 5 advisory | 2 fundraising

### Office of the Secretary

1. North Carolina Awards Committee
2. Executive Mansion Fine Arts Committee
3. Executive Mansion Fine Arts Fund Board of Directors

### Arts and Libraries

4. NC Arts Council Board of Directors
5. African American Heritage Commission
6. State Library Commission
7. Public Librarian Certification Commission
8. North Carolina Symphony Society Board of Trustees
9. North Carolina Museum of Art Board of Trustees
10. Vagabond School of Drama Board
11. Roanoke Island Historical Association (Lost Colony)

### Parks, Zoo, Aquariums

12. Parks and Recreation Authority
13. North Carolina Trails Committee
14. North Carolina Zoological Park Council
- 15 - 18. NC Aquariums Advisory Committees

### Archives, History

19. State Capitol Foundation (\$)
20. North Carolina Historical Commission
21. Museum of History Associates Board of Directors (\$)
22. National Register Advisory Committee
23. Highway Historical Marker Committee
24. State Historical Records Advisory Board
25. Tryon Palace Commission
26. USS North Carolina Battleship Commission
27. Roanoke Island Commission
28. Edenton Historical Commissions
29. Historic Bath Commission
30. Historic Hillsborough Commission
31. Historic Mufreesboro Commission

### Nature and Science

32. Clean Water Management Trust Fund Board
33. Natural Heritage Program Advisory Committee
34. Governor's Museum Advisory Committee (NCMNS)



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March 8, 2017

# Friend Groups

- 77 “Friend” Groups support DNCR-based programs
  - Historical Sites
  - Museums (Art, History, & Natural Sciences)
  - State Parks
  - Aquariums
  - State Archives
  - NC Symphony,
  - NC Arts Council (new!)
- 70 MOAs to address strategy, governance, finances, transparency, accountability, etc.
  - Site Manager/ Executive Director required to serve as an ex-officio board member of the support group



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March 8, 2017



## DNCR Takeaways

- More than doubled in size in FY 2015-16 with transfer of "Nature"
- ~ 19% receipt / 81% net appropriation-supported
- ~ 27% of expenditures are grants
- Large decrease, \$18.8 M, between FY 2016-17 and base budget primarily due to NR appropriations
- Maintains over 1,800 sites, many of which are historic
- Support over 100 advisory committees, friends groups




FISCAL RESEARCH DIVISION

A Non-Partisan Fiscal Analysis of the State's Financial Future

17

March 8, 2017

## DNCR Divisions




**North Carolina Arts**

North Carolina's state art commission, including the Arts Council, give all North Carolinians access to world-class arts experiences and real life state cultural economy.



**North Carolina History**

The North Carolina Office of Archives and History preserves history from the pre-colonial times to the present and enhances North Carolina's historic and archeological.



**North Carolina Libraries**

The State Library of North Carolina builds on the legacy of all libraries in North Carolina, and develops and supports access to traditional and online collections.



**North Carolina Nature**

North Carolina's state parks, historic sites, historic landmarks, and the preservation of natural resources and prehistoric sites.



FISCAL RESEARCH DIVISION

A Non-Partisan Fiscal Analysis of the State's Financial Future

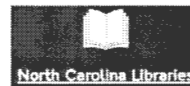
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March 8, 2017

## Office of the Secretary/Administration

2017-18 Base Budget	
Expenditures	\$ 10,878,892
Receipts	\$ 302,101
Net Approp.	\$ 10,576,791
FTE	79.00

- Budgeting and Finance
- Information Technology
- Capital Projects Planning
- Human Resources
- Reserves



## Budget Actions FY 2015-17

Program	FY 2015-16	FY 2016-17
Vacant Position	-	(\$68,186) (1 FTE)
Grants-in-Aid	-	\$1.2 M NR
<i>Downtown Winston-Salem Museum</i>	-	\$1 m NR
<i>Ingram Planetarium</i>	-	\$50k NR
<i>Fair Bluff Community Library</i>	-	\$50k NR
<i>Fuquay-Varina Arts Center &amp; Dreams of Wilmington</i>	-	\$100k NR
Salary Reserve (dept-wide)	-	(\$62,203)

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#3

## DNCR Divisions



### North Carolina Arts

North Carolina's state arts and humanities agency and its constituent arts and humanities commissions, by providing arts experiences and furthering the state's creative economy.



### North Carolina History

The North Carolina Office of Archives and History interprets history from the pre-historic period to the present and preserves North Carolina's treasures and traditions.



### North Carolina Libraries

The State Library of North Carolina holds on the capacity of all libraries in North Carolina and develops and supports services for traditional and online collections.



### North Carolina Marine

North Carolina's state marine, parkland, and historic resources and can preserve the state's natural resources and give everyone the chance to enjoy them.




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## NC Symphony




North Carolina Arts

- 175 performances annually - 45 free to school children
  - ~100,000 audience members in 2016
- \$13M total operating budget, \$2M from State funds
  - \$1.6M expended as grant to NC Symphony

2017-18 Base Budget	
Expenditures	\$ 2,116,589
Receipts	\$ 39,191
Net Approp.	\$ 2,077,398
FTE	8.01



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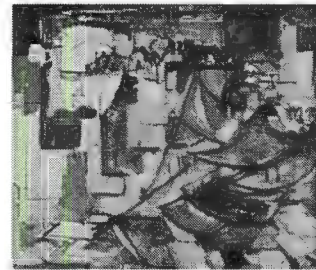
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## Museums of Art



- NC Museum of Art in Raleigh
  - 521,000 visitors in 2016
- Southeastern Center for Contemporary Art in Winston-Salem
  - 23,200 visitors in 2016



2017-18 Base Budget	
Expenditures	\$ 7,183,024
Receipts	\$ 544,455
Net Approp.	\$ 6,638,569
FTE	119.30

**NCMA**  
**SECCA**

## NC Arts Council



- Variety of programs to provide access to the arts, aid economic development and education
  - A+ Schools
  - SmART Initiative
  - Arts Trails
  - Poet Laureate Program
- ~ \$6.5M in base budget for grants

2017-18 Base Budget	
Expenditures	\$ 8,301,841
Receipts	\$ 947,824
Net Approp.	\$ 7,354,017
FTE	22.11



## Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
A+ Schools	\$232,711 NR	\$482,711 NR
Grassroots Art Grants	\$150,000 NR	\$650,000 NR
Museum of Art	\$130,000 NR	\$214,877 R \$120,000 NR 4 FTE



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## DNCR Divisions

**North Carolina Art**  
North Carolina's state art museum, understanding and preserving the art of North Carolina, and the art of the world, for the enjoyment and education of all.

**North Carolina History**  
The North Carolina Office of Archives and History gathers, preserves, and interprets the pre-colonial, colonial, and post-colonial history of North Carolina, and its people.

**North Carolina Libraries**  
The State Library of North Carolina builds on the capacity of all libraries in North Carolina, and develops and promotes access to traditional and online collections.

**North Carolina Nature**  
North Carolina's state natural resources, science, historic, and cultural resources, and the state's natural resources, and the people who depend on them.



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## Office of Archives & History



*"...collect, preserve, and utilize the state's historic resources so that present and future residents may better understand their history."*



2017-18 Base Budget	
Expenditures	\$ 1,170,988
Receipts	\$ 139,831
Net Approp.	\$ 1,031,157
FTE	13.00

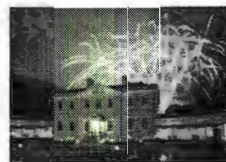
### 4 Divisions

Archives & Records

Historical Resources

State Historic Sites

State History Museums



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## Archives & Records



### "State Archives of North Carolina"

- Provide guidance on preservation, management of government records
- Collect, preserve and manage historical materials
  - Photographs, videos, audio recordings
  - Maps, military papers, and private collections

2017-18 Base Budget	
Expenditures	\$ 3,178,425
Receipts	\$ 146,780
Net Approp.	\$ 3,031,645
FTE	50.76



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## Historical Resources



1. Historical Publications
2. Historic Preservation
3. Highway Markers Program
4. Archaeology

2017-18 Base Budget	
Expenditures	\$ 3,824,295
Receipts	\$ 1,179,057
Net Approp.	\$ 2,645,238
FTE	47.51



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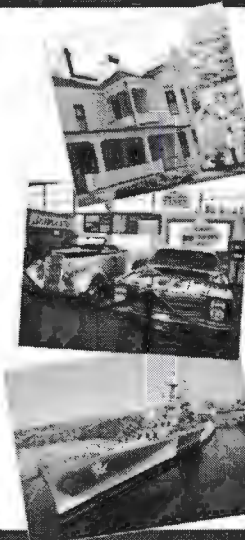
## Historic Sites



- 27 Historical Sites
  - 24 managed exclusively by DNCR
  - 3 managed by Commission
- ~2 million visitors in 2016 (all 27 sites)

2017-18 Base Budget*	
Expenditures	\$ 10,649,252
Receipts	\$ 354,407
Net Approp.	\$ 10,294,845
FTE	175.80

\* Excludes Roanoke Island Festival Park, budgeted separately



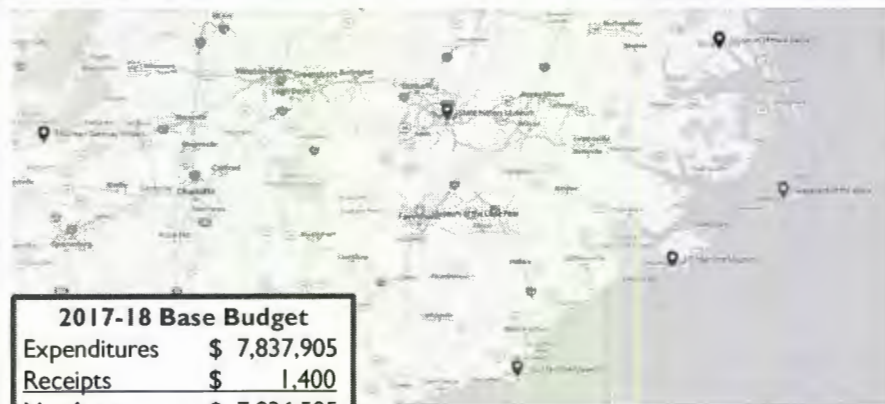
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## State History Museums



2017-18 Base Budget	
Expenditures	\$ 7,837,905
Receipts	\$ 1,400
Net Approp.	\$ 7,836,505
FTE	120.00

FY 2015-16 Visitation: 865,000 visitors  
across all 7 museum locations



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## Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
Federal Historic Tax Credit	\$190,730 R 4 FTE	\$190,730 R 4 FTE
Historic Site Support	-	\$750,000 NR
Tryon Palace	\$100,000 NR	\$150,000 NR
Queen Anne's Revenge	\$929,161 NR	\$870,839 NR
Chief Curator	\$102,000 R 1 FTE	\$102,000 R 1 FTE
Archaeology Research Center	-	\$169,269 R 3 FTE
History Museum	-	\$56,412 R
Maritime Museum – Southport	-	\$100,000 NR



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## DNCR Divisions



**North Carolina Arts**  
North Carolina's state art museum, symphony and orchestras give all North Carolinians access to enriching cultural experiences and fuel the state's creative economy.



**North Carolina History**  
The North Carolina Office of Archives and History celebrates history from the precolonial times to the present and preserves North Carolina's treasures and artifacts.



**North Carolina Libraries**  
The State Library of North Carolina holds on the capacity of its libraries in North Carolina, and develops and supports access to traditional and online collections.



**North Carolina Nature**  
North Carolina's state parks, recreation, historic resources and state forests are state's natural resources and give visitors the chance to discover them.



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## State Library



1. NC Government & Heritage Library
2. Library for the Blind and Physically Handicapped
3. Library Development Section

- State Aid to Libraries (G.S. 125-7)

- Allocated on formula
- ~ \$14.2 M in State Aid

- Federal Library Services & Technology Act Grants

- ~\$4.3 M in federal grant funds
- Require matching funds

2017-18 Base Budget	
Expenditures	\$ 24,559,310
Receipts	\$ 4,342,299
Net Approp.	\$ 20,217,011
FTE	76.00



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## Budget Actions FY 2015-17



North Carolina Libraries

Program	FY 2015-16	FY 2016-17
State-aid Library Grants	\$1,000,000 R	\$1,000,000 R
Digital Children's Library	-	\$200,000 NR



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## DNCR Divisions

**North Carolina Arts**

The North Carolina Symphony and arts council offer its patrons access to world-class arts experiences and use the state's creative economy.

**North Carolina History**

The North Carolina Office of Archives and History preserves history from the pre-colonial times to the present and preserves North Carolina's historical and cultural.

**North Carolina Libraries**

The State Library of North Carolina builds on the expertise of all libraries in North Carolina, and develops and supports services to libraries and online collections.

**North Carolina Parks**

North Carolina's state parks, historic sites, and natural resources preserve our state's natural resources and provide the chance for outdoor recreation.



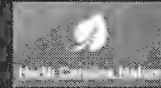
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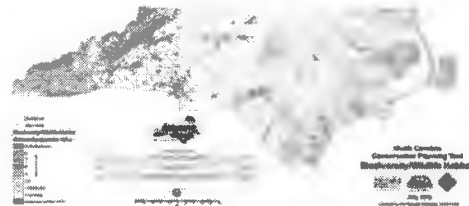
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# Land & Water Stewardship



## North Carolina Conservation Planning Tool

2017-18 Base Budget	
Expenditures	\$ 14,802,746
Receipts	\$ 210,796
Net Approp.	\$ 14,594,950
FTE	22.00



### Natural Heritage Program (NHP)

- Online natural resources information clearinghouse
- Provides geographic data layers and detailed reports
- Conservation planning tools and resources



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# Land & Water Stewardship

## Clean Water Management Trust Fund

- Works with local governments, state agencies, nonprofits
- Provides grant for 6 primary purposes
  - Grant awards decided by the CWMTF Trustees
- Primarily funded by net appropriation, small amount of funding from license plates
  - FY 2016-17: \$22.4 M for grants
    - \$1 M R for military buffers
  - 2017 Grant Cycle: over \$67 M in requests



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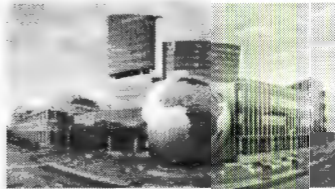
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## Museum of Natural Sciences



- Founded in 1879 – NC's 1<sup>st</sup> public museum
- 2 Satellite locations
  - Museum of Forestry in Whiteville,
  - Prairie Ridge Eco-station in Raleigh
- Free admission except for special exhibits
- FY 2015-16 Visitation: 939,000



2017-18 Base Budget	
Expenditures	\$ 14,948,200
Receipts	\$ 489,045
Net Approp.	\$ 14,459,155
FTE	152.00



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## Parks & Recreation



- Created in 1916 - Mt. Mitchell State Park
- Extensive system of recreation areas:
  - 35 State parks
  - 7 State lakes
  - 4 State recreation areas
  - 5 State trails
  - 20 State natural areas
- FY 2015-16 Visitation: 18.1 M



2017-18 Base Budget	
Expenditures	\$ 56,316,095
Receipts	\$ 8,526,750
Net Approp.	\$ 47,789,345
FTE	480.5



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## Parks & Recreation



In addition to recreation, administer grant programs:

- Federal Programs:
  - Recreational Trails Program (RTP): base budget: ~\$1.2M
  - Land and Water conservation Fund (LWCF): base budget: ~\$2.5M
- Parks and Recreation Trust Fund (PARTF):
  - Base Budget: ~\$17.8M
  - 65% for the State Parks System
  - 30% for local government grants
  - 5% Beach and Waterfront Access grants



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## Aquariums



Roanoke Island



Fort Fisher



- \$ 12.3M in admissions
- FY 2015-16 Visitation:  
1.23 M

Jennette's Pier



Pine Knoll Shores



### 2017-18 Base Budget

Expenditures	\$ 19,970,623
Receipts	\$ 13,021,152
Net Approp.	\$ 6,949,471
FTE	177.75



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## NC Zoo



- World's largest "natural-habitat" zoo
  - Two continents – Africa and North America – One Aviary
  - Permanent exhibits first opened in 1979
- \$ 7.6 M in gate admissions
- FY 2015-16 Visitation: 755,567

2017-18 Base Budget	
Expenditures	\$ 20,378,155
Receipts	\$ 9,597,796
Net Approp.	\$ 10,780,359
FTE	263.25



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## Budget Actions FY 2015-17



Program	FY 2015-16	FY 2016-17
CWMTF Military Buffers	\$ 1,000,000 R	\$ 1,000,000 R
CWMTF Program Expansion	\$ 5,000,000 NR	\$ 8,600,000 NR
NHP Operating Reduction (when transferred)	(\$ 314,726) (4.1 FTE)	(\$ 314,726) (4.1 FTE)
NHP Operating "Restoration"	-	\$314,726 4.1 FTE
PARTF Funding	\$ 190,924	\$ 4,427,007 R \$ 6,330,000 NR
Parks Centennial Funding	\$ 250,000 NR	\$ 200,000 NR
Brock's Mill House Funding	\$ 100,000 NR	-



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## Budget Actions FY 2015-17

Program	FY 2015-16	FY 2016-17
MNS Vacant Position	-	(\$ 54,630) (1 FTE)
Science Museum Grants	-	\$ 100,000 NR
Zoo Vacant Position	-	(\$ 58,772) (1 FTE)



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## Questions?



Fiscal Research Division  
919-733-4910

Lanier McRee – [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)  
*Natural & Cultural Resources*



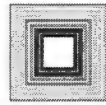
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**Department of  
Agriculture  
& Consumer Services  
(DACS)**



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## Outline

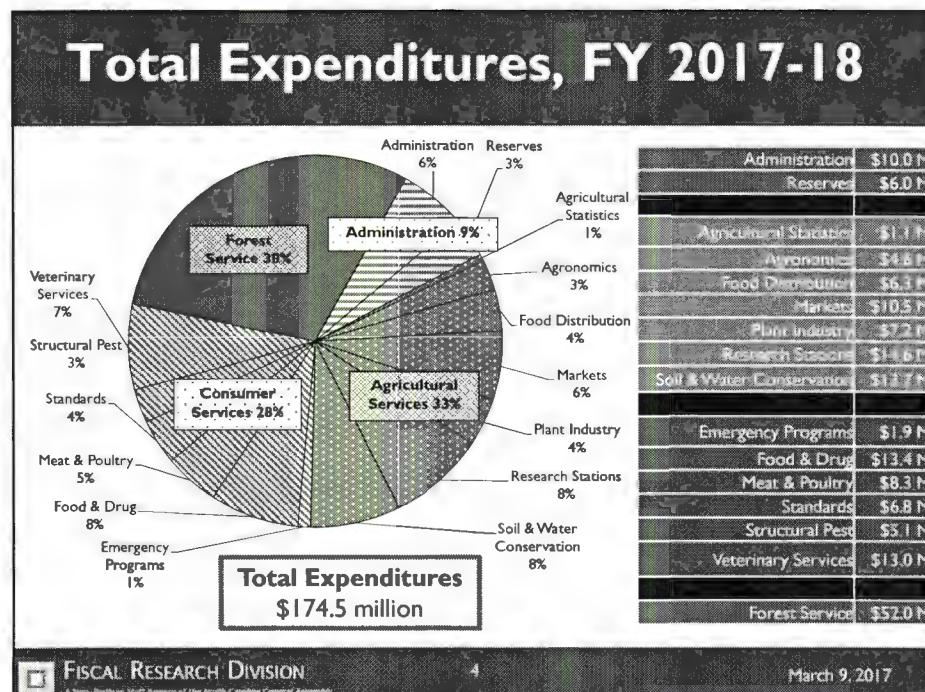
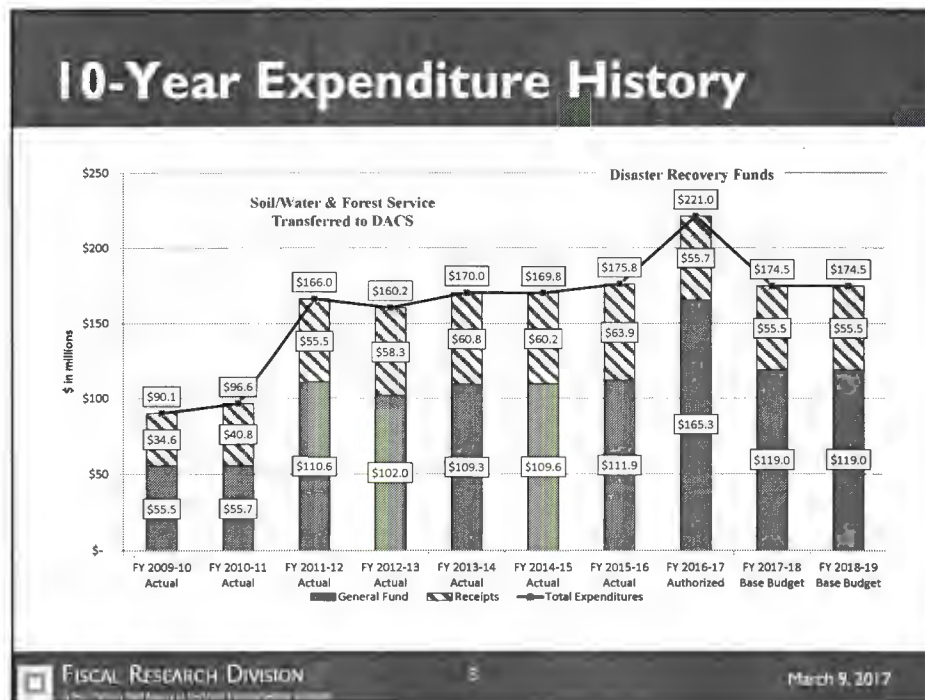
- Overview of the Department
  - Mission
  - Organizational Structure
  - Budget History & Trends
- Division Summaries:
  - Administration
  - Agricultural Services
  - Consumer Services
  - Forest Service

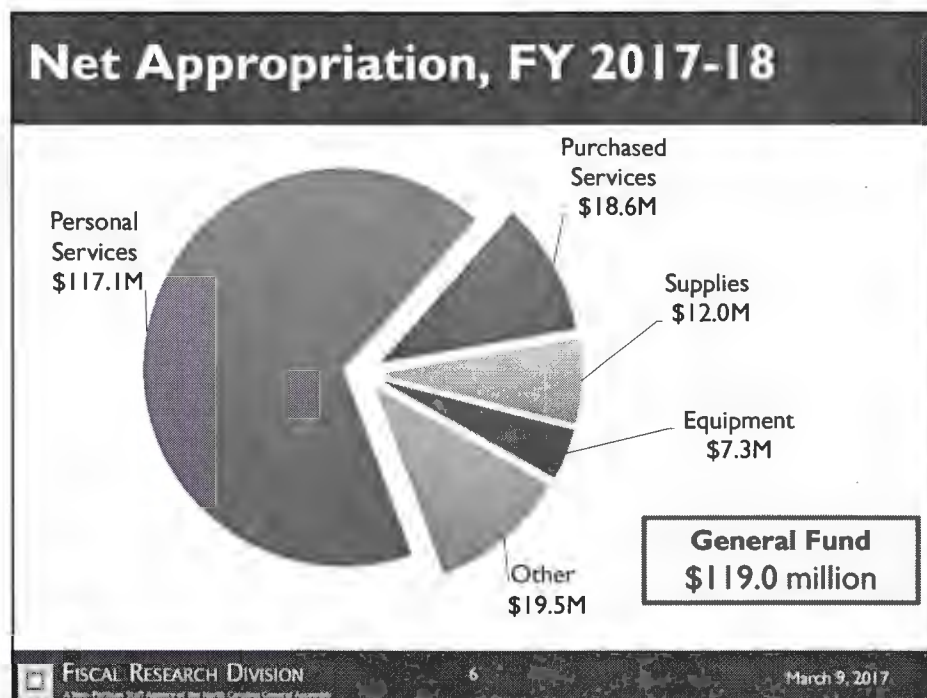
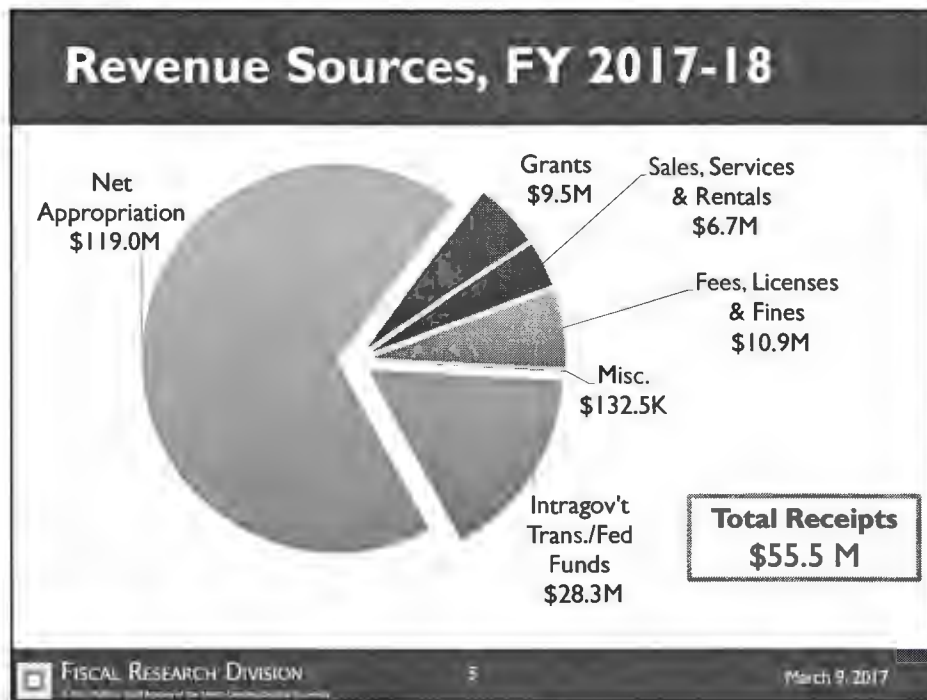


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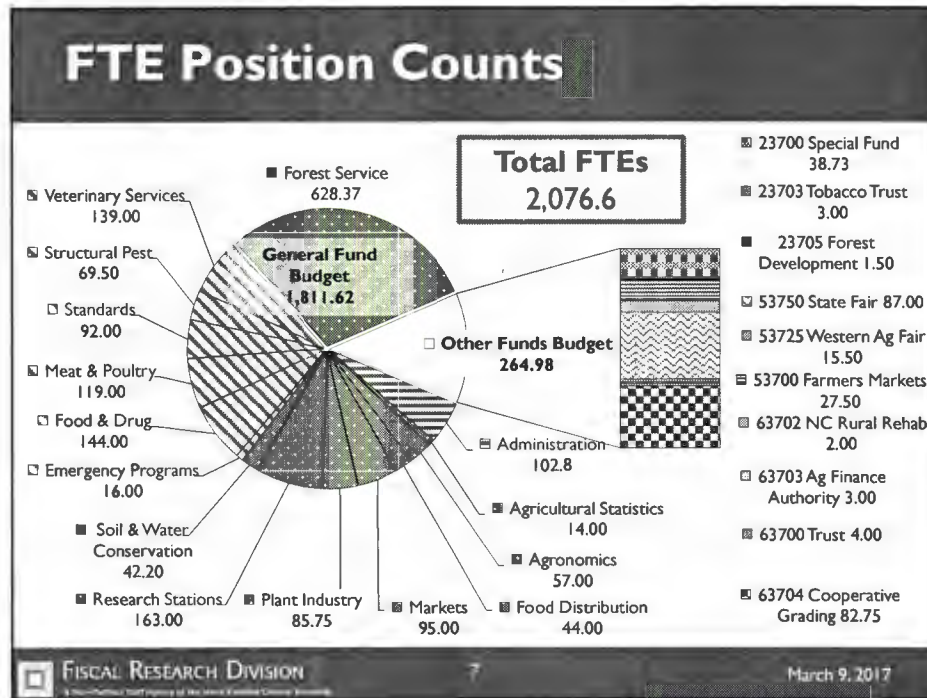
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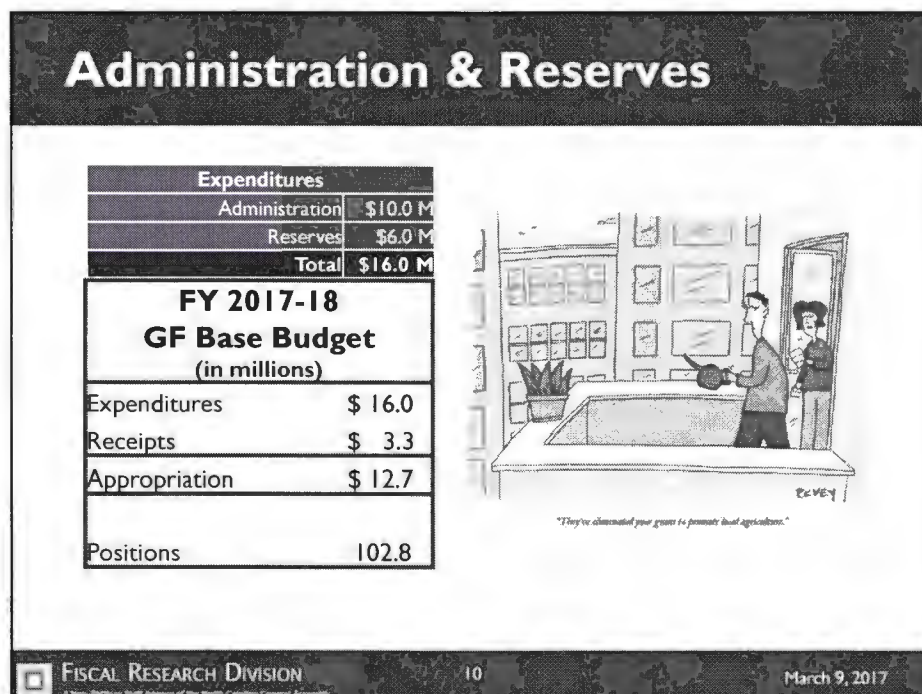
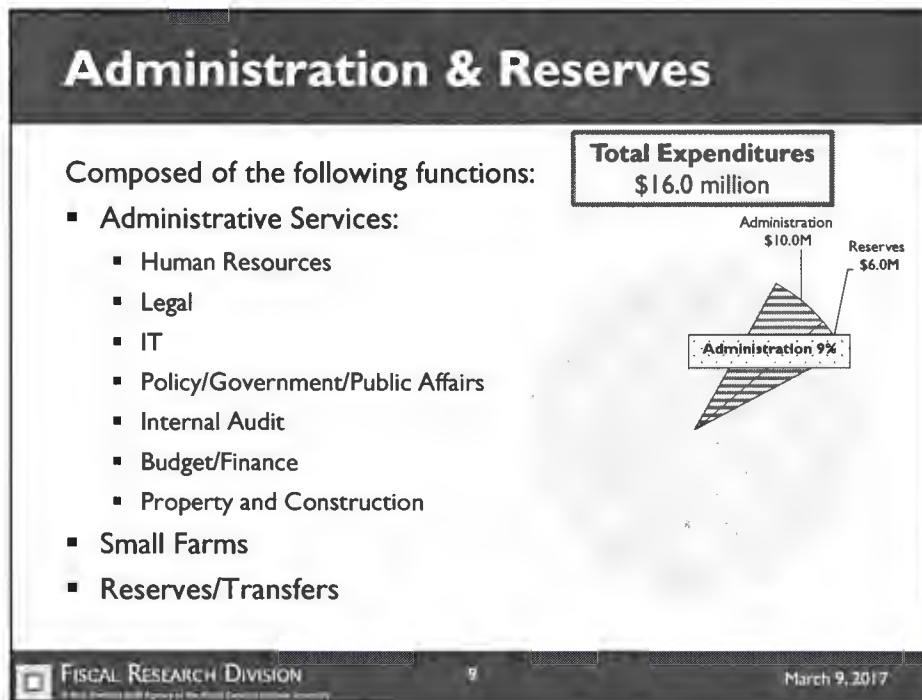
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## Recent NCGA Actions: Admin & Reserves

### FY 2015-16

- Duplin County Events Center - \$100K NR
- Tobacco Trust Fund Expansion - \$559K NR
- Military Buffers - \$1.0 million R
  - Funding for Agricultural Development and Farmland Preservation Trust Fund (23700-2708) to purchase buffers around military bases
- FFA Foundation - \$60K R



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## Recent NCGA Actions: Admin & Reserves

### FY 2016-17

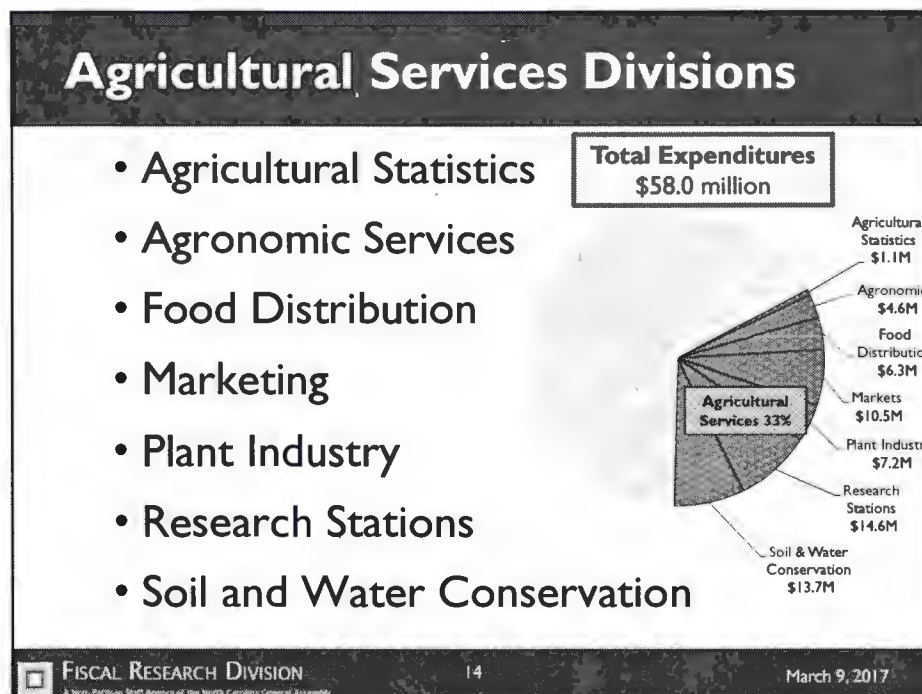
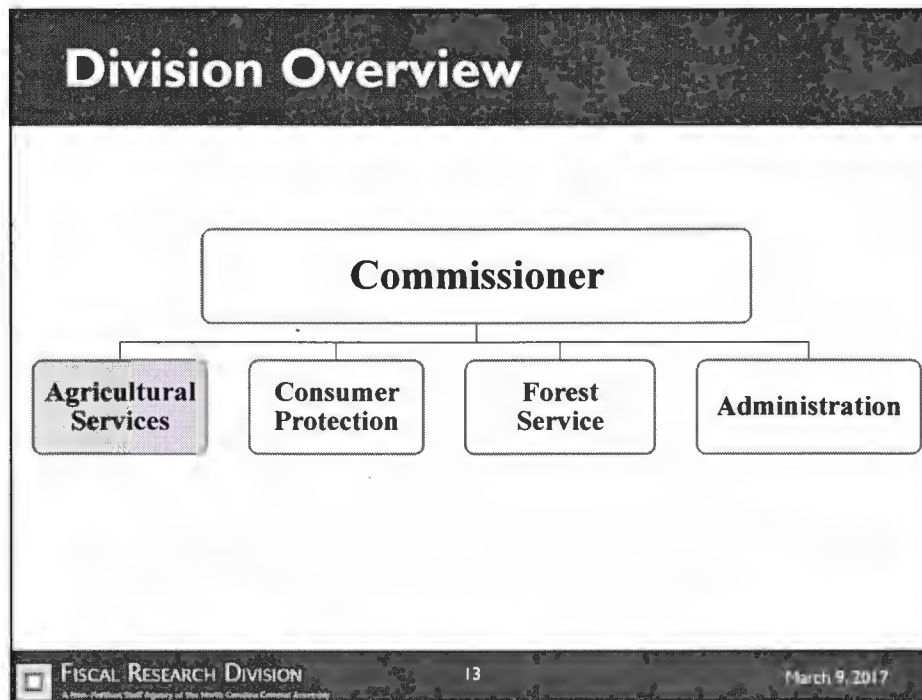
- Tobacco Trust Fund Expansion- \$2.1 million NR
- Military Buffers - \$1.0 million NR
  - Funding for Farmland Preservation Trust Fund to purchase buffers around military bases
- Eastern 4-H Center - \$300K NR
- Association of Agricultural Fairs - \$300K NR
- Healthy Food Small Retailers - \$250K NR
  - To increase the availability of fresh agricultural products in food deserts around the State.



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## Agricultural Services Divisions

Expenditures	
Agricultural Statistics	\$1.1 M
Agronomics	\$4.6 M
Food Distribution	\$6.3 M
Markets	\$10.5 M
Plant Industry	\$7.2 M
Research Stations	\$14.6 M
Soil & Water Conservation	\$13.7 M
<b>Total</b>	<b>\$58.0 M</b>

### FY 2017-18 GF Base Budget (in millions)

Expenditures	\$ 58.0
Receipts	\$ 15.3
Appropriation	\$ 42.7
Positions	501.0



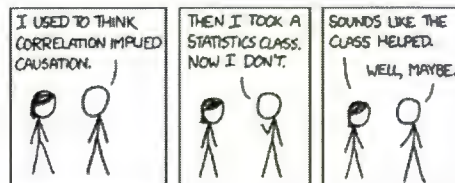
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## Agricultural Statistics

The Agricultural Statistics Division collects, prepares, & disseminates official crop, livestock and price estimates, along with other statistics on agriculture in North Carolina and the nation.



### FY 2017-18 GF Base Budget (in millions)

Expenditures	\$ 1.1
Receipts	0.2
Appropriation	0.9
Positions	14.0



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## Agronomic Services

Analyzes soil samples, plant, solution, & irrigation water samples, & animal, municipal, & industrial wastes. Aims to improve production efficiency & protect natural resources. Regional agronomists help solve field problems.

### Agronomic Service Areas

- Soil Testing
- Plant Tissue, Waste, & Solution Analysis
- Nematode Assay
- Field Staff (13 FTE)

### **FY 2017-18 GF Base Budget (in millions)**

Expenditures	\$ 4.6
Receipts	1.3
Appropriation	3.3
Positions	57.0



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## Food Distribution

- Distributes USDA donated commodities to eligible USDA programs
- Administers the Farm to School program
- Two distribution facilities
  - Salisbury
  - Butner



### **FY 2017-18 GF Base Budget (in millions)**

Expenditures	\$ 6.3
Receipts	3.9
Appropriation	2.4
Positions	44.0



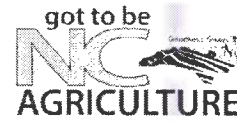
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## Marketing

- Agribusiness marketing assistance
- International marketing development
- Host regional events highlighting NC agricultural products
- Voluntary grading/certification services
- Ag Centers & Farmers Markets



FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 10.5
Receipts	2.1
Appropriation	8.4
Positions	95.0



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## Marketing Other Funds

### 23700 Special Fund

- 2106 Eastern Ag Marketing Fund – Williamston
- 2110 Vending Services - Farmers Markets
- 2141 Got To Be NC - Community Market Project
- 2142 Expanding Capacity/NC Farm to School Program (operated with Food Distribution)
- 2152 Local Farmers Mkt Awareness Campaign

### 53700 Farmers Market Enterprise Fund

- 5100 Farmers Market – Raleigh
- 5300 Piedmont Triad Farmers Market

### 53725 WNC Ag Center/ Mountain Fair Enterprise Fund

- 5200 WNC Ag Center Control Fund
- 5210 WNC Agricultural Center
- 5220 Mountain State Fair

### 63700 Trust Fund

- 6127 Food Marketing Workshop

### 63704 Interest Bearing Funds

- 6422 Meat and Poultry Grading
- 6423 Livestock
- 6424 Fruits and Vegetables
- 6425 Field Crops

### 63705 Trust Agency Funds

- 6112 NC Egg Fund
- 6123 Pasteurizer Loaner Escrow & Debt Set-Off
- 6131 Goodness Grows Promotion
- 6132 Flavors Of Carolina
- 6135 Tobacco Research Comm Assessments
- 6150 Agriculture Foundation Assessment



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## Plant Industry

- Examines fertilizer & seed for accurate labeling & product quality
- Administers plant pest laws and the Plant Conservation Program
- Inspects nurseries & honeybees
- Conducts biological pest control

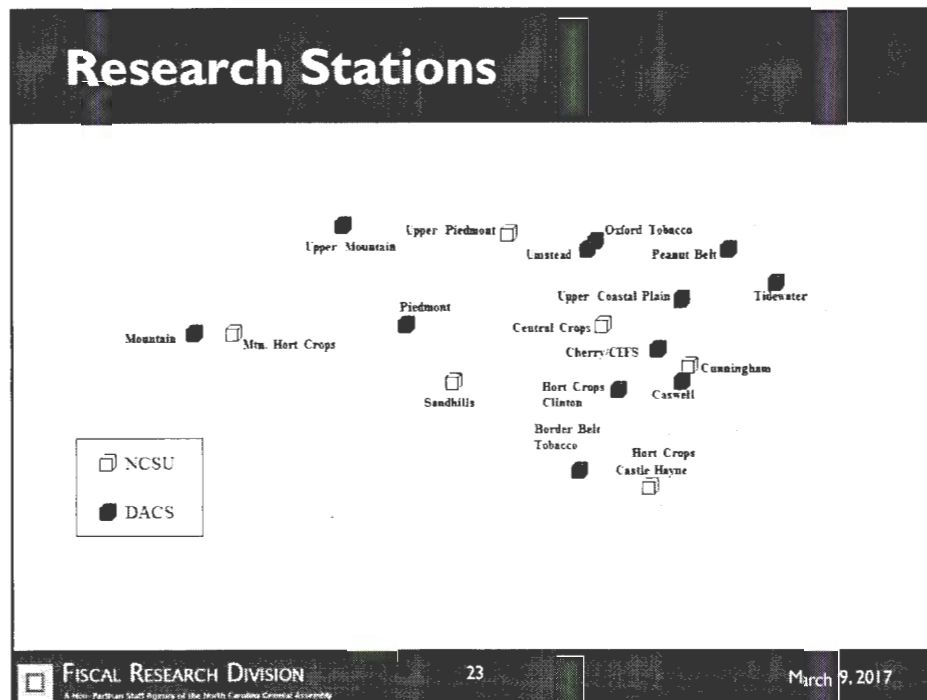
FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 7.2
Receipts	3.1
Appropriation	4.1
Positions	85.8

## Research Stations

- Maintains and supervises 18 research stations
  - (12 owned by DACS and six owned by NCSU)
- Cooperate with scientists at land-grant universities to develop new agronomic products, improve livestock and poultry breeds, and develop better management practices
- Administers the Bioenergy Research Initiative Grant Program.

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 14.6
Receipts	2.7
Appropriation	11.9
Positions	163.0





## Soil and Water Conservation

- Administers voluntary, incentive-based programs to encourage landowners to adopt soil and water conservation strategies
- Provide coordinating, administrative, and program support to 96 local soil and water districts

<b>FY 2017-18 GF Base Budget (in millions)</b>	
Expenditures	\$ 13.7
Receipts	2.0
Appropriation	11.7
Positions	42.2

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## Soil and Water Conservation

Lead agency for agricultural nonpoint source pollution through four primary programs:

- Agriculture Cost-Share Program
- Agricultural Water Resources Assistance Program (AgWRAP)
- Community Conservation Assistance Program
- Conservation Reserve Enhancement Program



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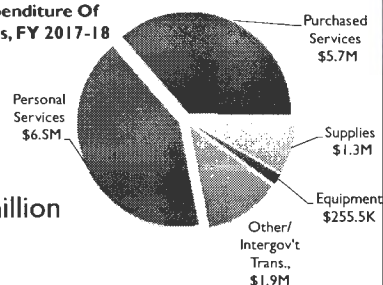
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## NC State Fair

- Enterprise fund - fully receipt supported
- Fees collected from admissions, event rental fees, etc.
- Cash balance used for repair and renovations of fairgrounds
- FY 2017-18:
  - Receipts - \$15.5 million
  - Expenditures - \$15.5 million
  - Cash balance at 6/30/16 - \$4.5 million

Expenditure Of  
Funds, FY 2017-18



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## Recent NCGA Actions: Agricultural Services

### FY 2015-16

- Food Distribution Fuel - \$50K R
- Budgeted Receipts – (\$125K R) & (\$1.8 million NR)
  - Plant Industry – (\$125K R)
  - Research Station Bioenergy Development – (\$500K NR)
  - Various Soil & Water Conservation – (\$1.3 million NR)
- AgWRAP - \$500K R

### FY 2016-17

- International Marketing - \$500K NR
- AgWRAP - \$500K NR



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## Division Overview



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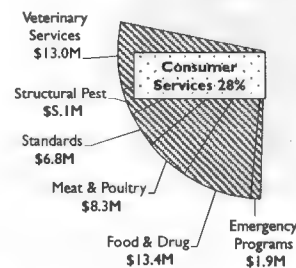
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## Consumer Services Programs

- Emergency Programs
- Food and Drug Inspection
- Meat and Poultry Inspection
- Standards
- Structural Pest Control/  
Pesticides
- Veterinary Services

**Total Expenditures**  
\$48.5 million



FISCAL RESEARCH DIVISION  
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March 9, 2017

## Consumer Services Programs

Expenditures	
Emergency Programs	\$1.9 M
Food & Drug	\$13.4 M
Meat & Poultry	\$8.3 M
Standards	\$6.8 M
Structural Pest	\$5.1 M
Veterinary Services	\$13.0 M
<b>Total</b>	<b>\$48.5 M</b>

### FY 2017-18 GF Base Budget (in millions)

Expenditures	\$ 48.5
Receipts	\$ 22.1
Appropriation	\$ 26.4
Positions	579.5



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March 9, 2017

## Emergency Programs

Program designed to assist agribusinesses in the event of:

- Natural disaster
- Disease outbreak
- Terrorist attack
- Other Force Majeure

FY 2017-19 GF Base Budget (in millions)	
Expenditures	\$ 1.9
Receipts	0.3
Appropriation	1.6
Positions	16.0



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March 9, 2017

## Food & Drug Protection Division

Regulate entities that store, manufacture, produce or distribute:

- Food
- Dairy
- Animal feed
- Antifreeze
- Drugs

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 13.4
Receipts	4.8
Appropriation	8.7
Positions	144.0



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March 9, 2017

## Food & Drug Protection Division

### Do Inspect

- Grocery Stores
- Distribution Facilities
- Seafood Markets
- Feed Mills
- Convenience Stores
- Eggs
- Grade "A" Milk
- Antifreeze

### Do Not Inspect

- Meat Processing Facilities
- Restaurants



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March 9, 2017

## Meat and Poultry Inspection

Enforce state and federal laws to ensure meat and poultry production is safe for consumption.



### FY 2017-18 GF Base Budget (in millions)

Expenditures	\$ 8.3
Receipts	4.2
Appropriation	4.1
Positions	119.0



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March 9, 2017

## Meat and Poultry Inspection

### Key Facts

- 1 of 27 state administered programs
- 50% USDA receipt supported
- Daily inspections of facility (State and Talmadge-Aiken)
- Inspection of each animal (pre and post mortem)
- Random sampling of slaughtered animals to test for harmful pathogens



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March 9, 2017

## Standards Division

A regulatory agency responsible for enforcing the Weights and Measures Act (G.S. 81A), the Gasoline and Oil Inspection Law (G.S. 119), and the LP-Gas Inspection Law (G.S. 119).



FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 6.8
Receipts	5.8
Appropriation	0.9
Positions	92.0



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## Standards Division

### What do they inspect?

- Motor/Liquid Fuels
  - Quality
  - Measurement accuracy
- Scales
- Register Scanners
- Other (Lottery balls, grain moisture meters, etc.)



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## Structural Pest Control/Pesticides

To protect the health and safety of the public and the environment by regulating the structural pest control industry and the pesticide products used, to improve the quality of structural pest control services and reduce fraudulent, unscrupulous activities.



FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 5.0
Receipts	4.4
Appropriation	0.6
Positions	69.5



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## Structural Pest Control/Pesticides

### Certifies, licenses, and monitors:

- Insecticide, rodenticide, and fungicide used in NC
- Commercial applicators
- Farmers/public operators
- Pesticide dealers
- Bedding manufacturers/sanitizers



## Veterinary Services

Focus on three programs related to animal well-being:

- Animal Health
  - Monitor disease and interstate transportation of animals
- Animal Welfare
  - Animal Shelter facilities
  - Boarding Kennels
  - Other
- Animal Disease
  - Respond to disease outbreaks

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 13.0
Receipts	2.6
Appropriation	10.5
Positions	139.0



## Veterinary Services

### Responsibilities:

- Inspect shelters, kennels, pet shops
- Diagnose suspicious animal deaths
- Quarantine and destroy diseased animals
- License livestock dealers
- Inspect records of animals entering or leaving NC
- Monitor disease outbreak in other states and respond accordingly



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## Recent NCGA Actions: Consumer Services

### FY 2015-16

- Budgeted Receipts – (\$968K R)
  - Various Food & Drug – (\$818K R)
  - Structural Pest/Pesticides – (\$150K R)
- Food Safety Modernization - \$140K R
- Food & Drug Operating - \$550K NR
- Animal Shelter Support (Vet Services) - \$250K R
- Spay & Neuter (Vet Services) - \$250K R
- Cervid Farming (Vet Services) - \$149K R

### FY 2016-17

- Animal Shelter Support (Vet Services) – (\$150K R)
- Animal Welfare Position (Vet Services) - \$77K R

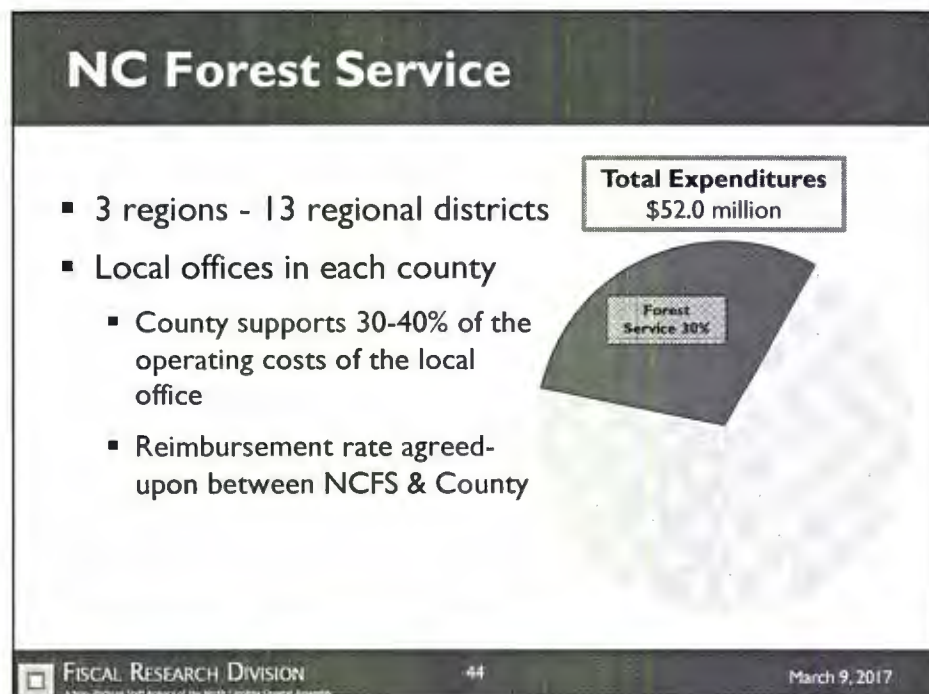
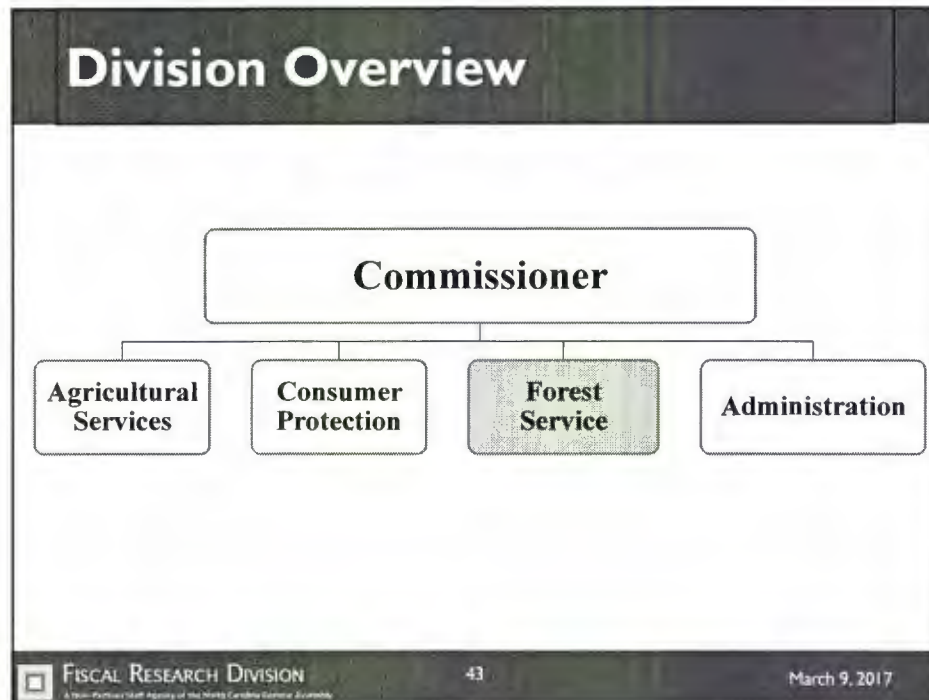


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## NC Forest Service

### Responsibilities Include:

- Protect 18.3 million acres of forestland
  - 13.8 million of these owned by private landowners
- Regulate/permit controlled burns
- Provide assistance to other states to fight major wildfires
- Provide landowners with forestry technical assistance
- Operate 7 educational state forests
- Operate nursery for sales/ forest development

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 52.0
Receipts	\$ 14.8
Appropriation	\$ 37.3
Positions	628.37

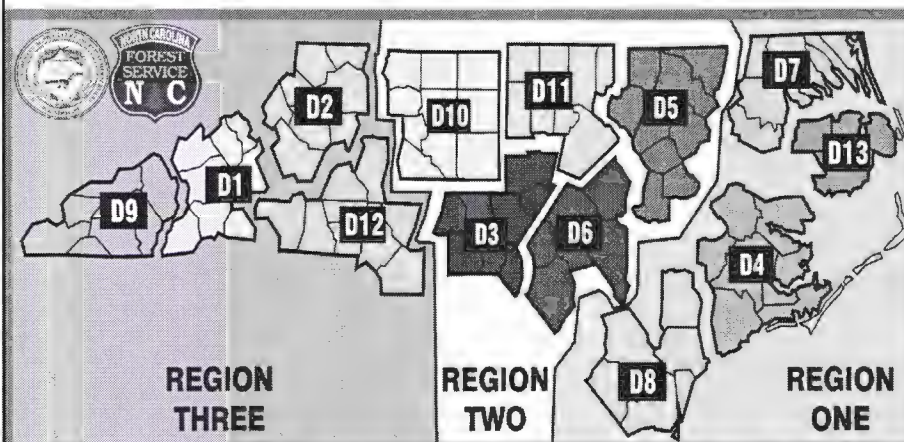


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March 9, 2017

## NC Forest Service Work Units

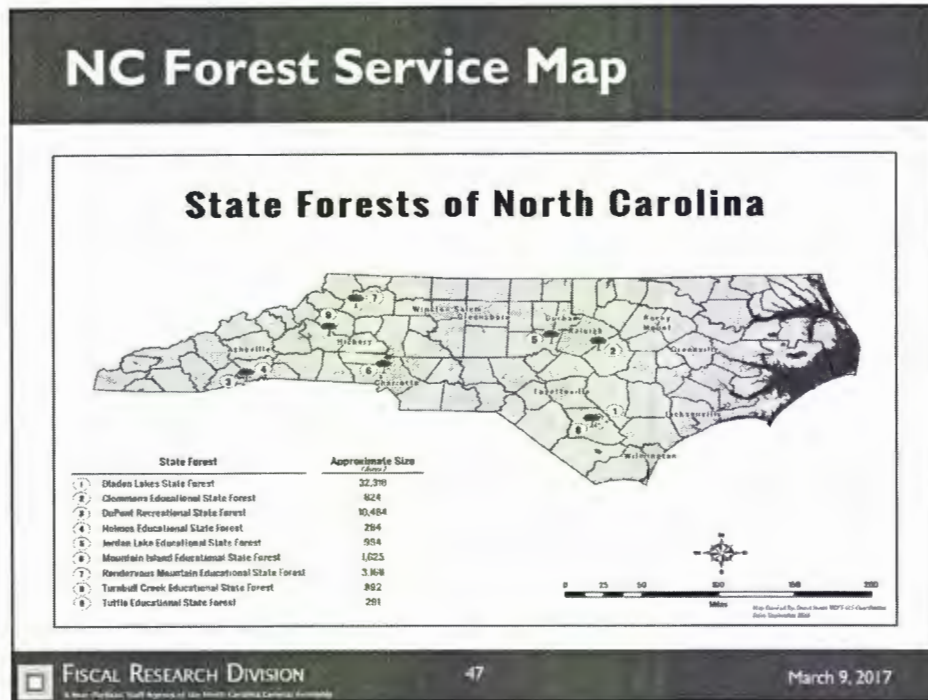


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## Recent NCGA Actions: NC Forest Service

### FY 2015-16

- Reduced budgeted receipts - \$400K R

### FY 2016-17

- Firefighting Equipment - \$3.0 million NR
  - Provided funding for an airplane and heavy equipment
- DuPont State Forest Positions - \$600K R
  - Nine positions and operating expenses
- Forest Development Fund - \$75K NR
  - Hardwood and soft-hardwood forestation projects

**FISCAL RESEARCH DIVISION** 48 March 9, 2017  
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## DACS Key Takeaways

- Large, diverse agency
- Budget level remained relatively flat over time
- Employees are geographically spread throughout the State due to nature of responsibilities



## Governor's Recommended Budget


### Reductions

None


### Expansion

- International Marketing - \$250K NR
- Firefighting (airplane) - \$2.0 M NR
- Farmland Preservation Trust Fund - \$400K R & \$1.4M NR
- Research Stations - \$400K R
- Operations - \$350K R





# Questions?



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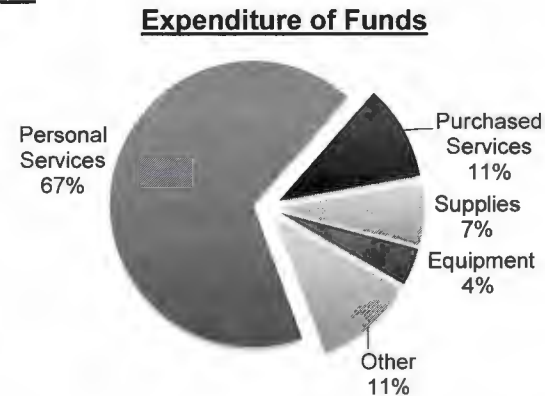
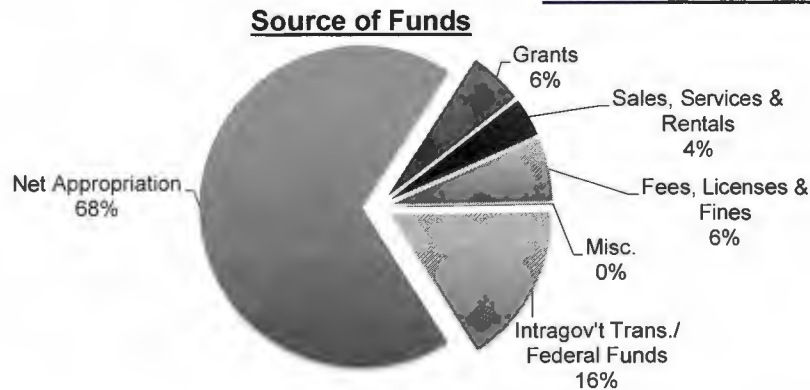
## Department of Agriculture and Consumer Services

The Department of Agriculture and Consumer Services has responsibilities in regulatory and service areas covering **agricultural services**, such as agronomy, animal health, crop and livestock statistics, agricultural environmental issues, and soil and water conservation, **consumer services**, such as weights and measures, gas and oil inspection, and regulation of the structural pest control and pesticide industries, and the **North Carolina Forest Service**, as well as operation of the North Carolina State Fair, North Carolina Mountain State Fair, and four state farmers markets.

General Fund Budget Code: 13700

	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 169,827,215	\$ 175,797,861	\$ 221,048,921	\$ (46,541,370)	\$ 174,507,551	\$ (46,539,370)	\$ 174,509,551
<b>Less Receipts</b>	\$ 60,233,146	\$ 63,886,687	\$ 55,718,494	\$ (180,719)	\$ 55,537,775	\$ -	\$ 55,537,775
<b>Net Approp.</b>	\$ 109,594,070	\$ 111,911,174	\$ 165,330,427	\$ (46,360,651)	\$ 118,969,776	\$ (46,539,370)	\$ 118,971,776
<b>Positions</b>	1,821.75	1,803.62	1,811.62	0.00	1,811.62	0.00	1,811.62

### FY 2017-18 Base Budget: 13700



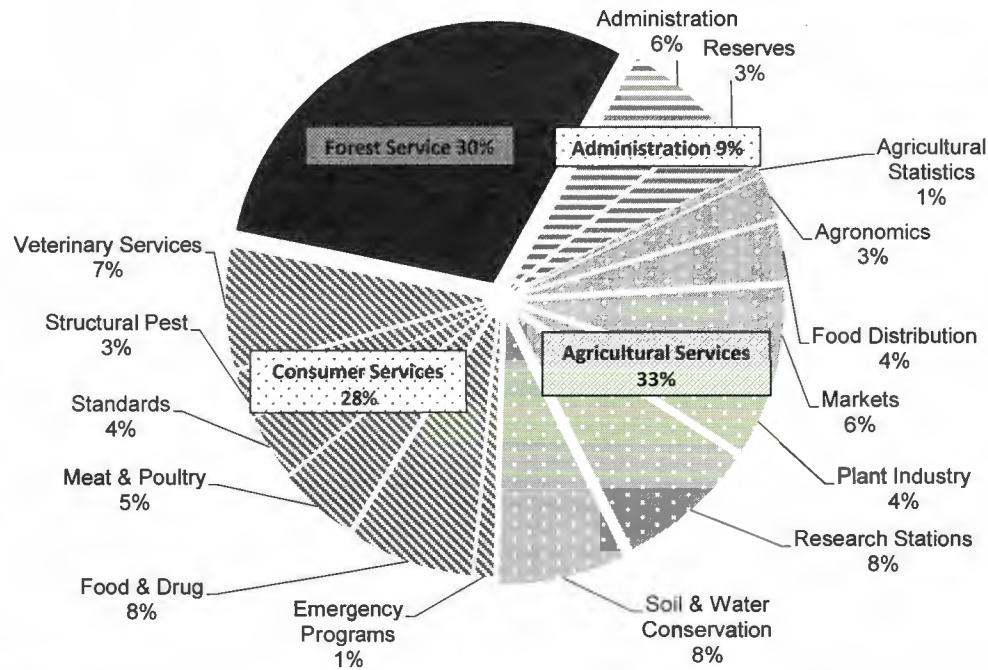
### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
13700	\$ 117,106,640	\$ 18,603,289	\$ 11,997,132	\$ 7,250,560	\$ 19,549,930	\$ 174,507,551	1,811.62
<b>Total</b>	<b>\$ 117,106,640</b>	<b>\$ 18,603,289</b>	<b>\$ 11,997,132</b>	<b>\$ 7,250,560</b>	<b>\$ 19,549,930</b>	<b>\$ 174,507,551</b>	<b>1,811.62</b>

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intragov't Trans./ Federal Funds		
13700	\$ 9,472,440	\$ 6,670,145	\$ 10,928,950	\$ 132,480	\$ 28,333,760	\$ 55,537,775	\$ 118,969,776
<b>Total</b>	<b>\$ 9,472,440</b>	<b>\$ 6,670,145</b>	<b>\$ 10,928,950</b>	<b>\$ 132,480</b>	<b>\$ 28,333,760</b>	<b>\$ 55,537,775</b>	<b>\$ 118,969,776</b>

**FY 2017-18 Base Budget: 13700  
Expenditures By Division**



**Administration**

Administration	\$ 10,021,013
Reserves	\$ 5,991,631

**Agriculture**

Agricultural Statistics	\$ 1,083,404
Agronomics	\$ 4,624,791
Food Distribution	\$ 6,287,393
Markets	\$ 10,486,014
Plant Industry	\$ 7,160,180
Research Stations	\$ 14,602,836
Soil & Water Conservation	\$ 13,708,901

**Consumer Services**

Emergency Programs	\$ 1,901,180
Food & Drug	\$ 13,440,713
Meat & Poultry	\$ 8,331,783
Standards	\$ 6,772,201
Structural Pest	\$ 5,050,113
Veterinary Services	\$ 13,023,012

**Forest Service**

Forest Service	\$ 52,022,386
----------------	---------------

**Total \$ 174,507,551**

**Budget Codes in the Department**

Fund		Fund	
13700	DACS General Fund	53750	DACS North Carolina State Fair
23700	DACS Livestock Acquisition	63700	DACS Trust
23702	DACS Disaster Recovery	63701	DACS Land Preservation and Trust Investment
23703	DACS Tobacco Trust Fund	63702	DACS NC Rural Rehabilitation
23704	DACS Soil and Water Conservation	63703	DACS Finance Authority
23705	DACS Forest Development Fund	63704	DACS Cooperative Grading
53700	DACS Farmers Market	63705	DACS Trust Agency
53725	DACS Western North Carolina Agricultural Fair		

## Administration

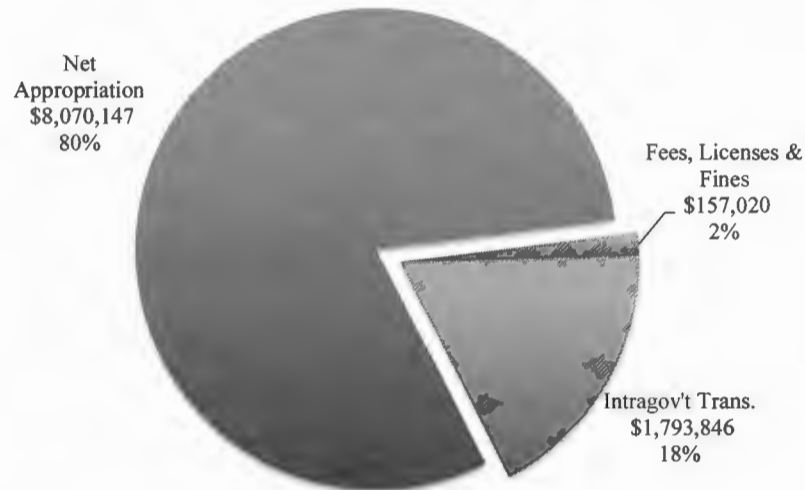
### Department of Agriculture and Consumer Services

Executive guidance, management of resources, planning, policy development, legal, budget, HR, property & construction, public affairs staff, and other administrative functions.

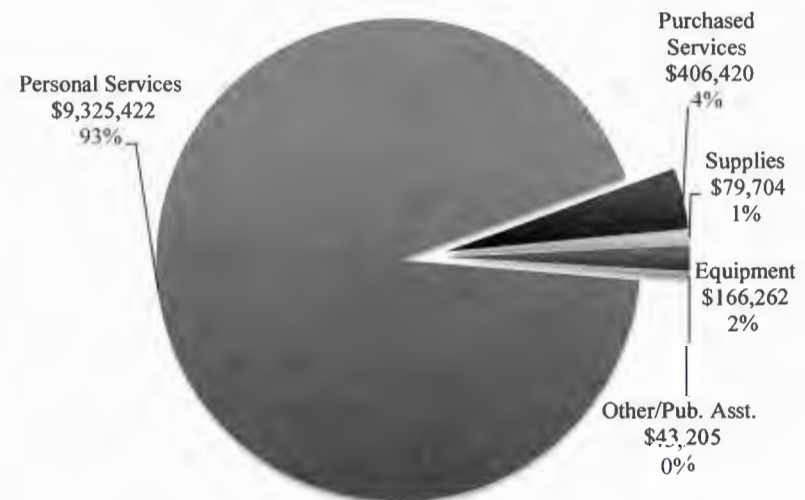
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 8,545,951	\$ 9,703,657	\$ 9,995,899	\$ 25,114	\$ 10,021,013	\$ 25,114	\$ 10,021,013
<b>Less Receipts</b>	\$ 1,810,584	\$ 1,936,920	\$ 1,950,866	\$ -	\$ 1,950,866	\$ -	\$ 1,950,866
<b>Net Approp.</b>	\$ 6,735,366	\$ 7,766,738	\$ 8,045,033	\$ 25,114	\$ 8,070,147	\$ 25,114	\$ 8,070,147
<b>Positions</b>	101.80	102.80	102.80	0.00	102.80	0.00	102.80

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535-538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other/Pub. Asst.		
1011	\$ 1,969,614	\$ 66,795	\$ 7,035	\$ 11,035	\$ 13,298	\$ 2,067,777	19.80
1012	\$ 2,219,044	\$ 62,886	\$ 12,264	\$ 14,042	\$ 9,172	\$ 2,317,408	30.00
1013	\$ 369,541	\$ 82,719	\$ 3,105	\$ 11,144	\$ 2,254	\$ 468,763	5.00
1014	\$ 1,620,131	\$ 29,161	\$ 50,344	\$ 4,100	\$ 1,614	\$ 1,705,350	14.00
1018	\$ 281,663	\$ 1,901	\$ -	\$ -	\$ -	\$ 283,564	3.00
1019	\$ 1,908,470	\$ 133,798	\$ 1,480	\$ 125,566	\$ 100	\$ 2,169,414	20.00
1027	\$ 697,798	\$ 19,721	\$ 4,626	\$ 375	\$ 1,767	\$ 724,287	8.00
1035	\$ 259,161	\$ 9,439	\$ 850	\$ -	\$ 15,000	\$ 284,450	3.00
	\$ 9,325,422	\$ 406,420	\$ 79,704	\$ 166,262	\$ 43,205	\$ 10,021,013	102.80

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intragov't Trans.		
1011	\$ -	\$ -	\$ -	\$ -	\$ 206,044	\$ 206,044	\$ 1,861,733
1012	\$ -	\$ -	\$ 15,925	\$ -	\$ 830,178	\$ 846,103	\$ 1,471,305
1013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468,763
1014	\$ -	\$ -	\$ -	\$ -	\$ 266,260	\$ 266,260	\$ 1,439,090
1018	\$ -	\$ -	\$ -	\$ -	\$ 85,732	\$ 85,732	\$ 197,832
1019	\$ -	\$ -	\$ 141,095	\$ -	\$ 160,444	\$ 301,539	\$ 1,867,875
1027	\$ -	\$ -	\$ -	\$ -	\$ 198,399	\$ 198,399	\$ 525,888
1035	\$ -	\$ -	\$ -	\$ -	\$ 46,789	\$ 46,789	\$ 237,661
	\$ -	\$ -	\$ 157,020	\$ -	\$ 1,793,846	\$ 1,950,866	\$ 8,070,147

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$25,114	Small Farm Program All Administrative Programs

Funds included in Administration			
1011	General Administration	1035	Small Farms
1012	Administrative Services	2105	Unemployment Insurance Reserve
1013	Public Affairs	2118	Poultry Loss Contract Temp. Holding Account
1014	Human Resources	2125	Snap Bean Insurance Steering Committee
1018	Internal Audit	6122	Performance Bonds
1019	IT Services	6133	Agricultural Promotions
1027	Property and Construction	6134	NC Horse Council

## Reserves - Administration

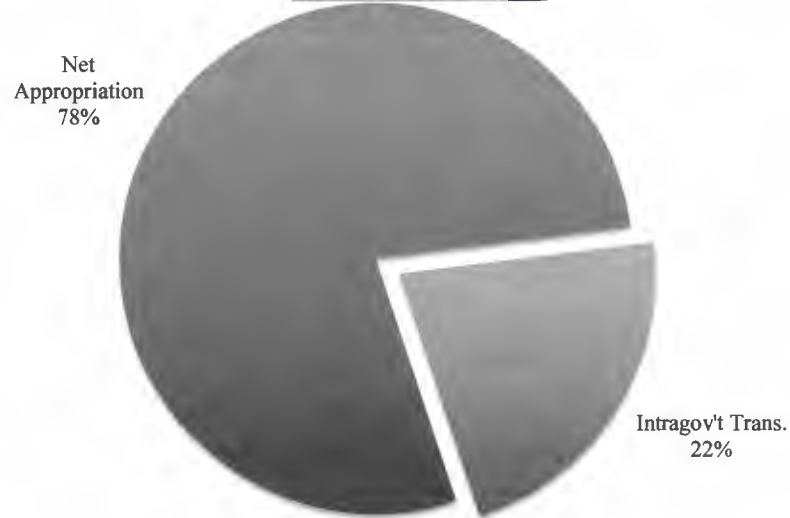
### Department of Agriculture and Consumer Services

Reserves to be distributed to support operational programs or non-operational transfers, overhead receipts from operations supported by federal funds, or prior year earned revenue

<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 6,043,668	\$ 6,358,869	\$ 48,647,354	\$ (42,655,723)	\$ 5,991,631	\$ (42,655,723)	\$ 5,991,631
<b>Less Receipts</b>	\$ 3,208,466	\$ 2,314,879	\$ 1,307,127	\$ -	\$ 1,307,127	\$ -	\$ 1,307,127
<b>Net Approp.</b>	\$ 2,835,202	\$ 4,043,990	\$ 47,340,227	\$ (42,655,723)	\$ 4,684,504	\$ (42,655,723)	\$ 4,684,504
<b>Positions</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### FY 2017-18 Base Budget

Source of Funds



Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	536-XXX	538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Aid & Public Assistance	Intragov't Transfer		
1990	\$ -	\$ -	\$ -	\$ 100,000	\$ 4,584,504	\$ 4,684,504	-
1991	\$ -	\$ -	\$ -	\$ -	\$ 1,307,127	\$ 1,307,127	-
1992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
	\$ -	\$ -	\$ -	\$ 100,000	\$ 5,891,631	\$ 5,991,631	-

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intragov't Trans.		
1990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,684,504
1991	\$ -	\$ -	\$ -	\$ -	\$ 1,307,127	\$ 1,307,127	\$ -
1992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ 1,307,127	\$ 1,307,127	\$ 4,684,504

### Detailed Adjustments to Base Budget

Removes NR funds for Eastern 4H Educational Center and Association of Ag Fairs: (\$600,000)  
 Disburses funds for compensation and retirement increases from FY 2015-16: (\$662,064)  
 Removes NR funds for other transfers from FY 2015-16, such as Tobacco Trust Fund and Healthy Foods: (\$3,443,659)  
 Disburses disaster relief funding for FY 2015-16: (\$37,950,000)

### Funds included in Reserves - Administration

Fund	
1990	Reserves
1991	Overhead Receipts
1992	Prior Year Earned Revenue

## Agronomics Division

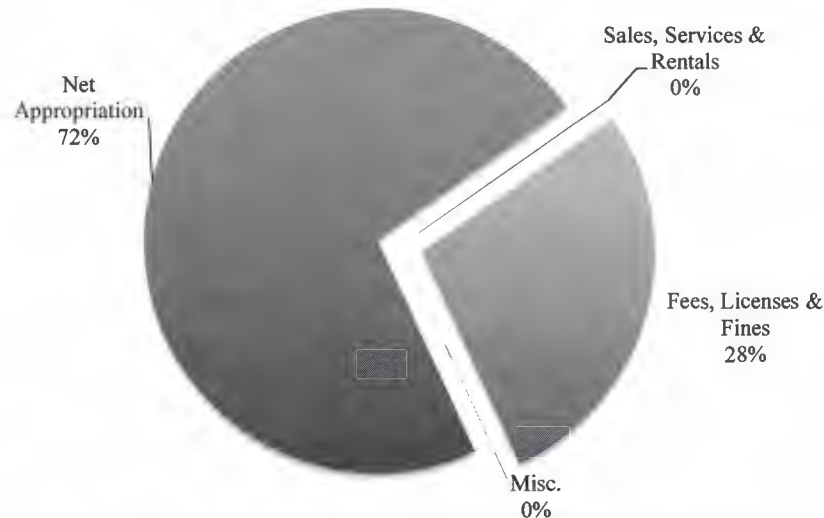
### Department of Agriculture and Consumer Services

Analyzes soil samples, plant, solution, & irrigation water samples, & animal, municipal, & industrial wastes. Aim to improve production efficiency & protect natural resources. Regional agronomists help solve field problems.

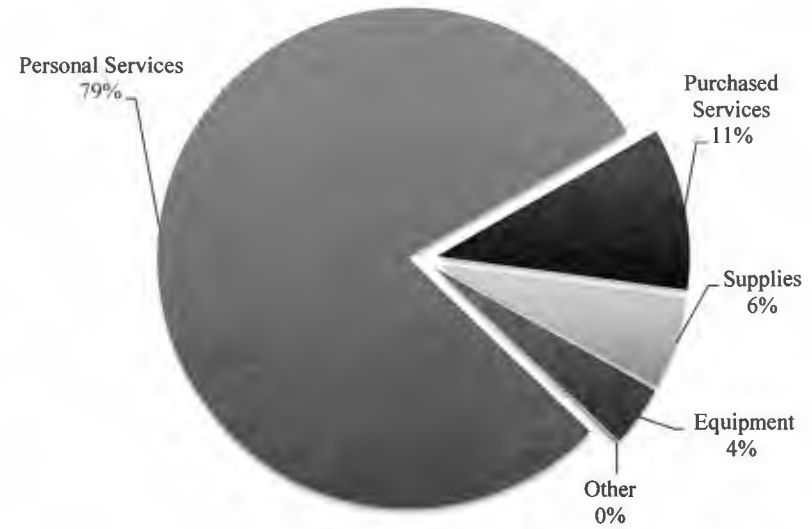
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 4,458,660	\$ 4,605,977	\$ 4,612,532	\$ 12,259	\$ 4,624,791	\$ 12,259	\$ 4,624,791
<b>Less Receipts</b>	\$ 1,467,555	\$ 1,388,178	\$ 1,285,070	\$ -	\$ 1,285,070	\$ -	\$ 1,285,070
<b>Net Approp.</b>	\$ 2,991,105	\$ 3,217,799	\$ 3,327,462	\$ 12,259	\$ 3,339,721	\$ 12,259	\$ 3,339,721
<b>Positions</b>	57.00	57.00	57.00	0.00	57.00	0.00	57.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1040	\$ 3,674,099	\$ 485,305	\$ 275,684	\$ 182,081	\$ 7,622	\$ 4,624,791	57.00
	\$ 3,674,099	\$ 485,305	\$ 275,684	\$ 182,081	\$ 7,622	\$ 4,624,791	57.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intragov't Transact.		
1040	\$ -	\$ 2,000	\$ 1,282,970	\$ 100	\$ -	\$ 1,285,070	\$ 3,339,721
	\$ -	\$ 2,000	\$ 1,282,970	\$ 100	\$ -	\$ 1,285,070	\$ 3,339,721

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$12,259	Agronomic Services

Funds included in Agronomics Division	
1040	Agronomic Services
2137	Improved Laboratory Information Management System (LIMS)
2166	Nematode Molecular Diagnosis

## Agricultural Statistics Division

### Department of Agriculture and Consumer Services

The Agricultural Statistics Division collects, prepares, & disseminates official crop, livestock and price estimates, along with other statistics on agriculture in North Carolina and the nation.

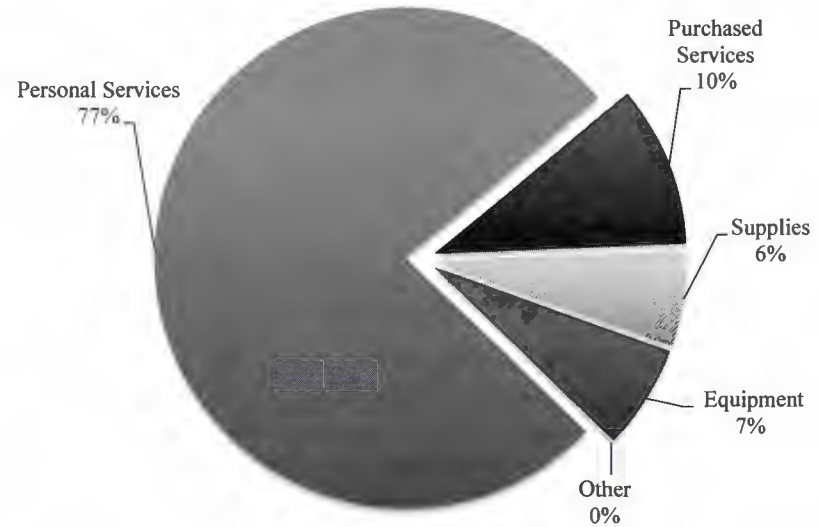
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 943,874	\$ 1,160,938	\$ 1,080,779	\$ 2,625	\$ 1,083,404	\$ 2,625	\$ 1,083,404
<b>Less Receipts</b>	\$ 273,740	\$ 274,600	\$ 177,149	\$ -	\$ 177,149	\$ -	\$ 177,149
<b>Net Approp.</b>	\$ 670,134	\$ 886,339	\$ 903,630	\$ 2,625	\$ 906,255	\$ 2,625	\$ 906,255
<b>Positions</b>	17.00	14.00	14.00	0.00	14.00	0.00	14.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1050	\$ 831,565	\$ 112,542	\$ 66,359	\$ 72,763	\$ 175	\$ 1,083,404	14.00
	\$ 831,565	\$ 112,542	\$ 66,359	\$ 72,763	\$ 175	\$ 1,083,404	14.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	538-XXX	538-8XX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Int. Govt	Federal Funds		
1050	\$ -	\$ -	\$ -	\$ 85,469	\$ 91,680	\$ 177,149	\$ 906,255
	\$ -	\$ -	\$ -	\$ 85,469	\$ 91,680	\$ 177,149	\$ 906,255

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$2,625	Agricultural Statistics

Funds included in Agricultural Statistics Division	
1050	Fed-State Ag Statistic

## Food Distribution Division

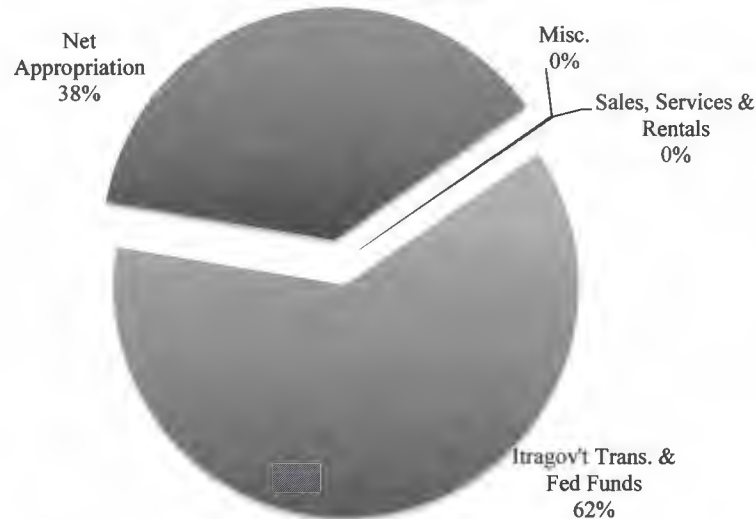
### Department of Agriculture and Consumer Services

Requisitions, stores and distributes USDA donated foods. Distributes these products to public schools, private schools, charitable institutions and needy households.

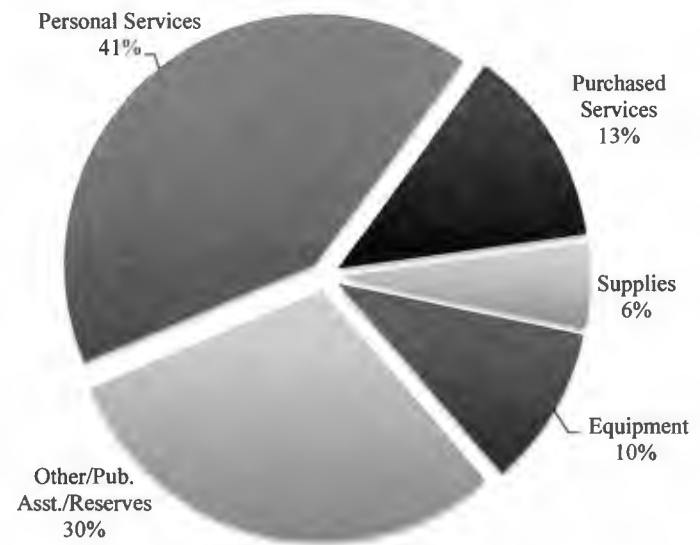
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 6,034,410	\$ 5,702,271	\$ 6,283,598	\$ 3,795	\$ 6,287,393	\$ 3,795	\$ 6,287,393
<b>Less Receipts</b>	\$ 3,877,886	\$ 3,359,688	\$ 3,918,932	\$ -	\$ 3,918,932	\$ -	\$ 3,918,932
<b>Net Approp.</b>	\$ 2,156,524	\$ 2,342,583	\$ 2,364,666	\$ 3,795	\$ 2,368,461	\$ 3,795	\$ 2,368,461
<b>Positions</b>	47.00	44.00	44.00	0.00	44.00	0.00	44.00

### FY 2017-18 Base Budget

**Source of Funds**



**Expenditure of Funds**



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other/Pub. Asst./Reserves		
1210	\$ 2,601,295	\$ 806,803	\$ 344,535	\$ 653,857	\$ 1,880,903	\$ 6,287,393	44.00
	\$ 2,601,295	\$ 806,803	\$ 344,535	\$ 653,857	\$ 1,880,903	\$ 6,287,393	44.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intergov't Trans. & Fed Funds		
1210	\$ -	\$ 11,000	\$ -	\$ 1,000	\$ 3,906,932	\$ 3,918,932	\$ 2,368,461
	\$ -	\$ 11,000	\$ -	\$ 1,000	\$ 3,906,932	\$ 3,918,932	\$ 2,368,461

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$3,795	Farm-To-School Program National School Lunch Program Emergency Food Assist. Program Soup Kitchen Program Commodity Supp. Food Program Summer Camps Summer Feeding Disaster Feeding

Funds included in Food Distribution Division	
1210	Food Distribution
2111	Fruit & Vegetable Handling Fee – Food Distribution
2142	Expanding Capacity of the NC Farm to School Prog
6109	Commodity Refund
6161	Payments-Farm to School Program

## Markets Division

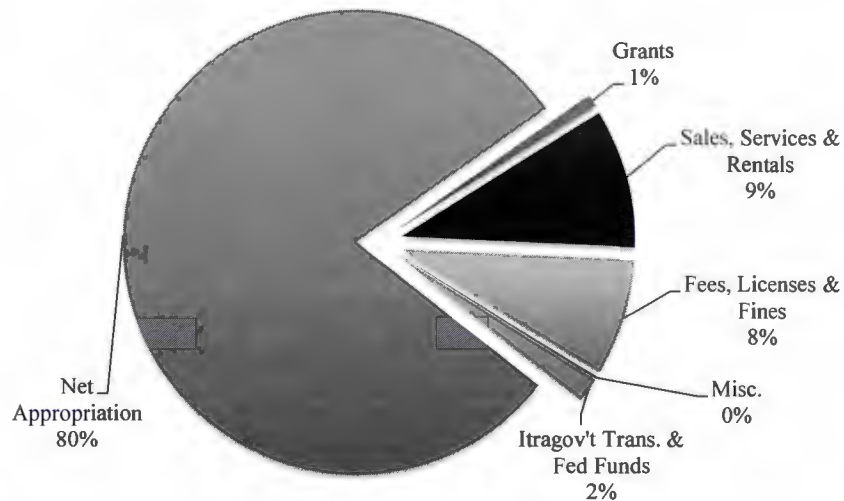
### Department of Agriculture and Consumer Services

Promotes the sale of North Carolina products, develops & expands markets, reports farm market prices on major commodities, and determines and certifies official grades of farm products. Operates regional farmers markets in Asheville, Charlotte, Colfax, and Raleigh, plus regional marketing offices in Asheville and Elizabeth City. Organize and manage the Western NC Ag Center, the Senator Bob Martin Ag Center, the Southeastern NC Ag Events Center, and the NC Mountain State Fair.

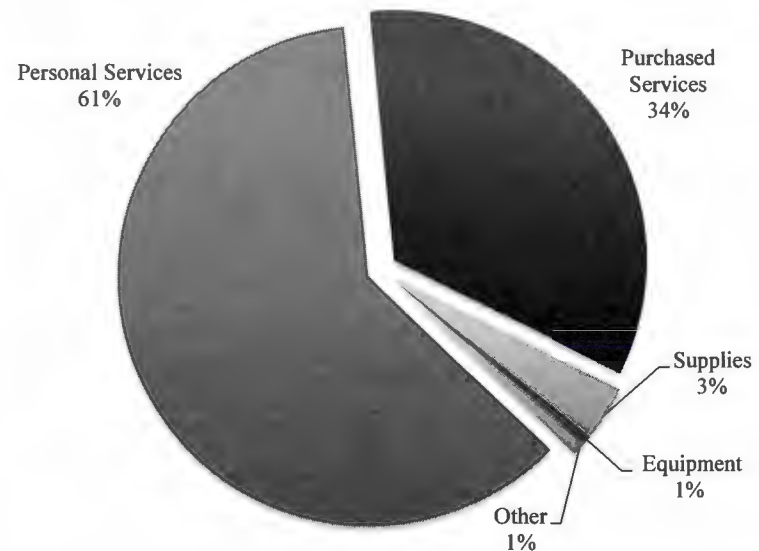
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 11,321,048	\$ 11,254,137	\$ 11,148,681	\$ (662,667)	\$ 10,486,014	\$ (662,667)	\$ 10,486,014
<b>Less Receipts</b>	\$ 3,480,574	\$ 3,398,774	\$ 2,308,378	\$ (180,719)	\$ 2,127,659	\$ (180,719)	\$ 2,127,659
<b>Net Approp.</b>	\$ 7,840,473	\$ 7,855,363	\$ 8,840,303	\$ (481,948)	\$ 8,358,355	\$ (481,948)	\$ 8,358,355
<b>Positions</b>	95.00	95.00	95.00	0.00	95.00	0.00	95.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1020	\$ 6,383,256	\$ 3,537,305	\$ 361,658	\$ 54,101	\$ 89,694	\$ 10,486,014	95.00
	\$ 6,383,256	\$ 3,537,305	\$ 361,658	\$ 54,101	\$ 89,694	\$ 10,426,014	95.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Ittragov't Trans. & Fed Funds		
1020	\$ 87,000	\$ 1,008,071	\$ 846,610	\$ 13,200	\$ 172,778	\$ 2,127,659	\$ 8,358,355
	\$ 87,000	\$ 1,008,071	\$ 846,610	\$ 13,200	\$ 172,778	\$ 2,127,659	\$ 8,358,355

Detailed Adjustments to Base Budget	Major Programs
<ul style="list-style-type: none"> <li>- Adjustment for Retirement Expenditures: \$18,052</li> <li>- Adjustment for Misc. Contractual Services Expenditures: (\$180,719)</li> <li>* Nonrecurring transfer of cash balance from the Swine Waste Fund</li> <li>- Adjustment for Comm. and IT Services Expenditures: (\$500,000)</li> <li>* Nonrecurring advertising funds app. in FY 2016-17</li> </ul>	<ul style="list-style-type: none"> <li>Goodness Grows Program</li> <li>Got To Be NC Program</li> <li>Flavors of Carolina Program</li> <li>Regional Farmers Markets</li> <li>Regional Agricultural Centers</li> <li>Mountain State Fair</li> <li>Grading Labs</li> </ul>

Funds included in Markets Division			
1020	Markets	6112	NC Egg Fund
2106	Eastern Ag Marketing Fund - Williamston	6123	Pasteurizer Loaner Escrow & Debt Set-Off
2110	Vending Services - Farmers Markets	6127	Food Marketing Workshop
2141	Got To Be NC - Community Market Project	6131	Goodness Grows Promotion
2142	Expanding Capacity/NC Farm to School Prog	6132	Flavors Of Carolina
2152	Local Farmers Mkt Awareness Campaign	6135	Tobacco Research Comm Assessments
5100	Farmers Market - Raleigh	6150	Agriculture Foundation Assessment
5300	Piedmont Triad Farmers Market	6422	Meat and Poultry Grading
5200	WNC Ag Center Control Fund	6423	Livestock
5210	WNC Agricultural Center	6424	Fruits and Vegetables
5220	Mountain State Fair	6425	Field Crops



## Plant Industry Division

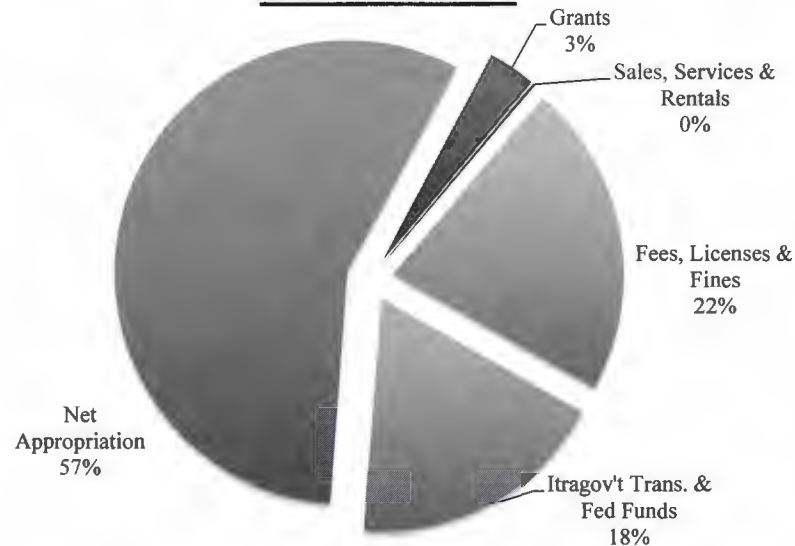
### Department of Agriculture and Consumer Services

Examines fertilizer & seed for accurate labeling & product quality. Administers plant pest laws and the Plant Conservation Program.  
Inspects nurseries & honeybees. Conducts biological pest control.

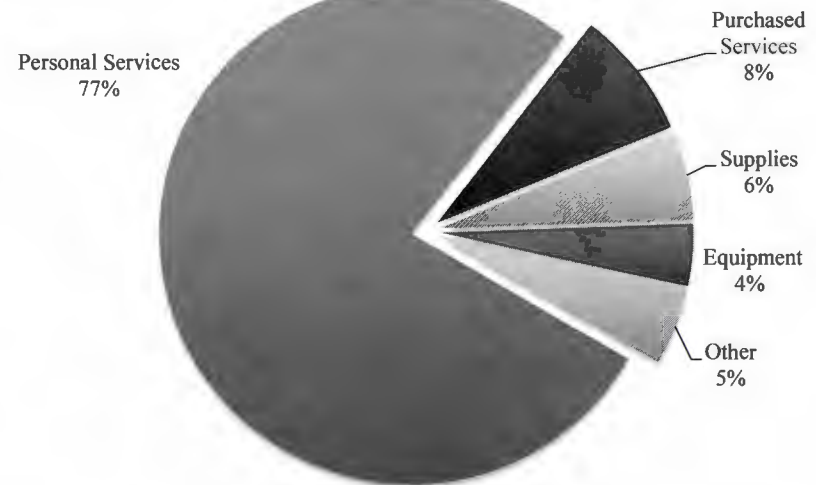
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 6,730,403	\$ 6,975,056	\$ 7,146,864	\$ 13,316	\$ 7,160,180	\$ 13,316	\$ 7,160,180
<b>Less Receipts</b>	\$ 3,289,239	\$ 3,438,155	\$ 3,105,605	\$ -	\$ 3,105,605	\$ -	\$ 3,105,605
<b>Net Approp.</b>	\$ 3,441,164	\$ 3,536,900	\$ 4,041,259	\$ 13,316	\$ 4,054,575	\$ 13,316	\$ 4,054,575
<b>Positions</b>	86.75	85.75	85.75	0.00	85.75	0.00	85.75

### FY 2017-18 Base Budget

**Source of Funds**



**Expenditure of Funds**



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1175	\$ 1,286,519	\$ 115,087	\$ 25,944	\$ 79,203	\$ 2,219	\$ 1,508,972	24.00
1180	\$ 4,237,717	\$ 477,250	\$ 381,303	\$ 203,933	\$ 351,005	\$ 5,651,208	61.75
	\$ 5,524,236	\$ 592,337	\$ 407,247	\$ 283,136	\$ 353,224	\$ 7,160,180	85.75

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Ittragov't Trans. & Fed Funds		
1175	\$ -	\$ -	\$ 807,024	\$ -	\$ -	\$ 807,024	\$ 701,948
1180	\$ 237,294	\$ 10,900	\$ 759,978	\$ -	\$ 1,290,409	\$ 2,298,581	\$ 3,352,627
	\$ 237,294	\$ 10,900	\$ 1,567,002	\$ -	\$ 1,290,409	\$ 3,105,605	\$ 4,054,575

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$13,316	Plant Conservation Program Cooperative Ag Pest Survey Program Boll Weevil Eradication Plant Industry Labs Seed and Fertilizer Regulation

Funds included in Plant Industry Division			
1175	Seed and Fertilizer	2129	Denson's Creek Plant Conservation Preserve
1180	Plant Protection	2132	Harvest Field
2109	Plant Conservation - DOT	2192	Redlair Plant Conservation Project
2121	Boiling Springs Lake Plant Conservation Project	6111	Boll Weevil Grower Contribution
2122	Diabase Sill Project	6130	Commodity-Hemp Funds
2127	Pondberry Bay Plant Conservation Preserve		
2128	Hogs Branch Ponds Plant Conservation Preserve		

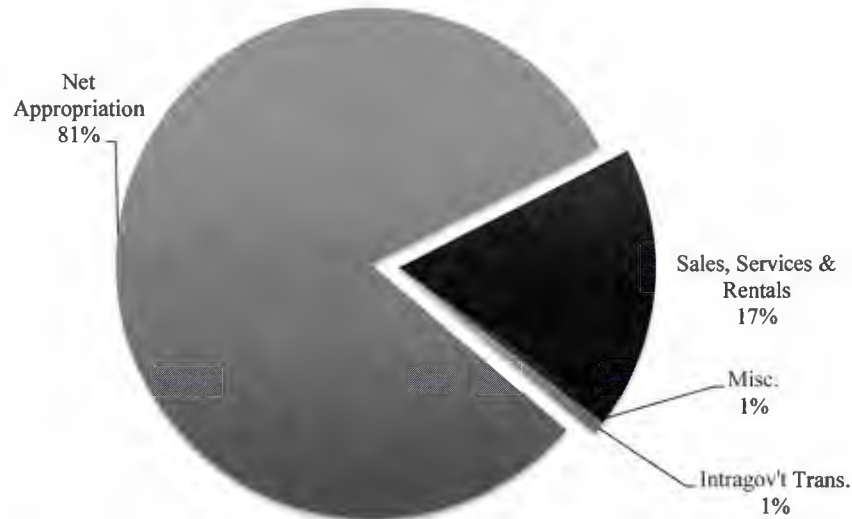
# **Research Station Division** **Department of Agriculture and Consumer Services**

To manage crop and livestock facilities that serve as a platform for agriculture research to make farming more efficient, productive and profitable, while maintaining a sound environment and providing consumers with safe and affordable products.

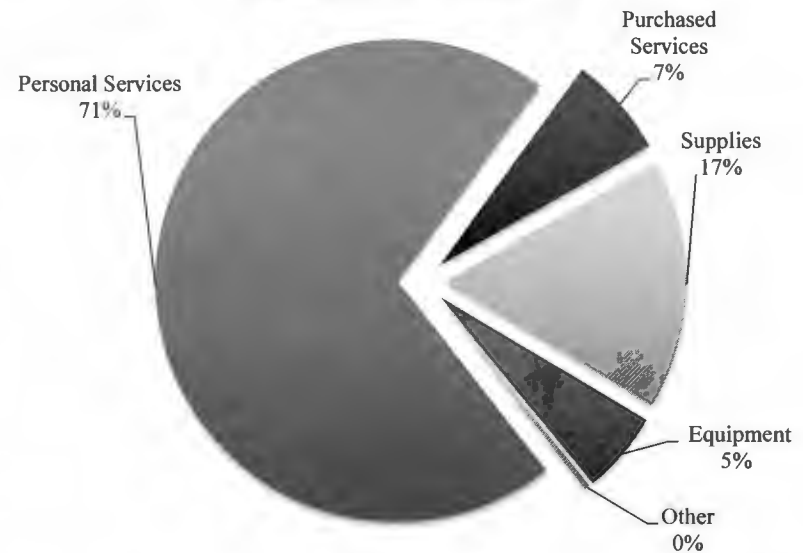
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 17,894,838	\$ 15,592,341	\$ 14,572,935	\$ 29,901	\$ 14,602,836	\$ 29,901	\$ 14,602,836
<b>Less Receipts</b>	\$ 4,587,822	\$ 4,555,590	\$ 2,743,116	\$ -	\$ 2,743,116	\$ -	\$ 2,743,116
<b>Net Approp.</b>	\$ 13,307,015	\$ 11,036,752	\$ 11,829,819	\$ 29,901	\$ 11,859,720	\$ 29,901	\$ 11,859,720
<b>Positions</b>	167.00	163.00	163.00	0.00	163.00	0.00	163.00

## **FY 2017-18 Base Budget**

### **Source of Funds**



### **Expenditure of Funds**



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1190	\$ 9,412,011	\$ 904,618	\$ 2,227,929	\$ 733,260	\$ 50,465	\$ 14,602,836	163.00
							-
	\$ 9,412,011	\$ 904,618	\$ 2,227,929	\$ 733,260	\$ 50,465	\$ 13,328,283	163.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intragov't Trans.		
1190	\$ -	\$ 2,511,883	\$ -	\$ 109,860	\$ 121,373	\$ 2,743,116	\$ 11,859,720
	\$ -	\$ 2,511,883	\$ -	\$ 109,860	\$ 121,373	\$ 2,743,116	\$ 11,859,720

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$29,901	State Farm Operations Center for Environmental Farming Systems Manages 18 Research Stations Operates 12 Research Stations Bioenergy Research Initiative

Funds included in Research Station Division	
1190	Research Stations
2103	Livestock Acquisition Fund
2138	Eval. Of Nitrogen Fert. Of Highbush Blueberries
2185	Research Stations – Non Reverting funds
2186	Biofuels Center Project Transfer
2187	Biofuels Center Project Transfer - TVA funds
2188	Bioenergy Initiative Grant Program

## Soil & Water Conservation Division

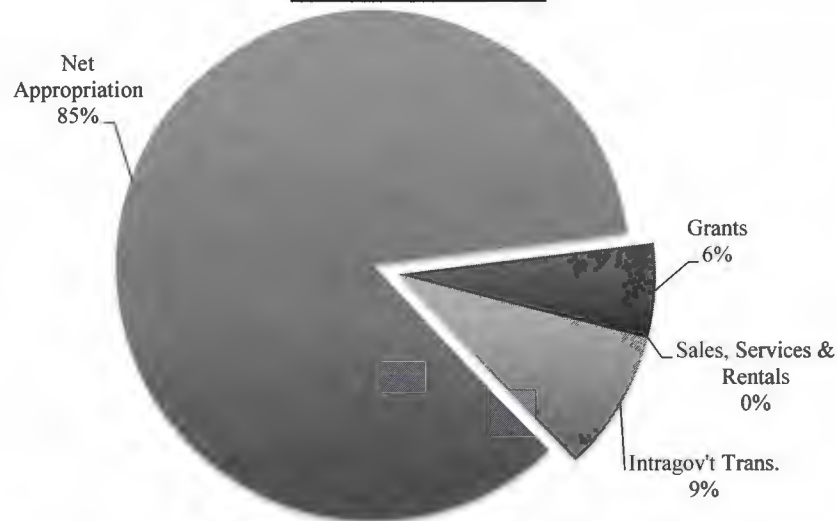
### Department of Agriculture and Consumer Services

Protect and improve soil and water resources by fostering voluntary, incentive-driven management of related natural resources.

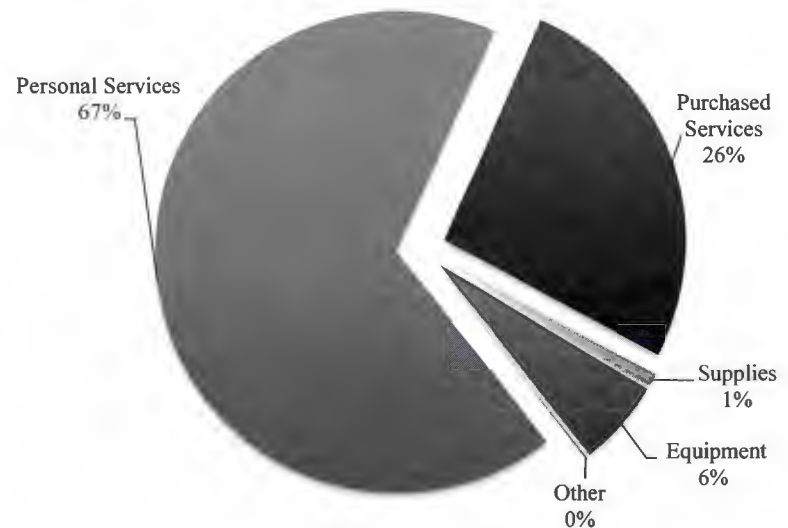
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 13,783,677	\$ 12,661,015	\$ 14,199,230	\$ (490,329)	\$ 13,708,901	\$ (490,329)	\$ 13,708,901
<b>Less Receipts</b>	\$ 1,734,218	\$ 2,442,010	\$ 2,035,091	\$ -	\$ 2,035,091	\$ -	\$ 2,035,091
<b>Net Approp.</b>	\$ 12,049,459	\$ 10,219,005	\$ 12,164,139	\$ (490,329)	\$ 11,673,810	\$ (490,329)	\$ 11,673,810
<b>Positions</b>	42.20	42.20	42.20	0.00	42.20	0.00	42.20

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1190	\$ 3,638,560	\$ 1,423,493	\$ 44,759	\$ 309,977	\$ 6,850	\$ 13,708,901	42.20
							-
	\$ 3,638,560	\$ 1,423,493	\$ 44,759	\$ 309,977	\$ 6,850	\$ 5,423,639	42.20

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intragov't Trans.		
1190	\$ 809,479	\$ 5,715	\$ -	\$ -	\$ 1,219,897	\$ 2,035,091	\$ 11,673,810
	\$ 809,479	\$ 5,715	\$ -	\$ -	\$ 1,219,897	\$ 2,035,091	\$ 11,673,810

Detailed Adjustments to Base Budget	Major Programs
<ul style="list-style-type: none"> <li>- Adjustment for Retirement Expenditures: \$9,671</li> <li>- Adjustment for Soil &amp; Water Special Fund 23704: (\$500,000)</li> <li>* AgWRAP Cost-Share NR Funding</li> </ul>	<ul style="list-style-type: none"> <li>Soil &amp; Water Conservation Commission</li> <li>Soil &amp; Water Conservation Districts</li> <li>AG Water Resource Assistance Program (AgWRAP)</li> <li>Nonpoint Source Programs</li> <li>Agriculture Cost Share Program</li> <li>Community Conservation Assistance Program</li> <li>Conservation Reserve Enhancement Program</li> <li>Agriculture Water Resources Assistance Program</li> </ul>

Funds included in Soil & Water Conservation Division			
1611	Soil & Water Conservation	2715	Swine Farm Easements
2705	Tar-Pam Relocation - Local	2717	Ag WRAP-TVA
2708	Agri Drought Response	2720	Animal Waste Cost Share
2710	Agri Cost Share Programs	2730	Swine Waste
2711	CREP Expansion	2735	Community Conservation
2714	Ag WRAP		



## Emergency Programs

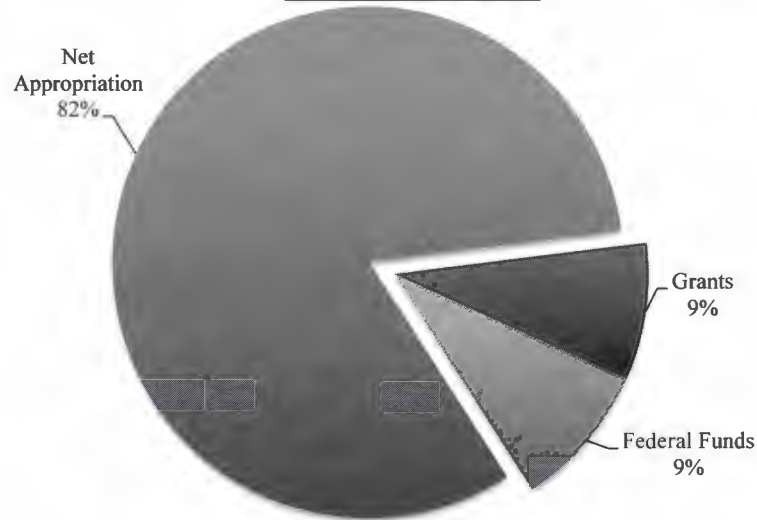
### Department of Agriculture and Consumer Services

Reduce the vulnerability to or the impact from any disaster, disease, or terrorist attack on the agriculture community of NC.

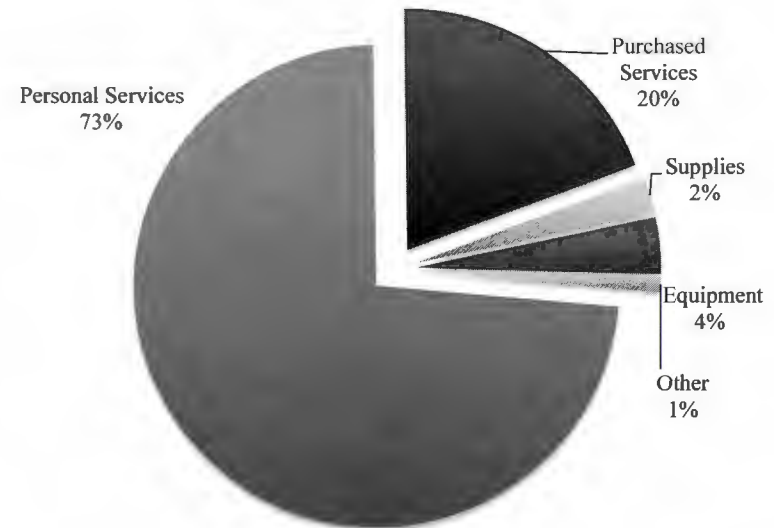
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 2,175,242	\$ 2,500,773	\$ 1,896,926	\$ 4,254	\$ 1,901,180	\$ 4,254	\$ 1,901,180
<b>Less Receipts</b>	\$ 263,312	\$ 873,743	\$ 337,776	\$ -	\$ 337,776	\$ -	\$ 337,776
<b>Net Approp.</b>	\$ 1,911,929	\$ 1,627,030	\$ 1,559,150	\$ 4,254	\$ 1,563,404	\$ 4,254	\$ 1,563,404
<b>Positions</b>	18.00	16.00	16.00	0.00	16.00	0.00	16.00

#### FY 2017-18 Base Budget

**Source of Funds**



**Expenditure of Funds**





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1017	\$ 1,395,526	\$ 370,232	\$ 45,537	\$ 71,685	\$ 18,200	\$ 1,901,180	16.00
	\$ 1,395,526	\$ 370,232	\$ 45,537	\$ 71,685	\$ 18,200	\$ 1,901,180	16.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	438-XXX	538-8XX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Federal Funds		
1017	\$ 163,746	\$ -	\$ -	\$ -	\$ 174,030	\$ 337,776	\$ 1,563,404
	\$ 163,746	\$ -	\$ -	\$ -	\$ 174,030	\$ 337,776	\$ 1,563,404

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$4,254	Emergency Programs

Funds included in Emergency Programs	
1017	Emergency Programs
2220	Avian Influenza Preparedness

## Food & Drug Division

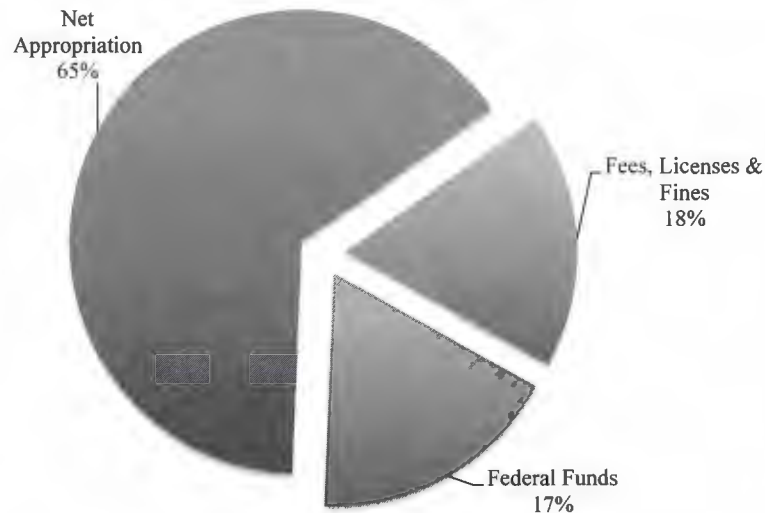
### Department of Agriculture and Consumer Services

Assures that foods, feeds, drugs, cosmetics, and automotive antifreezes are safe, wholesome and properly labeled. Inspections and chemical analyses offers protection against unsafe products.

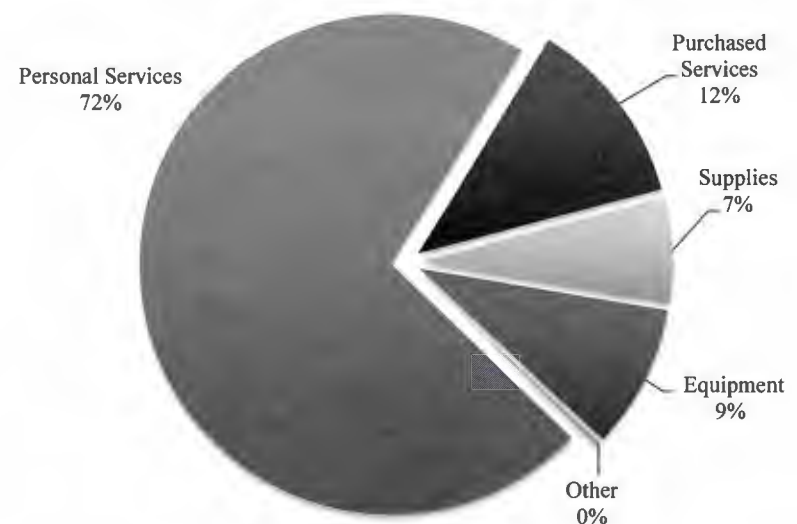
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 11,489,606	\$ 12,313,107	\$ 13,414,943	\$ 25,770	\$ 13,440,713	\$ 25,770	\$ 13,440,713
<b>Less Receipts</b>	\$ 3,554,812	\$ 4,241,045	\$ 4,752,984	\$ -	\$ 4,752,984	\$ -	\$ 4,752,984
<b>Net Approp.</b>	\$ 7,934,794	\$ 8,072,062	\$ 8,661,959	\$ 25,770	\$ 8,687,729	\$ 25,770	\$ 8,687,729
<b>Positions</b>	141.00	144.00	144.00	0.00	144.00	0.00	144.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1070	\$ 1,257,350	\$ 173,886	\$ 166,169	\$ 131,032	\$ 11,529	\$ 1,739,966	21.00
1080	\$ 419,702	\$ 6,865	\$ 36,443	\$ 105,095	\$ 708	\$ 568,813	7.00
1100	\$ 7,900,909	\$ 1,449,064	\$ 705,713	\$ 1,004,789	\$ 26,085	\$ 11,131,934	116.00
	\$ 9,577,961	\$ 1,629,815	\$ 908,325	\$ 1,240,916	\$ 38,322	\$ 13,395,339	144.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	538-8XX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Federal Funds		
1070	\$ -	\$ -	\$ 932,801	\$ -	\$ 491,291	\$ 1,424,092	\$ 315,874
1080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 568,813
1100	\$ -	\$ -	\$ 1,459,079	\$ -	\$ 1,869,813	\$ 3,328,892	\$ 7,803,042
	\$ -	\$ -	\$ 2,391,880	\$ -	\$ 2,361,104	\$ 4,752,984	\$ 8,687,729

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$25,770	Commercial Feed and Pet Food Commercial Fertilizer Analysis

Funds included in Food & Drug Division	
1070	Commercial Feed and Pet Food
1080	Commercial Fertilizer Analysis
1100	Food, Drug, and Cosmetic Analysis

## Meat and Poultry Section

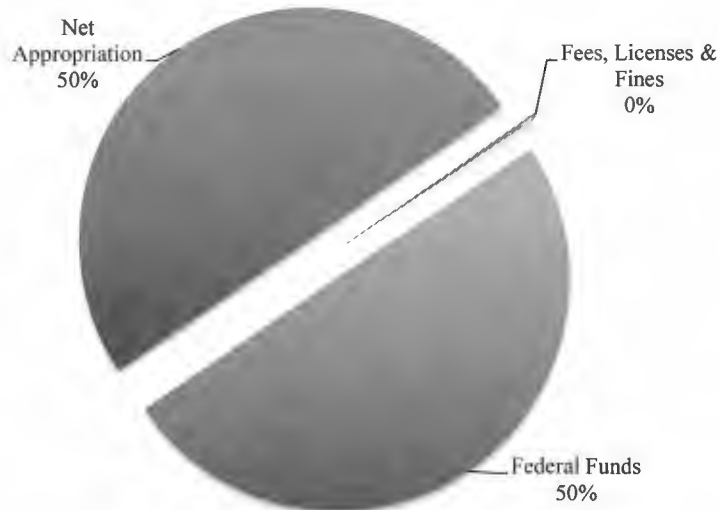
### Department of Agriculture and Consumer Services

Enforces state and federal laws designed to ensure the meat and poultry products sent into commerce are wholesome, unadulterated, and properly labeled. Inspects red meat slaughter facilities and businesses that further process and/or transport meat and poultry products for wholesale distribution in NC.

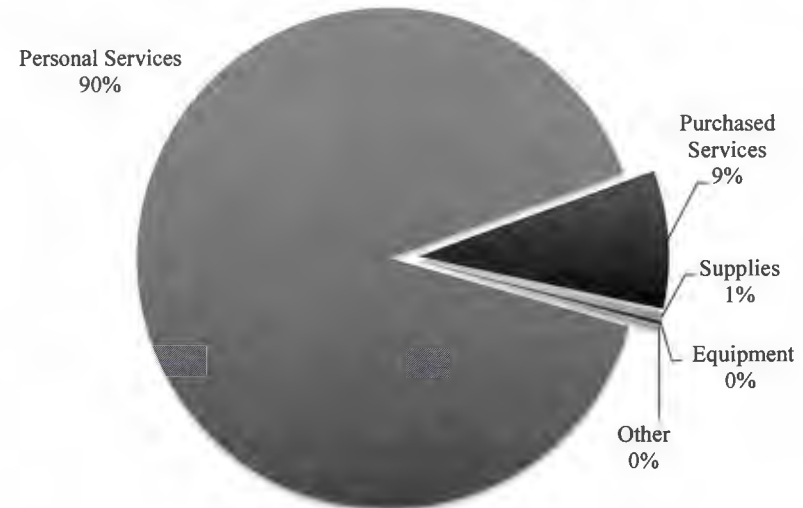
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 7,069,337	\$ 7,307,449	\$ 8,319,881	\$ 11,902	\$ 8,331,783	\$ 11,902	\$ 8,331,783
<b>Less Receipts</b>	\$ 3,283,922	\$ 3,694,478	\$ 4,184,769	\$ -	\$ 4,184,769	\$ -	\$ 4,184,769
<b>Net Approp.</b>	\$ 3,785,415	\$ 3,612,971	\$ 4,135,112	\$ 11,902	\$ 4,147,014	\$ 11,902	\$ 4,147,014
<b>Positions</b>	119.00	119.00	119.00	0.00	119.00	0.00	119.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1140	\$ 7,500,979	\$ 740,279	\$ 40,511	\$ 19,905	\$ 30,109	\$ 8,331,783	119.00
	\$ 7,500,979	\$ 740,279	\$ 40,511	\$ 19,905	\$ 30,109	\$ 8,331,783	119.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	538-8XX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Federal Funds		
1140	\$ -	\$ -	\$ 29,000	\$ -	\$ 4,155,769	\$ 4,184,769	\$ 4,147,014
	\$ -	\$ -	\$ 29,000	\$ -	\$ 4,155,769	\$ 4,184,769	\$ 4,147,014

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$11,902	Meat & Poultry Inspections

Funds included in Meat and Poultry Section	
1140	Meat & Poultry Inspections

## Standards Division

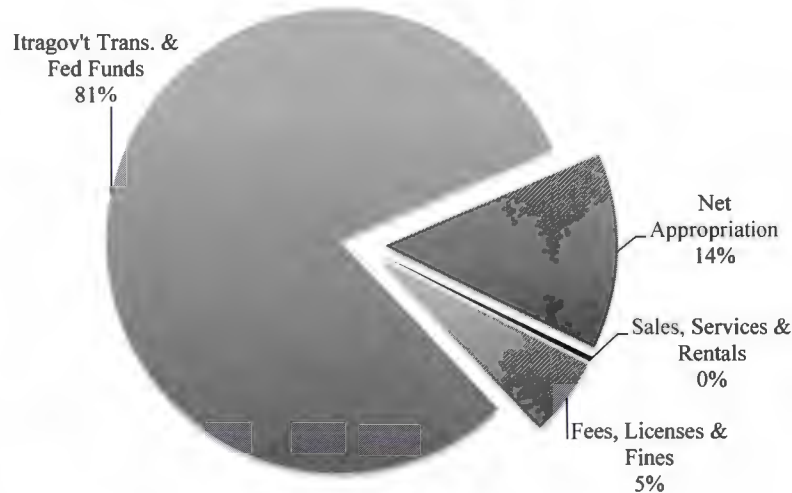
### Department of Agriculture and Consumer Services

A regulatory agency responsible for enforcing the Weights and Measures Act (G.S. 81A), the Gasoline and Oil Inspection Law (G.S. 119), and the LP-Gas Inspection Law (G.S. 119).

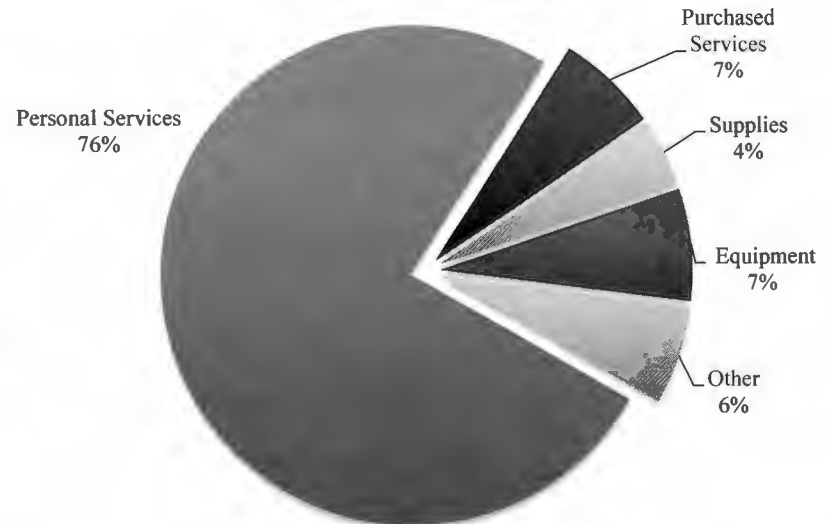
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 6,199,223	\$ 6,280,831	\$ 6,769,161	\$ 3,040	\$ 6,772,201	\$ 3,040	\$ 6,772,201
<b>Less Receipts</b>	\$ 5,287,407	\$ 5,428,284	\$ 5,845,971	\$ -	\$ 5,845,971	\$ -	\$ 5,845,971
<b>Net Approp.</b>	\$ 911,816	\$ 852,547	\$ 923,190	\$ 3,040	\$ 926,230	\$ 3,040	\$ 926,230
<b>Positions</b>	92.00	92.00	92.00	0.00	92.00	0.00	92.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1150	\$ 940,373	\$ 156,614	\$ 79,823	\$ 110,391	\$ 6,029	\$ 1,293,230	17.00
1160	\$ 4,172,026	\$ 289,389	\$ 211,915	\$ 383,065	\$ 422,576	\$ 5,478,971	75.00
	\$ 5,112,399	\$ 446,003	\$ 291,738	\$ 493,456	\$ 428,605	\$ 6,772,201	92.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intergov't Trans. & Fed Funds		
1150	\$ -	\$ -	\$ 367,000	\$ -	\$ -	\$ 367,000	\$ 926,230
1160	\$ -	\$ 22,000	\$ -	\$ -	\$ 5,456,971	\$ 5,478,971	\$ -
	\$ -	\$ 22,000	\$ 367,000	\$ -	\$ 5,456,971	\$ 5,845,971	\$ 926,230

#### Detailed Adjustments to Base Budget

- Adjustment for Retirement Expenditures: \$3,040

#### Major Programs

Weights and Measures Inspections  
Gasoline and Oil Inspection

#### Funds included in Standards Division

1150 Weights and Measures Inspections  
1160 Gasoline and Oil Inspection



## Structural Pest & Pesticide Division

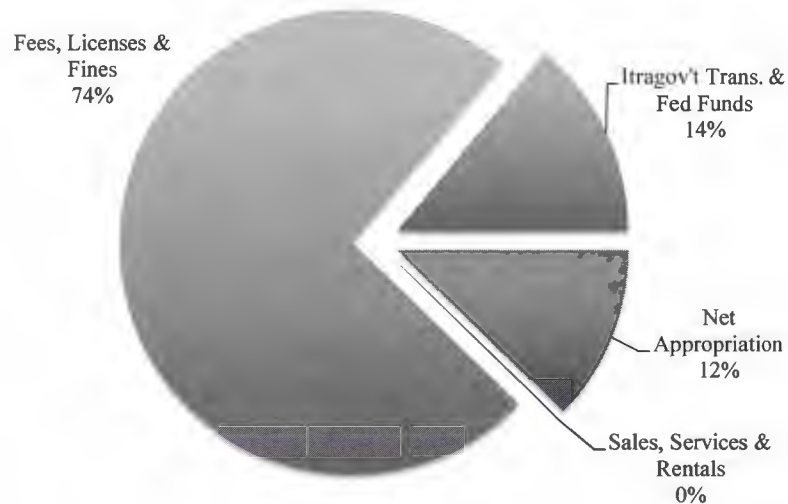
### Department of Agriculture and Consumer Services

To protect the health and safety of the public and the environment by regulating the structural pest control industry and the pesticide products used, to improve the quality of structural pest control services and reduce fraudulent, unscrupulous activities.

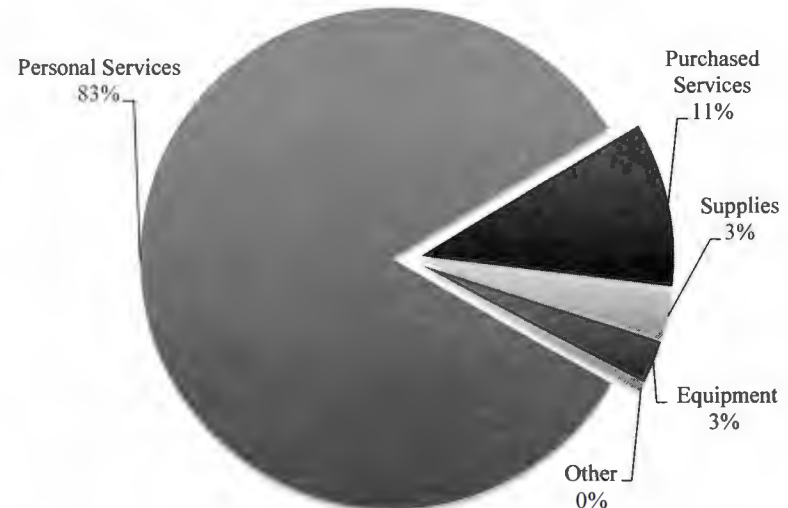
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 4,740,930	\$ 4,867,837	\$ 5,047,674	\$ 2,439	\$ 5,050,113	\$ 2,439	\$ 5,050,113
<b>Less Receipts</b>	\$ 4,378,025	\$ 4,445,151	\$ 4,433,001	\$ -	\$ 4,433,001	\$ -	\$ 4,433,001
<b>Net Approp.</b>	\$ 362,905	\$ 422,686	\$ 614,673	\$ 2,439	\$ 617,112	\$ 2,439	\$ 617,112
<b>Positions</b>	71.80	69.50	69.50	0.00	69.50	0.00	69.50

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other		
1120	\$ 1,073,269	\$ 65,945	\$ 36,324	\$ 34,859	\$ 1,832	\$ 1,212,229	18.70
1090	\$ 3,118,860	\$ 469,653	\$ 117,441	\$ 106,698	\$ 25,232	\$ 3,837,884	50.80
	\$ 4,192,129	\$ 535,598	\$ 153,765	\$ 141,557	\$ 27,064	\$ 5,050,113	69.50

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Ittragov't Trans. & Fed Funds		
1120	\$ -	\$ 2,000	\$ 417,567	\$ -	\$ 268,895	\$ 688,462	\$ 523,767
1090	\$ -	\$ 2,000	\$ 3,311,072	\$ -	\$ 431,467	\$ 3,744,539	\$ 93,345
	\$ -	\$ 4,000	\$ 3,728,639	\$ -	\$ 700,362	\$ 4,433,001	\$ 617,112

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$2,439	Structural Pest Control Section Pesticides Section Sleep Products Section

Funds included in Structural Pest & Pesticide Division	
1120	Structural Pest
1090	Pesticide Control & Analysis
2500	Sleep Products
6110	Structural Pest - Training Materials Collection Fund
6137	Pesticide Environmental Trust Fund
6136	Pesticide Environmental Assessment

## Veterinary Services Division

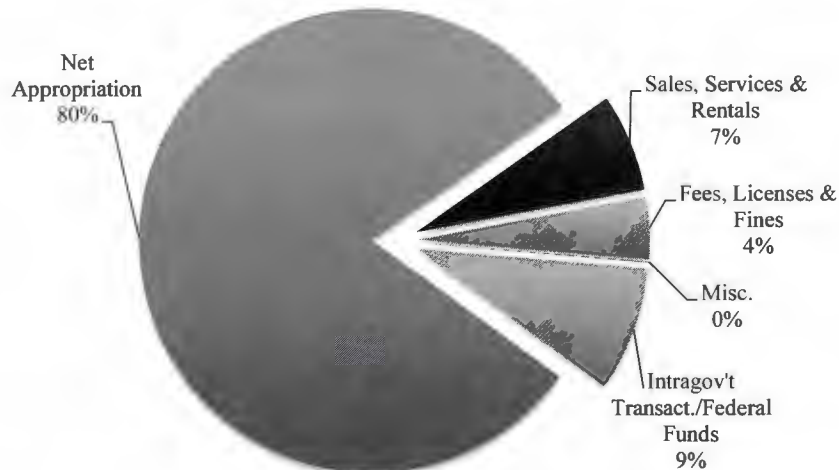
### Department of Agriculture and Consumer Services

Administer regulatory animal health programs & the diagnostic laboratory system. Responsible for surveillance, monitoring, control, and eradication of diseases; regulation of animal movements; and providing diagnostic laboratory service to owners and their veterinarians.

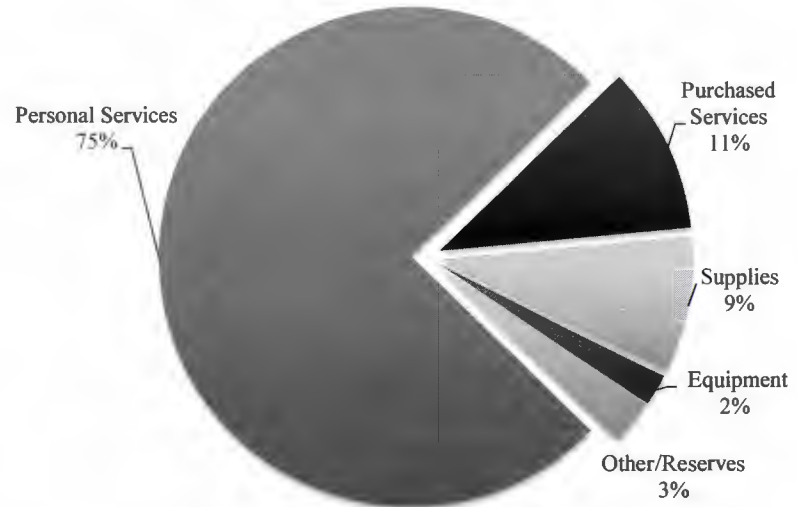
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 11,987,516	\$ 13,231,781	\$ 12,991,431	\$ 31,581	\$ 13,023,012	\$ 31,581	\$ 13,023,012
<b>Less Receipts</b>	\$ 2,951,448	\$ 2,876,306	\$ 2,571,182	\$ -	\$ 2,571,182	\$ -	\$ 2,571,182
<b>Net Approp.</b>	\$ 9,036,067	\$ 10,355,475	\$ 10,420,249	\$ 31,581	\$ 10,451,830	\$ 31,581	\$ 10,451,830
<b>Positions</b>	136.00	138.00	139.00	0.00	139.00	0.00	139.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535 - 538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other/Reserves		
1130	\$ 9,836,788	\$ 1,403,543	\$ 1,150,571	\$ 259,130	\$ 372,980	\$ 13,023,012	139.00
	\$ 9,836,788	\$ 1,403,543	\$ 1,150,571	\$ 259,130	\$ 372,980	\$ 13,023,012	139.00

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-583-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intragov't Transact./Federal Funds		
1130	\$ -	\$ 883,600	\$ 558,319	\$ 400	\$ 1,128,863	\$ 2,571,182	\$ 10,451,830
	\$ -	\$ 883,600	\$ 558,319	\$ 400	\$ 1,128,863	\$ 2,571,182	\$ 10,451,830

Detailed Adjustments to Base Budget	Major Programs
- Adjustment for Retirement Expenditures: \$31,581	Veterinary Labs Animal Welfare Section Animal Shelter Support Program NC Spay Neuter Program Livestock Health Programs Poultry Health Programs

Funds included in Veterinary Services Division	
1130	Veterinary Services
2170	Spay/Neuter Program

# NC Forest Service

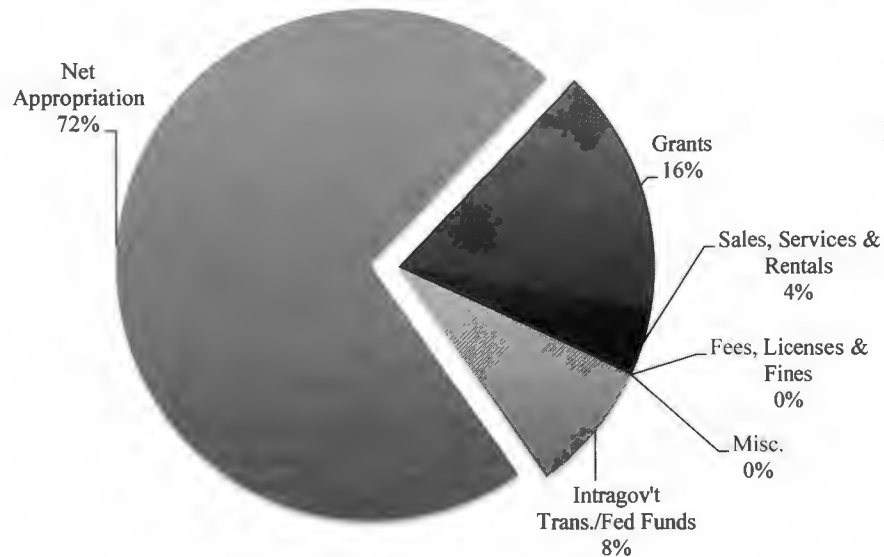
## Department of Agriculture and Consumer Services

To ensure adequate and quality forest resources for the State to meet its present and future needs.

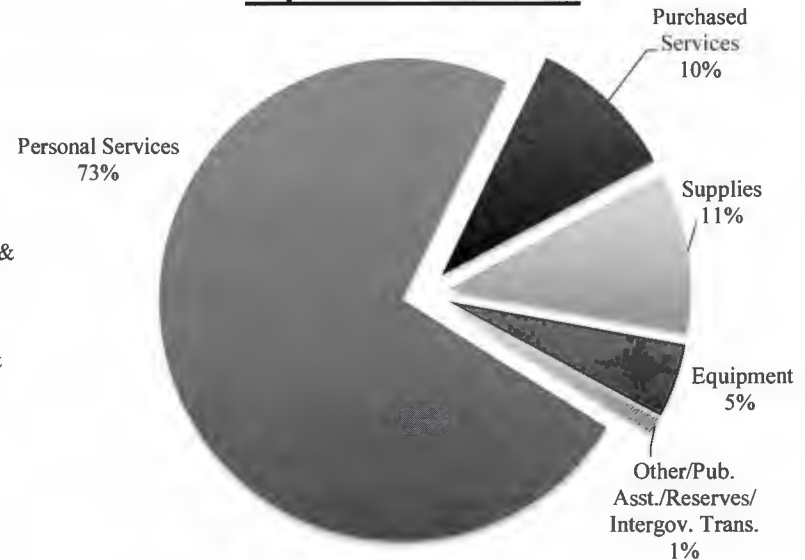
<i>General Fund Budget Code Funds Only</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 105,399,449	\$ 55,281,822	\$ 54,921,033	\$ (2,898,647)	\$ 52,022,386	\$ (2,896,647)	\$ 52,024,386
<b>Less Receipts</b>	\$ 35,947,024	\$ 19,218,887	\$ 14,761,477	\$ -	\$ 14,761,477	\$ -	\$ 14,761,477
<b>Net Approp.</b>	\$ 69,452,425	\$ 36,062,935	\$ 40,159,556	\$ (2,898,647)	\$ 37,260,909	\$ (2,896,647)	\$ 37,262,909
<b>Positions</b>	630.20	621.37	628.37	0.00	628.37	0.00	628.37

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535-538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other/Pub. Asst./Reserves/Intergov. Trans.		
1510	\$ 34,823,961	\$ 4,324,924	\$ 4,827,925	\$ 2,480,470	\$ 378,374	\$ 46,835,654	573.37
1530	\$ 724,252	\$ 307,006	\$ 336,681	\$ 40,266	\$ 1,250	\$ 1,409,455	13.00
1535	\$ 863,681	\$ 122,043	\$ 167,958	\$ 15,112	\$ 1,300	\$ 1,170,094	17.00
1610	\$ 1,688,520	\$ 455,023	\$ 266,246	\$ 32,626	\$ 164,768	\$ 2,607,183	25.00
	\$ 38,100,414	\$ 5,208,996	\$ 5,598,810	\$ 2,568,474	\$ 545,692	\$ 52,022,386	628.37

### Revenues: Summary by Account

Fund Code	432-XXX	434-XXX	435-XXX	437-XXX	438-538-XXX	Total Revenue	Net Appropriation
	Grants	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Intragov't Trans./Fed Funds		
1510	\$ 8,174,921	\$ 2,210,976	\$ 510	\$ 3,902	\$ 354,330	\$ 10,744,639	\$ 36,091,015
1530	\$ -	\$ -	\$ -	\$ -	\$ 1,409,455	\$ 1,409,455	\$ -
1535	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ 200	\$ 1,169,894
1610	\$ -	\$ -	\$ -	\$ 3,818	\$ 2,603,365	\$ 2,607,183	\$ -
	\$ 8,174,921	\$ 2,210,976	\$ 510	\$ 7,920	\$ 4,367,150	\$ 14,761,477	\$ 37,260,909

Detailed Adjustments to Base Budget	Major Programs	
- Adjustment for Retirement Expenditures: \$89,453	Forest Development Program	BRIDGE Program
- Adjustment for Rental/Leases: \$11,900 FY 2017-18, \$13,900 FY 2018-19	NC Forest Service State Fair Sites	Forest Protection
* Allowable increases for aircraft storage leases	Educational Forests	Forest Management
- Adjustment for Equipment: (\$3,000,000)	Claridge Nursery	Dare Bomb Range
* NR Funding for Firefighting aircraft	Jordan Lake Corp of Engineers	

Funds included in NC Forest Service			
1510	NC Forest Service	2175	NCFS – Claridge Nursery
1530	NCFS - Dare Bomb Range	2177	NCFS – Jordan Lake Corp of Engineers
1535	NCFS Young Offenders Program	2920	NCFS – Disaster Relief
1610	NCFS Federal Grants	2921	NCFS – Evans Road Fires
2173	NCFS – Weaver Grant	2600	Forest Development Program Primary Forest Tax - DOR
2174	NCFS - Bladen Lakes State Forest		

# State Fair

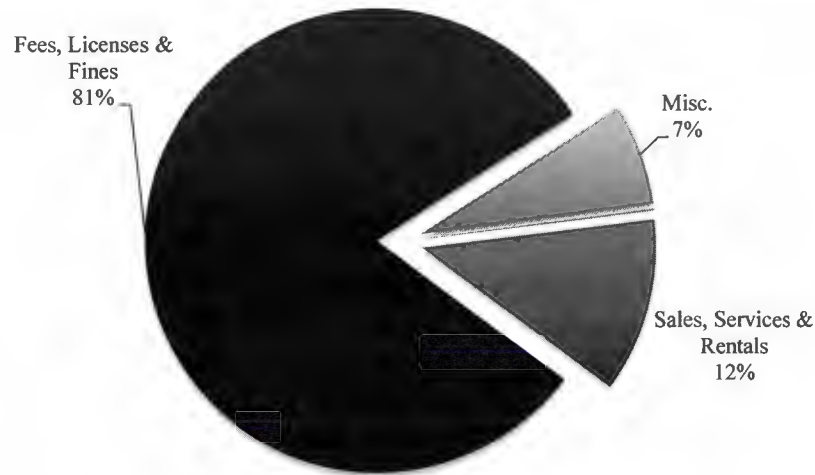
## Department of Agriculture and Consumer Services

Operates the State Fair in Raleigh

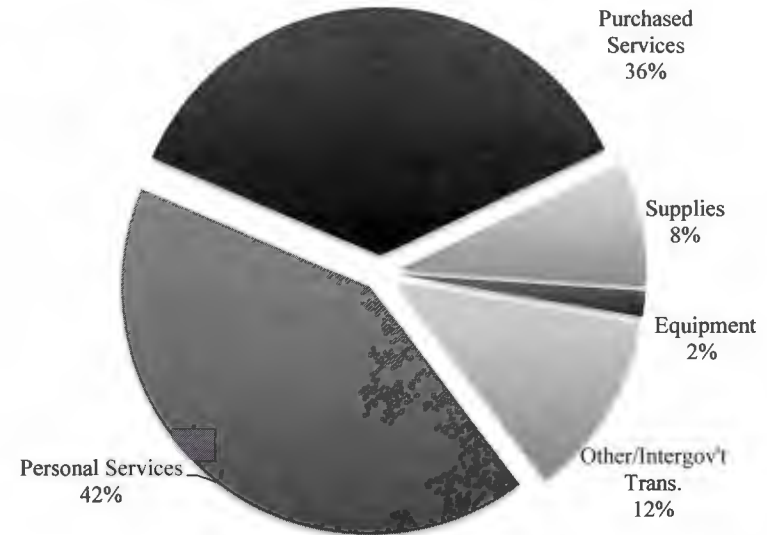
<i>Enterprise Funds</i>							
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 15,406,959	\$ 18,149,198	\$ 15,486,439	\$ -	\$ 15,486,439	\$ -	\$ 15,486,439
<b>Receipts</b>	\$ 16,581,745	\$ 16,823,333	\$ 15,501,192	\$ -	\$ 15,501,192	\$ -	\$ 15,501,192
<b>Change in Fund Balance</b>	\$ 1,174,785	\$ (1,325,865)	\$ 14,753	\$ -	\$ 14,753	\$ -	\$ 14,753
<b>Positions</b>	74.00	87.00	87.00	0.00	87.00	0.00	87.00

### FY 2017-18 Base Budget

**Source of Funds**



**Expenditure of Funds**





### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	533-XXX	534-XXX	535-538-XXX	Total Expenditure	FTE
	Personal Services	Purchased Services	Supplies	Equipment	Other/Intergov't Trans.		
53750-5110	\$ 4,440,486	\$ 2,063,614	\$ 648,697	\$ 206,391	\$ 76,780	\$ 7,435,968	74.00
53750-5130	\$ 1,390,495	\$ 3,224,642	\$ 495,550	\$ 32,840	\$ 1,501,550	\$ 6,645,077	-
53750-5150	\$ 637,466	\$ 362,908	\$ 109,400	\$ 16,304	\$ 6,640	\$ 1,132,718	13.00
53750-5190	\$ -	\$ -	\$ -	\$ -	\$ 272,676	\$ 272,676	-
	\$ 6,468,447	\$ 5,651,164	\$ 1,253,647	\$ 255,535	\$ 1,857,646	\$ 15,486,439	87.00

### Revenues: Summary by Account

Fund Code	434-XXX	435-XXX	437-XXX		538-XXX	Total Revenue	Change In Fund Balance
	Sales, Services & Rentals	Fees, Licenses & Fines	Misc.	Other	Intragov't Trans.		
53750-5110	\$ 4,226,396	\$ 41,456	\$ 15,500			\$ 4,283,352	\$ (3,152,616)
53750-5130	\$ 1,006,708	\$ 9,056,983	\$ 795,000	\$ -	\$ -	\$ 10,858,691	\$ 4,213,614
53750-5150	\$ 359,149	\$ -	\$ -	\$ -	\$ -	\$ 359,149	\$ (773,569)
53750-5190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (272,676)
	\$ 1,365,857	\$ 9,056,983	\$ 795,000	\$ -	\$ -	\$ 15,501,192	\$ (14,753)

### Detailed Adjustments to Base Budget

### Funds included in State Fair

53750-5110	State Fair Administration
53750-5130	Annual State Fair
53750-5150	State Fair Horse & Livestock Facility
53750-5190	State Fair Reserves & Transfers



**Joint Appropriations on Agriculture,  
Natural and Economic Resources**

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**March 9, 2017**

**Room 421 LOB**

**8:30 AM**

**Senate Sergeant at Arms**

**BECKY MYRICK**

**TERRY EDMONDSON**

**House Sergeant at Arms**

**Bill Bass**

**Mark Cone**

**Will Crocker**



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-09-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

LUKE STANELL	Jones Street Consulting
Ann Bussette	NCOA + CS
Catherine Stogner	NCOA + CS
N. David Smith	NKDA + CS
Jon Lanier	NCOA + CS
Lex Jones	DNCR
Jayne Martin	DNCR - Arts Council
Rob Lawrence	PLA
John Hand	MFS



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-09-17

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Shannon Creech	OSBM
Jennifer Haugwood	NCDOJ
Sarah Beth Kance	NCDOJ
Tom Cant	S-A
Andy Miller	DEQ
AC	WRC
Sarah Hardin	NCFL
Grady McClellan	NC Consultant NDL
Jillian Totman	MWCLLC
Henry M Lancaster <sup>®</sup>	LCA





**House Pages  
Assignments  
Thursday, March 09, 2017  
Session: 11:00 AM**

<b>Committee</b>	<b>Room</b>	<b>Time</b>	<b>Staff</b>	<b>Comments</b>	<b>Member</b>
Appropriations on General Government and Information Technology	425	8:30 AM	Rayquian Jones		Rep. Speaker Tim Moore
			Brian Ornelas		Rep. Speaker Tim Moore
Appropriations on Health and Human Services	643	8:30 AM	Christopher Irvin		Rep. Speaker Tim Moore
			Tyler Phillips		Rep. Mike Clampitt
Appropriations, Agriculture and Natural and Economic Resources	415	8:30 AM	Nikyah Bowers		Rep. Speaker Tim Moore
			Leonardo Tamburro		Rep. Gale Adcock
Appropriations, Agriculture and Natural and Economic Resources	421	8:30 AM	Dylan Gabard		Rep. Speaker Tim Moore
			Michael Lee		Rep. Speaker Tim Moore
Appropriations, Education	Other	8:30 AM	Kaleah Poole		Rep. Speaker Tim Moore
			Mahlaysia Thomas		Rep. Speaker Tim Moore



# Senate Pages Attending

COMMITTEE: Jt. App. Ag, N.E. Resources ROOM: 421

DATE: 3-9 TIME: 8:30

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!.....or else!!!!!!

Page Name	Hometown	Sponsoring Senator
1. Dajah Stelling	Durham	McKissick
2. Brandon Haynes	New London	McInnis
3.		
4.		
5.		
6.		
7.		
8.		

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



**Nancy Fox (Rep. Pat McElraft)**

---

**From:** Michael Wiggins (Rep. Jimmy Dixon)  
**Sent:** Thursday, March 09, 2017 12:22 PM  
**To:** Michael Wiggins (Rep. Jimmy Dixon)  
**Subject:** <NCGA> House Appropriations, Agriculture and Natural and Economic Resources  
Committee Meeting Notice for Tuesday, March 14, 2017 at 8:30 AM (Joint)  
**Attachments:** Add Meeting to Calendar\_LINC\_ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Tuesday, March 14, 2017  
**TIME:** 8:30 AM  
**LOCATION:** 421 LOB  
**COMMENTS:** Senator Gunn, Presiding  
**Topic:** Economic Development, Commerce State -aid

Respectfully,

Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:20 PM on Thursday, March 09, 2017.

\_\_\_ Principal Clerk  
\_\_\_ Reading Clerk – House Chamber

Michael Wiggins (Committee Assistant)



# **Joint Appropriations Meeting of House and Senate Committees on Agriculture and Natural and Economic Resources**

## **Agenda**

**Tuesday, March 14, 2017, 8:30 A.M.  
Room 421, Legislative Office Building**

**Sen. Gunn, Presiding**

**1. Welcome and Opening Comments**

**2. Department of Commerce Overview**

William Childs, Fiscal Research Division

**3. Economic Development Partnership of North Carolina**

Christopher Chung, Chief Executive Officer

**4. Adjourn**

**Notes:**

- Follow-up Items from Feb 28, 2017 posted online and provided in handouts
- Tomorrow (3/15) ANER Appropriations will be held in Rm 544 at 8:30 am

---

**House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

---

**Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton,





**Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources**  
**Tuesday, March 14, 2017 at 8:30 AM**  
**Room 421 of the Legislative Office Building**

**MINUTES**

The Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources met at 8:30 AM on March 14, 2017 in Room 421 of the Legislative Office Building. 6 members of the Senate were present and Co-Chairman Representative Jimmy Dixon, Co-Chairman Representative Kyle Hall, Co-Chairman Representative Pat McElraft, Co-Chairman Representative Stephen Ross, Representative John Ager, Representative Andy Dulin, Representative Bobbie Richardson, and Representative Michael Wray.

Senator Rick Gunn, Chair, presided.

Senator Gunn called the meeting to order and recognized the Sergeant-At-Arms as Hal Roach and Tom Burroughs from the Senate and Bill Bass, Mark Cone, and Will Crocker from the House. Serving as pages for the meeting were Emily Kornegay and Hannah Lewis from the House and Kevin Li, Taylor Redman, and Ashleigh Perkins from the Senate. Senator Gunn introduced William Childs from the Fiscal Research Division.

Presentation 1 – Department of Commerce Overview– William Childs, Fiscal Research Division, (Attachment 1)

William Childs began his presentation by providing an overview of the Department of Commerce, along with its organizational structure and budget history. Mr. Childs explained the operational divisions for the Department include Administration, Management Information Systems, Commerce Graphics, Labor and Economic Analysis Division, Travel Inquiry/Welcome Centers, Office of Science, Technology, and Innovation, Commerce Finance Center, and Rural Economic Development Division/Community Assistance. The non-general fund areas of the Department include Division of Employment Security, Division of Workforce Solutions, Wanchese Seafood Park, Pilotage Commissions – Morehead City and Cape Fear, and Boards and Commissions. He ended the presentation with discussion of the base budget and function of each division along with the NC Industrial Commission. Mr. Childs' presentation (Attachment 1) is attached at the end of these minutes.

Senator Gunn opened the floor for committee questions. After a brief discussion from members of the committee and questions of staff, Senator Gunn introduced Chris Chung, Chief Executive Officer of the Economic Development Partnership of North Carolina, for the next presentation.

Presentation 2 – EDPNC Overview – Chris Chung, CEO, EDPNC, (Attachment 2)

Chris Chung began his presentation introducing two board members of the EDPNC, Dave Craven and Tom Looney. Mr. Chung explained that the mission of the EDPNC is to advance NC's economic interests through job creation and capital investment with five strategies: new business recruitment, existing business expansion, international trade, small business formation



and tourism promotion. He then provided an overview of the EDPNC relationship with the Department of Commerce, along with the EDPNC's performance and upcoming initiatives and goals. Mr. Chung's presentation (Attachment 2) is attached at the end of these minutes.

Senator Gunn asked for any questions from the committee and from the audience. After brief discussion, Senator Gunn adjourned the meeting.

The meeting adjourned at 9:54 AM.



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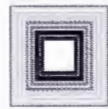
Senator Rick Gunn, Chair  
Presiding



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Karen Johns, Committee Clerk





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## The Department of Commerce



77 Notting Careysville  
**NORTH CAROLINA**

William Childs  
March 14, 2017

## Outline

- Commerce Overview
  - Organizational Structure
  - Budget History
- Division Summaries
  - Base Budget
  - Function



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## Base Budget, FY 2017-19 Biennium

General Fund Budget Code: 14600

	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
Expenditures	\$ 127,596,045	\$ 102,687,737	\$ 221,751,203	\$ (24,244,353)	\$ 197,506,855	\$ (24,244,353)	\$ 197,506,855
Less Receipts	\$ 59,650,626	\$ 45,206,135	\$ 63,090,767	\$ 1,157	\$ 63,091,924	\$ -	\$ 63,091,924
Net Approp.	\$ 67,745,219	\$ 57,691,602	\$ 158,660,441	\$ (24,245,510)	\$ 134,414,931	\$ (24,244,353)	\$ 134,414,931
Positions	420.75	340.25	332.50	0.00	332.50	0.00	332.50

Expenditures: \$197.5 M

Less Receipts: \$ 63.1 M

Net Appropriation: \$134.4 M

Reductions: (\$24.2 M net appropriation)

No FTE changes

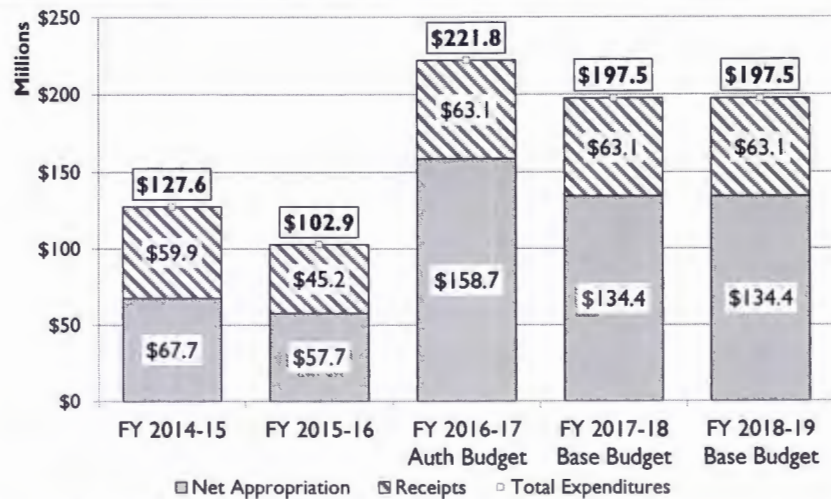
## Base Budget Adjustments

- Retirement, Salaries & Benefits, Indirect Overhead Costs: \$48K
- One NC Fund: \$418K
- JDIG Fund: \$10.0M
- Disaster Relief: (\$10.25M)
- One NC Small Business Funding: (\$3.0M)
- Domestic and International Advertising: (\$3.75M)
- Tourism Advertising: (\$1.0M)
- Additional Reserves and Grants: (\$12.8M)
- International Recruiting Coordination Office: (\$750K)
- EDPNC Funding: (\$274K)
- Apprenticeship Program: (\$500K)



*operations  
Common Stable*

## 5 Year Expenditure History



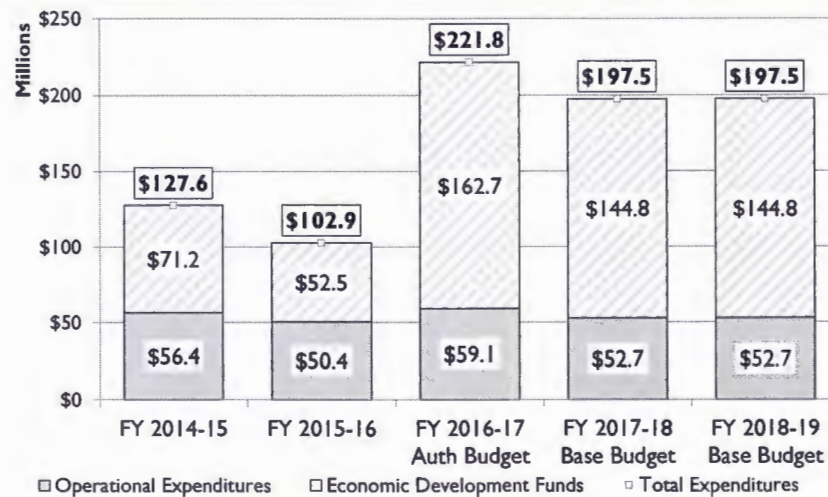
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## 5 Year Expenditure History



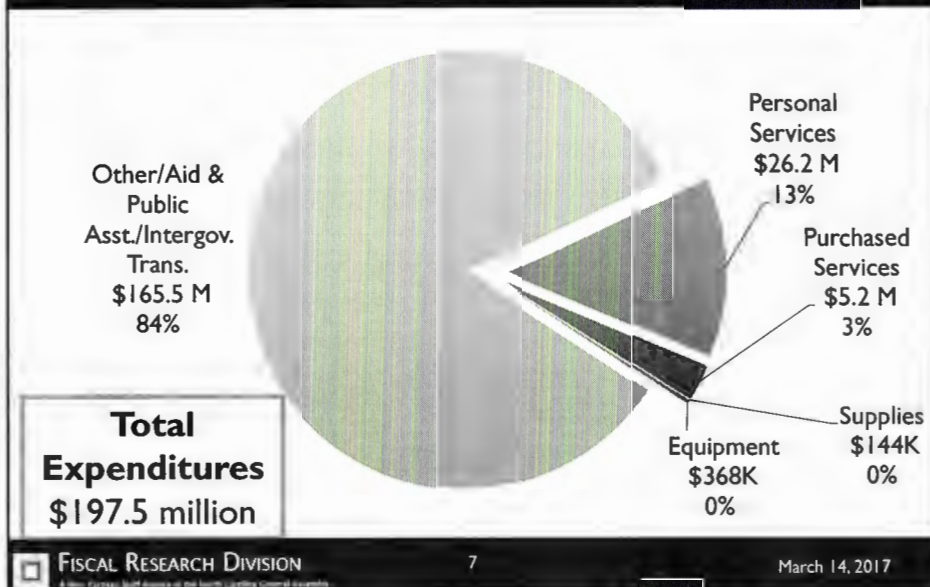
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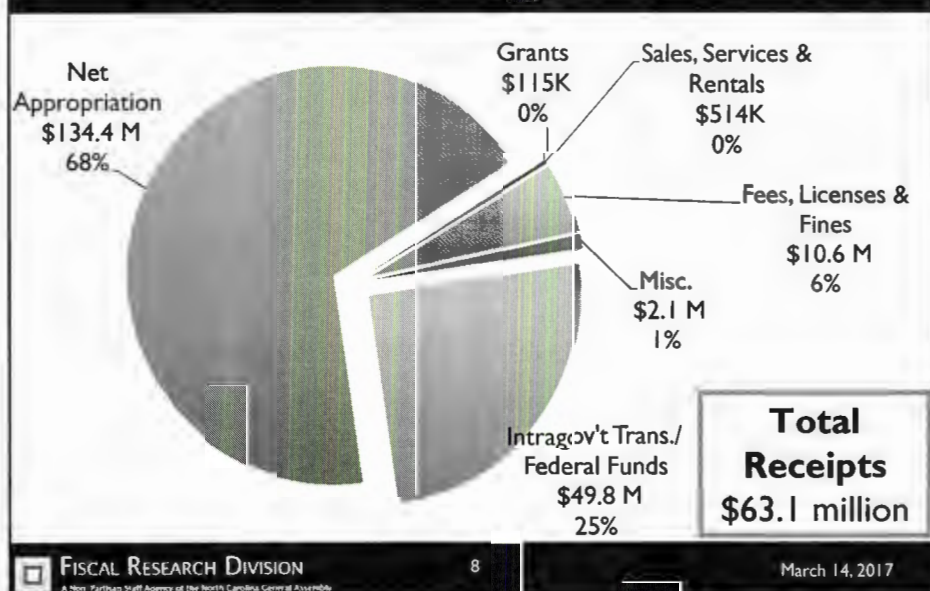
6

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## Base Budget Expenditures, FY 2017-18



## Source of Funds, FY 2017-18



## Commerce Fund Codes: 14600

- 1111 Administration
- 1113 Office of Science, Technology & Innovation
- 1114 Economic Development Partnership of NC, Inc.
- 1120 Management Information Systems (MIS)
- 1130 Labor and Economic Analysis Division (LEAD)
- ~~1477 NC BRIM Operating~~
- 1520 Commerce Graphics
- ~~1531 Business and Industry Development~~
- ~~1532 NC Business Service Center~~
- 1534 Rural Economic Development Division
- ~~1541 International Trade Division~~



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## Commerce Fund Codes: 14600

- 1551 Travel Inquiry
- 1552 Welcome Centers
- ~~1561 Wanchese Marine Industrial Park~~
- 1581 Industrial Finance Center
- 1620 Community Assistance
- 1631 Community Development Block Grants (CDBG)
- 1632 Community Assistance - NSP
- 1831 Industrial Commission Administration
- 1912 Reserves and Transfers



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## Commerce Operational Divisions

Administration (1111 and 1912)  
 Management Information Systems (MIS) (1120)  
 Commerce Graphics (1520)  
 Labor and Economic Analysis Division (LEAD) (1130)  
 Travel Inquiry/Welcome Centers (1551 and 1552)  
 Office of Science, Technology & Innovation (1113)  
 Commerce Finance Center (1511)  
 Rural Economic Development Division/Community Assistance  
 (1534, 1520, 1512, 1513, 1534)



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## Commerce Non-GF Areas

Division of Employment Security  
 Division of Workforce Solutions  
 Wanchese Seafood Park  
 Pilotage Commissions – Morehead City and Cape Fear  
 Boards & Commissions:

- Utilities Commission & Public Staff
- Rural Electrification Authority
- State Banking Commission
- Credit Union Division
- Lottery Commission



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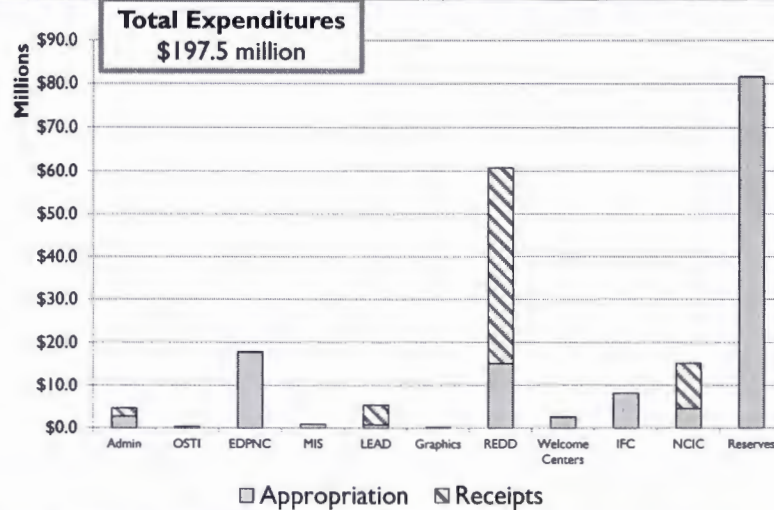
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## Expenditures By Division, FY 2017-18



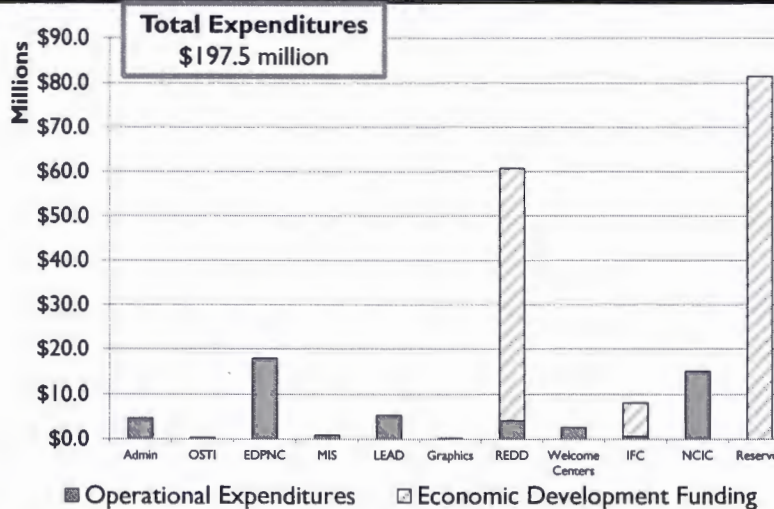
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## Expenditures By Division, FY 2017-18



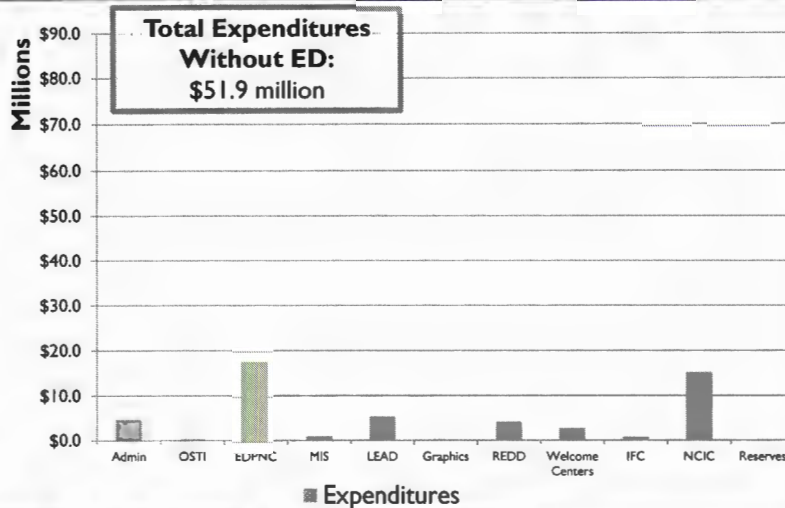
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## Expenditures By Division – ED Funding Removed, FY 2017-18

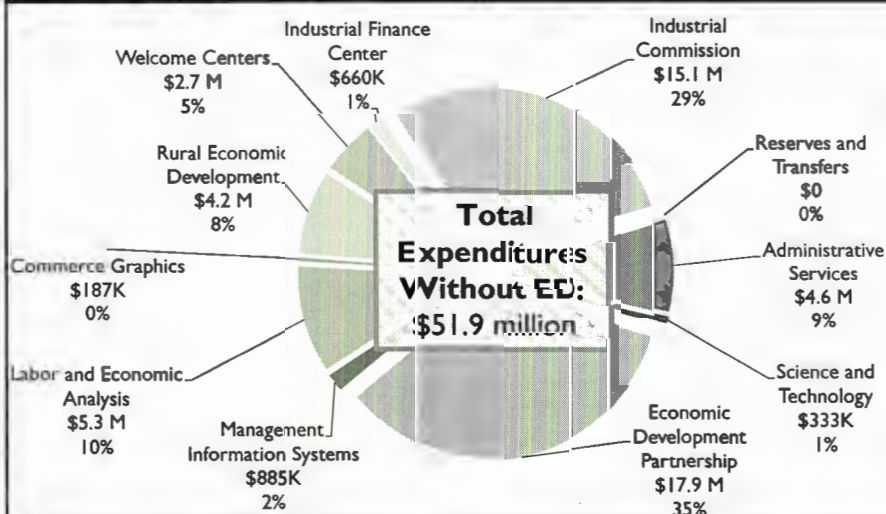


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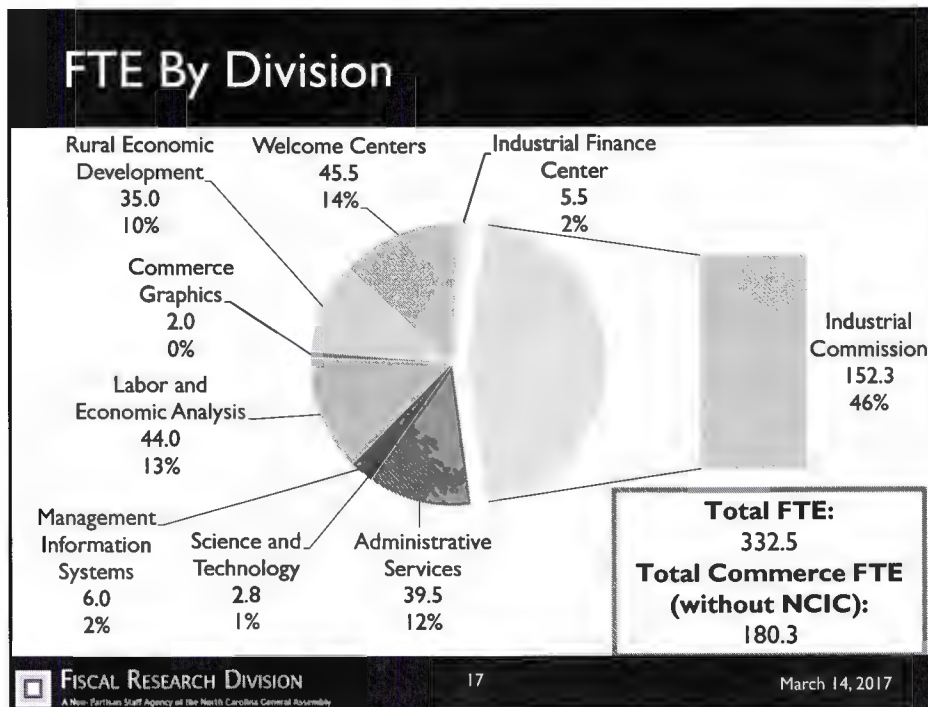
## Expenditures By Division – ED Funds Removed, FY 2017-18



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## Commerce Takeaways

- Funding for Commerce Operations is stable – in FY 2017-18:
  - Operations: 27% - \$52.7M
  - Economic Development Funds: 73% - \$144.8M
- Recent Innovations:
  - Rural Economic Development Division
  - Economic Development Partnership of NC
  - International Recruiting Coordination Office

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## Administration

- Executive Management
- Human Resources
- Legal
- Legislative Affairs
- Budget/Finance
- Procurement/Contracting
- International Recruiting Coordination Office

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 4.6
Receipts	\$ 1.9
Appropriation	\$ 2.7
Positions	39.5

## Administration-Reserves

- \$71.7 M for Job Development Investment Grants (JDIG)
- \$9.0 M for One NC Fund
- \$850K for Apprenticeship Program under the Division of Workforce Solutions
- 100% to be transferred to special funds

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 81.6
Receipts	\$ -
Appropriation	\$ 81.6
Positions	-

## Management Information Systems

- IT
- Web Management



IN CS, IT CAN BE HARD TO EXPLAIN THE DIFFERENCE BETWEEN THE EASY AND THE VIRTUALLY IMPOSSIBLE.

### FY 2017-18 GF Base Budget (in millions)

Expenditures	\$ 0.8
Receipts	\$ -
Appropriation	\$ 0.8
Positions	6.0



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## Commerce Graphics

- Printing
- Illustration
- Design



### FY 2017-18 GF Base Budget (in millions)

Expenditures	\$ 0.2
Receipts	\$ 0.1
Appropriation	\$ 0.1
Positions	2.0



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## Labor and Economic Analysis Division

- Administers and collects data
- Conducts research
- Analyses, reports, and disseminates information on:
  - the state's economy
  - labor force
  - educational issues
  - workforce-related issues

### FY 2017-18 GF Base Budget (in millions)

Expenditures	\$ 5.3
Receipts	\$ 4.6
Appropriation	\$ 0.7
Positions	44.0

LABOR & ECONOMIC  
ANALYSIS DIVISION



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## Notable LEAD Responsibilities

- Tier Rankings
- Collection of NC Employment Statistics for the Bureau of Labor Statistics
- Statistical databases:
  - Common Follow-Up System (CFS)
  - AccessNC database (in partnership with EDPNC)
  - Demand Driven Data Delivery System (D4)



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## Welcome Centers/Travel Inquiry

- 9 Welcome Centers



FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 2.7
Receipts	\$ 0.1
Appropriation	\$ 2.6
Positions	45.5

- 3 FTE in Travel Inquiry

## Welcome Centers

- Distribute Official NC Travel Guide, official state map, and other marketing publications
- Offer travel information
- Book room reservations for visitors staying overnight in NC
- Open 8 - 5 daily
- Closed on New Year's Day, Thanksgiving Day, Christmas Eve, and Christmas Day

## Office of Science, Technology & Innovation

- Administers the One NC Small Business Grant Program
- Staffs the N.C. Board of Science, Technology & Innovation
- Reports on innovation and strategy

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 0.3
Receipts	\$ -
Appropriation	\$ 0.3
Positions	2.8

## Commerce Finance Center

- Base Budget includes \$7.5 M for Job Maintenance and Capital Development Fund
- Manages benchmarks and disbursements of statewide incentive awards

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 8.2
Receipts	\$ -
Appropriation	\$ 8.2
Positions	5.5

## Commerce Finance Center

### Incentive programs managed:

- JDIG
- One North Carolina Fund
- JMAC
- Expanded Gas Products Service to Agriculture Fund (Ag-Gas)
- Film and Entertainment Grant Fund
- Industrial Development Fund – Utility Account (in connection with Rural Economic Development Division)



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## Rural Economic Development Division

- Base Budget includes ED funds:
  - \$43.6M for CDBG (NCGA decides how much transferred to DEQ for water infrastructure grants)
  - \$1.9M from Neighborhood Stabilization Program
  - \$12.2M for Rural Infrastructure Grants

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 60.7
Receipts	\$ 45.7
Appropriation	\$ 15.1
Positions	35.0



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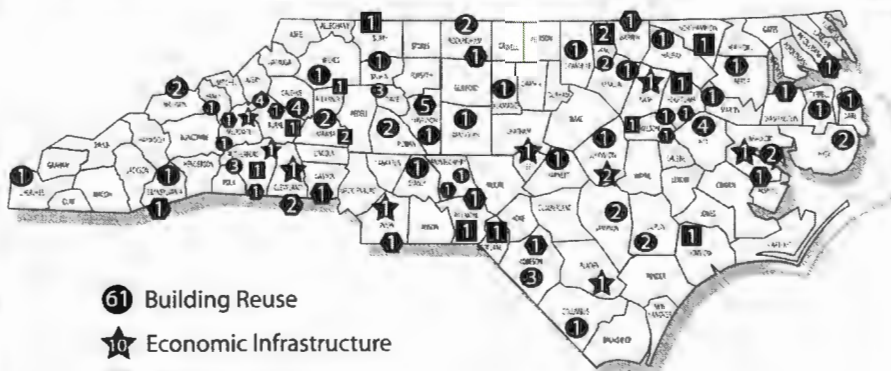
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## Rural Economic Development Division

- Created in the 2013 Appropriations Act
- Also created the Rural Infrastructure Authority (RIA) to award REDD grants
- Grants administered include:
  - Rural Infrastructure Grants (previously The Rural Center)
    - Building Reuse
    - Economic Infrastructure
  - Industrial Development Fund Utility Account
  - Community Development Block Grant-Economic Development (Previous Division of Community Assistance in Commerce)

## RIA Awards, FY 2015-16





## Rural Economic Development Division

### Also Oversees:

- NC Main Street Center
- Appalachian Regional Commission NC Program
- Economic Advancement and Planning
  - Asheville Regional Office
  - Washington Regional Office
  - Winston-Salem Regional Office



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## Rural Economic Development Division

### Other Programs:

- Broughton Hospital (\$500K NR)
- Downtown Revitalization Grants (\$5.7M NR in FY 2016-17)
- Commerce Fellows (\$750K from deobligated CDBG)
- NC Broadband Funding (\$500K NR and \$1.25M from deobligated CDBG)



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## Economic Development Partnership of North Carolina (EDPNC)

- 2014: NCGA authorized Commerce to contract with nonprofit for certain functions
  - S.L. 2014-18, NC Econ. Dev. Partnership Modifications
- October 6, 2014: Commerce signed five-year contract with the Economic Development Partnership of NC

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 17.8
Receipts	\$ 0.1
Appropriation	\$ 17.7
Positions	-

## EDPNC Function

EDPNC took over Commerce functions for:

- Tourism, Film, & Sports Development
- Business & Industry Development
- International Trade
- Marketing & Customer Service
- Business Link North Carolina (BLNC)

## EDPNC Functions

Replaces (in FY 2013-14 funds):

- Tourism, Film & Sports Development: \$10.5M
- Business & Industry: \$3.9M
- International Trade Division: \$2.1M
- Marketing: \$2.5M
  - Commerce retained 3 FTE/\$300K and \$1.5 M for branding
- NC Business Services Center: \$300K

**Total: \$17.5 M**



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## EDPNC Fundraising

Fundraising Requirements:

- \$250K prior to entering contract
- \$750K in first year
- \$1.25 M every year after
- EDPNC considers each year to run from date of contract in October
- Fundraising goals met Oct 2014-Oct 2015 (first year) and Oct 2015-Oct 2016 (second year)



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## EDPNC Business Recruitment

For business recruitment:	FY 2013-14 (Commerce)	FY 2014-15 (EDPNC)	FY 2015-16 (EDPNC)
Number of jobs announced by the Department in total.	14,369	14,812	14,806
Number of jobs announced resulting from recruitment of new businesses.	5,589	7,690	6,506
Number of jobs announced resulting from existing business expansions.	8,780	7,122	8,300
Total U.S. dollar amount of investment resulting from new projects.	\$2,794,056,182	\$2,388,677,254	\$4,245,981,339
Total U.S. dollar amount of investment resulting from recruitment of new businesses.	\$1,318,206,500	\$1,416,231,254	\$1,646,968,114
Total U.S. dollar amount of investment resulting from existing business expansions.	\$1,475,849,682	\$972,445,970	\$2,599,013,255
Total U.S. dollar amount of foreign direct investment.	\$1,383,621,000	\$564,189,254	\$2,662,836,932
Number of business inquiries for business relocation, investment, and expansion.	193,799	185,080	159,318

Source: NC Department of Commerce



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## EDPNC Business Services

For business services:	FY 2013-14 (Commerce)	FY 2014-15 (EDPNC)	FY 2015-16 (EDPNC)
Number of existing businesses receiving support.	717	672	927
Number of Business Services Team leads that lead to an expansion of existing businesses.	5	5	42
Number of businesses receiving export assistance.	435	394	522
Total U.S. dollar amount of exports by assisted companies.	\$888,978,612	\$704,412,525	\$806,945,920

Source: NC Department of Commerce



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## EDPNC Tourism

For tourism and marketing:	FY 2013-14 (Commerce)	FY 2014-15 (EDPNC)	FY 2015-16 (EDPNC)
Number of consumer inquiries about travel to North Carolina.	4,532,007	5,665,186	6,439,648
Total U.S. dollar amount of spending by visitors while in North Carolina.	\$20,218,576,548	\$21,323,016,842	\$21,961,209,798
Total U.S. dollar amount of State and local tax revenues resulting from visitors' spending while in North Carolina.	\$1,614,503,922	\$1,688,268,444	\$1,786,379,678

Source: NC Department of Commerce



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## International Recruiting Coordination Office

### 42 International Recruiting Coordination Office

Fund Code: 1111

\$250,000 R  
\$750,000 NR  
2.00

Provides funds to be used for the new International Recruiting Coordination Office within the Department of Commerce as set out in new G.S. 143B-432.1. Recurring funds are provided to hire up to 2 full-time employees to fulfill the duties of the Office and nonrecurring funds are provided for entertainment, hosting, screening, and gift-procurement expenses of the Office. The revised net appropriation to the Administrative Services Division is \$2.9 million.

- Established in Commerce Administration
- Coordination with EDPNC for hosting international delegations
- Nonrecurring funds not included in base budget



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## Recent NCGA Actions – Commerce Operations

### FY 2015-16

- Management Flex Cut – (\$257K NR)
- Various Personnel Reductions – (\$500K R)

### EDPNC:

- Contract Reduction – (\$500K R)
- Tourism Advertising – \$1.0M R

### Commerce Graphics:

- Comprehensive Branding – (\$1.5M R)

## Recent NCGA Actions – Economic Development Funding

### FY 2015-16

- JMAC – \$6.9M R
- One NC Small Business – \$2.25M NR
- Rural Underserved/Limited Resources – (\$1.25M R)
- Rural Grants – \$2.2M NR
- Main Street Solutions – \$2.0M NR



## Recent NCGA Actions – Commerce Operations

### FY 2016-17

- Salary Reserve – (\$93K R)
- General Operating Funds – \$600K R
- IRCO – \$250K R and \$750K NR

### EDPNC:

- Food Manufacturing Task Force – \$78K R
- Tourism Advertising – \$2.0 M R (2015 budget) and \$1.0M NR
- Contract Funding – (\$339K R) and \$274K NR



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## Recent NCGA Actions – Commerce Operations

### FY 2016-17

### Commerce Graphics:

- Domestic & International Advertising – \$3.75M NR

### Rural Economic Development:

- Community Planners – \$336K R

### Workforce Solutions:

- Apprenticeship Program – \$500K NR



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## Recent NCGA Actions – Economic Development Funding

### FY 2016-17

- JMAC – \$7.5M R (2015 budget)
- One NC Small Business – \$3.0M NR (2015 budget)
- Rural Grants – \$2.25M NR (2015 budget)
- Regional Wastewater Project – \$6.0M NR
- Regional Food Commercialization Center – \$100K NR
- Broughton Hospital – \$500K NR
- Downtown Revitalization Grants – \$5.7M NR
- Broadband Infrastructure – \$500K NR



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## NC Industrial Commission

- Independent, quasi-judicial commission housed under Commerce umbrella
- Created in 1929 to administer the North Carolina Workers' Compensation Act
- In 1949 the NCGA added the Tort Claims Act

FY 2017-18 GF Base Budget (in millions)	
Expenditures	\$ 13.1
Receipts	\$ 10.6
Appropriation	\$ 4.5
Positions	152.25



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## NC Industrial Commission

### Other charges:

- Law Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Act
- Childhood Vaccine-Related Injury Compensation Program
- Compensation to Persons Erroneously Convicted of Felonies.



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## NC Industrial Commission

- Six Commissioners
- Five Regional Offices - Asheville, Charlotte, Elizabethtown, Greenville, and Winston-Salem
- Clerk's Office – new in Feb 2016
- 29 Deputy Commissioner FTE



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## NC Industrial Commission Sections

- Claims Administration
- Compliance and Fraud Investigation
- Deputy Commissioners
- Employee Classification
- Information Technology
- Mediation
- Medical Fees
- Medical Rehabilitation Nurses
- Safety Education



## Recent NCGA Actions – Industrial Commission

### **FY 2015-16**

- Overrealized Receipts – (\$375K R)
- Shift Positions To Receipt Support – (\$376K R)
- Additional IT Positions – \$297K R

### **FY 2016-17**

- No changes



## Commerce Non-GF Areas

Division of Employment Security – Thursday

Division of Workforce Solutions – Wed, 3/22

Wanchese Seafood Park

Pilotage Commissions – Morehead City and Cape Fear

Boards & Commissions (Thursday):

- Utilities Commission & Public Staff
- Rural Electrification Authority
- State Banking Commission
- Credit Union Division
- Lottery Commission



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## Wanchese Seafood Industrial Park

- Formerly in General Fund
- Base budget of \$380,727, all receipt-supported
- 2 FTE



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## Pilotage Commissions

- License river pilots to guide vessels in Wilmington and Morehead City
- Special funds to collect fees, pay board members, and transfer remainder to the commission
- Cape Fear: \$6,000
- Morehead City: \$11,000



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## Commerce Takeaways

- Commerce Operations: 27% of FY 2017-18 funding
- The remaining 73% are Economic Development Funds
- Recent innovations have changed Commerce structure
  - Rural Economic Development Division
    - Centralized rural grant programs from within the department and nonprofits that formerly received grants-in-aid
  - Economic Development Partnership of NC
    - Privatized five functions formerly performed by Commerce
  - International Recruiting Coordination Office
    - Has NR funds for certain operations



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## Questions?



*"All work and no play makes you a valued employee."*



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## **EDPNC Overview & Outlook**

*Joint Meeting of House & Senate  
Appropriations on ANER*

Tom Looney  
Dave Craven  
Chris Chung

Board Member, EDPNC  
Board Member, EDPNC  
CEO, EDPNC



# | Agenda

- 1** | About EDPNC
- 2** | Our relationship with the Department of Commerce
- 3** | Our performance / major initiatives and projects
- 4** | 2017 goals and initiatives
- 5** | Questions
- 6** | Appendix





# About EDPNC

Our mission is to advance North Carolina's economic interests through job creation and capital investment driven by new business recruitment, existing business expansion, international trade, small business formation, and tourism promotion.

# Our Team

## Cary, NC HQ



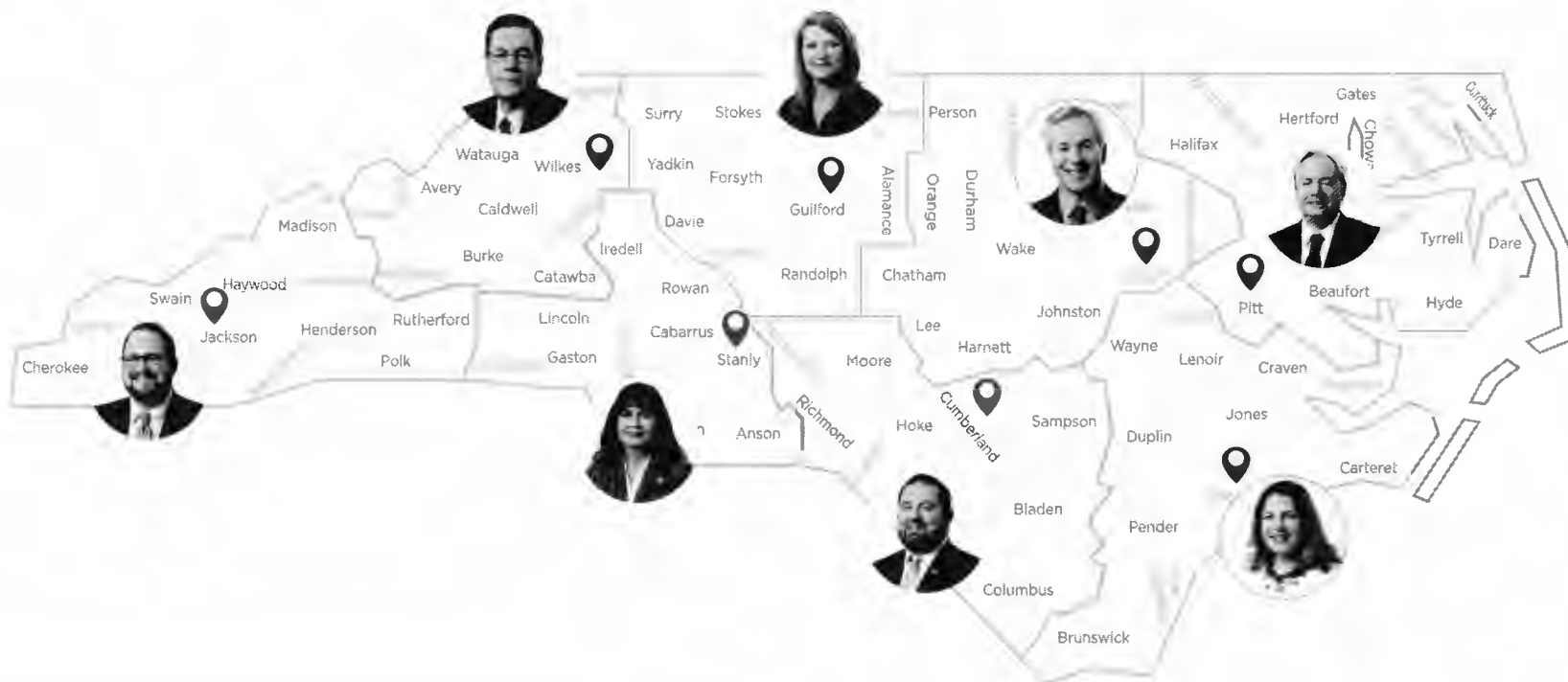
Economic Development Partnership of North Carolina

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## Our Team

### Regional Industry Managers



# Our Team

## International Offices



# | Our Focus Areas



Business  
Recruitment



Existing Industry  
Support



International  
Trade



Small Business  
Support



Tourism



# Our Relationship with NC Commerce & The Business Recruitment Process

	Before	During	After
EDPNC	<ul style="list-style-type: none"> <li>• Marketing</li> <li>• Public relations</li> <li>• Business Development</li> </ul>	<ul style="list-style-type: none"> <li>• Manage the site selection process</li> <li>• Pitch client on benefits of N.C.</li> <li>• Host site visits</li> <li>• Coordinating with DOC and state &amp; local partners</li> </ul>	<ul style="list-style-type: none"> <li>• Regional industry team follow-up (aftercare)</li> <li>• Market success story to other prospective clients</li> </ul>
NC DEPT. OF COMMERCE	<ul style="list-style-type: none"> <li>• Site and infrastructure development</li> <li>• Workforce development</li> </ul>	<div> <ul style="list-style-type: none"> <li>• Incentive considerations and proposals</li> <li>• Meetings, calls and letters of support from Sec. of Commerce &amp; Governor</li> </ul> </div>	<ul style="list-style-type: none"> <li>• Announcement</li> <li>• On-going program administration</li> <li>• Performance evaluation</li> <li>• Incentives compliance</li> </ul>

Sales efforts?

# **Public-Private Partnership (PPP)**

## **Benefits of the Model**



### **Flexibility**

PPP model affords more flexibility, speed, and operational efficiency.



### **Continuity**

In both relationships and marketing message.



### **Resources**

Public funding is augmented by private sector investment, so the State gets more for the same level of investment.

# Public-Private Partnership (PPP)

## EDPNC Differentiators

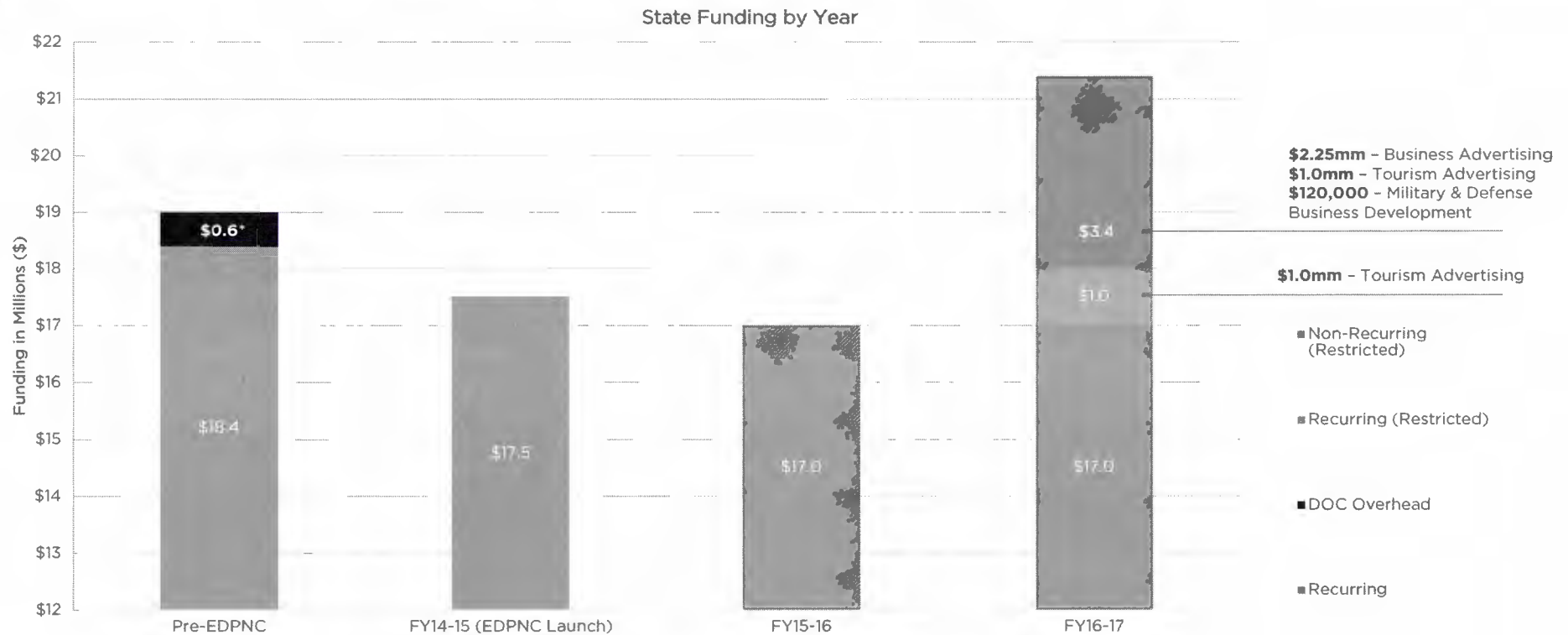
### Transparency

- Subject to public records laws, open meetings laws and the State Ethics Act
- EDPNC does not control incentives

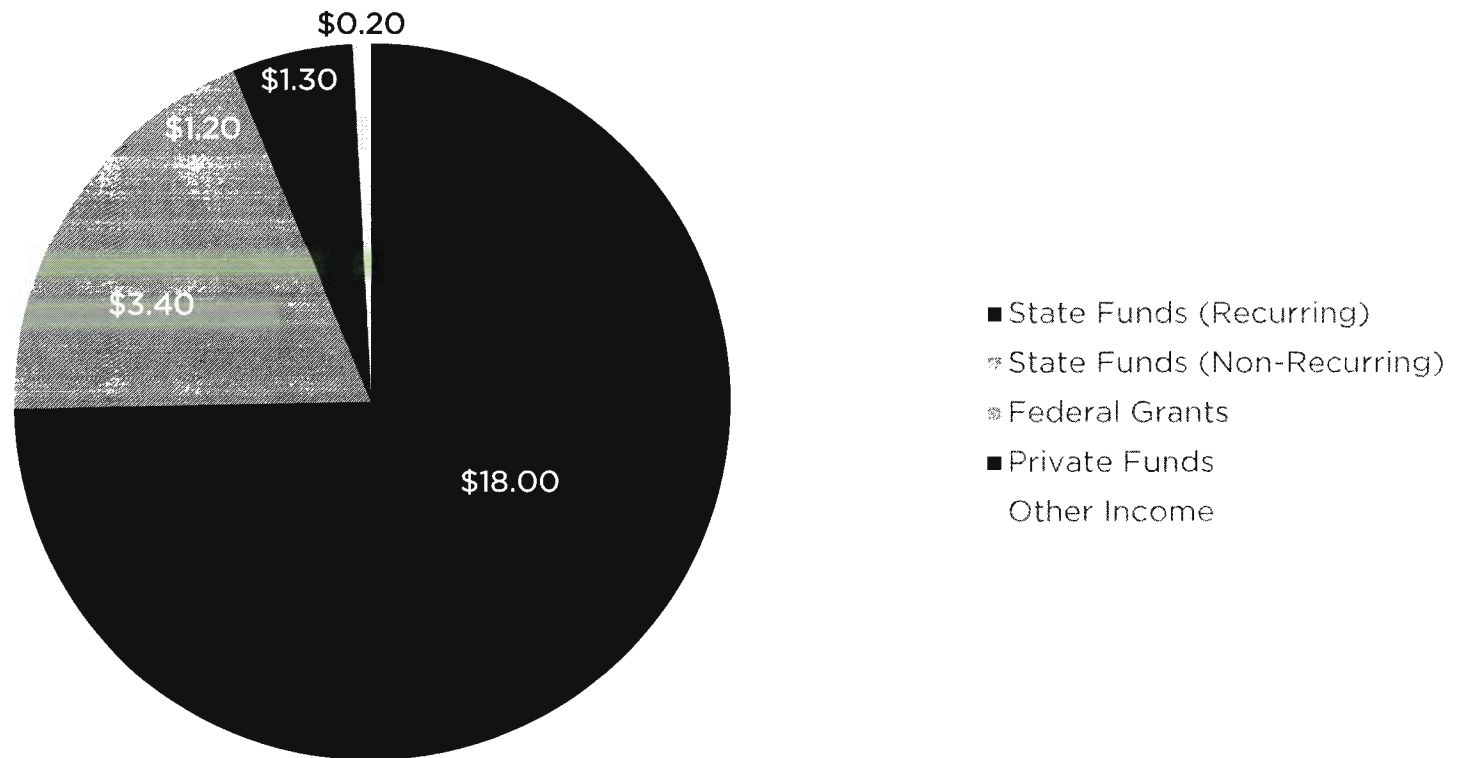
### Oversight

- **EDPNC Board of Directors:** Provides strategic direction and oversight; drives performance and accountability
  - 17-member board appointed by Governor, Speaker of the House, and Senate President Pro Tempore
- **Economic Development Accountability & Standards Committee (EDASC):** Monitors performance of contract between EDPNC and the Department of Commerce, and monitors compliance with applicable laws
  - Comprised of 4 cabinet secretaries + 3 legislative appointees
- **Economic Development Advisory Council (EDAC):** Created by EDPNC to gather local perspective and input on major marketing and business recruitment initiatives
  - 16-member group selected in partnership with the North Carolina Economic Developers Association
- **N.C. Travel and Tourism Board:** Advisory board on travel and tourism related matters
  - 19-member board comprised of Governor appointees, legislative appointees and industry representatives

# EDPNC Budget: State Funding



# FY16-17 Revenue (in Millions) by Source



# **FY16-17 Spending (in Millions) by Division**



# **FY16-17 Revenue (in Millions) by Category**





# Our Performance

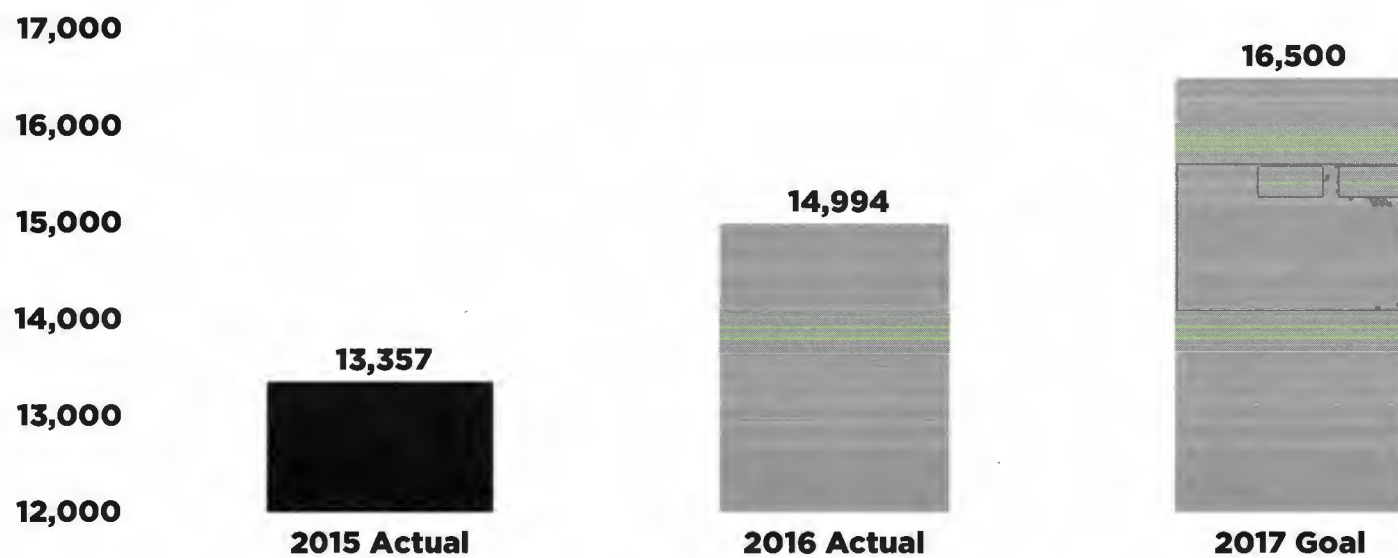
## 2015-Today

<b>BUSINESS RECRUITMENT</b>		<b>2015</b>	<b>2016 goal / actual</b>	<b>2017 goal</b>
Number of Jobs		<b>13,357</b>	14,610 / <b>14,994</b>	16,500
\$ Total Capital Invested		<b>\$3.3 Billion</b>	\$3B / <b>\$3.84 Billion</b>	\$3.5 Billion
# Tier 1 & 2 Projects		<b>60</b>	63 / <b>94</b>	90
<b>EXISTING INDUSTRY SUPPORT</b>				
# Companies Served		<b>906</b>	1,032 / <b>1,056</b>	1,014
% Supported Tier 1 & Tier 2 Counties		<b>61%</b>	60% / <b>63%</b>	60%
<b>INTERNATIONAL TRADE</b>				
# Companies Supported		<b>501</b>	526 / <b>558</b>	531
\$ Value of Exports		<b>\$739 Million</b>	\$790 M / <b>\$832 Million</b>	\$870 Million
<b>BLNC</b>				
# Cases Served		<b>17,746</b>	19,700 / <b>20,152</b>	20,700
% Cases in Tier 1 & Tier 2 Counties		<b>6,921</b>	7,880 / <b>6,650*</b>	8,820
<b>TOURISM</b>				
Visitor Spending		<b>\$21.9 Billion</b>	\$23.1 B / <b>TBD</b>	\$23.8 Billion

# Our Performance

## Business Recruitment

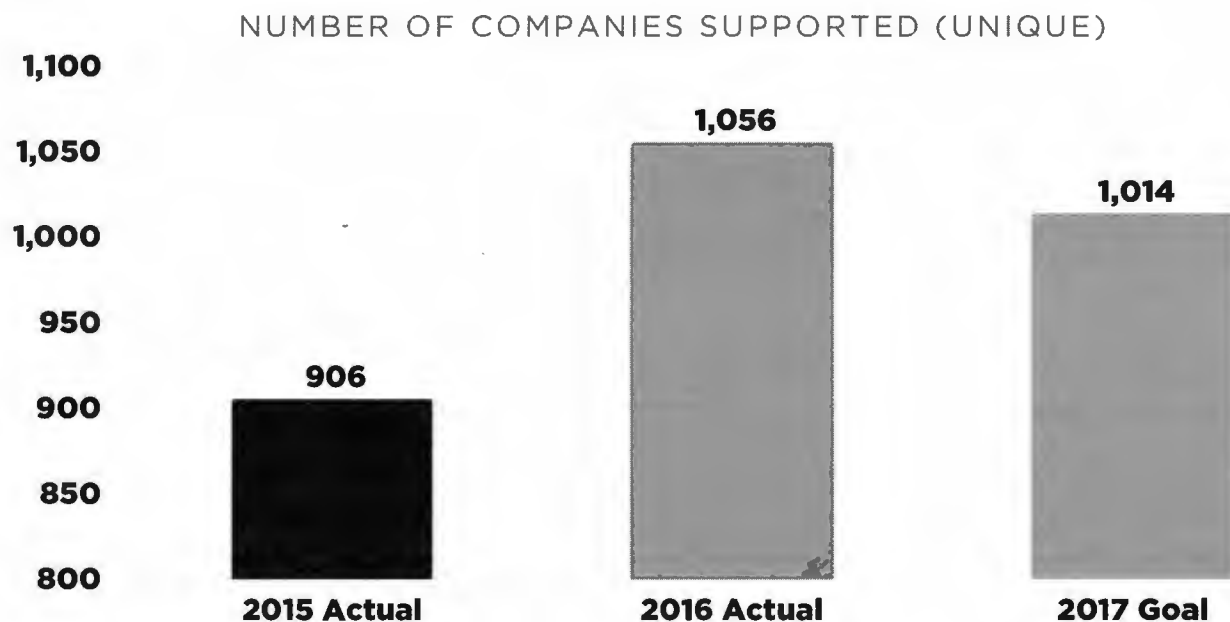
### JOBS ANNOUNCED



BUSINESS RECRUITMENT	2015 actual	2016 goal / actual	2017 goal
\$ Total Capital Invested	\$3.3 Billion	\$3B / \$3.84 Billion	\$3.5 Billion
# Tier 1 & 2 Projects	60	63 / 94	90

# Our Performance

## Existing Industry Support

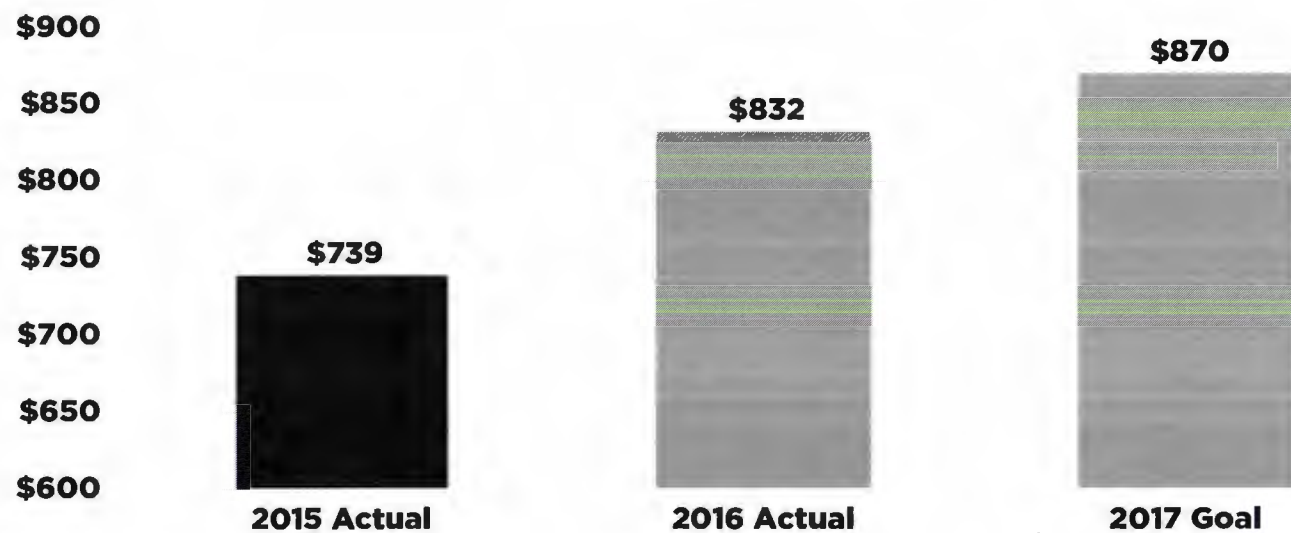


EXISTING INDUSTRY SUPPORT	2015 actual	2016 goal / actual	2017 goal
# Companies Served	906	1,032 / 1,056	1,014
% Supported Tier 1 & Tier 2 Counties	61%	60% / 63%	60%

# Our Performance

## International Trade

INCREMENTAL EXPORT SALES (IN MILLIONS)

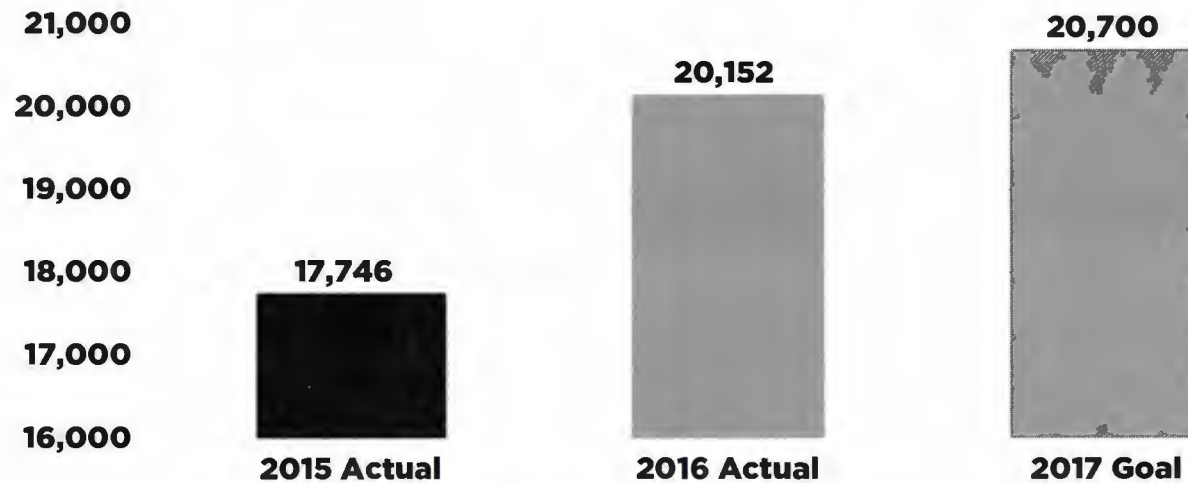


INTERNATIONAL TRADE	2015 actual	2016 goal / actual	2017 goal
# Companies Supported	501	526 / 558	531

# Our Performance

## Small Business Support

# OF BLNC CASES



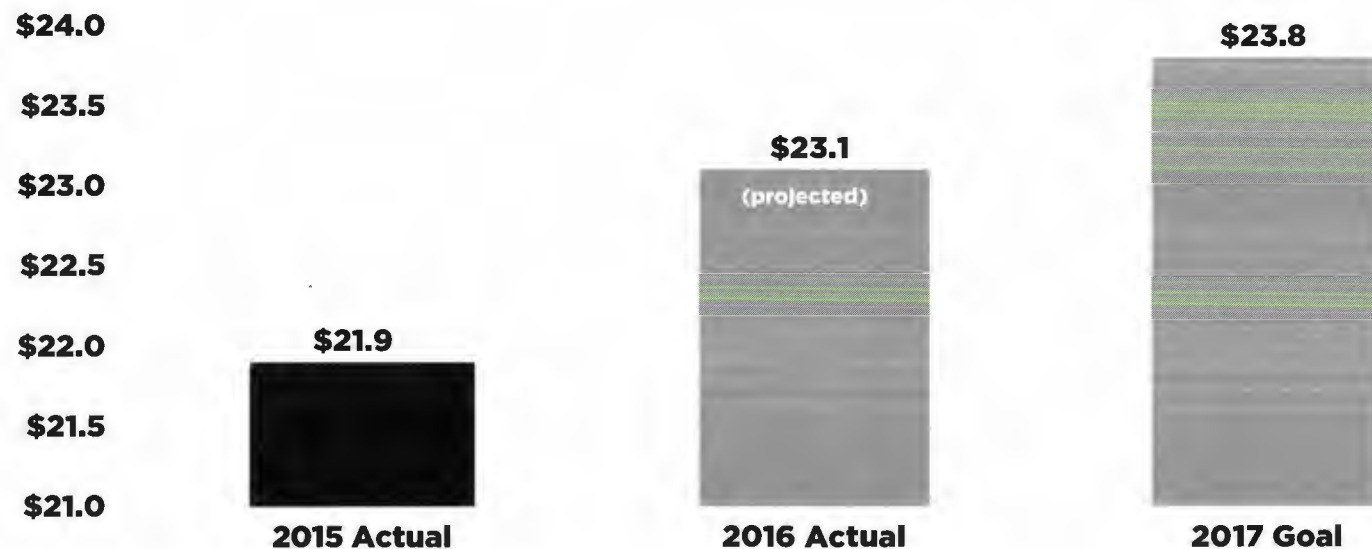
BLNC	2015 actual	2016 goal / actual	2017 goal
% Cases in Tier 1 & Tier 2 Counties	6,921	7,880 / 6,650*	8,820

\* Guilford County, a significant source of call volume, changed from Tier 2 (2015) to Tier 3 (2016).

# Our Performance

## Tourism

DOMESTIC VISITOR SPENDING (IN BILLIONS)



TOURISM	2015 actual	2016 goal / actual	2017 goal
Consumer travel inquiries (in millions)	6.5	7.1	7.46
Marketing partners in Tier 1 / Tier 2 Counties	93	98	98

# **2016 Major Initiatives**

## **Buildings & Sites Database Overhaul**

### **Challenge: Overhaul an unreliable, outdated database with a limited budget**

- DOC tasked EDPNC with overhauling the State's database (formerly AccessNC) without providing dedicated resources to develop, maintain and administer the new system

### **Outcome: Utilizing one-time investment by private sector partners, developed a new database with leading third-party technology**

- The new system features a user-friendly navigation, improved data quality, seamless integration with demographic and other community data, and a clear call-to-action

### **Benefits to local partners: a consistent platform to market available properties**

- Local economic development partners at the city, county and regional level have access to geographically customized versions of the database for hosting on their own websites
- Provides consistency in look and feel at the state, regional and local level
- Local partners input data once and manage it through a single portal



# 2016 Major Initiatives

## Buildings & Sites Database Overhaul

[accessnc@nccommerce.com](#)
[\(919\) 707-1500](#)

[Help](#)
[Login](#)

[ACCESSNC](#)
[Buildings & Sites](#)
[Community Data](#)
[Business Data](#)
[Maps](#)
[Resources](#)

### Welcome to ACCESSNC!

Thank you for visiting ACCESSNC, your one-stop source for all things North Carolina business.

With ACCESSNC, you can find properties statewide that match the site-specific locations you select. From community demographics to building data, ACCESSNC provides the information you need for important business decisions.

[Buildings and Sites](#)

Identify properties to expand, relocate or start a business.

[Business Data](#)

Research labor and occupational statistics as well as individual business information.

[accessnc@nccommerce.com](#)
[\(919\) 707-1500](#)

[Help](#)
[Login](#)

[ACCESSNC](#)
[Buildings & Sites](#)
[Community Data](#)
[Business Data](#)
[Maps](#)
[Resources](#)

[Buildings](#)
[Sites](#)
[Results](#)

#### Standard Search:

Building Name:

Region:

County:

Type of Location:

Keywords:

Shel/Spec:

Building Type:

Building Area Type:

Specialty Type:

Sales Price:

Lease Price:

Square Footage:

Rail Service:

Natural Gas:

Column Spacing Length (ft):

Column Spacing Width (ft):

Ceiling Height Eaves (ft):

Search

Clear

# SelectNC



# 2016 Major Initiatives

## Tourism: "There is Beauty Here" Reminder Campaign

Leveraged both TV and digital vehicles  
in an integrated reminder campaign



+72%



+123%



+116%



# | Major Initiatives for 2017



## Marketing

Utilize \$2.25mm (NR) to highlight advantages of doing business in N.C. to executives in the U.S. and around the world.



## Business Development

Increase BD efforts in Food Processing & Manufacturing and Military & Defense Industries



## Tourism

Implement Spring target market campaign, leveraging successful elements of Fall 2016 campaign.

# 2017 Initiatives

## Business Marketing

Made possible by \$2.25mm (non-recurring) in FY16-17 budget

- Direct marketing via Fortune cover wrap (print)
- Digital advertising (display + paid search)
- Business and trade PR
- Video production



Economic Development Partnership of North Carolina

# 2017 Initiatives

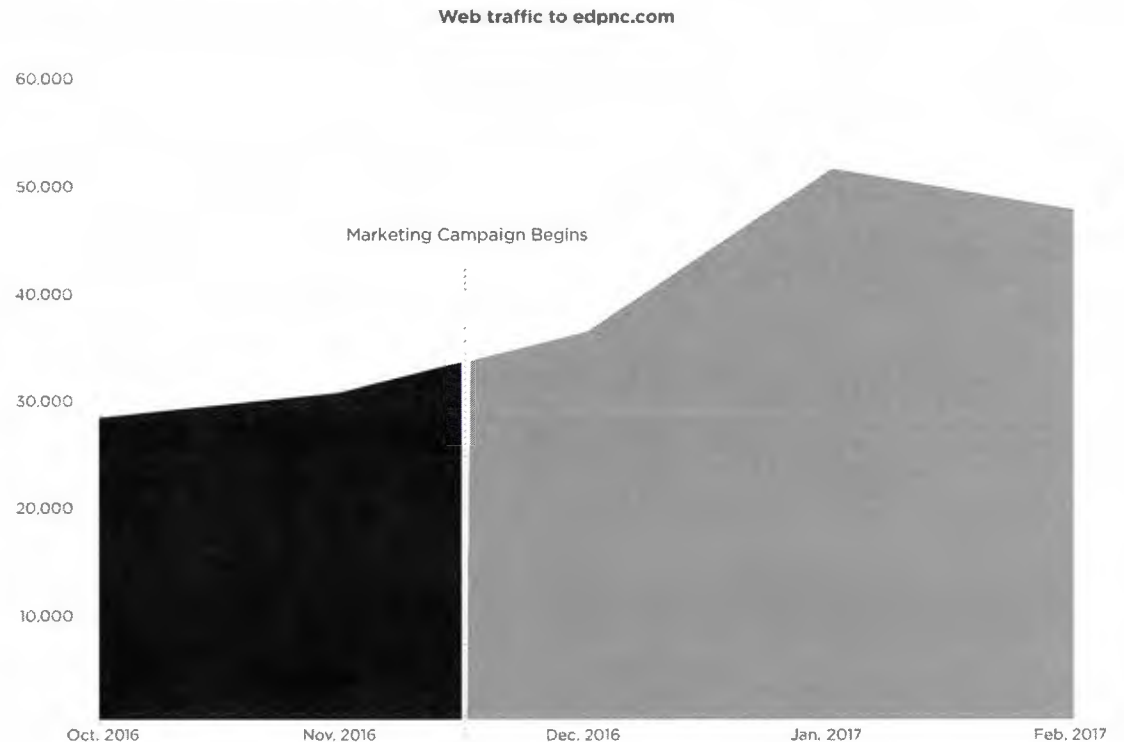
## Business Marketing: Early Successes

### Average increase in web traffic from target markets:

- Korea: **361%**
- Japan: **837%**
- Canada: **1229%**

### Average increase in web traffic from target industries:

- Aerospace: **214%**
- Automotive: **167%**
- Food Manufacturing: **380%**
- Plastics & Chemicals: **568%**



# 2017 Initiatives

## Business Development & Recruitment



**Bradley Helton**  
Business Development Manager  
Military & Defense Industry

*- Brand  
new - no  
proof  
of any  
success*



**Laura Johnson**  
Business Recruitment Manager  
Food Processing



# **2017 Initiatives**

## **Tourism: Spring Target Market Campaign**



# | Summary

- 1** | Our 2016 performance met or exceeded goals across all divisions, generating new jobs and capital investment for our state's communities
- 2** | Backed by a strategic plan and new major initiatives, our board and staff have raised the bar even higher for 2017
- 3** | Our continued success depends on the stability of core public funding and the support of private sector investment

# Questions?



Twitter  
@EDPNC



Facebook  
/NCEconomicDevelopment



LinkedIn  
/company/edpnc



Website  
edpnc.com

Economic Development Partnership of North Carolina



## Case Study

### The Bark House

MITCHELL COUNTY, NC

Maker of siding & wall paneling using recycled tree bark.

**Challenge:** Getting the message out about a major company milestone

"When a small business has big dreams, it needs good partners. Small businesses in North Carolina can rely on EDPNC to help reach lofty goals."

- Chris McCurry, Co-Founder





## Case Study Davy Textiles

IREDELL COUNTY, NC

Maker of technical textiles using both natural and synthetic materials.

**Challenge:** China-bound shipment of textiles stuck in port.

**bl<sup>nc</sup>**  
Business Link North Carolina

⚡ Power Your Data Center

≡ Organize Your Rack

🔒 Secure



The Power Cord

The world's largest  
of in-stock power cords

## Case Study

### Stay Online Corp

GRANVILLE COUNTY, NC

Manufactures, assembles and distributes  
power cords

**Challenges:** Developing a strategic  
export plan; also, repairing HVAC &  
roofing issues at their Creedmoor plant





## Case Study

### Unifi

GUILFORD / YADKIN / ROCKINGHAM  
COUNTIES

Maker of textured yarns made from  
recycled plastic bottles.

**Challenge:** Bring entire recycling process  
in-house

"We cannot offer enough thanks to the folks  
at EDPNC for bringing this grant opportunity  
to our attention. The team provided an  
abundance of...counsel and assistance in  
completing the grant process."

- Tom Caudle, President





## Project Highlight Lotus Bakeries

ALAMANCE COUNTY, NC

**New or Expansion:** New

**Industry:** Food Processing & Manufacturing

**Capital Investment:** \$55,300,000

**Jobs:** 60



# Project Highlight

## Prescient Company

ALAMANCE COUNTY, NC

**New or Expansion:** New

**Industry:** Advanced Manufacturing & Software

**Capital Investment:** \$18,800,000

**Jobs:** 205



# Project Highlight

## Hysucat

BEAUFORT COUNTY, NC

New or Expansion: New

Industry: Boat Building

Capital Investment: \$500,000

Jobs: 15



# Project Highlight

## Avadim Technologies

BUNCOMBE COUNTY, NC

**New or Expansion:** Expansion

**Industry:** Life Sciences

**Capital Investment:** \$20,400,000

**Jobs:** 551





# Project Highlight US Cold Storage

DUPLIN COUNTY, NC

**New or Expansion:** Expansion

**Industry:** Warehouse & Distribution

**Capital Investment:** \$21,600,000

**Jobs:** 50



## Project Highlight Novozymes

FRANKLIN COUNTY, NC

**New or Expansion:** Expansion

**Industry:** Life Sciences

**Capital Investment:** \$100,000,000

**Jobs:** 110



# Project Highlight HAECO Americas

GUILFORD COUNTY, NC

**New or Expansion:** Expansion

**Industry:** Aerospace & Aviation

**Capital Investment:** \$60,000,000

**Jobs:** 500





## Project Highlight Altec Industries

YANCEY COUNTY, NC

**New or Expansion:** Expansion

**Industry:** Automotive

**Capital Investment:** \$15,000,000

**Jobs:** 150





## **Appropriations on Agriculture, Natural and Economic Resources**

---

**March 14, 2017**

**Room 421 LOB**

**8:30 AM**

**Senate Sergeant-at-Arms:**

**Hal Roach**

**Tom Burroughs**

**House Sergeant-at-Arms:**

**Bill Bass**

**Mark Cone**

**Will Crocker**



**House Pages**  
**Assignments**  
**Tuesday, March 14, 2017**  
**Session: 2:00 PM**

Committee	Room	Time	Staff	Comments	Member
Appropriations on Department of Transportation	1027/1128	8:30 AM	Emilie Norwood		Rep. Speaker Tim Moore
			Emily Pennington		Rep. Speaker Tim Moore
Appropriations on Education / Higher Education	Other	8:30 AM	Marissa Huggins		Rep. Mike Clampitt
			Sophia Sload		Rep. Speaker Tim Moore
Appropriations on General Government and Information Technology	425	8:30 AM	Savannah Barnes		Rep. Speaker Tim Moore
			Eleanor McNamee		Rep. Speaker Tim Moore
Appropriations on Justice and Public Safety	415	8:30 AM	Hannah Bethea		Rep. Garland Pierce
			Makenzie Waites		Rep. Sarah Stevens
Appropriations, Agriculture and Natural and Economic Resources	421	8:30 AM	Emily Kornegay		Rep. Speaker Tim Moore
			Hannah Lewis		Rep. Speaker Tim



# House Pages Assignments Tuesday, March 14, 2017

Committee	Room	Time	Staff	Comments	Member
					Moore
Finance	544	9:00 AM	Eliza Hilton		Rep. Speaker Tim Moore
			Wilson Moore		Rep. Speaker Tim Moore
Education - K-12	643	10:00 AM	Yasmeen Ayes		Rep. Speaker Tim Moore
			Jasmine Jones		Rep. Speaker Tim Moore
			Yara Mahmoud		Rep. Speaker Tim Moore
			Mariah Pride		Rep. Speaker Tim Moore





# Senate Pages Attending

COMMITTEE: Jt. Apps. Agriculture, Natural & Economic Res. ROOM: 421

DATE: 3-14 TIME: 8:30

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!....or else!!!!

	Page Name	Hometown	Sponsoring Senator
①.	Kevin Li	Belmont	Sn. Kathy Harrington
②.	Taylor Retman	Tarboro	Sn. Smith-Ingram
③.	Ashtleigh Perkins	Tarboro	Sn. Smith-Ingram
④.			
5.			
6.			
7.			
8.			

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-14-2017

Date

**VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK**

NAME

FIRM OR AGENCY AND ADDRESS

Doug Lassiter	NCSTA
Jennifer Hargwood	NC DOL
Sarah Beth Kance	NC DOL
Charles Duckett	Ind. Comm
Terrell Borden	NC IC
Kim Simkos	NCRCA
Chris Wootton	MWC
N. David Smith	NRPA/CS
Isabel Villa-Gomez	NC REACTORS
Elizabeth Biser	Brookly Penn
Robb Hume	PCA



# VISITOR REGISTRATION SHEET

Agriculture and Natural and Economic Resources

Name of Committee

3-14-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Rose Ann	NCCAB
GARY COHEN	NN
Michael Ebert	EDPNC
Dave Craven	EDPNC
Tom Looney	EDPNC
Pedro Herrera	HIGAC
Christopher Chung	EDPNC
Heather Horton	Commerce
Dave Efrid	"
Ha Nguyen	NCCAB
Henry M Lancaster	LCA





## VISITOR REGISTRATION SHEET

## Agriculture and Natural and Economic Resources

Name of Committee

3-14-2017

Date \_\_\_\_\_

**VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK**

NAME \_\_\_\_\_

FIRM OR AGENCY AND ADDRESS

Ryan Gee

CapAd

Don't Count

5A

Susan Fleetwood

NDOC

A Godwin

WRC

Kiric Ros,

6-90



**Nancy Fox (Rep. Pat McElraft)**

---

**Subject:**

FW: <NCGA> House Appropriations, Agriculture and Natural and Economic Resources  
Committee Meeting Notice for Wednesday, March 15, 2017 at 8:30 AM (Joint)

**Attachments:**

Add Meeting to Calendar\_LINC\_.ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Wednesday, March 15, 2017

**TIME:** 8:30 AM

**LOCATION:** 544 LOB

**COMMENTS:** Representative Hall, Presiding

Joint meeting with House Commerce and Job Development Committee

**TOPIC:** Presentation on the State's economic tools.

Respectfully,

Representative Jimmy Dixon, Co-Chair

Representative Kyle Hall, Co-Chair

Representative Pat McElraft, Co-Chair

Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:46 PM on Thursday, March 09, 2017.

\_\_\_ Principal Clerk

\_\_\_ Reading Clerk – House Chamber

Cameron Dawson (Committee Assistant)



**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
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\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Cameron Dawson (Committee Assistant)



**Joint Meeting of**  
**House and Senate Appropriations Committees on Agriculture and Natural**  
**and Economic Resources**  
*and*  
**House Standing Committee on Commerce and Job Development**

**Agenda**

Tuesday, March 15, 2017, 8:30 A.M.  
Room 544, Legislative Office Building

**Rep. Hall & Rep. Martin, Presiding**

- 1. Welcome and Opening Comments**
  
- 2. Economic Development Programs Overview**

William Childs, Fiscal Research Division  
Dan Ettefagh, Legislative Drafting Division

- 3. Adjourn**

---

**House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

---

**Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton,





**House Committee on Appropriations, Agriculture and Natural and Economic Resources**  
**Wednesday, March 15, 2017 at 8:30 AM**  
**Room 544 of the Legislative Office Building**

**MINUTES**

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on March 15, 2017 in Room 544 of the Legislative Office Building. Representatives Ager, Dixon, Dulin, Hall, Hunter, McElraft, Presnell, Richardson, Ross, Wray, and Yarborough attended.

Senators Bryant, Clark, Cook, Gunn, Newton and Wade attended as well.

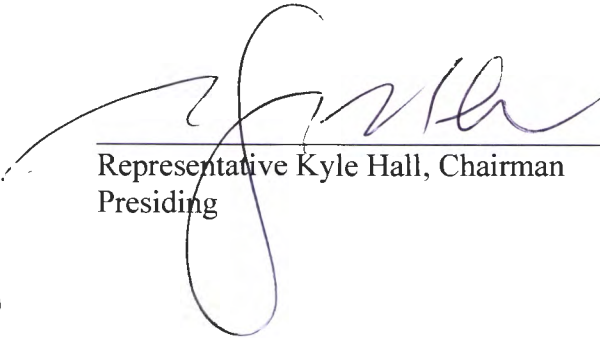
Representative Kyle Hall presided.

The meeting was called to order at 8:32 AM and Chairman Hall recognized the Sergeant-at-Arms and Pages and thanked them for their service.

William Childs, from Fiscal Research division, presented the Commerce Economic Development Incentive Program. The following topics were covered: (See attachment #1)

- Base Budget
- Tier Rankings
- Job Development Investment Grants
- One North Carolina Fund
- Job Maintenance and Capital Development Fund
- Gas Products Service To Agriculture Fund
- Film & Entertainment Grants
- Rural Economic Development Incentive Programs
- Rural Infrastructure Grants
- Community Development Block Grants – Economic Development
- Industrial Development Fund – Utility Account
- NC Main Street Center
- Appalachian Regional Commission
- NC Broadband
- Recent NCGA Actions

The meeting adjourned at 9:45 AM.



---

Representative Kyle Hall, Chairman  
Presiding



---


Cameron Dawson, Committee Clerk



**HOUSE COMMITTEE ON APPROPRIATIONS: AGRICULTURAL  
AND NATURAL AND ECONOMIC RESOURCES**


[illegible]



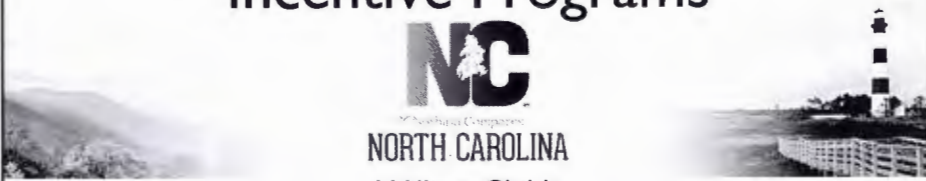


**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Commerce Economic Development Incentive Programs



**NORTH CAROLINA**  
William Childs  
March 15, 2017



## Overview

- **Commerce Base Budget Review**
- Tiers
- Statewide Economic Development Incentive Programs
- Rural Economic Development Incentive Programs
  - Program Description
  - Budget Information

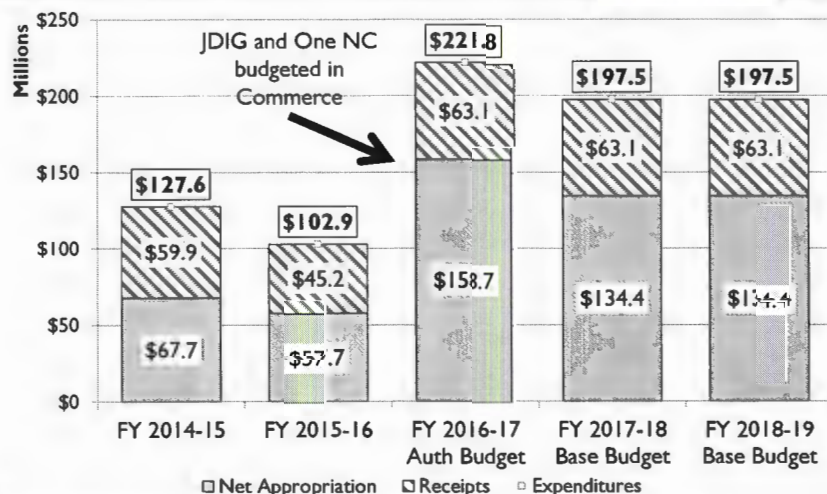
## Base Budget, FY 2017-19 Biennium

General Fund Budget Code: 14600							
	2014-15 Actual	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
Expenditures	\$ 127,586,045	\$ 102,687,737	\$ 221,751,208	\$ (24,244,353)	\$ 197,506,855	\$ (24,244,353)	\$ 197,506,855
Less Receipts	\$ 59,650,626	\$ 45,206,135	\$ 63,090,767	\$ 1,157	\$ 63,091,924	\$ -	\$ 63,091,924
Net Approp.	\$ 67,935,419	\$ 57,481,602	\$ 158,660,441	\$ (24,245,510)	\$ 134,414,931	\$ (24,244,353)	\$ 134,414,931
Positions	420.75	340.25	332.50	0.00	332.50	0.00	332.50

Expenditures: \$197.5 M  
 Less Receipts: \$ 63.1 M  
 Net Appropriation: \$134.4 M

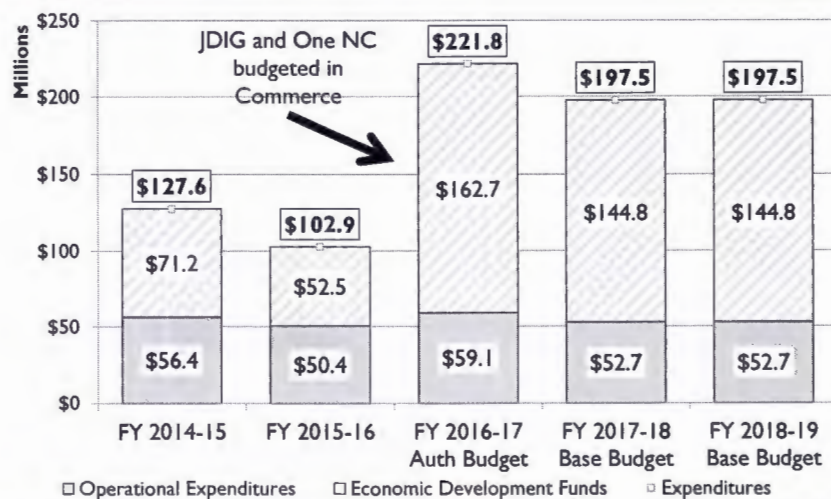
Base Budget Adjustments: (\$24.2 M) net appropriation  
 No FTE changes

## 5 Year Expenditure History





## 5 Year Expenditure History



FISCAL RESEARCH DIVISION

A Non-Partisan Staff Agency of the North Carolina General Assembly

5

March 15, 2017

## Overview

- Commerce Base Budget Review
- Tiers
- Statewide Economic Development Incentive Programs
- Rural Economic Development Incentive Programs
  - Program Description
  - Budget Information



FISCAL RESEARCH DIVISION

A Non-Partisan Staff Agency of the North Carolina General Assembly

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March 15, 2017

## Tier Rankings

- Annual measure of economic distress in counties
  - Tier 1: 40 **most** economically distressed counties
  - Tier 2: next 40
  - Tier 3: 20 **least** economically distressed counties
- Five major measures:
  1. Average rate of unemployment over 12 months
  2. Median household income over 12 months
  3. Percentage growth in population over 36 months
  4. Adjusted assessed property value per capita in most recent taxable year
  5. Statutory Adjustment Factors



FISCAL RESEARCH DIVISION

A Non-Partisan Staff Agency of the North Carolina General Assembly

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March 15, 2017

## Tiers – Adjustment Factors

- Statutory adjustment factors ensure certain counties are in certain tiers
- Counties with a population of less than 12,000 are automatically Tier 1
- Counties with a population of less than 50,000 are automatically Tier 1 or Tier 2
- Counties with a population less than 50,000 with more than 19% of population below federal poverty level are automatically Tier 1
- Counties designated Tier 1 remain Tier 1 regardless of rankings for at least 2 consecutive years



FISCAL RESEARCH DIVISION

A Non-Partisan Staff Agency of the North Carolina General Assembly

8

March 15, 2017

## Tiers – Use by Incentive Programs

- Eligibility determinations
  - Some programs require that a county be Tier 1 or Tier 2
- Award calculations
  - Percentage of JDIG award, for instance, determined by tier system
- Match requirements

## Tiers: 2017 Rankings

2017 COUNTY DEVELOPMENT TIER RANKINGS (§ 143B-437.08)

[illegible]

## Tiers: 2017 Adjustment Factors

County Development Rankings With and Without Adjustments

	Pre-Adjusted Rank	Pre-Adjusted Tier	Auto-Adjusted Tier	FINAL 2017 TIER	Change from Adjustment	Qualifying Tier Adjustments				Not automatic adjustment - moved to another tier through tier caps
						Pop between 125k and 500k (At least Tier 2)	Pop less than 125k (Auto Tier 1)	Pop less than 125k (Auto Tier 1)	Tier 1 for two cons. years (Auto Tier 1)	
ALAMANCE	67	2	2	2						
ALEXANDER	61	2	<3	2		X				
ALEXANDER	57	2	1	1	2 to 1		X		X	
ANDERSON	13	1	1	1		X	X			
ANDERSON	55	2	1	1	2 to 1	X	X			
AVERY	64	2	<3	2		X				
BEAUFORT	46	2	1	1	2 to 1	X	X			
BERTIE	3	1	1	1		X	X			
BLADEN	15	1	1	1		X	X			
BURKE	62	3	3	3						
BURKE	94	3	3	3						
BURKE	36	1	1	1	1 to 2					X
CABARRUS	95	3	3	3						
CALDWELL	36	1	1	1					X	
CAMDEN	76	2	1	1	2 to 1			X		
CARTERET	63	3	3	3						
CASWELL	23	1	1	1		X	X			
CATAWBA	72	2	2	2						
CHATHAM	99	3	3	3						
CHEROKEE	43	2	1	1	2 to 1	X	X			
CHOATE	25	1	1	1		X	X			
CLAY	68	2	1	1	2 to 1			X		
COLUMBIA	40	1	2	2	1 to 2					X
COLUMBUS	9	1	1	1						
CRANE	43	2	2	2						
CUMBERLAND	22	1	2	2	1 to 2					X
CURRITUCK	96	3	<3	2	3 to 2	X				
DADE	80	2	<3	2		X				



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## Overview

- Commerce Base Budget Review
- Tiers
- **Statewide Economic Development Incentive Programs**
- Rural Economic Development Incentive Programs
  - Program Description
  - Budget Information



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## Statewide Economic Development Incentive Programs

### Statewide ED Incentives:

- Job Development Investment Grant (JDIG)
- One North Carolina Fund

### Specialized Statewide ED Incentives:

- Job Maintenance and Capital Development Fund (JMAC)
- One North Carolina Small Business Fund
- Expanded Gas Products Service To Agriculture Fund (Ag-Gas)
- Film & Entertainment Grants



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## Job Development Investment Grants (JDIG)

- Discretionary incentive program for businesses that create new jobs in the State
- Amount of incentive =
  - (withholdings of the created eligible positions) X
    - (up to 80% for tier I) or
    - (up to 75% for all other tiers)



JOB DEVELOPMENT INVESTMENT GRANT



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## JDIG Requirements

- Project must create at least:
  - 10 jobs if in tier 1
  - 20 jobs if in tier 2
  - 50 jobs if in tier 3
- No retail or sports team projects
- Health insurance offered
- OSHA, environmental, and tax compliance checks



## JDIG Pre-requisites

- Pre-requisites:
  - Net increase in employment in the State by the business
  - Only available when the project would not locate in NC "but for" the JDIG incentive
  - Total project benefits outweigh costs (Walden model)
  - Increases employment opportunities and strengthens the economy
  - Consistent with State/local economic development goals



## JDIG Authority

- Economic Investment Committee makes JDIG awards
  - EIC Composed of 5 members:
    - Secretary of Commerce
    - Secretary of Revenue
    - Director of OSBM
    - 2 appointees of the General Assembly

## JDIG Terms

- Maximum annual cost of JDIG agreements:
  - \$20M per Calendar Year
  - Exception: High-Yield Project (\$500M investment & 1,750 eligible positions)
- Agreement term – 12 year max
  - Exception: High-Yield Project - 20 year max
- Utility Account diversion of percentage of award:
  - 0% for Tier 1 awards
  - 10% for Tier 2 awards
  - 25% for Tier 3 awards



## JDIG Clawbacks

- All or part of incentive paid to a business if it fails to maintain operations at the project for at least 150% of the agreement term
- If business fails to meet terms for one year:
  - Incentive paid to business is reduced proportionately
- If business fails to meet terms for two consecutive years:
  - If within base period, further incentive installments are withheld after 2<sup>nd</sup> year of noncompliance until business satisfies term of agreement
  - If outside of base period, agreement is terminated



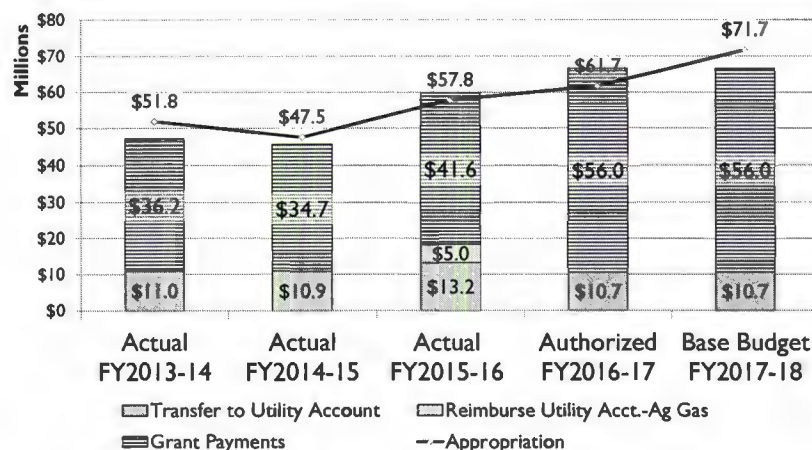
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## JDIG Funding and Expenditures



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## One North Carolina Fund

- Discretionary incentive program with funds allocated to local governments to secure commitments for recruiting, expanding, or retaining new and existing businesses
- Funds are used to:
  - Install/purchase equipment
  - Structure repairs, improvements, or renovations to existing buildings
  - Construction of utility infrastructure for existing or proposed buildings



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## One NC Terms

- Maximum One NC commitment:
  - \$28M per biennium
- Local match:
  - \$3 State to \$1 Local in Tier 1
  - \$2 State to \$1 Local in Tier 2
  - Even match for T3
- Governor or Secretary of Commerce make award decisions



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## One NC Funding and Expenditures

Fiscal Year	Actual FY2015-16	Authorized FY2016-17	Base Budget FY2017-18
Starting Balance	\$9.7	\$7.6	\$7.6
Appropriation	\$7.0	\$9.0	\$9.0
<b>Available Funds</b>	<b>\$16.7</b>	<b>\$16.6</b>	<b>\$16.6</b>
Administration	\$0.3		
<b>Grant Payments</b>	<b>\$6.3</b>	<b>\$7.5</b>	<b>\$7.5</b>
One NC Small Business Transfer	\$1.0		
Reimburse Utility Fund	\$1.5	\$1.5	\$1.5
<b>Expenditures</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>
Balance	\$7.6	\$7.6	\$7.5

In Millions



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## Job Maintenance and Capital Development Fund (JMAC)

- Fund used to encourage businesses to **retain or maintain** high-paying jobs in the State and to make further capital investment in the State
  - No new jobs required
- Payments reduced for workforce reductions
- Payments withheld if employment is less than 80% of requirement
- Payments recaptured if business fails to meet investment requirements



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## JMAC Terms

- Limited to 5 agreements total
- Maximum aggregate cost of \$79M
- Maximum individual agreement cost of \$6M

### Authority:

- Award recipients selected by the Secretary of Commerce based on criteria set by NCGA



## JMAC Funding

<b>Fiscal Year</b>	<b>Actual 2015-16</b>	<b>Authorized 2016-17</b>	<b>Base Budget 2017-18</b>
Cash Balance	\$0.6	\$0.6	\$0.6
Appropriation	\$6.9	\$7.5	\$7.5
<b>Available Funds</b>	<b>\$7.5</b>	<b>\$8.1</b>	<b>\$8.1</b>
<b>Grant Payments</b>	<b>\$6.9</b>	<b>\$7.5</b>	<b>\$7.5</b>
Year-End Cash Balance	\$0.6	\$0.6	\$0.6

*In Millions*



## JMAC Performance, 2007-2016

Grantee	Disbursements	Jobs Retained	Cost per Retained Job
Blue Ridge Paper Products	\$0	0	N/A
Bridgestone Firestone Tire	\$18.8 M	1,852	\$10,135
Domtar Paper Company	\$6.5 M	415	\$15,663
Goodyear Tire & Rubber	\$19.8 M	2,183	\$9,088
<b>Total</b>	<b>\$45.1 M</b>	<b>4,450</b>	<b>\$10,137</b>

Source: Department of Commerce

## One NC Small Business Grant

- Administered by the Office of Science, Technology & Innovation (OSTI)
- Provides **matching funds** for federal grants:
  - Small Business Innovation Research (SBIR)
  - Small Business Technology Transfer (STTR)
- Grant funds are awarded in two disbursements:
  - 75% of funds disbursed at time of award
  - 25% of encumbered funds disbursed once milestones are met (usually 9 months to 1 year after first disbursement, but sometimes up to 4 years later)

## One NC Small Business Funding

	FY 2015-16	FY 2016-17*
Appropriation	\$2.3 NR	\$3.0 NR
Availability	\$2.3	\$3.4
Encumbered	\$2.0	\$2.5
Disbursed	\$1.4	\$1.4

\*As of March 13, 2017

In Millions

- OSTI expects to encumber the entire \$3.4M by the end of FY 2016-17

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## Expanded Gas Products Service To Agriculture Fund (Ag-Gas)

### Pays for:

- Excess infrastructure costs
- Cost-effective alternatives to reduce excess infrastructure costs, including
  - relocating equipment
  - adding supplemental uses of natural gas or propane

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## Ag-Gas Eligible Projects

### Including, but not limited to:

- The cultivation of soil for the production and harvesting of crops
- The planting and production of trees and timber
- Dairying and the raising, management, care and training of livestock, including horses, bees, poultry
- Marketing and selling of agricultural products
- Agritourism
- Other activities related to agriculture



## Ag-Gas Funding

### Funded by:

- \$5.0M transferred from the IDF-Utility Account every biennium
  - If JDIG or One NC or both together have unexpended and unencumbered funds at the end of a fiscal year, these funds will be used to **reimburse** the IDF-Utility Account





## Ag-Gas Funding

Total awards granted as of March 2017: **\$2.9M**

Total grants disbursed: **\$0.7M**

Fiscal Year	Actual 2014-15	Actual 2015-16	Authorized 2016-17	Base Budget 2017-18
Beginning Cash Balance	-	\$5.0	\$4.6	\$4.6
Transfer From				
Utility Account	\$5.0	-	\$2.5	\$2.5
Subtotal Available Funds	\$5.0	\$5.0	\$7.1	\$7.1
Grant Payments	-	\$0.4	\$2.5	\$2.5
Year-End Balance	\$5.0	\$4.6	\$4.6	\$4.6

*In Millions*



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## Film & Entertainment Grants

- Direct grant appropriation replacing the Film Production Tax Credit
- Rebate of up to **25%** on qualified expenses and purchases by productions while filming in the state



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## Film & Entertainment Grants

- Productions must average *in-state* expenses of at least:
  - TV series: \$1M per episode
  - Feature-length film: \$5M
  - Commercials: \$250K
- **25%** of expenditures up to a maximum of:
  - TV Series: \$9M per season
  - Feature-length film: \$5M
  - Commercials: \$250K



## Film & Entertainment Grants

- Total Appropriation: \$70.0M over 3 years
  - \$10.0M in FY 2014-15
  - \$30.0M in FY 2015-16
  - \$30.0M in FY 2016-17

### As of 3/14/2017:

- Obligated: \$50.8M
- Balance: \$19.2M
- Disbursed: \$5.0M



## Overview

- Commerce Base Budget Review
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- **Rural Economic Development Incentive Programs**
  - Program Description
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## Rural Economic Development Incentive Programs

- Rural Infrastructure Grants
- Community Development Block Grants – Economic Development
- Industrial Development Fund Utility Account
- NC Main Street Center
- Appalachian Regional Commission
- NC Broadband
- Downtown Revitalization Grants



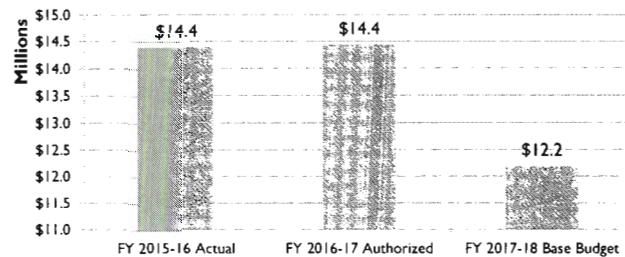
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## Rural Infrastructure Grants

- Awarded by Rural Infrastructure Authority (RIA)
- Two uses:
  1. Building Reuse
  2. Economic Infrastructure
- Funding:



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## Rural Infrastructure Grants – Building Reuse

- Eligible applicants are units of local government located in either a Tier 1 or Tier 2 county, or a rural census tract in a Tier 3 county
- Eligible Projects:
  - Renovation of vacant buildings
  - Renovation or expansion of a building occupied by an existing NC company wishing to expand in their current location
  - Renovation, expansion, or construction of health-care entities that will lead to the creation of new, full-time jobs



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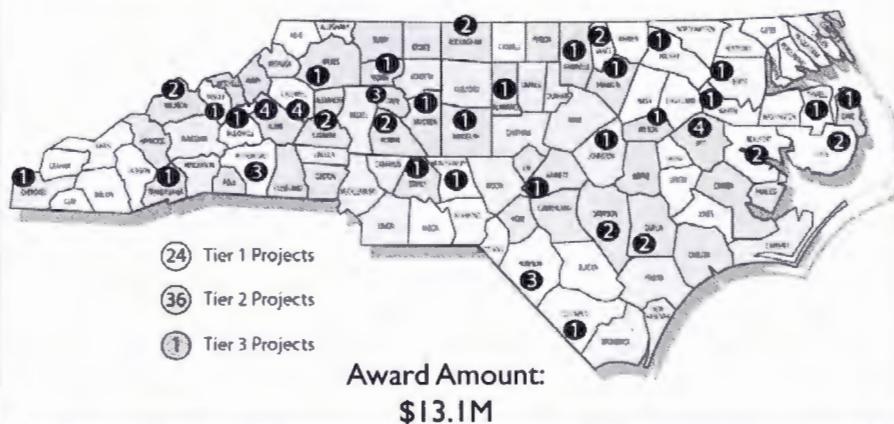
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## Rural Infrastructure Grants – Building Reuse FY 2015-16

Building Reuse Program Awards  
Rural Infrastructure Authority



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## Rural Infrastructure Grants – Economic Infrastructure

- Eligible applicants are units of local government with priority given to Tier 1 and Tier 2 counties
- Eligible projects include:
  - Upgrades or repair of public drinking water or wastewater treatment plants
  - Upgrades, extensions, or repair of public water/sewer lines
  - Extensions of publicly owned natural gas line
  - Installation or extension of public broadband infrastructure
  - Construction of public roads (not DOT owned) or public rail spur improvements



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## Rural Infrastructure Grants – Economic Infrastructure FY 2015-16

Economic Infrastructure Program Awards  
Rural Infrastructure Authority



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## Community Development Block Grants – Economic Development

- Awarded by Rural Infrastructure Authority
- Available to local municipal or county governments
  - Exempt: 23 entitlement cities and 3 urban counties receiving fed funds directly
- Grants primarily serve persons of low- and moderate- incomes.
- Funds are provided by the U.S. Department of Housing and Urban Development (HUD)



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## CDBG-ED Eligible Projects

- Infrastructure Improvements
  - A local funding match of at least 25% of the determined need is required except in the 25 most distressed counties
- Restore Vacant Building
  - Forgivable loan if jobs maintained for five years
- Shell Buildings
  - 2% interest loan from Revolving Loan Fund
  - 5-year term and local match required



## CDBG-ED Eligible Projects

- Site Development
  - 2% interest loan from Revolving Loan Fund
  - 7-year term, interest on first 2 years
- Downtown Redevelopment Program
  - Part of NC Main Street Center
  - No job requirement
  - Forgivable loan if building owner maintains for 4 years





## CDBG-ED Projects, FY 2015-16

Community Development Block Grant Awards  
Rural Infrastructure Authority



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## CDBG-ED Funding

- FY 2017-18 Base Budget: \$42.6M total CDBG
  - NCGA will allocate in budget bill
  - Last biennium allocated:
    - CDBG-ED to Commerce
    - CDBG-Infrastructure to Environmental Quality for Water Infrastructure projects
- FY 2016-17 Authorized Budget: \$15.7 M
- FY 2015-16 Actual Expenditures:
  - 15 applications for CDBG-ED received and funded
  - Total funded grants: \$9.7M



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## Industrial Development Fund – Utility Account

- Grants awarded by the Rural Infrastructure Authority
- Used for construction or improvement of utility infrastructure in Tier 1 or 2 counties
- Projects anticipated to create new jobs
- No local match requirement for 25 most economically distressed counties
- Not allowed: retail, entertainment, or sports projects



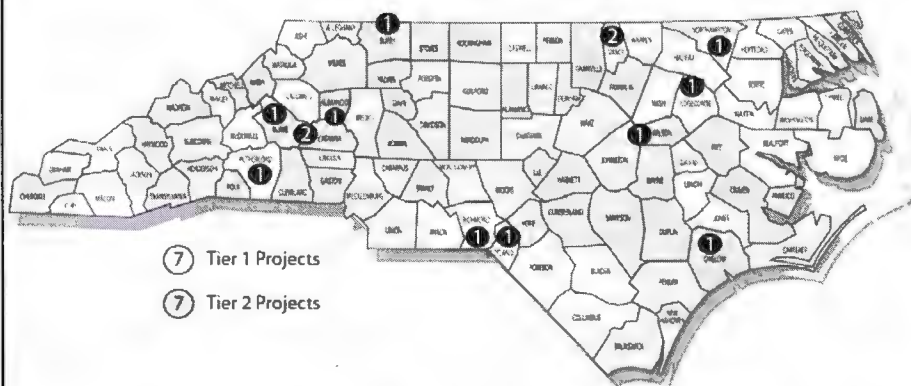
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## Industrial Development Fund – Utility Account

Industrial Development Fund Awards  
Rural Infrastructure Authority



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## Industrial Development Fund – Utility Account

Fiscal Year	Actual 2013-14	Actual 2014-15	Actual 2015-16	Authorized 2016-17	Base Budget 2017-18
Beginning Cash Balance	13.8	23.4	20.4	32.0	36.4
Transfer from JDIG	11.0	10.9	8.5	10.7	10.7
Reimbursement from JDIG/One NC IDF Closure	1.1		5.0		
<b>Available Funds</b>	<b>\$25.9</b>	<b>\$34.3</b>	<b>\$33.8</b>	<b>\$42.6</b>	<b>\$47.0</b>
Transfers:					
General Fund		5.0			
Ag Gas Expansion		5.0		2.5	2.5
Main Street Solutions		1.0			
Grants/Loans	2.4	3.0	1.8	3.8	3.8
<b>Expenditures</b>	<b>\$2.4</b>	<b>\$14.0</b>	<b>\$1.8</b>	<b>\$6.3</b>	<b>\$3.6</b>

In Millions

Encumbrances as of March 14, 2017: \$31.8 M



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## NC Main Street Center

- Works to stimulate economic development within the context of historic preservation
- Programs:
  - NC Main Street Program
  - NC Small Town Main Street Program
  - Main Street Solutions Fund Program
  - Downtown Redevelopment Fund



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## NC Main Street Center

- **NC Main Street Program**
  - Technical assistance, guidance, and training to participating communities
  - Self-help program: local communities must provide the human and financial resources to operate their downtown programs
- **NC Small Town Main Street Program**
  - Small, rural towns needing downtown development assistance but unlikely to pursue the Main Street program
  - 30 Towns in program
  - Not accepting new applications



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## NC Main Street Center

- **Main Street Solutions Fund Program**
  - Provides support to small businesses in designated micropolitans in Tier 2 or 3 counties and/or in designated NC Main Street communities
  - Grants for revitalizing downtowns by creating jobs, funding infrastructure improvements, and rehabilitating buildings
  - Awards to 32 communities with total of \$4.0M
  - Community will invest \$6.42 for each State dollar
- **Downtown Redevelopment Fund**
  - CDBG-ED funds following the same guidelines



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## NC Main Street Center Funding

- FY 2017-18 Base Budget: no funding
- FY 2016-17: no funding
- FY 2015-16: \$2.0M NR appropriated to the fund with \$1.1M directed to specific projects
  - Operating funds of \$900K for grants
- FY 2014-15: \$1.0M transferred from IDF-Utility Account



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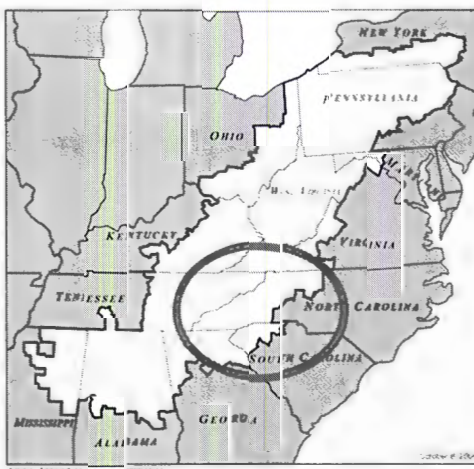
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## Appalachian Regional Commission (ARC)

- Federal-state partnership
- NC plan focuses on 29 identified Appalachian counties



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## ARC

- Provides \$2.5 - \$3.5M annually in federal funds to:
  - Create economic opportunity
  - Prepare a ready workforce
  - Build critical infrastructure
  - Leverage natural and cultural assets
  - Cultivate leadership and community capacity
- These funds do not flow through the State
- State employs one receipt-support position to act as program manager



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## NC Broadband

- Collaborative with DIT on State Broadband Plan
- Funding: \$1.25M in FY 2016-17 from deobligated CDBG funds
- Program still in development
- Pilot Program in NE NC with electric co-op
- Community Anchors to become hubs for internet
  - Application grant process



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## Recent NCGA Actions FY 2015-16

### Commerce:

- JMAC – \$6.9M R
- One NC Small Business – \$2.25M NR
- Rural Underserved/Limited Resources – (\$1.25M R)
- Rural Grants – \$2.2M NR
- Main Street Solutions – \$2.0M NR

### OSBM:

- JDIG – \$57.8M R
- One NC – \$7.0M R



## Recent NCGA Actions FY 2016-17

### Commerce:

- JMAC – \$7.5M R (2015 budget)
- One NC Small Business – \$3.0M NR (2015 budget)
- Rural Grants – \$2.25M NR (2015 budget)

### OSBM (transferred to Commerce):

- JDIG – \$61.7M R
- One NC – \$8.6M R





## Base Budget FY 2017-18

### Statewide Economic Development Incentive Programs

- JDIG – \$71.7M R
- One NC – \$9.0M R
- JMAC – \$7.5 R
- Expanded Gas Products Service To Agriculture Fund (Ag-Gas) – \$5.0M transferred from IDF-UA over biennium
- One NC Small Business Fund – unfunded
- Film & Entertainment Grants – unfunded



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## Base Budget FY 2017-18

### Rural Economic Development Incentive Programs

- Rural Infrastructure Grants – \$12.2M R
- Community Development Block Grants – Economic Development – \$42.6M federal to be shared with CDBG-I funds at DEQ
- Industrial Development Fund Utility Account – funded by JDIG - \$10.7M transfer in base budget
- Main Street Solutions – unfunded
- Appalachian Regional Commission – federal funds
- NC Broadband – unfunded



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## Questions?



*"So that's our offer: blood, toil, tears, sweat, and dental."*



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**Department of Environmental Quality**

**1. When did the Noncommercial Underground Storage Tank Cleanup Fund begin?**

The General Assembly created the fund in 1988 along with the Commercial LUST program. The noncommercial program, however, has no federal requirements attached to it, and the General Assembly eliminated it as of December 31st, 2016.

**2. What is the status of the State's coal ash efforts?**

The State's efforts toward coal ash inspections and cleanup are funded through a 0.022% fee on the State's jurisdictional revenues of each public utility with a coal combustion residuals surface impoundment, which is projected to generate about \$1.7M in FY 2017-18.

These funds support 21.22 full time equivalents (FTE) across various divisions within DEQ.

- Division of Energy, Mineral, and Land Resources (DEMLR) – 6.62 FTE. Of these four are involved in the Dam Safety Program and two with the Stormwater Program. The remaining 0.62 FTE are spread across other positions within DEMLR that assist with coal ash management for a portion of their time.
- Division of Waste Management – 3.7 FTE. These staff perform coal ash facility inspections and permit the disposition of residuals.
- Division of Water Resources – 10.9 FTE. These staff issue permits under the National Pollutant Discharge Elimination System and perform hydrogeological duties.

*Note:* The Governor's recommended budget would return the coal combustion residuals fee to 0.03%, the level that it was under the Coal Ash Management Act of 2014 until it was reduced in SL 2016-95. The revenue generated by this change would support operational costs, not additional FTE.

**3. What is the history and status of hydraulic fracturing in NC?**

Session Law 2011-276 directed the former Department of Environment and Natural Resources (DENR) and the Department of Commerce to study oil and gas exploration in the State and the use of directional and horizontal drilling and hydraulic fracturing for that purpose.

- DENR issued its report in April 2012, suggesting that "production of natural gas by means of hydraulic fracturing can be done safely as long as the right protections are in place."

Session Law 2012-143, the Clean Energy and Economic Security Act directed the Mining and Energy Commission (MEC) to establish a modern regulatory program for the management of oil and gas exploration and development in the State.

- DEQ staffed the MEC through a rule-making process, resulting in the adoption of 15A NCAC 05H “Oil and Gas Conservation Rules” in April 2015.

The General Assembly began providing four FTE as well as recurring and nonrecurring funds in FY 2013-14 to support shale gas exploration. As of FY 2016-17, the State provides a recurring \$400K and three FTE for this purpose.

Since 2012, DEQ, in contract with private oil and gas companies, have undertaken various studies exploring opportunities for shale gas extraction in the Deep River, Cumberland-Marlboro, and Dan River Basins. The results were published in four publications and 17 American Association of Petroleum Geologists abstracts. *Links to these publications are available upon request.*

DEQ continues to study shale gas resources within NC’s Triassic Basins and beneath the outer Coastal Plain.

#### **4. What is the history of \$2 per ton solid waste tax?**

Session Law 2007-550 created an excise tax on the disposal of municipal solid waste and construction and demolition debris in any landfill permitted pursuant to Article 9 of Chapter 130A of the General Statutes at a rate of two dollars (\$2.00) per ton of waste.

- The proceeds of the tax were to be distributed as follows:
  - \$225,000 for Department of Revenue administration
  - 50% Inactive Hazardous Sites Cleanup Fund
  - 37.5% to local governments that provide solid waste management services directly to residents, distributed on a per capita basis
  - 12.5% to the Solid Waste Management Trust Fund
    - Session Law 2013-360 reallocated this portion to the State’s General Fund on a recurring basis.
- A detailed breakdown of the revenues and distributions of the tax is available at [http://dornc.com/publications/abstract/2015/table46\\_table46a.pdf](http://dornc.com/publications/abstract/2015/table46_table46a.pdf)
- The cash balance of the Inactive Hazardous Sites Cleanup Fund was about \$33.3M at the end of February 2017; of that, \$25.9M was encumbered, and DEQ was in the process of encumbering an additional \$6.5M, which would leave just under \$1M unencumbered.

#### **5. Are there opportunities for efficiencies in the regional offices?**

DEQ operates seven regional offices around the State.

- The offices are administered by the Division of Environmental Assistance and Customer Services (DEACS) and staffed by members of nearly all of the other divisions within DEQ.
- The offices provide technical assistance as well as perform permitting and inspection operations for the various regulatory programs that DEQ operates.

- Many of the regional staff are cross-trained and split-funded across various programs to allow for greater efficiency in permitting and inspecting.
- Fiscal Research Division performed a justification review of the regional office structure in 2011. The report is available at [http://www.ncleg.net/fiscalresearch/justification\\_reviews/DENR\\_RegionalOffices\\_Review\\_2012-05-01.pdf](http://www.ncleg.net/fiscalresearch/justification_reviews/DENR_RegionalOffices_Review_2012-05-01.pdf).

Decision-making authority is handled differently by the divisions within DEQ.

- Division of Waste Management (DWM) – central office staff make permitting decisions while compliance decisions (like Notices of Violations) are often made at the regional level. DWM does not have metrics to determine how many of those decisions are overturned at the central office.
- Division of Water Resources (DWR) – central office staff generally make decisions based on information from the regional offices. DWR does not maintain any statistics on differences of opinion between the central and regional offices.
- Division of Energy, Mineral, and Land Resources (DEMLR) - central office staff process and approve applications for mining permits, dam safety approvals, state stormwater permits, MS4 and DOT stormwater permits, and NPDES stormwater permits. Regional office staff review and approve erosion and sedimentation control plans and coastal state stormwater permits, and provide review comments to the Central Office staff on other permits noted above. Regional offices have authority over compliance decisions, issuing some directly and recommending some to the central office. DEMLR notes that in almost all the Central Office staff concurs with the Regional Offices plan approvals and enforcement case actions.

**6. Why is poultry litter sometimes treated as agricultural waste and sometimes as industrial waste when it is used for electricity generation?**

- Poultry litter as such is permitted under regulation 15A NCAC 02T .1303 and is treated as solid waste.
- When poultry litter is used in an industrial digestion process to produce methane gas for conversion to electricity, the byproducts of that conversion process is no longer treated as permitted under 15A NCAC 02T .1303 and must have their own waste disposal permit that is applicable to the relevant industry.
  - Digesters located on farms with an existing animal waste management permit may dispose of the waste as part of that farm's animal waste management permit and nutrient management plan, provided that the animal waste permit has capacity to handle the waste, and the waste is incorporated into the certificate of coverage/waste management plan.





# County Development Rankings With and Without Adjustments

2017

	Pre-Adjusted Rank	Pre-Adjusted "Tier"	Auto-Adjusted Tiers	FINAL 2017 TIERS	Change from Adjustment	Qualifying Tier Adjustments				Tier 1 for two cons. years (Auto Tier 1)	Not automatic adjustment - moved to another tier through tier caps
						Pop between 12k and 50K (At least Tier 2)	Pop less than 50K & poverty greater than 19% (Auto Tier 1)	Pop less than 12K (Auto Tier 1)			
ALAMANCE	67	2		2							
ALEXANDER	61	2	<3	2		X					
ALLEGHANY	57	2	1	1	2 to 1		X	X			
ANSON	11	1	1	1		X	X				
ASHE	55	2	1	1	2 to 1	X	X				
AVERY	66	2	<3	2		X					
BEAUFORT	46	2	1	1	2 to 1	X	X				
BERTIE	3	1	1	1		X	X				
BLADEN	15	1	1	1		X	X				
BRUNSWICK	82	3		3							
BUNCOMBE	94	3		3							
BURKE	36	1		2	1 to 2						x
CABARRUS	93	3		3							
CALDWELL	36	1	1	1						X	
CAMDEN	76	2	1	1	2 to 1			X			
CARTERET	83	3		3							
CASWELL	33	1	1	1		X	X				
CATAWBA	72	2		2							
CHATHAM	99	3		3							
CHEROKEE	42	2	1	1	2 to 1	X	X				
CHOWAN	25	1	1	1		X	X				
CLAY	68	2	1	1	2 to 1		X	X			
CLEVELAND	40	1		2	1 to 2						x
COLUMBUS	9	1		1							
CRAVEN	43	2		2							
CUMBERLAND	22	1		2	1 to 2						x
CURRITUCK	95	3	<3	2	3 to 2	X					
DARE	80	2	<3	2		X					



	Pre-Adjusted Rank	Pre-Adjusted "Tier"	Auto-Adjusted Tiers	FINAL 2017 TIERS	Change from Adjustment	Pop between 12k and 50K (At least Tier 2)	Pop less than 50K & poverty greater than 19% (Auto Tier 1)	Pop less than 12K (Auto Tier 1)	Tier 1 for two cons. years (Auto Tier 1)	Not automatic adjustment - moved to another tier through tier caps
DAVIDSON	62	2		2						
DAVIE	77	2	<3	2		X				
DUPLIN	28	1		2	1 to 2					X
DURHAM	91	3		3						
EDGEcombe	1	1		1						
FORSYTH	75	2		3	2 to 3					X
FRANKLIN	70	2		2						
GASTON	48	2		2						
GATES	39	1	1	1				X		
GRAHAM	19	1	1	1			X	X		
GRANVILLE	74	2		2						
GREENE	16	1	1	1		X	X			
GUILFORD	73	2		2						
HALIFAX	4	1		1						
HARNETT	49	2		2						
HAYWOOD	79	2		3	2 to 3					X
HENDERSON	90	3		3						
HERTFORD	10	1	1	1		X	X			
HOKE	41	2		2						
HYDE	26	1	1	1			X	X		
IREDELL	91	3		3						
JACKSON	69	2	1	1	2 to 1	X	X			
JOHNSTON	84	3		3						
JONES	31	1	1	1				X		
LEE	50	2		2						
LENOIR	14	1		2	1 to 2					X
LINCOLN	84	3		3						
MACON	70	2	1	1	2 to 1	X	X			
MADISON	63	2	<3	2		X				
MARTIN	13	1	1	1		X	X			
MCDOWELL	54	2	1	1	2 to 1	X	X		X	
MECKLENBURG	98	3		3						

	Pre-Adjusted Rank	Pre-Adjusted "Tier"	Auto-Adjusted Tiers	FINAL 2017 TIERS	Change from Adjustment	Pop between 12k and 50K (At least Tier 2)	Pop less than 50K & poverty greater than 19% (Auto Tier 1)	Pop less than 12K (Auto Tier 1)	Tier 1 for two cons. years (Auto Tier 1)	Not automatic adjustment - moved to another tier through tier caps
MITCHELL	31	1	1	1		X	X			
MONTGOMERY	50	2	1	1	2 to 1	X	X			
MOORE	88	3		3						
NASH	27	1		2	1 to 2					x
NEW HANOVER	95	3		3						
NORTHAMPTON	12	1	1	1		X	X			
ONslow	50	2		2						
ORANGE	89	3		3						
PAMLICO	65	2	<3	2		X				
PASQUOTANK	29	1	1	1		X	X			
PENDER	78	2		3	2 to 3					x
PERQUIMANS	46	2	<3	2		X				
PERSON	63	2	1	1	2 to 1	X	X			
PITT	36	1		2	1 to 2					x
POLK	87	3	<3	2	3 to 2	X				
RANDOLPH	53	2		2						
RICHMOND	8	1	1	1		X	X			
ROBESON	5	1		1						
ROCKINGHAM	24	1		2	1 to 2					x
ROWAN	59	2		2						
RUTHERFORD	20	1		2	1 to 2					x
SAMPSON	17	1		2	1 to 2					x
SCOTLAND	2	1	1	1		X	X			
STANLY	60	2		2						
STOKES	55	2	<3	2		X				
SURRY	34	1		2	1 to 2					x
SWAIN	44	2	1	1	2 to 1	X	X			
TRANSYLVANIA	81	3	<3	2	3 to 2	X				
TYRRELL	18	1	1	1			X	X		
UNION	97	3		3						
VANCE	6	1	1	1		X	X			
WAKE	99	3		3						

	Pre-Adjusted Rank	Pre-Adjusted "Tier"	Auto-Adjusted Tiers	FINAL 2017 TIERS	Change from Adjustment	Pop between 12k and 50K (At least Tier 2)	Pop less than 50K & poverty greater than 19% (Auto Tier 1)	Pop less than 12K (Auto Tier 1)	Tier 1 for two cons. years (Auto Tier 1)	Not automatic adjustment - moved to another tier through tier caps
WARREN	30	1	1	1		X	X			
WASHINGTON	7	1	1	1		X	X			
WATAUGA	86	3		3						
WAYNE	21	1		2	1 to 2					x
WILKES	35	1		2	1 to 2					x
WILSON	23	1		2	1 to 2					x
YADKIN	45	2	1	1	2 to 1	X	X			
YANCEY	58	2	1	1	2 to 1	X	X		X	

\* All automatic Tier 1 qualifiers are assigned a "1" in the Adjusted tier rankings.

Adjusted Tier rankings between 1-40 are assigned to Tier 1, 41-80 to Tier 2, and 81-100 to Tier 3.

If the row is not highlighted, the adjustment factor did not change the county's tier.

Adjustment Factor moved into more distressed tier

2 to 1
3 to 2

Tier caps moved into less distressed tier

1 to 2
2 to 3

Adjustment Factor had no effect

1
<3

# 2017 COUNTY DEVELOPMENT TIER RANKINGS (\$ 143B-437.08)

NEW TIER	COUNTY	ECONOMIC INDICATORS								County Rank Sum (Lowest = most distressed)	ECONOMIC DISTRESS RANK (#1 = most distressed)	TIER ADJUSTMENT FACTORS				TIER ADJUSTMENTS				Auto- Adjusted Tiers	
		Adjusted Property Tax Base Per Capita FY 2016-2017		Population Growth July 2012-July 2015		Median Household Income 2014		Unemployment 12 Mth Avg Oct 15-Sept 16				Population Less Prison July 2015	Poverty Rate 5-year 2010-2014	2015 Tier	2016 Tier	Pop <50,000: Tier 1 or Tier 2	Pop <12,000: auto Tier 1	Pop <50,000 & poverty >15%: auto Tier 1	Must be Tier One for two consec. Years		
		Value	Rank	% Change	Rank	Income	Rank	Rate	Rank												
	ALAMANCE	\$76,032	36	2.93%	78	\$41,296	49	4.90%	81	244	67	157,522	18.8%	2	2						2
	ALEXANDER	\$70,309	24	1.24%	57	\$43,043	59	4.55%	92	232	61	36,798	16.8%	2	2	X				<3	2
	ALLEGHANY	\$144,801	88	1.97%	65	\$35,266	22	5.63%	43	218	57	11,190	21.2%	1	1	X	X	X		1	1
	ANSON	\$70,063	23	-2.68%	4	\$32,508	7	5.97%	32	66	11	23,789	24.1%	1	1	X		X		1	1
	ASHE	\$141,923	86	-0.18%	35	\$36,488	27	5.11%	68	216	55	27,332	20.5%	1	1	X		X		1	1
	AVERY	\$237,109	98	0.95%	53	\$37,131	32	5.39%	58	241	66	16,179	18.2%	2	2	X				<3	2
	BEAUFORT	\$116,749	73	-0.10%	38	\$40,357	47	5.95%	33	191	46	47,829	19.9%	1	1	X		X		1	1
	BERTIE	\$66,182	10	-2.94%	3	\$31,217	3	6.88%	18	34	3	19,244	25.5%	1	1	X		X		1	1
	BLADEN	\$78,641	45	-0.05%	39	\$33,521	12	7.12%	14	110	15	35,011	27.9%	1	1	X		X		1	1
	BRUNSWICK	\$192,721	93	9.63%	100	\$47,387	80	6.47%	28	301	82	123,535	16.3%	3	3						3
	BUNCOMBE	\$117,604	74	3.91%	85	\$47,296	79	3.95%	100	338	94	253,950	16.5%	3	3						3
	BURKE	\$71,728	27	-0.26%	31	\$39,275	44	5.20%	65	167	36	88,375	20.7%	2	2						2
	CABARRUS	\$101,676	59	6.58%	96	\$55,250	93	4.69%	88	336	93	195,622	13.1%	3	3						3
	CALDWELL	\$77,580	37	-0.01%	41	\$38,653	40	5.51%	49	167	36	82,297	20.5%	2	1				X	1	1
	CAMDEN	\$99,984	58	2.22%	69	\$61,730	98	5.50%	50	275	76	10,224	6.7%	1	1	X	X			1	1
	CARTERET	\$209,477	95	2.11%	67	\$48,824	84	5.37%	59	305	83	69,531	15.2%	3	3						3
	CASWELL	\$69,724	21	0.06%	44	\$42,730	57	5.72%	37	159	33	22,594	21.7%	1	1	X		X		1	1
	CATAWBA	\$104,698	62	0.20%	48	\$45,080	70	4.99%	75	255	72	155,585	15.3%	2	2						2
	CHATHAM	\$126,154	80	8.14%	99	\$56,797	94	4.36%	98	371	99	71,784	14.4%	3	3						3
	CHEROKEE	\$107,046	66	1.44%	59	\$34,620	19	5.86%	34	178	42	27,770	19.4%	2	2	X		X		1	1
	CHOWAN	\$95,888	54	-1.22%	17	\$38,887	41	6.75%	22	134	25	14,541	27.4%	1	1	X		X		1	1
	CLAY	\$146,396	90	2.87%	77	\$37,072	31	5.56%	47	245	68	11,036	23.6%	1	1	X	X	X		1	1
	CLEVELAND	\$78,640	44	0.20%	47	\$39,444	45	5.74%	36	172	40	97,871	20.1%	2	2						2
	COLUMBUS	\$66,813	12	-2.01%	9	\$34,321	18	6.68%	25	64	9	54,772	24.3%	1	1						1
	CRAVEN	\$87,684	50	-1.50%	15	\$43,972	63	5.44%	56	184	43	102,943	16.2%	2	2						2
	CUMBERLAND	\$67,263	14	-0.42%	30	\$42,582	56	6.58%	26	126	22	328,860	17.4%	2	2						2
	CURRITUCK	\$239,348	99	6.27%	94	\$58,024	95	5.45%	54	342	95	25,627	10.3%	2	2	X				<3	2
	DARE	\$378,627	100	3.35%	81	\$54,642	92	6.86%	20	293	80	36,001	9.1%	2	2	X				<3	2
	DAVIDSON	\$77,844	40	1.13%	56	\$43,346	61	4.98%	76	233	62	164,941	16.1%	2	2						2
	DAVIE	\$98,120	56	0.97%	54	\$47,592	81	4.67%	90	281	77	41,743	14.4%	2	2	X				<3	2
	DUPLIN	\$69,761	22	0.65%	52	\$34,109	17	5.50%	52	143	28	59,868	26.9%	2	2						2
	DURHAM	\$104,754	63	5.67%	91	\$50,745	89	4.62%	91	334	91	294,434	18.1%	3	3						3
	EDGECOMBE	\$56,372	4	-2.37%	7	\$31,615	4	8.78%	4	19	1	54,367	25.3%	1	1						1
	FORSYTH	\$88,437	51	2.48%	75	\$45,944	75	5.03%	73	274	75	366,302	19.1%	3	3						3
	FRANKLIN	\$70,342	25	3.87%	84	\$48,166	82	5.27%	62	253	70	63,731	15.4%	2	2						2
	GASTON	\$68,031	15	1.97%	66	\$42,056	55	5.40%	57	193	48	212,401	18.1%	2	2						2
	GATES	\$69,004	19	-3.15%	2	\$48,413	83	5.20%	66	170	39	11,739	16.0%	1	1	X	X			1	1
	GRAHAM	\$143,640	87	-1.07%	18	\$33,824	14	9.72%	1	120	19	8,761	21.4%	1	1	X	X	X		1	1
	GRANVILLE	\$72,963	28	1.49%	60	\$49,342	85	4.52%	93	266	74	55,739	15.8%	2	2						2
	GREENE	\$55,026	3	-2.14%	8	\$37,263	33	5.09%	70	114	16	18,941	24.9%	1	1	X		X		1	1
	GUILFORD	\$90,957	52	3.05%	80	\$44,828	67	5.34%	60	259	73	517,124	17.9%	2	3						2
	HALIFAX	\$70,485	26	-3.17%	1	\$31,674	5	8.29%	7	39	4	51,525	25.8%	1	1						1
	HARNETT	\$59,763	5	4.85%	89	\$45,380	71	5.97%	31	196	49	126,143	18.2%	2	2						2
	HAYWOOD	\$117,651	75	2.31%	71	\$42,812	58	4.70%	87	291	79	60,631	15.8%	3	2						3
	HENDERSON	\$110,441	69	4.11%	86	\$47,286	78	4.36%	97	330	90	112,511	14.8%	3	3						3
	HERTFORD	\$62,603	7	-0.22%	34	\$30,056	1	6.74%	23	65	10	23,009	26.3%	1	1	X		X		1	1
	HOKE	\$64,286	9	3.49%	83	\$44,175	64	6.87%	19	175	41	51,184	22.2%	2	2						2
	HYDE	\$210,124	96	-2.37%	6	\$36,891	30	9.30%	3	135	26	4,984	21.1%	1	1	X	X	X		1	1
	IREDELL	\$122,084	78	4.44%	88	\$54,026	91	4.93%	77	334	91	170,230	13.4%	3	3						3
	JACKSON	\$209,333	94	2.34%	72	\$38,130	37	5.61%	44	247	69	41,597	22.3%	1	1	X		X		1	1
	JOHNSTON	\$78,078	41	5.68%	92	\$50,055	88	4.71%	86	307	84	183,908	16.4%	3	3						3
	JONES	\$77,671	39	-1.78%	10	\$38,928	42	5.25%	64	155	31	10,423	18.8%	1	1	X	X			1	1
	LEE	\$86,848	49	0.05%	42	\$46,073	76	6.26%	30	197	50	58,674	18.7%	2	2						2
	LENOIR	\$68,608	17	-1.70%	12	\$35,991	26	5.64%	42	97	14	58,304	23.7%	1	1						2
	LINCOLN	\$102,543	60	2.98%	79	\$49,676	86	4.86%	82	307	84	81,170	15.6%	3	3						3
	MACON	\$218,921	97	2.37%	73	\$37,884	35	5.54%	48	253		34,771	20.7%	1	1	X		X			1



# 2017 COUNTY DEVELOPMENT TIER RANKINGS (§ 143B-437.08)

NEW TIER	COUNTY	ECONOMIC INDICATORS								County Rank (Lowest = most distressed)	ECONOMIC DISTRESS RANK (#1 = most distressed)	TIER ADJUSTMENT FACTORS				TIER ADJUSTMENTS				Auto- Adjusted Tiers	FINAL 2017 TIERS
		Adjusted Property Tax Base Per Capita FY 2016-2017		Population Growth July 2012-July 2015		Median Household Income 2014		Unemployment 12 Mth Avg Oct 15-Sept 16				Population Less Prison July 2015	Poverty Rate 5-year 2010-2014	2015 Tier	2016 Tier	Pop <\$0,000: Tier 1 or Tier 2	Pop <12,000: auto Tier 1	Pop <\$0,000 & poverty >19%: auto Tier 1	Must be Tier One for two consec. Years		
		Value	Rank	% Change	Rank	Income	Rank		Rank												
↓	MADISON	\$104,418	61	2.13%	68	\$38,445	38	5.14%	67	234	63	21,663	18.2%	2	2	X				<3	2
	MARTIN	\$77,649	38	-0.93%	19	\$35,930	24	7.08%	15	96	13	23,746	22.5%	1	1	X		X		1	1
	MCDOWELL	\$79,830	46	0.59%	51	\$37,881	34	4.93%	78	209	54	44,739	20.2%	2	1	X		X	X	1	1
	MECKLENBURG	\$115,399	72	7.58%	98	\$59,049	96	4.85%	83	349	98	1,035,605	15.5%	3	3						3
	MITCHELL	\$113,759	70	-0.49%	28	\$36,795	28	6.41%	29	155	31	15,335	19.6%	2	2	X		X		1	1
↑	MONTGOMERY	\$105,894	64	-0.25%	33	\$38,530	39	5.27%	61	197	50	27,174	26.2%	1	1	X		X		1	1
	MOORE	\$126,671	81	4.19%	87	\$51,650	90	5.25%	63	321	88	94,492	16.3%	3	3						3
	NASH	\$75,838	35	-0.63%	23	\$43,348	62	6.76%	21	141	27	93,731	17.8%	1	1						2
	NEW HANOVER	\$139,871	85	4.91%	90	\$49,905	87	4.91%	80	342	95	219,841	18.1%	3	3						3
	NORTHAMPTON	\$96,079	55	-2.40%	5	\$32,063	6	7.47%	11	77	12	20,635	26.2%	1	1	X		X		1	1
↑	ON SLOW	\$68,853	18	1.71%	63	\$47,201	77	5.69%	39	197	50	194,636	14.7%	2	2						2
	ORANGE	\$114,918	71	1.49%	61	\$60,304	97	4.36%	96	325	89	139,936	16.8%	3	3						3
	PAMLICO	\$139,604	84	0.06%	43	\$43,097	60	5.47%	53	240	65	12,614	13.3%	2	2	X				<3	2
	PASQUOTANK	\$75,447	34	-0.81%	21	\$44,596	66	6.69%	24	145	29	38,987	19.5%	1	1	X		X		1	1
	PENDER	\$109,732	68	6.99%	97	\$45,453	72	5.56%	46	283	78	57,184	18.0%	3	3						3
↑	PERQUIMANS	\$130,643	82	-0.26%	32	\$41,328	50	6.54%	27	191	46	13,648	18.8%	1	1	X				<3	2
	PERSON	\$109,178	67	1.13%	55	\$45,841	74	5.71%	38	234	63	39,574	19.9%	2	2	X		X		1	1
	PITT	\$66,765	11	1.76%	64	\$41,765	51	5.66%	41	167	36	175,532	24.0%	2	2						2
	POLK	\$132,793	83	2.52%	76	\$45,464	73	4.80%	85	317	87	20,828	13.4%	2	2	X				<3	2
	RANDOLPH	\$73,656	30	0.37%	49	\$41,770	52	5.04%	72	203	53	142,718	18.0%	2	2						2
↑	RICHMOND	\$68,193	16	-1.73%	11	\$34,665	20	7.30%	13	60	8	44,690	23.8%	1	1	X		X		1	1
	ROBESON	\$46,493	1	-0.51%	27	\$30,414	2	7.48%	10	40	5	132,590	32.0%	1	1						1
	ROCKINGHAM	\$74,721	32	-0.81%	20	\$39,606	46	5.80%	35	133	24	92,084	18.8%	1	2						2
	ROWAN	\$81,541	48	1.51%	62	\$44,973	68	5.60%	45	223	59	139,142	19.1%	2	2						2
	RUTHERFORD	\$91,034	53	-0.46%	29	\$35,629	23	7.06%	16	121	20	67,384	21.0%	1	1						2
↑	SAMPSON	\$67,056	13	-0.16%	36	\$33,876	16	5.50%	51	116	17	63,538	24.7%	2	2						2
	SCOTLAND	\$60,140	6	-1.64%	14	\$32,782	9	9.50%	2	31	2	34,193	31.2%	1	1	X		X		1	1
	STANLY	\$74,834	33	1.38%	58	\$41,921	53	4.85%	84	228	60	60,391	16.6%	2	2						2
	STOKES	\$78,283	43	-0.55%	25	\$45,065	69	4.92%	79	216	55	46,763	17.1%	2	2	X				<3	2
	SURRY	\$74,227	31	-0.63%	24	\$37,915	36	5.00%	74	165	34	73,195	19.8%	1	2						2
↑	SWAIN	\$106,506	65	3.43%	82	\$34,788	21	6.93%	17	185	44	14,953	27.7%	1	1	X		X		1	1
	TRANSYLVANIA	\$176,148	92	2.25%	70	\$44,490	65	5.09%	69	296	81	33,745	13.8%	2	2	X				<3	2
	TYRRELL	\$124,302	79	-0.55%	26	\$32,773	8	8.59%	5	118	18	3,646	23.0%	1	1	X	X	X		1	1
	UNION	\$99,469	57	5.90%	93	\$64,381	99	4.46%	95	344	97	219,992	9.6%	3	3						3
	VANCE	\$52,321	2	-0.77%	22	\$33,609	13	7.51%	9	46	6	45,097	25.5%	1	1	X		X		1	1
↓	WAKE	\$119,336	77	6.57%	95	\$66,950	100	4.30%	99	371	99	1,004,811	11.3%	3	3						3
	WARREN	\$118,440	76	0.14%	45	\$33,869	15	7.45%	12	148	30	19,754	24.8%	1	1	X		X		1	1
	WASHINGTON	\$69,593	20	-1.67%	13	\$32,867	10	7.91%	8	51	7	12,589	24.2%	1	1	X		X		1	1
	WATAUGA	\$165,541	91	2.48%	74	\$41,942	54	4.68%	89	308	86	53,737	32.1%	3	3						3
	WAYNE	\$63,691	8	0.18%	46	\$36,890	29	5.68%	40	123	21	124,182	22.5%	2	2						2
↓	WILKES	\$80,786	47	-0.13%	37	\$33,398	11	5.08%	71	166	35	69,434	24.3%	2	2						2
	WILSON	\$78,217	42	-0.02%	40	\$39,268	43	8.47%	6	131	23	81,689	24.0%	1	2						2
	YADKIN	\$73,323	29	-1.40%	16	\$40,801	48	4.49%	94	187	45	37,705	19.4%	2	2	X		X		1	1
	YANCEY	\$145,314	89	0.51%	50	\$35,974	25	5.45%	55	219	58	17,959	21.5%	2	1	X		X	X	1	1

Committee Sergeants at Arms

NAME OF COMMITTEE Jt. Committee on Appropriations, AGNER and Commerce

DATE: 3/15/2017 Room: 544

House Sgt-At Arms:

1. Name: Bill Bass
2. Name: Mark Cone
3. Name: Will Crocker - Today is Will's 80<sup>th</sup> Birthday
4. Name: Thomas Terry
5. Name:

Senate Sgt-At Arms:

1. Name: Terry Barnhardt
2. Name: Jim Hamilton
3. Name: Linda Matthews
4. Name:
5. Name:





**House Pages  
Assignments  
Wednesday, March 15, 2017**

<b>Committee</b>	<b>Room</b>	<b>Time</b>	<b>Staff</b>	<b>Comments</b>	<b>Member</b>
Appropriations, Agriculture and Natural and Economic Resources	544	8:30 AM	Yasmeen Ayesh		Rep. Speaker Tim Moore
			Brooke Reutinger		Rep. Speaker Tim Moore



# Senate Pages Attending

COMMITTEE: Jt. App. Agri., Nat'l & Econ. Resources ROOM: 544

DATE: 3-15 TIME: 8:30

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!....or else!!!!

	Page Name	Hometown	Sponsoring Senator
1.	<del>Caitlyn Sosbe</del> <sup>504528</sup> Caitlyn Sosbe	<del>50528</del> Roxeymont	Michael Woodard
2.	<del>ALYSSA ALTARO</del> Allyssa Altaro	Goldsboro	Sen. Louis Pate
3.	Mykala Blowe	newbern	Sanderson
4.	<del>MYCALA BLOWE</del>		
5.			
6.			
7.			
8.			

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



# VISITOR REGISTRATION SHEET

COMMERCE & JOB DEVELOP./JOINT AG/NER

MARCH 15, 2017

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jim Lash	NCSA
GERRY COHEN	NM
Shannon Creech	OSBM
Frances Liles	NCREA
Betsy Huber	National Grange
Jimmy Bently	NC FRANK
Ed Stiles	LA for Rep. Clappitt
Carson Reed	MVA
Rob Hammer	IRAC
Sam Davis	Farmer
Flint Benson	SEANC



# VISITOR REGISTRATION SHEET

COMMERCE & JOB DEVELOP./JOINT AG/NER

MARCH 15, 2017

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Sarah Hardin	NCEL
Laura Kilian	Vista Strategic
[Signature]	S.H.
[Signature]	Cap Ad
Chris Broughton	MWC
Dave Efron	Commerce
Heather Horton	Commerce
Susan Fleetswood	NC Dept. of Commerce
[Signature]	NCRIIT
Ha Nguyen	NCCOB
Jon Lanier	NC DADS





# VISITOR REGISTRATION SHEET

COMMERCE & JOB DEVELOP./JOINT AG/NER

MARCH 15, 2017

Name of Committee

Date \_\_\_\_\_

**VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK**

NAME \_\_\_\_\_

FIRM OR AGENCY AND ADDRESS

Ken Mathon

K. M. A.

Evelyn Hawthorne

www

Jeff DeBellis

Doc

Orin Baker

in off. g r l t z r l c c

Isabel Villa-Fronda

NO REACTIONS

Padraig Gibbons

Connect C



## VISITOR REGISTRATION SHEET

COMMERCE & JOB DEVELOP./JOINT AG/NER

MARCH 15, 2017

Name of Committee

Date \_\_\_\_\_

**VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK**

NAME \_\_\_\_\_

FIRM OR AGENCY AND ADDRESS

[illegible]



**Nancy Fox (Rep. Pat McElraft)**

---

**From:** Nancy Fox (Rep. Pat McElraft)  
**Sent:** Thursday, March 09, 2017 12:06 PM  
**To:** Nancy Fox (Rep. Pat McElraft)  
**Subject:** <NCGA> House Appropriations, Agriculture and Natural and Economic Resources Committee Meeting Notice for Thursday, March 16, 2017 at 8:30 AM (Joint)  
**Attachments:** Add Meeting to Calendar\_LINC\_ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES  
JOINT COMMITTEE MEETING NOTICE  
AND  
BILL SPONSOR NOTIFICATION  
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

**DAY & DATE:** Thursday, March 16, 2017  
**TIME:** 8:30 AM  
**LOCATION:** 421 LOB  
**COMMENTS:** Senator Wade, presiding

**TOPIC:** Economic Development Cont., Commerce State-aid,

Respectfully,

Representative Jimmy Dixon, Co-Chair  
Representative Kyle Hall, Co-Chair  
Representative Pat McElraft, Co-Chair  
Representative Stephen M. Ross, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:04 PM on Thursday, March 09, 2017.

\_\_\_\_ Principal Clerk  
\_\_\_\_ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)





**Robert Mays (Sen. Trudy Wade)**

---

**From:** Jordan Hennessy (Sen. Bill Cook)  
**Sent:** Wednesday, March 15, 2017 09:13 AM  
**To:** Jordan Hennessy (Sen. Bill Cook)  
**Subject:** <NCGA> Senate Appropriations on Agriculture, Natural, and Economic Resources Committee Meeting Notice for Thursday, March 16, 2017 at 8:30 AM (Joint)  
**Attachments:** Add Meeting to Calendar\_LINC\_ics

Principal Clerk \_\_\_\_\_  
Reading Clerk \_\_\_\_\_

**SENATE**  
**NOTICE OF JOINT COMMITTEE MEETING**  
**AND**  
**BILL SPONSOR NOTICE**

The **Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources** will meet at the following time:

<b>DAY</b>	<b>DATE</b>	<b>TIME</b>	<b>ROOM</b>
Thursday	March 16, 2017	8:30 AM	421 LOB

Senate Presiding: Sen. Trudy Wade  
Topic: Economic Development Cont., and Commerce State-aid.

Senator Bill Cook, Co-Chair  
Senator Rick Gunn, Co-Chair  
Senator Trudy Wade, Co-Chair



**Joint Appropriations Meeting of  
House and Senate Committees on Agriculture and Natural and Economic  
Resources**

**Agenda**

Thursday, March 16, 2017, 8:30 A.M.  
Room 421, Legislative Office Building

**Sen. Wade, Presiding**

- 1. Welcome and Opening Comments**
- 2. Commerce – Division of Employment Security Overview**  
Eric Moore, Fiscal Research Division
- 3. Commerce Boards and Commissions Overview**  
Eric Moore, Fiscal Research Division
- 4. Commerce State-aid Overview**  
Eric Moore, Fiscal Research Division
- 5. NC Biotechnology Center Presentation**  
Doug Edgeton, President and Chief Executive Officer
- 6. RTI International Presentation**  
David Denton, Senior Director of Business Development
- 7. High Point Furniture Market Presentation**  
Tammy Nagem, Chief Operating Officer
- 8. Adjourn**

---

**House Appropriations Committee on ANER**

Rep. Dixon (Chair)  
Rep. Hall (Chair)  
Rep. McElraft (Chair)  
Rep. Ross (Chair)  
Rep. Presnell (Vice Chair)  
Reps. Ager, Dulin, Harrison, Hunter, Millis,  
B. Richardson, Sauls, Wray, Yarbrough

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**Senate Appropriations Committee on ANER**

Sen. Cook (Chair)  
Sen. Gunn (Chair)  
Sen. Wade (Chair)  
Sens. Brock, Bryant, Clark, Newton,



**Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources**  
**Thursday, March 16, 2017 at 8:30 AM**  
**Room 421 of the Legislative Office Building**

**MINUTES**

The Senate Committee on Appropriations on Agriculture, Natural, and Economic Resources met at 8:30 AM on March 16, 2017 in Room 421 of the Legislative Office Building. 6 members of the Senate were present and Co-Chairman Representative Jimmy Dixon, Co-Chairman Representative Kyle Hall, Co-Chairman Representative Pat McElraft, Co-Chairman Representative Stephen Ross, Vice-Chairman Representative Michele Presnell, Representative John Ager, Representative Andy Dulin, Representative Pricey Harrison, and Representative Bobbie Richardson.

Senator Trudy Wade, Chair, presided.

Senator Wade called the meeting to order and introduced the Sergeant-At-Arms for the meeting as Bill Bass, Mark Cone, and Will Crocker from the House, and John Enloe, and Becky Myrick from the Senate. Serving as pages for the meeting were Alyssa Alforo, Emily Willis, Alessia Kleine, and Diana Jasany, from the Senate, and Eleanor McNamee from the House. Senator Wade called on Eric Moore to begin his presentations.

**Presentation 1-Division of Employment Security-Eric Moore, Fiscal Research, (Attachment 1)**

Mr. Moore began by sharing the purpose of the department is to supervise the NC unemployment insurance program which gives temporary income to eligible workers during periods of involuntary unemployment. Mr. Moore explained that benefits were based on wages and determined on a sliding scale of dollars and duration. The current max is \$350/week for 12 weeks. After a brief discussion about the role of the Federal government in funding unemployment and the cost associated with surcharges, Senator Wade asked that Mr. Moore proceed with the next item on the agenda. Mr. Moore's presentation (Attachment 1) is attached at the end of these minutes.

**Presentation 2-Division of Commerce Boards and Commissions-Eric Moore, Fiscal Research, (Attachment 2)**

Mr. Moore gave a short overview of the Utilities Commission, Banking Commission, Credit Union Supervision, and the Rural Electrification Authority. After a brief conversation regarding the compensation for board members, the Chair urged the committee to move to the next item. Mr. Moore's presentation (Attachment 2) is attached at the end of these minutes.

**Presentation 3-Commerce State-Aid Overview-Eric Moore, Fiscal Research, (Attachment 3)**

Mr. Moore gave a brief overview of the funding for the NC Biotechnology Center, RTI International, and the High Point Market Authority. Mr. Moore's presentation (Attachment 3)



is attached at the end of these minutes. Senator Wade suggested the committee hear from the representatives in attendance today.

Senator Wade recognized Mr. Doug Edgeton.

**Presentation 4-NC Biotechnology Center-Doug Edgeton, President and CEO**

Mr. Edgeton made a brief presentation about the companies in the life science community, their activities and their assets. He spoke about their research for high value crops to farmers, and partnerships with companies around the world. In 2016, their overall revenue sources was \$21 million dollars with an administrative cost of 12 percent. Members of the Committee asked about investments in rural North Carolina, spoke about NC State versus Biotech, talked about competing states such as Maryland. Mr. Edgeton's presentation (Attachment 4) is attached at the end of these minutes.

**Presentation 5-RTI International-David Denton, Senior Director of Business Development**

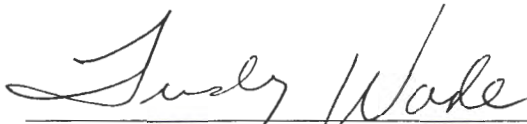
Mr. Denton spoke about the current \$800,000 they receive from the state, and the 4 million received since 2010 to attract federal funding and private funding for energy research in NC. RTI has created 3600 jobs, donated \$570,000 in contributions, and had a direct economic impact of \$227 million in NC. Committee questions included the rural impact, marine impacts, the production of clean coal, the use of coal ash, and the production of methanol and syngas. Mr. Denton's presentation (Attachment 5) is attached at the end of these minutes.

**Presentation 6-High Point Furniture Market-Tammy Nagem, Chief Operating Officer**

Ms. Nagem gave a brief history of the 107 year old market, including the fact that it has 180 buildings with 11.5 million square feet of space. 75,000 attendees come to High Point twice a year to attend the market. The market generates \$5.4 billion dollars in total economic impact and creates 13,000 jobs. Committee questions included the concern for the competing market in Vegas, and the effect, if any, HB 2 may have on attendance. Ms. Nagem's presentation (Attachment 6) is attached at the end of these minutes.

Senator Wade asked if there were additional questions and hearing none adjourned the meeting.

The meeting adjourned at 9:50 AM.

  
\_\_\_\_\_  
Senator Trudy Wade, Chair  
Presiding

  
\_\_\_\_\_  
Robert Mays, Committee Clerk







## FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

# Division of Employment Security

Joint Appropriations Subcommittee on Agriculture,  
Natural, and Economic Resources

March 16, 2017

Eric Moore

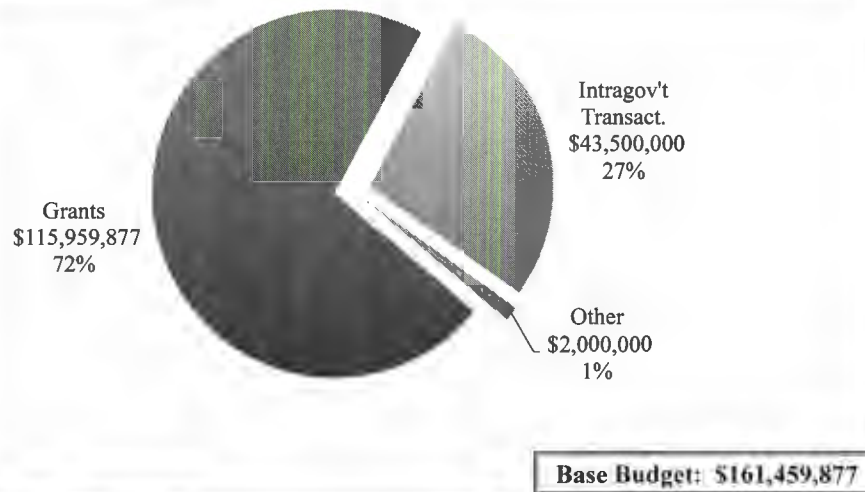
## DES Purpose

- Supervises NC's Unemployment Insurance (UI) program
- Provides temporary income protection to eligible workers during periods of involuntary unemployment
- NC Unemployment Trust Fund
  - ~\$2.5B Feb 2017

886.75 FTE	
<u>2017-18 Base Budget</u>	
Expenditures:	\$ 161.5 M
Receipts:	\$ 161.5 M
Net Approp.:	\$ 0.0 M



## DES 2017-18 Base Budget Revenues

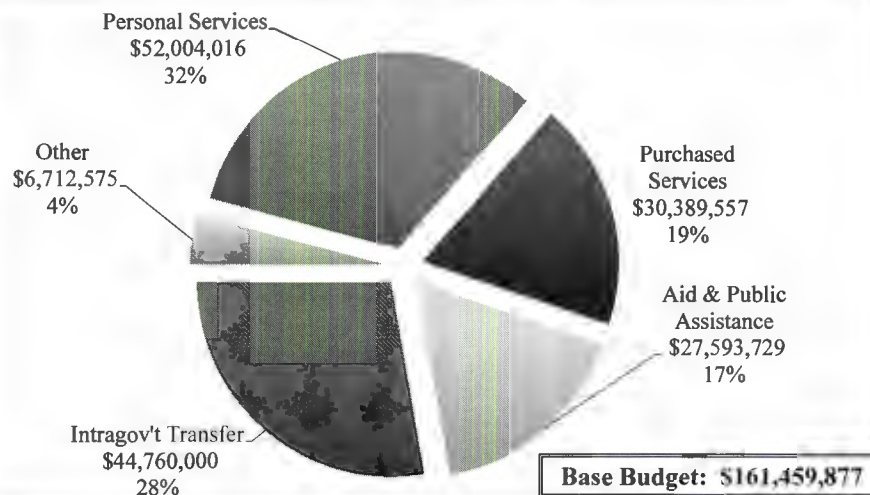


FISCAL RESEARCH DIVISION

3

March 16, 2017

## DES 2017-18 Base Budget Expenditures



FISCAL RESEARCH DIVISION

4

March 16, 2017

## Revenues

- Federal Unemployment Tax Act - **FUTA**
  - Employers pay IRS directly
  - 0.6%-6% of taxable wages for first \$7K
  - Funds – federal benefits, State administration
- State Unemployment Tax Act – **SUTA**
  - Employers pay through DES into State account at US Treasury
  - 0.06%-5.76% of taxable wages for first \$23,100
- Penalties/Interest
  - Penalties are transferred to OSBM for distribution
  - Interest is used by DES for allowable purposes
- Surcharge
  - 20% on top of SUTA when State's balance is < \$1B



## Benefits

- Sliding scale of dollars and duration
- Dollar benefits based on employee's wages
- Duration pegged to State's unemployment rate
- Current max is \$350/week for 12 weeks
  - Current average is \$244/week



## Contact Information

### Fiscal Research Division 919-733-4910

William Childs – [William.Childs@ncleg.net](mailto:William.Childs@ncleg.net)  
*Agriculture, Commerce, Utilities Commissions*

Lanier McRee – [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)  
*Natural & Cultural Resources, Wildlife Resources Commission*

Eric Moore – [Eric.Moore@ncleg.net](mailto:Eric.Moore@ncleg.net)  
*Environmental Quality, Labor, Non-Profits*



FISCAL RESEARCH DIVISION

A Non-Political Staff Agency of the North Carolina General Assembly

7

March 16, 2017

## Division of Employment Security

### Department of Commerce

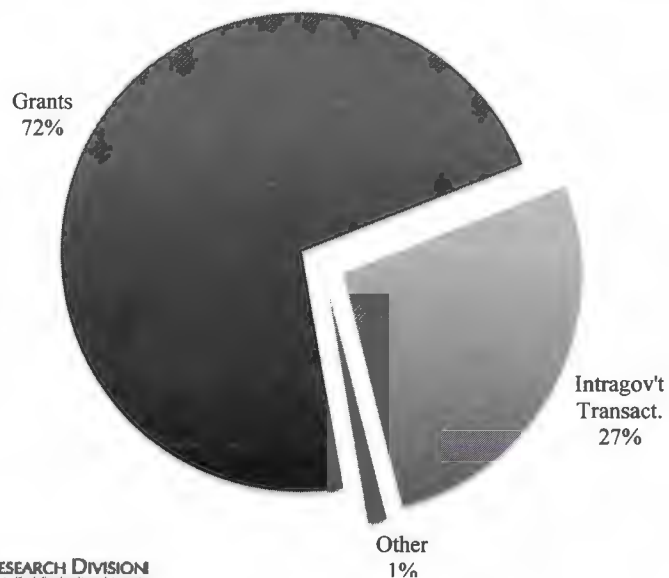
Supervises North Carolina's Unemployment Insurance (UI) program which provides temporary income protection to eligible workers during periods of involuntary unemployment

*Budget Code 24650 Only*

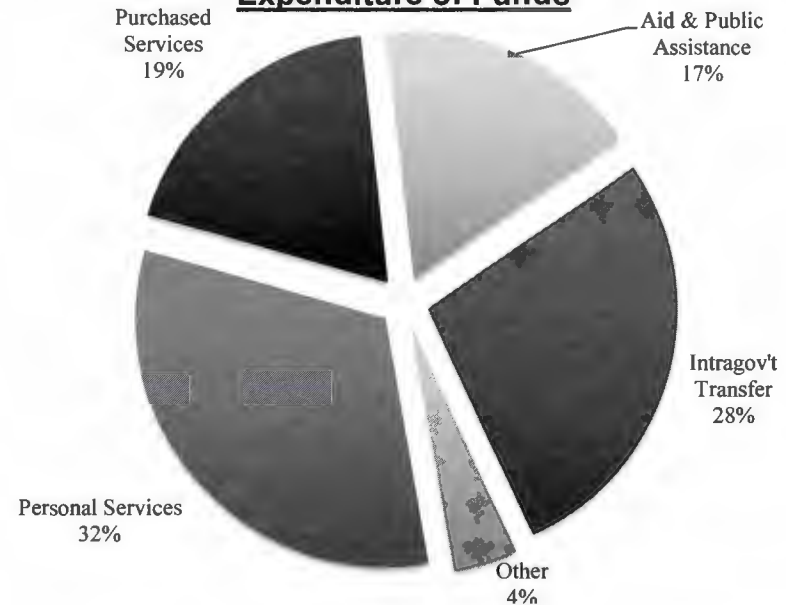
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 102,548,496	\$ 94,593,925	\$ 161,459,877	\$ -	\$ 161,459,877	\$ -	\$ 161,459,877
<b>Less Receipts</b>	\$ 107,834,966	\$ 95,909,002	\$ 161,459,877	\$ -	\$ 161,459,877	\$ -	\$ 161,459,877
<b>Δ Fund Balance</b>	\$ 5,286,470	\$ 1,315,076	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Positions</b>	1,282.40	888.75	886.75	0.00	886.75	0.00	886.75

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

	531-XXX	532-XXX	536-XXX	538-XXX			
Fund Code	Personal Services	Purchased Services	Aid & Public Assistance	Intragov't Transfer	Other	Total Expenditure	FTE
24650-2000	\$ 52,004,016	\$ 30,389,557	\$ 27,593,729	\$ 44,760,000	\$ 6,712,575	\$ 161,459,877	761.75
24650-2130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	125.00
<b>Total</b>	<b>\$ 52,004,016</b>	<b>\$ 30,389,557</b>	<b>\$ 27,593,729</b>	<b>\$ 44,760,000</b>	<b>\$ 6,712,575</b>	<b>\$ 161,459,877</b>	<b>886.75</b>

### Revenues: Summary by Account

	432-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Grants	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
24650-2000	\$ 115,959,877	\$ -	\$ 43,500,000	\$ -	\$ 2,000,000	\$ 161,459,877	\$ -
24650-2130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 115,959,877</b>	<b>\$ -</b>	<b>\$ 43,500,000</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ 161,459,877</b>	<b>\$ -</b>

Detailed Adjustments to Base Budget	Major Programs
- None	

### Funds included in Division of Employment Security

Fund
24650-2000 - Administration
24650-2130 - Employment Security Reserve Positions
64650-6100 - Special Admin
64651-6200 - Claims and Benefits
64652-6300 - Clearing Account
64653-6400 - ESC Reserve
64656-6701 - Trust Fund Account



## Utilities Commission Department of Commerce

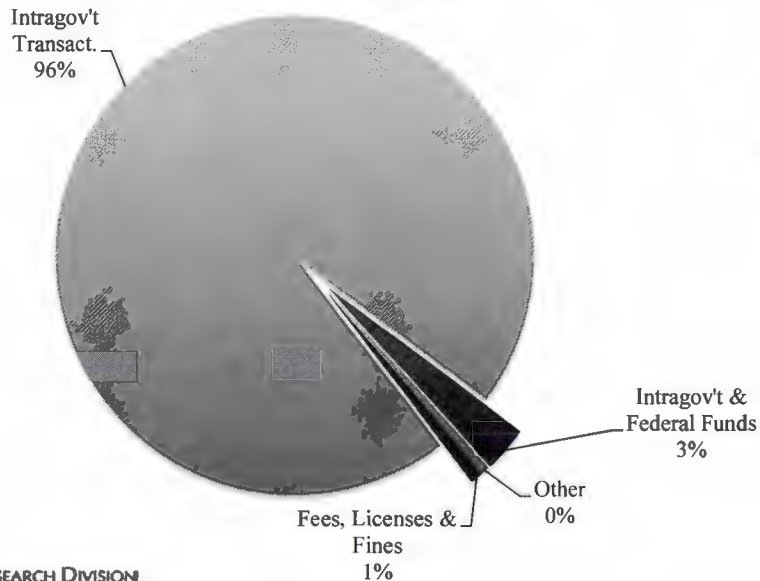
Regulates the rates and services of all public utilities in North Carolina, including electric, telephone (including payphone service and shared tenant service), natural gas, water, wastewater, water resale, household goods transportation, buses, brokers, and ferryboats

*Budget Code 54600*

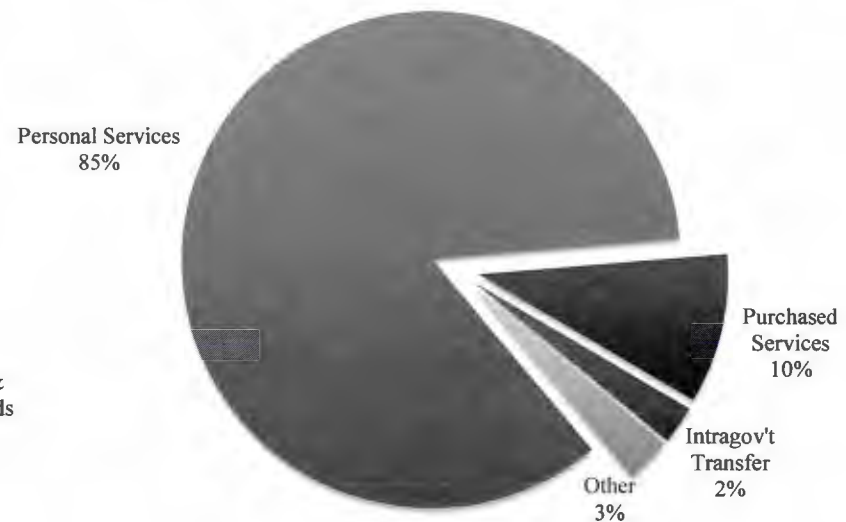
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 29,915,823	\$ 14,732,829	\$ 16,585,314	\$ -	\$ 16,585,314	\$ -	\$ 16,585,314
<b>Less Receipts</b>	\$ 31,855,597	\$ 13,689,663	\$ 16,599,038	\$ -	\$ 16,599,038	\$ -	\$ 16,599,038
<b>Δ Fund Balance</b>	\$ 1,939,774	\$ (1,043,166)	\$ 13,724	\$ -	\$ 13,724	\$ -	\$ 13,724
<b>Positions</b>	153.00	141.00	138.00	0.00	138.00	0.00	138.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

Fund Code	531-XXX	532-XXX	536-XXX	538-XXX	Other	Total Expenditure	FTE
	Personal Services	Purchased Services	Aid & Public Assistance	Intragov't Transfer			
54600-5211	\$ 5,512,551	\$ 957,475	\$ -	\$ 263,992	\$ 263,570	\$ 6,997,588	53.00
54600-5217	\$ 603,396	\$ 100,425	\$ -	\$ -	\$ 28,800	\$ 732,621	7.00
54600-5221	\$ 7,950,051	\$ 560,369	\$ -	\$ 145,299	\$ 199,386	\$ 8,855,105	78.00
<b>Total</b>	<b>\$ 14,065,998</b>	<b>\$ 1,618,269</b>	<b>\$ -</b>	<b>\$ 409,291</b>	<b>\$ 491,756</b>	<b>\$ 16,585,314</b>	<b>138.00</b>

### Revenues: Summary by Account

Fund Code	432-XXX	435-XXX	438-XXX	538-XXX	Other	Total Revenue	Net Appropriation
	Grants	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds			
54600-5211	\$ -	\$ 132,006	\$ 6,622,572	\$ 153,000	\$ 90,010	\$ 6,997,588	\$ -
54600-5217	\$ -	\$ -	\$ 380,390	\$ 352,231	\$ -	\$ 732,621	\$ -
54600-5221	\$ -	\$ -	\$ 8,866,829	\$ -	\$ 2,000	\$ 8,868,829	
<b>Total</b>	<b>\$ -</b>	<b>\$ 132,006</b>	<b>\$ 15,869,791</b>	<b>\$ 505,231</b>	<b>\$ 92,010</b>	<b>\$ 16,599,038</b>	<b>\$ -</b>

### Detailed Adjustments to Base Budget

- None

### Funds included in Utilities Commission

#### Fund

54600-5211 - Utilities-Commission Staff  
 54600-5217 - Utilities-Gas Pipelines  
 54600-5221 - Utilities-Public Staff  
 64605-6431 - Utility and Public Staff

## Banking Commission Department of Commerce

Responsible for the chartering and regulation of North Carolina's state banks, trust companies, mortgage companies, as well as registration and licensing of various financial institutions

*Budget Code 54600-5811 Only*

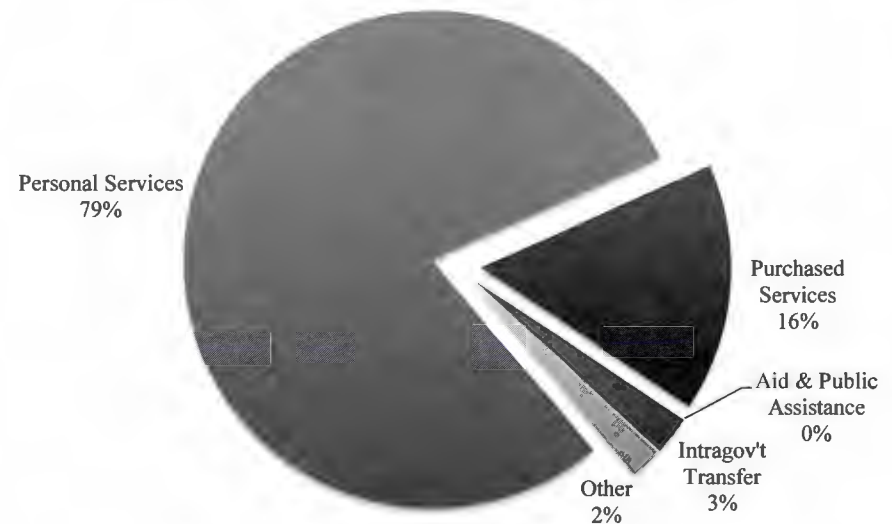
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 12,987,959	\$ 12,925,200	\$ 14,840,461	\$ -	\$ 14,840,461	\$ -	\$ 14,840,461
<b>Less Receipts</b>	\$ 13,833,074	\$ 13,356,242	\$ 14,990,705	\$ -	\$ 14,990,705	\$ -	\$ 14,990,705
<b>Δ Fund Balance</b>	\$ 845,115	\$ 431,042	\$ 150,244	\$ -	\$ 150,244	\$ -	\$ 150,244
<b>Positions</b>	108.00	102.00	101.00	0.00	101.00	0.00	101.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds



### Expenditures: Summary by Account

	531-XXX	532-XXX	536-XXX	538-XXX			
Fund Code	Personal Services	Purchased Services	Aid & Public Assistance	Intragov't Transfer	Other	Total Expenditure	FTE
54600-5811	\$ 11,786,664	\$ 2,390,560	\$ -	\$ 364,272	\$ 298,965	\$ 14,840,461	101.00
<b>Total</b>	<b>\$ 11,786,664</b>	<b>\$ 2,390,560</b>	<b>\$ -</b>	<b>\$ 364,272</b>	<b>\$ 298,965</b>	<b>\$ 14,840,461</b>	<b>101.00</b>

### Revenues: Summary by Account

	432-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Grants	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
54600-5811	\$ -	\$ 14,567,800	\$ -	\$ -	\$ 422,905	\$ 14,990,705	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 14,567,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 422,905</b>	<b>\$ 14,990,705</b>	<b>\$ -</b>

### Detailed Adjustments to Base Budget

- None

### Funds included in Banking Commission

#### Fund

54600-5811 - State Banking Commission

## Credit Union Division Department of Commerce

To promote and assist in the formation of credit unions, and to ensure the safety and soundness of the credit unions and their compliance with applicable laws through yearly examinations and other means

*Budget Code 54600-5821 Only*

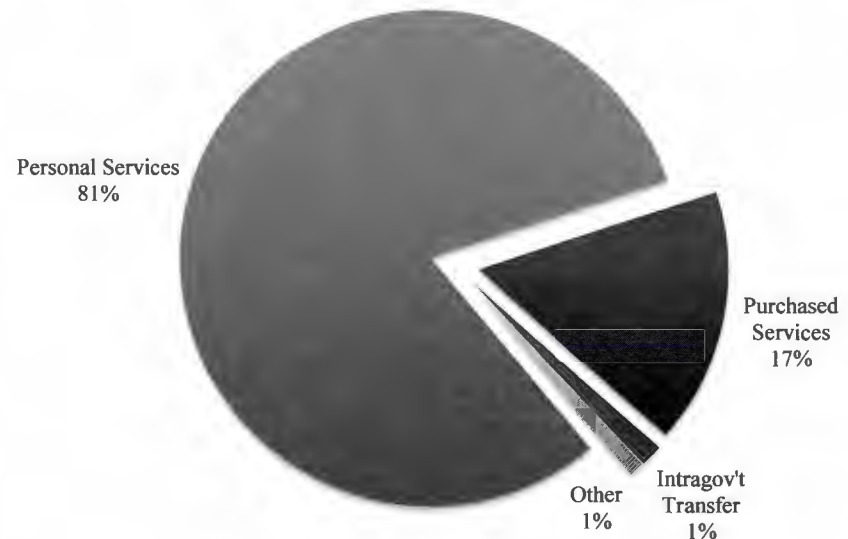
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 1,338,226	\$ 1,313,337	\$ 1,775,436	\$ -	\$ 1,775,436	\$ -	\$ 1,775,436
<b>Less Receipts</b>	\$ 1,403,855	\$ 1,184,460	\$ 1,584,966	\$ -	\$ 1,584,966	\$ -	\$ 1,584,966
<b>Δ Fund Balance</b>	\$ 65,629	\$ (128,877)	\$ (190,470)	\$ -	\$ (190,470)	\$ -	\$ (190,470)
<b>Positions</b>	15.00	13.00	13.00	0.00	13.00	0.00	13.00

### FY 2017-18 Base Budget

**Source of Funds**



**Expenditure of Funds**



### Expenditures: Summary by Account

	531-XXX	532-XXX	536-XXX	538-XXX			
Fund Code	Personal Services	Purchased Services	Aid & Public Assistance	Intragov't Transfer	Other	Total Expenditure	FTE
24650-2000	\$ 1,439,199	\$ 294,756	\$ -	\$ 24,755	\$ 16,726	\$ 1,775,436	13.00
<b>Total</b>	<b>\$ 1,439,199</b>	<b>\$ 294,756</b>	<b>\$ -</b>	<b>\$ 24,755</b>	<b>\$ 16,726</b>	<b>\$ 1,775,436</b>	<b>13.00</b>

### Revenues: Summary by Account

	432-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Grants	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
24650-2000	\$ -	\$ 1,584,966	\$ -	\$ -	\$ -	\$ 1,584,966	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,584,966</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,584,966</b>	<b>\$ -</b>

### Detailed Adjustments to Base Budget

- None

### Funds included in Credit Union Division

#### Fund

54600-5821 - Credit Union Supervision



## Rural Electrification Authority Department of Commerce

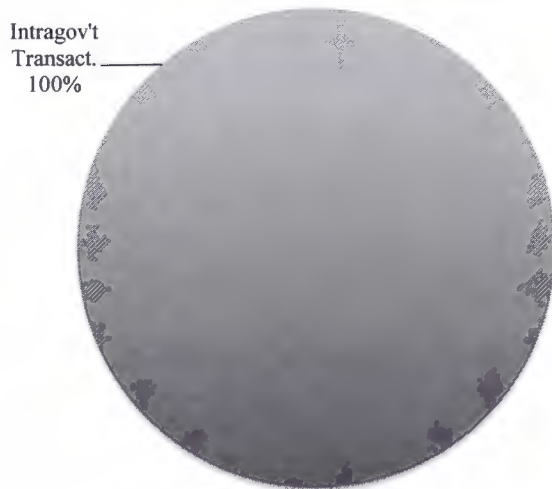
Ensure that customers in the predominantly rural areas of the state have access to adequate, dependable, and affordable electric and telephone service

*Budget Code 54600-5241 Only*

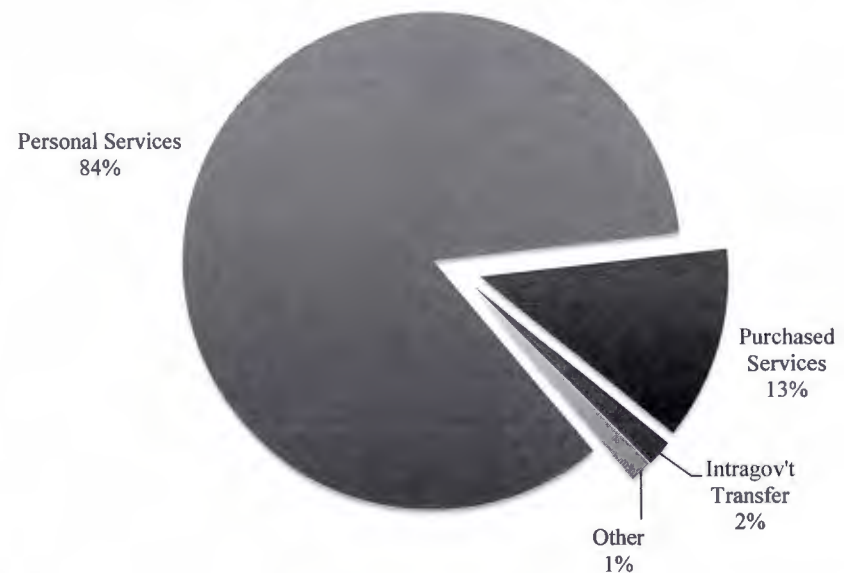
	2014-15		2015-16		2016-17		2017-18		2017-18		2018-19		2018-19	
	Actual		Actual		Authorized		Adjust.		Base Budget		Adjust.		Base Budget	
<b>Expenditures</b>	\$	-	\$	188,729	\$	209,167	\$	-	\$	209,167	\$	-	\$	209,167
<b>Less Receipts</b>	\$	-	\$	295,400	\$	209,167	\$	-	\$	209,167	\$	-	\$	209,167
<b>Δ Fund Balance</b>	\$	-	\$	106,671	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Positions</b>		0.00		2.00		2.00		0.00		2.00		0.00		2.00

### FY 2017-18 Base Budget

#### Source of Funds



#### Expenditure of Funds





### Expenditures: Summary by Account

	531-XXX	532-XXX	536-XXX	538-XXX			
Fund Code	Personal Services	Purchased Services	Aid & Public Assistance	Intragov't Transfer	Other	Total Expenditure	FTE
54600-5241	\$ 176,377	\$ 26,388	\$ -	\$ 3,452	\$ 2,950	\$ 209,167	2.00
<b>Total</b>	<b>\$ 176,377</b>	<b>\$ 26,388</b>	<b>\$ -</b>	<b>\$ 3,452</b>	<b>\$ 2,950</b>	<b>\$ 209,167</b>	<b>2.00</b>

### Revenues: Summary by Account

	432-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Grants	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
54600-5241	\$ -	\$ -	\$ 209,167	\$ -	\$ -	\$ 209,168	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 209,167</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 209,168</b>	<b>\$ -</b>

Detailed Adjustments to Base Budget	Major Programs
- None	Rural Economic Development Loan & Grant Program Rural Utilities Service Loan Program
<b>Funds included in Rural Electrification Authority</b>	
<b>Fund</b>	
54600-5241 - Rural Electrification Authority 64612-6412 - NC Rural Electrification	

## State Aid Department of Commerce

Funds for NC Biotechnology Center, High Point Furniture Market, and Research Triangle Institute, International

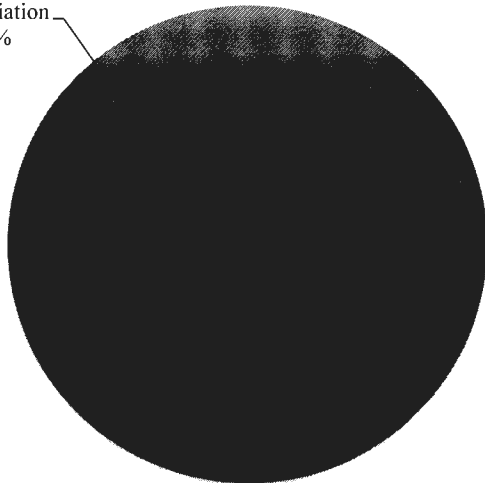
### General Fund Fund Codes Only

	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 17,755,835	\$ 20,754,240	\$ 18,705,810	\$ (2,750,000)	\$ 15,955,810	\$ (2,750,000)	\$ 15,955,810
<b>Less Receipts</b>	\$ 515,374	\$ 12,605	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Approp.</b>	\$ 17,240,461	\$ 20,741,635	\$ 18,705,810	\$ (2,750,000)	\$ 15,955,810	\$ (2,750,000)	\$ 15,955,810
<b>Positions</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### FY 2017-18 Base Budget

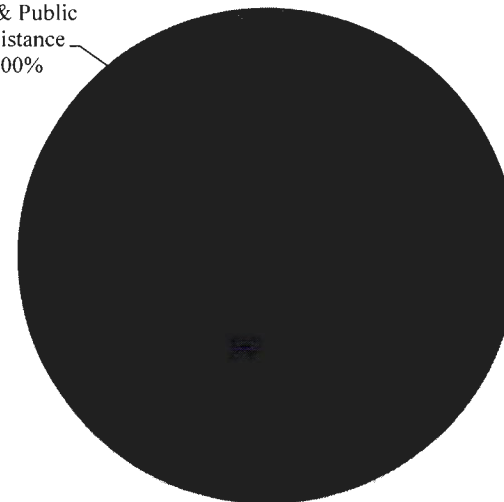
#### Source of Funds

Net  
Appropriation  
100%



#### Expenditure of Funds

Aid & Public  
Assistance  
100%



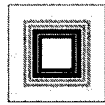
### Expenditures: Summary by Account

	531-XXX	532-XXX	533 - 534-XXX	536-XXX	535, 537 - 538-XXX		
Fund Code	Personal Services	Purchased Services	Supplies and Equipment	Aid & Public Assistance	Other	Total Expenditure	FTE
1121 Biotech Center				\$ 13,600,338		\$ 13,600,338	
1913 Non-State				\$ 2,355,472		\$ 2,355,472	
<b>Total</b>	\$ -	\$ -	\$ -	\$ 15,955,810	\$ -	\$ 15,955,810	-

### Revenues: Summary by Account

	434-XXX	435-XXX	438-XXX	538-XXX			
Fund Code	Sales, Services & Rentals	Fees, Licenses & Fines	Intragov't Transact.	Intragov't & Federal Funds	Other	Total Revenue	Net Appropriation
1121 Biotech Center						\$ -	\$ 13,600,338
1913 Non-State							\$ 2,355,472
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,955,810

Detailed Adjustments to Base Budget	Major Programs
Removes NR Increase for HP Furniture Market (\$200,000)	RTI International
Removes NR funding for Support Center (\$2,500,000)	High Point Furniture Market
Removes NR funding for Phoenix Hometown Hires (\$50,000)	NC Biotechnology Center
<b>Funds included in State Aid</b>	
<b>Fund</b>	
1121 Biotech Center	
1913 Non-State	



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

## Department of Commerce Boards and Commissions

**Joint Appropriations Subcommittee on Agriculture,  
Natural, and Economic Resources**

**March 16, 2017**

**Eric Moore**

### Overview

- Utilities Commission
- Banking Commission
- Credit Union Supervision
- Rural Electrification Authority



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March 16, 2017

# Utilities Commission

## Utilities Commission – 53 FTE (54600-5211)

- Administers the Public Utilities Act
- Regulates the rates and quality of service of public utilities operating in the State
- Promote and ensure the availability of adequate, reliable, and economical public utility services

## Utilities Commission Public Staff – 78 FTE (54600-5221)

- Represents the public before the Utilities Commission in matters affecting the rates and services of regulated public utilities

## Utilities Commission Gas Pipelines – 7 FTE (54600-5217)

- Ensures the safety of natural gas distribution

138 FTE

### 2017-18 Base Budget

Expenditures: \$ 16.6 M  
Receipts: \$ 16.6 M  
Net Approp.: \$ 0.0 M



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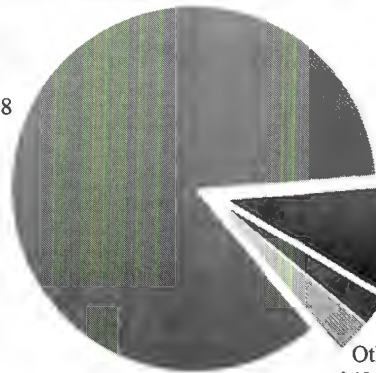
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March 16, 2017

# Utilities – FY2017-18 Base Budget

Personal  
Services  
\$14,065,998  
85%



Purchased  
Services  
\$1,618,269  
10%

Intragov't  
Transfer  
\$409,291  
2%

Other  
\$491,756  
3%

Base Budget: \$16,585,314



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March 16, 2017

## Utilities Commission Revenues

### Regulatory Fee

- Assessment on public utilities' revenues in the State
- Rates range from 0.05% to 0.148%
  - \$200,000 for EMCs
- Generates ~ \$15.8 million
- Set out in G.S. 62-302

### Other Fees

- Filing, transcript, registration, etc.
- Range from \$1 - \$500
- Generate ~ \$132,000
- Set out in G.S. 62-300



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March 16, 2017

## Banking Commission

- 54600-5811
- Responsibilities laid out in G.S. 53C
- Charters and supervises banks
- Licenses or registers a variety of consumer industries
- Licenses mortgage lenders, brokers, and their loan officers
- Enforces regulatory compliance of all supervised financial services companies

101 FTE

### 2017-18 Base Budget

Expenditures: \$ 14.8 M

Receipts: \$ 15.0 M

ΔFund Balance: \$ 0.2 M



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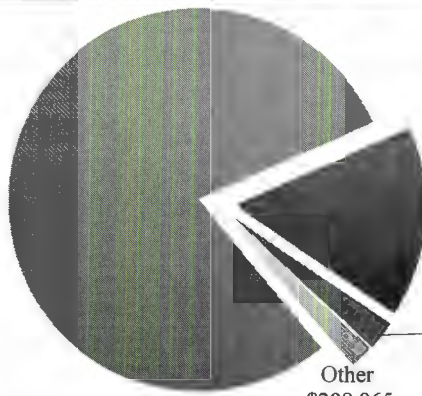
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March 16, 2017

## Banks - FY2017-18 Base Budget

Personal  
Services  
\$11,786,664  
79%



Purchased  
Services  
\$2,390,560  
16%

Intragov't  
Transfer  
\$364,272  
3%

Other  
\$298,965  
2%

**Base Budget: \$14,840,461**



FISCAL RESEARCH DIVISION

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March 16, 2017

## Banking Commission Revenues

- Assessments
  - Paid by banks and mortgage lenders approved and supervised by the Commission
  - Generates ~ \$9.6 million
  - G.S. 53C-8-2 (banks), G.S. 53-244.100A (mortgage lenders)
- Licenses
  - Professional license application/renewal fees
  - Generates ~ \$4.1M
- Other
  - Report filing fees, examination fees, etc.
  - Generates ~ \$422K



FISCAL RESEARCH DIVISION

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March 16, 2017



## Credit Union Supervision

54600-5821

*Purpose: To advocate for and assist in the formation of State chartered credit unions, and ensure their safety and soundness.*

G.S. 143B-439

13 FTE

### 2017-18 Base Budget

Expenditures: \$ 1.8 M

Receipts: \$ 1.6 M

ΔFund Balance: (\$ 0.2 M)



FISCAL RESEARCH DIVISION

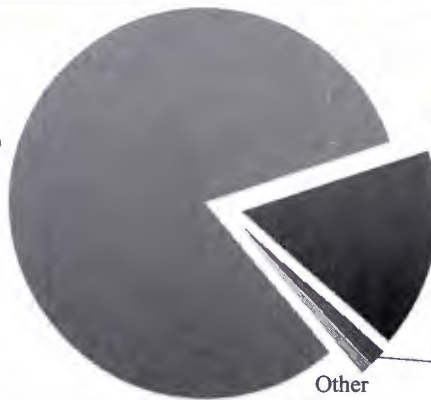
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March 16, 2017

## Credit Union - FY2017-18 Base Budget

Personal  
Services  
\$1,439,199  
81%



Purchased  
Services  
\$294,756  
17%

Other  
\$16,726  
1%

Intragov't  
Transfer  
\$24,755  
1%

**Base Budget: \$1,775,436**



FISCAL RESEARCH DIVISION

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March 16, 2017

## Credit Union Revenues

### Fees

- Credit Union Supervisory Fee: sliding scale based on total assets
- Credit Union Exam Fee: \$40/hour/examiner
- Total \$1,584,716
- G.S. 54-109.14



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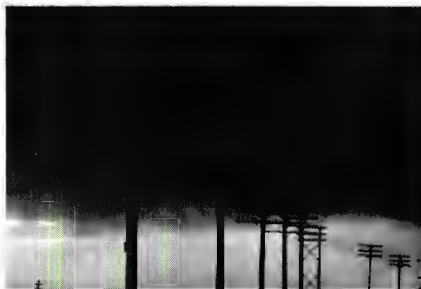
March 16, 2017

## Rural Electrification Authority

**54600-5241**

**Purpose:** *To secure and continue adequate and dependable electric and telephone services to customers in predominately rural areas.*

- Investigate complaints
- Act as an agent for any membership corporation in securing federal loans or grants
- G.S. 117



2 FTE

2017-18 Base Budget

Expenditures: \$ 0.2 M

Receipts: \$ 0.2 M

ΔFund Balance: \$ 0.0 M



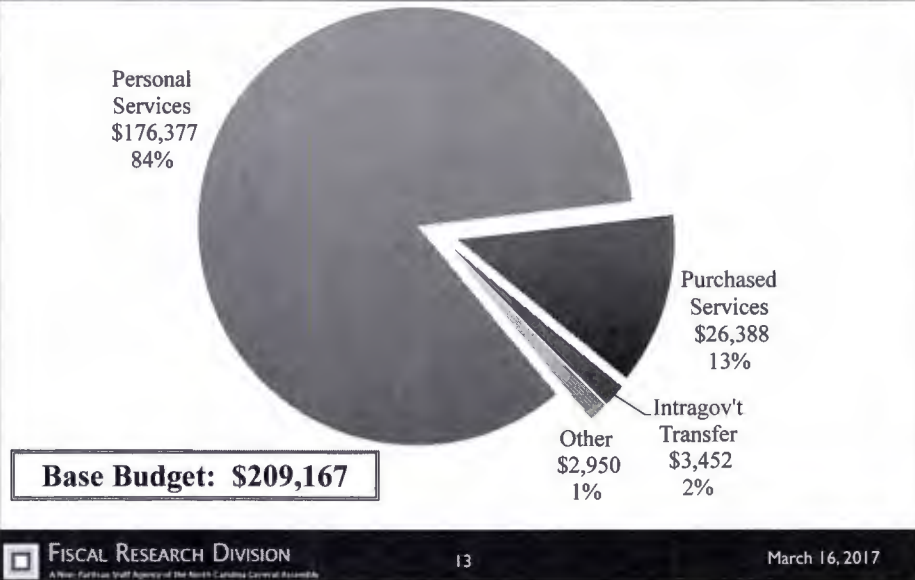
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March 16, 2017

## REA- FY2017-18 Base Budget



## REA Revenues

### Quarterly Regulatory Fees

- Electric Membership Cooperatives: \$0.04/meter
- Telephone Membership Cooperatives: \$0.04/access line
- Total \$207,999
- G.S. 117-3.1



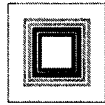
## Contact Information

### Fiscal Research Division 919-733-4910

William Childs – [William.Childs@ncleg.net](mailto:William.Childs@ncleg.net)  
*Agriculture, Commerce, Utilities Commissions*

Lanier McRee – [Lanier.McRee@ncleg.net](mailto:Lanier.McRee@ncleg.net)  
*Natural & Cultural Resources, Wildlife Resources Commission*

Eric Moore – [Eric.Moore@ncleg.net](mailto:Eric.Moore@ncleg.net)  
*Environmental Quality, Labor, Non-Profits*



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

## Commerce State-Aid Overview

**Joint Appropriations Subcommittee on Agriculture,  
Natural, and Economic Resources**

**March 16, 2017**

**Eric Moore**

### Agenda

- Overview
- NC Biotechnology Center
- RTI International
- High Point Market Authority



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

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March 16, 2017

## State-Aid Nonprofits

### Funding History

#### 2007-08

- 7 Regional economic development commissions
- 17 Councils of Government
- 15 Nonprofits

#### 2016-17

- 5 Nonprofits

### Funded in FY 2016-17

#### Recurring

- NC Biotechnology Center
- Research Triangle Institute
- High Point Furniture Market

#### Nonrecurring

- Phoenix Hometown Hires
- Carolina Small Business Fund



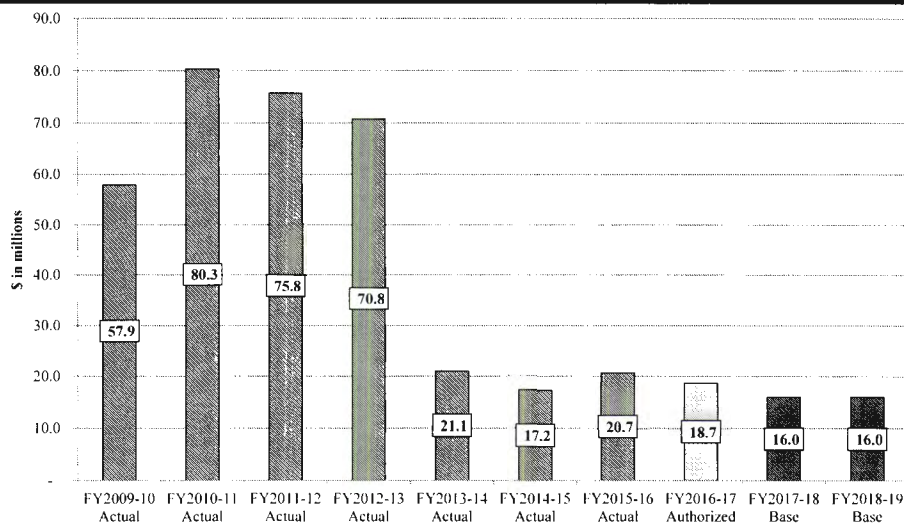
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March 16, 2017

## State-Aid Funding History



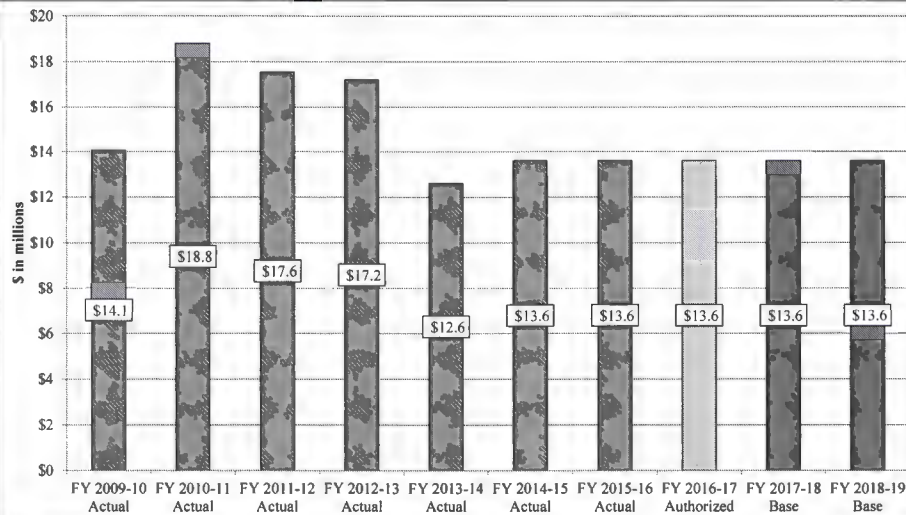
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March 16, 2017

## Biotech Center Funding History

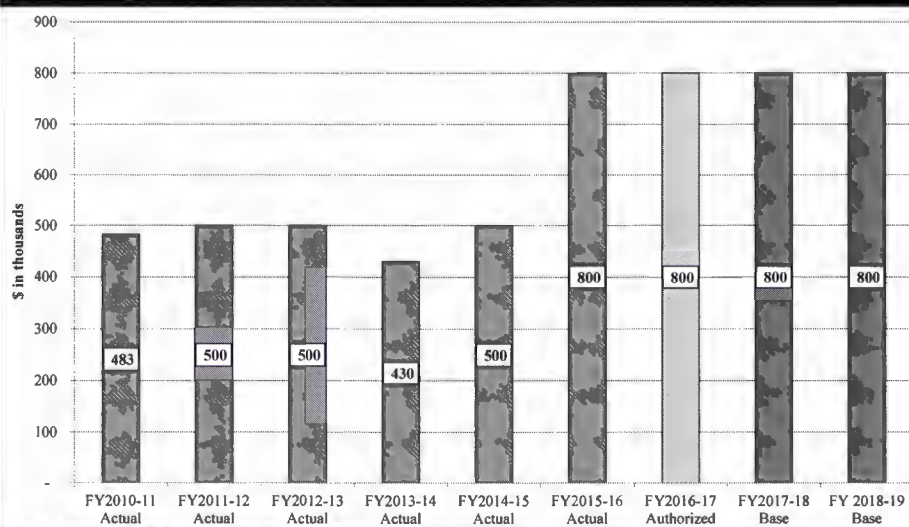


FISCAL RESEARCH DIVISION

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March 16, 2017

## RTI Funding History



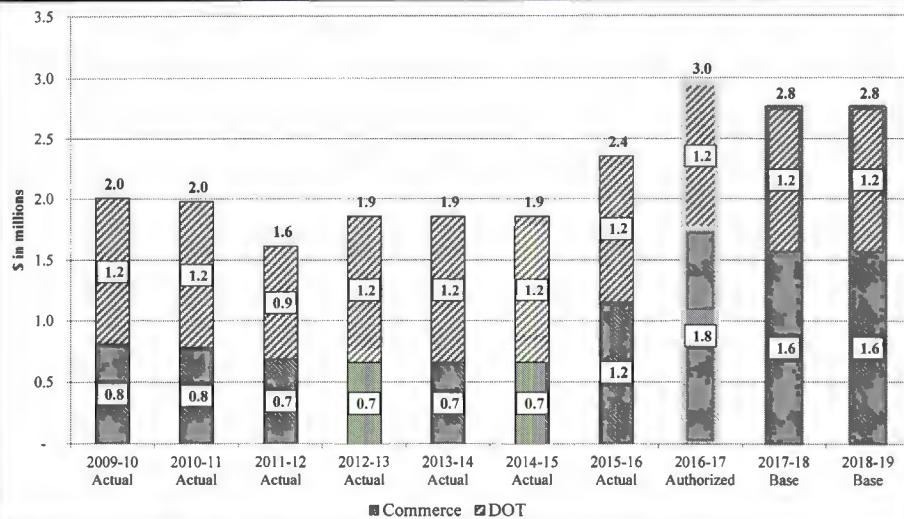
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March 16, 2017



## High Point Market Authority Funding History



FISCAL RESEARCH DIVISION

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March 16, 2017

## Contact Information

**Fiscal Research Division**  
**919-733-4910**

**William Childs – William.Childs@ncleg.net**  
*Agriculture, Commerce, Utilities Commissions*

**Lanier McRee – Lanier.McRee@ncleg.net**  
*Natural & Cultural Resources, Wildlife Resources Commission*

**Eric Moore – Eric.Moore@ncleg.net**  
*Environmental Quality, Labor, Non-Profits*



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March 16, 2017




Build Partner Invest Communicate

## North Carolina Biotechnology Center 2017 update

Doug Edgeton, MBA, MPH  
President and CEO

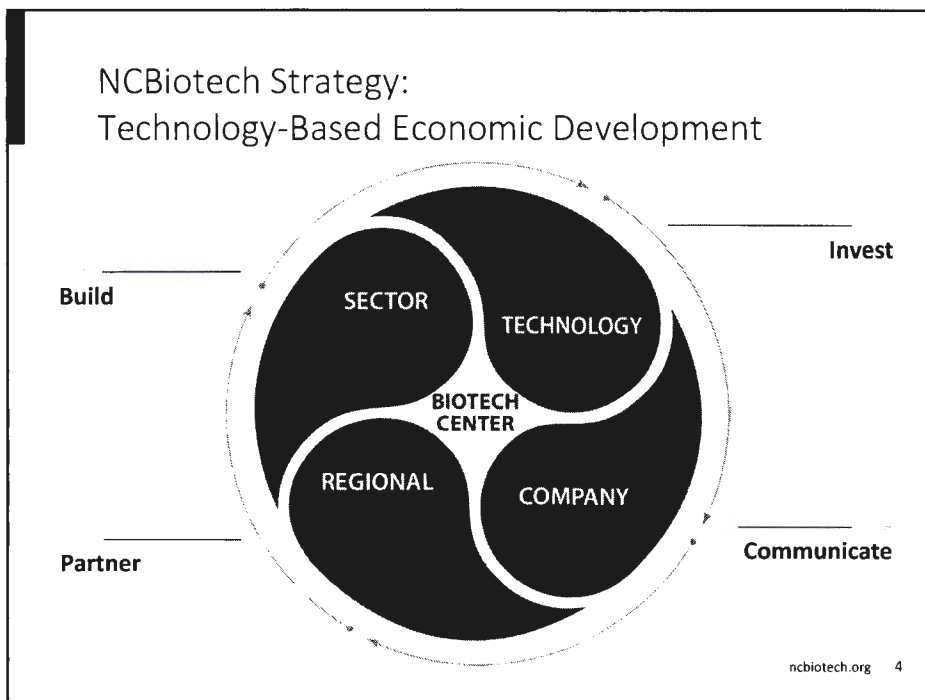
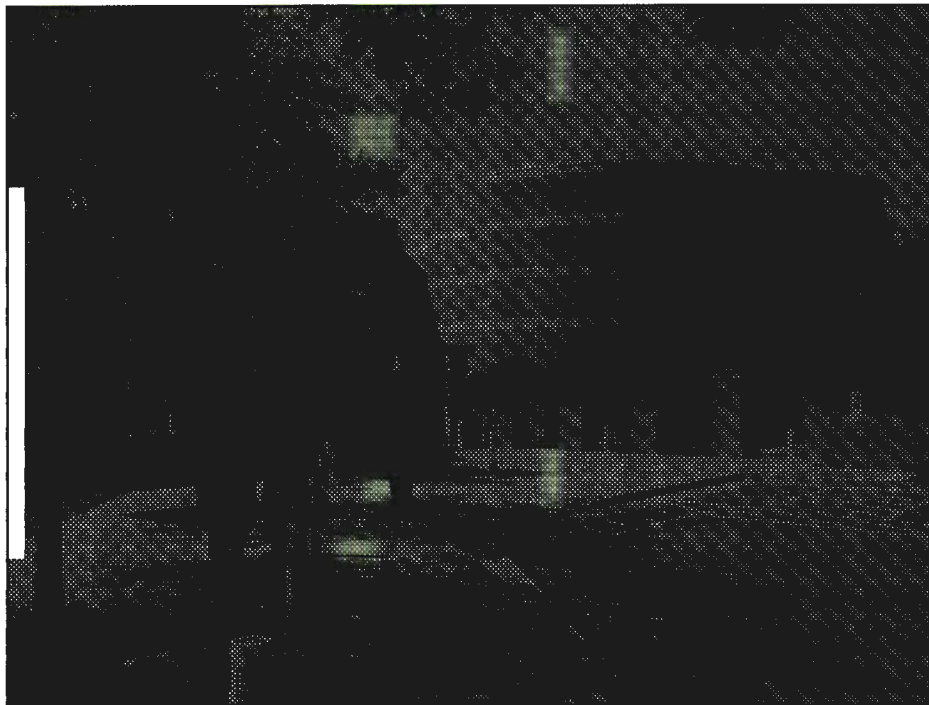
[ncbiotech.org](http://ncbiotech.org)

## Thank You for Your Partnership



Credit: Mark Turner, Wikimedia Commons

[ncbiotech.org](http://ncbiotech.org) 2



## Technology and Company Development

**Loans totaled**  
**\$4,100,000**



**Grants totaled**  
**\$3,730,000**

**FY2017 Awards: \$7.8M Budgeted**

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## Life Science Ecosystem

**Exchange Groups**  
**150 meetings**



**Business Support Activities**  
**68 coaching sessions**  
**53 investor introductions**



**Library**  
**152 companies served**



**Hamner Conference Center**  
**1,500 meetings**  
**33,755 guests**

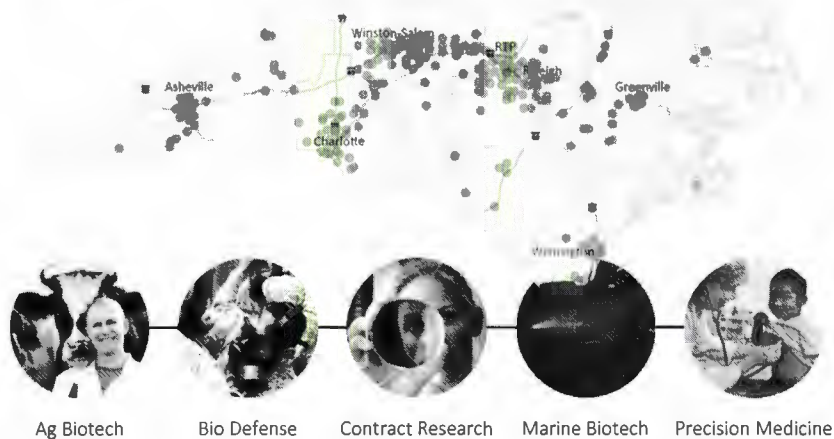


**Jobs Services**  
**1,230 posted jobs**



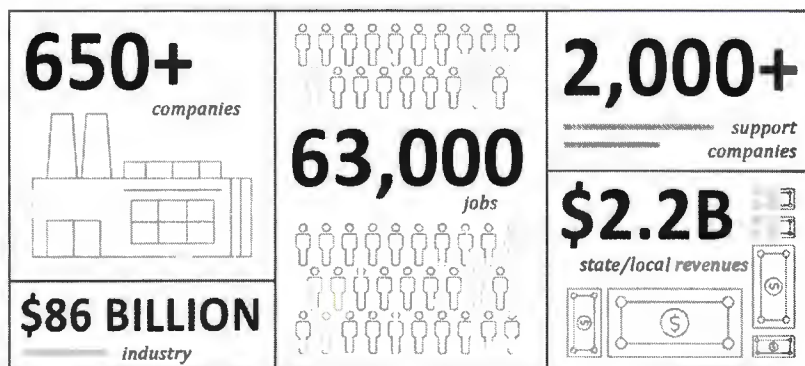
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## Regional and Sector Development



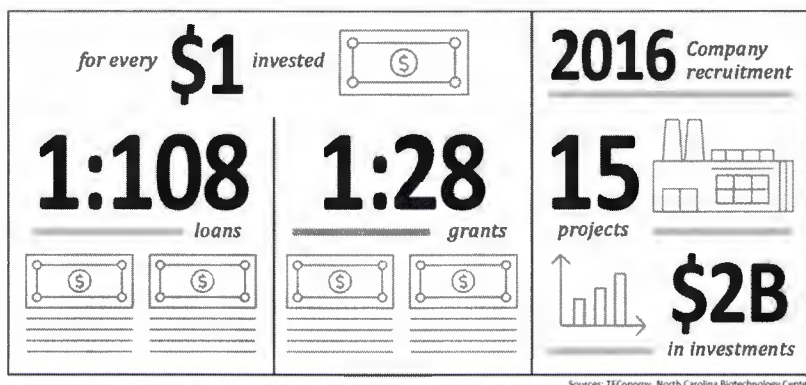
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## Overall Life Science Results



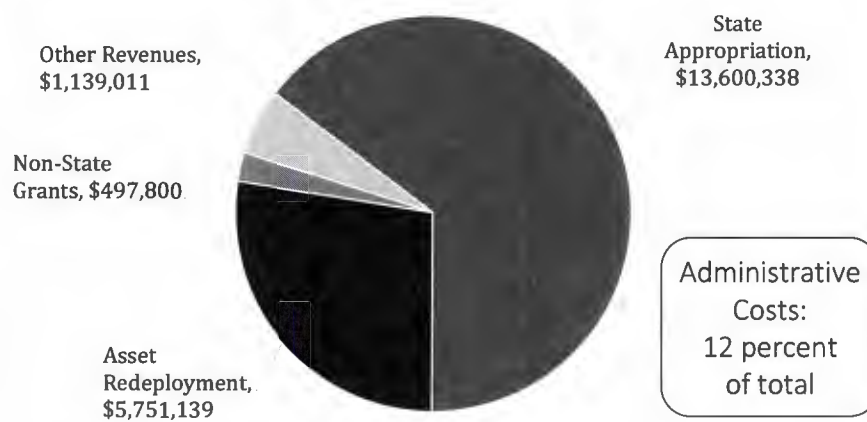
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## Program Impact and Leverage



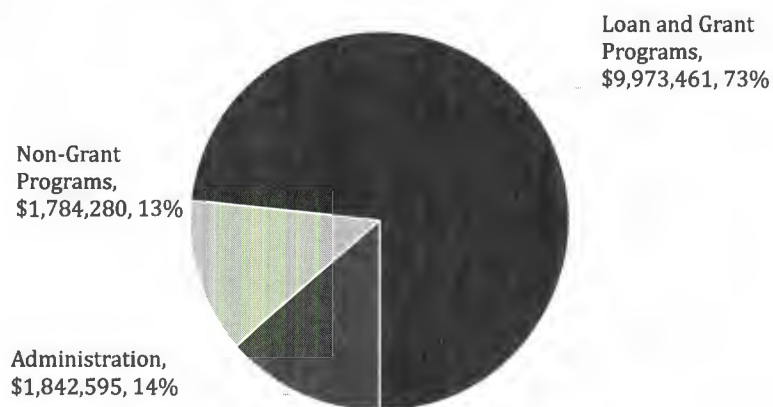
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## FY 2016-17 Overall Revenue Sources: \$21M



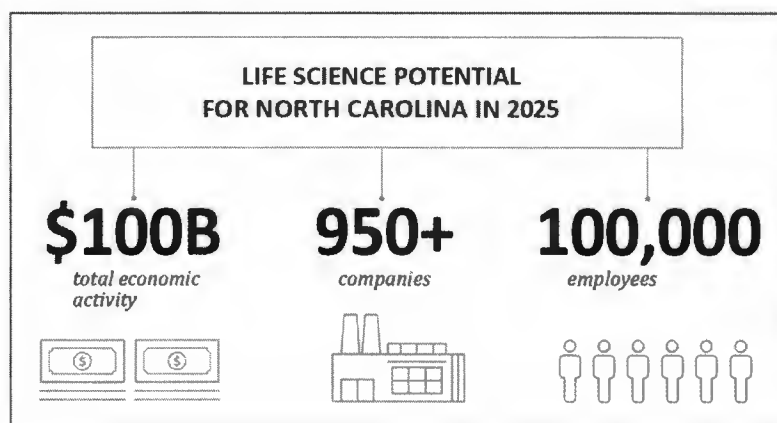
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## FY 2016-17 Use of State Funds: \$13.6M



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## Looking to the future



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**North Carolina Biotechnology Center**



63,000  
total workforce

600+  
biotech  
companies

259,963  
total jobs

2,000+  
suppliers

\$2.2 B  
state + local  
government revenues

6.6%  
job growth 2012-13

The General Assembly funded NC Biotech with \$13.6 million in FY 2016

North Carolina: a global life science leader



Build



Partner



Invest



Communicate

## A Year of Success



As president and CEO of the North Carolina Biotechnology Center, I have the privilege of supporting a statewide team of professionals in strengthening North Carolina's global life science leadership.

Our mission is to position our state in the best possible way to help feed, fuel and heal our world. Fortunately, that also helps to put North Carolina in an enviable economic position. As outlined in this annual report the life sciences continued driving the upward spiral of high-impact economic growth. The life sciences now generate \$86 billion in economic activity statewide.

We're continuing to build this robust life science community by investing carefully to catalyze innovation and company growth. We also continuously look for ways to develop new and meaningful partnerships that will contribute to that growth. And we strategically communicate our successes and opportunities to interested global audiences.

This report provides a few examples of North Carolina's fascinating life science activities and assets. NCBiotech touched them all, supporting research scientists' best ideas and the startup companies they foster. Helping bring new high-value crops to farmers. Attracting new defense dollars for developing North Carolina inventions. And lending expertise to partnerships attracting new companies from around the world. These and many more stories are told in more depth on our website, [ncbiotech.org](http://ncbiotech.org).

As North Carolinians, we share a rich history of statewide life science commitment and success. It's why we can claim global life science leadership today, and must continue to re-invest to preserve it.

Doug Edgeton

President and CEO | North Carolina Biotechnology Center

\$86B  
total economic  
activity

Life sciences contribute an estimated \$86 billion annually to North Carolina's economy. This analysis of the NCBiotech company directory by TEconomy Partners is based on the number of companies, their activities, their employees, and their employees' activities.

## Annual Report 2016

Our work in technology, company, regional, and sector development from July 1, 2015 to June 30, 2016 is chronicled here.

**North Carolina  
Biotechnology Center**

## Technology and Company Development

New ideas and their translation to products and services are at the core of technology-based economic development. NCBiotech investments bridge gaps in this pipeline, propelling technology and company development forward. This year, grants and loans totaling \$7,478,637 were awarded.

### Loans totaled **\$3,674,975**

**\$450,000** Company Inception Loans  
**\$2,224,975** Small Business Research Loans  
**\$1,000,000** Strategic Growth Loans

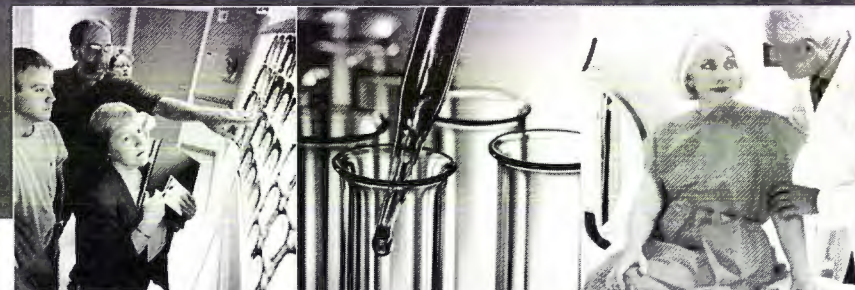
### Grants totaled **\$3,803,662**

**\$1,204,696** Institutional Development Grants  
**\$300,000** Collaborative Funding Grants  
**\$1,291,116** Biotechnology Innovation Grants  
**\$468,627** Technology Enhancement Grants

**\$86,000** Support Grants

**\$350,000** Center of Innovation Awards (Marine)

**\$103,223** Event and Meeting Grants



**Duke**  
UNIVERSITY

### Cancer Treatment

Duke University researchers have discovered a promising treatment for glioblastoma, a form of brain cancer that is nearly always fatal. The treatment, a modified poliovirus, has a complex structure and production process. To generate enough of the therapeutic for larger clinical trials, scientists needed new manufacturing methods and sources. A \$43,000-plus Technology Enhancement Grant from NCBiotech helped to fund production development.

The news show *60 Minutes* featured this novel cancer treatment. This technology has since been licensed to ISTARI Oncology, a spinout company, for further development. It's another way that NCBiotech partners to solve specific problems that keep life science innovations moving forward, saving lives.



**LOCUS BIOSCIENCES**

### Locus Biosciences

Locus Biosciences is using cutting-edge gene editing technology to slice a new path into the discovery and development of novel antibiotics.

The Raleigh bioscience spinout of North Carolina State University is using a version of the hot new technology called CRISPR to cut important "transmission lines" in bad bacteria to render them impotent.

The company started in 2015 with the help of a \$75,000 *Company Inception Loan* from NCBiotech. A \$250,000 *Small Business Research Loan* followed in early 2016. The company also completed a \$1.3 million initial round of venture capital investment, and expects to close on a \$30 million Series A round of funding early in 2017.



**G1**  
THERAPEUTICS

### G1 Therapeutics

Chapel Hill's G1 Therapeutics completed a \$50 million funding round that allows the company to proceed toward commercialization of its cancer therapies.

G1, spun out of the University of North Carolina at Chapel Hill, was bootstrapped with \$500,000 in loans from the North Carolina Biotechnology Center in 2011 and 2012. The company has subsequently repaid the loans.

The company is developing an unusual biopharmaceutical shield that protects bone marrow from chemotherapy and radiation damage. It may preserve blood stem cells and protect the immune systems of cancer patients. The technology also holds promise in biodefense applications.

# NCBiotech Awarded **\$7.5 Million** in 2016



## Statewide and Sector Development

Investment in technology and company development keeps life science moving forward. These investments and NCBIotech program activities have distributed growth statewide and into an array of related sectors.

17

### RAUMEDIC



RAUMEDIC, a family-owned German company, opened its \$27 million development and production facility in western North Carolina to make medical and pharmaceutical plastic and rubber components.

The 60,000-square-foot plant, in the Henderson County town of Mills River, is the company's first production facility in the U.S.

The company plans to have as many as 172 employees working at this U.S. headquarters site within the next several years, at an average annual wage of \$55,000.

### Medical Murray



Illinois medical device maker Medical Murray has been expanding in Charlotte since establishing Medical Murray Southeast four years ago.

The family-owned company has more than 100 employees—10 of them in Charlotte—designing, developing, and manufacturing specialized catheters and components for a wide variety of minimally invasive procedures.

It also does contract manufacturing of unique, complex catheter systems, permanent implants and complex components for vascular, urologic and surgical applications.

### SoBran BioScience



SoBran BioScience, a 500-employee contract research organization based in Fairfax, Virginia, opened a unique animal research facility in Greensboro.

A coordinated regional effort, which included the NCBIotech Piedmont Triad office, attracted SoBran to North Carolina. Gateway University Research Park provided pastures, and the company works with students at North Carolina Agricultural and Technical State University to support its pre-clinical research studies.

### Novo Nordisk



Novo Nordisk Pharmaceutical Industries, based in Denmark, began building a \$1.8 billion production facility for diabetes medicines at its Clayton site. With a footprint of about seven football fields, the expansion is the largest manufacturing investment in North Carolina history. It will create 700 high-paying jobs.

### Duke Energy Foundation



UNCW's College of Health and Human Services, in partnership with the Southeastern Office of NCBIotech, received a \$390,000 grant from the Duke Energy Foundation.

The grant is strengthening the region's clinical research workforce and its economic development opportunities. Key components include curriculum enhancements for the UNCW clinical research and statistics programs; a student fellowship program; delivery of continuing education; and a collaborative workspace to help industry employees gain the knowledge and skills to grow the industry.

### Patheon/Pitt County Training Center



Patheon, a global pharmaceutical company headquartered in Durham with production facilities in Greenville and High Point, announced plans to add 488 jobs to its sterile-fill facility in Greenville by 2019 as part of a planned \$159 million expansion.

To help prepare those and other workers for the region's expanding life science industry, Pitt Community College is building a 75,000-square-foot, \$16 million science and technology training facility at its Winterville campus. That building, with 10 classrooms, 11 labs, a biotechnology center, a 120-seat auditorium, a STEM learning center and a science tutorial center, will open in 2017.

A full list of statewide and sector activity is online: [ncbiotech.org/expansions](http://ncbiotech.org/expansions)

## Sector Status

New technologies happen where life science and other sectors converge. NCBIotech works to identify and develop emerging life science-related sectors, with emphasis this year in two key areas (right).

Through the Centers of Innovation program, the Marine Bio Technologies Center of Innovation continues its work with translating technology. It also hosted the International BioMarine Business Convention in partnership with the Southeast Office. The COI program began work in a new sector, precision health, with university, industry and government partners.

**Agricultural Biotechnology** | At the intersection of the state's traditional and emerging industries sits a cadre of 80 companies, including international agribusiness leaders. The Ag Biotech Initiative extended its showcase of entrepreneurial companies to include the Southeast, welcomed hundreds of professionals to its quarterly forums, and trained teachers who have reached 60,000 students.



**Bio Defense** | NCBIotech takes a broad view of this sector, working to bring more military, defense and homeland security funding to the state's companies and universities investigating how to protect our soldiers and food supply. In addition to investing \$375,000 of loans in defense technologies (included in loans, page 2), the initiative brought a life science perspective to several military business and warfighter events.



## NCBiotech: Building a Life Science Ecosystem

A true life science ecosystem relies on a strong community, which in turn requires more than just dollars to thrive. NCBiotech implements a wide range of activities designed to strengthen the ecosystem that moves life sciences forward. Here are a few examples and outcomes.



**Exchange Groups**  
150 meetings  
4,590 attendees



**Jobs Services**  
1,230 posted jobs  
5,343 registered participants



**Library**  
152 companies served



**Hamner Conference Center**  
1,500 meetings  
33,755 people served



**Business Support Activities**  
68 coaching and mentoring sessions  
53 investor introductions

## Board of Directors as of December 31, 2016

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Chairman of the Board  
RE Inc.

**Rebecca Alexander, Ph.D.**  
Wake Forest University

**Peyton Anderson, MBA**  
Affinity, Inc.

**Anthony "Tony" Atala, M.D.**  
Wake Forest Baptist Health

**Robert L. Atkins, III, MBA\***  
O'Brien/Atkins Associates, PA

**John (Jack) Bailey**  
GlaxoSmithKline

**Michelle Berrey, M.D.**  
Chimerix, Inc.

**George B. Briggs\***  
The North Carolina Arboretum

**Lawrence Carin, Ph.D.**  
Duke University

**Michael T. Constantino\***  
EY LLP

**James "Jim" Datin**  
BioAgilytix Labs Inc.

**Richard H. Dean, M.D.\***  
Wake Forest Baptist Medical Center

**Douglas Edgeton**  
North Carolina  
Biotechnology Center

**Frank Grainger**  
Fair Products, Inc.

**Kristen Heath**  
Heath Contract Consulting

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North Carolina Central University

**John Jackson Hunt**  
Emeritus Board Member

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Novan, Inc.

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RTI International

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at Chapel Hill

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Pappas Ventures

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Syngenta Biotechnology, Inc.

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General Administration

**John Skvarla**  
State of North Carolina

**Steve Troxler**  
North Carolina Department of  
Agriculture and Consumer Services

**Michael R. Van Scott, Ph.D.**  
East Carolina University

**Bhaskar R. Venepalli, Ph.D.,  
MBA, FRSC**  
CiventiChem

**Robert G. Wilhelm, Ph.D.**  
The University of North Carolina  
Charlotte

**James "Jimmie" Williamson**  
North Carolina Community College  
System

**Benjamin R. Yerxa, Ph.D.**  
Liquidia Technologies

**Board Staff**  
**William Pappas**  
Parker, Poe, Adams and  
Bernstein LLP

**Judy Orchard**  
North Carolina  
Biotechnology Center

\* denotes Executive Committee

## Financial Data

### Revenues

State of North Carolina	\$13,600,338
Leveraged state funding	\$1,287,745
Asset redeployment	\$2,085,784
<b>Total revenues</b>	<b>\$16,973,867</b>

### Expenses

Technology development	\$4,151,811
Company development	\$4,911,293
Regional development	\$975,109
Sector development	\$1,922,303
Program services	\$1,918,122
Operations	\$2,747,676
<b>Total expenses</b>	<b>\$16,973,867</b>

Photos credits: Duke University, GlaxoSmithKline, NCSU/Roger Winstead, iStockPhoto.com, Medical Murray, Novo Nordisk, Patheon, RAUMEDIC, Shutterstock.com, Solbran BioScience, UNC-CH/Dan Sears.



## March 16 ANER Committee Meeting Follow-up

### NC Biotechnology Center

#### 1. Where are the biotechnology-related organizations located in the State?

The Biotechnology Center provides the following interactive map where users can focus into specific areas of the State and see which organizations are operating there. The map is available at <http://directory.ncbiotech.org/activity-map>.

### NCBiotech Company Directory

This map shows the locations of bioscience companies in North Carolina.

#### Primary activities

Contract Research and Testing  
Production and Manufacturing  
Research and Development  
Sales and Operations

Apply

Color legend applies to individual companies (pins), not clusters

Contract Research and Testing  
Production and Manufacturing  
Research and Development  
Sales and Operations









David Denton and Caroline Ball

delivering the promise of science  
for global good



## RTI State Funding

RTI currently receives \$800,000 per year (recurring)\* in State of North Carolina funding to invest in clean energy research and development. To utilize these funds, RTI must:

Match the State funds at least 4:1 with federal investment

Use the State funds for new energy research

Use the State funds to support research in North Carolina

Return any unobligated funds back to the State at the end of the fiscal year

Submit an annual report detailing how funds were utilized

\*RTI received \$500,000 per year for FY 2011 – FY 2015. Based on success of the initial funding, the allocation was raised in FY 2016 to \$800,000 and made recurring.

## State Funding of Clean Energy Research at RTI



- Since 2010, the State of North Carolina has invested ~\$4.0 million to help RTI attract federal and private funding for energy research in NC.
- This State funding to date has directly leveraged \$26.6 million in federal funds (**direct return to NC of \$6.63 per State dollar**) and has helped attract over \$72 million in total new technology investment, including private sector co-investment in these projects and its corresponding leverage (**total return to NC of >\$18.00 per State dollar**).
- RTI plans to utilize the full \$800,000 of State funds this fiscal year, attracting ~\$3.9 million in direct federal energy research funds or a **direct return of \$4.85 for each invested State dollar this year**.
- When considering private sector co-investment in these projects and its corresponding leverage, NC will attract over \$8.3 million in total technology investment this fiscal year, or **\$10.40 for every invested State dollar to RTI this year**.

3

## RTI Origin



RTI was founded in 1958 as the first organization in Research Triangle Park, one of the most transformational public-private economic development projects in US history.

4



## RTI International Today

RTI is an independent, nonprofit institute that provides objective, disciplined, integrated solutions to complex challenges for both private and public sector clients worldwide.

Our mission is to improve the human condition by turning knowledge into practice.



~185-acre campus in RTP  
~2,500 NC employees  
26 owned buildings  
900,000 sq. ft.

5

### RTI's Economic Impact on NC (2013 Data – greater impact today!)

**\$442 million**

TOTAL ECONOMIC IMPACT IN NORTH CAROLINA

**3,600 jobs**

**\$227 million**

DIRECT ECONOMIC IMPACT



**\$183 million**

**2,400**  
Employees

**1,200**  
Jobs in the  
Community

**\$1.8 million**  
Energy Savings

**\$2.2 million**  
Taxes

**\$570,000**

CHARITABLE CONTRIBUTIONS

**\$3.6 million**  
Utilities

**\$25 million**  
Goods & Services

**\$439,500**  
United Way

**\$130,500**  
Other Local  
Charities

**\$215 million**

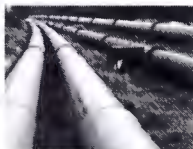
INDIRECT ECONOMIC IMPACT



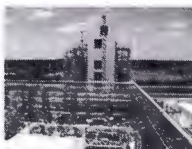
## Energy Technology Research at RTI International

### ENERGY TECHNOLOGIES

Developing advanced process technologies  
for clean energy applications



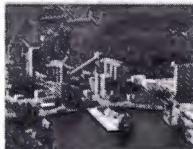
Natural  
Gas



Clean Coal / Syngas  
Processing



Emerging  
Technologies



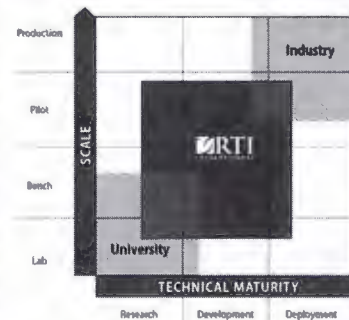
Carbon Capture &  
Utilization



Industrial Water  
Treatment



Biomass  
Conversion



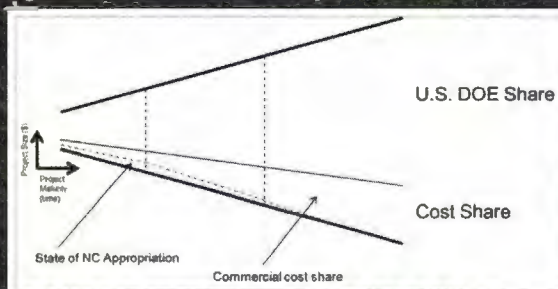
Focused on Applied Research  
(concept to demonstration)  
in Partnership with Government  
Agencies, Academia, and Industry



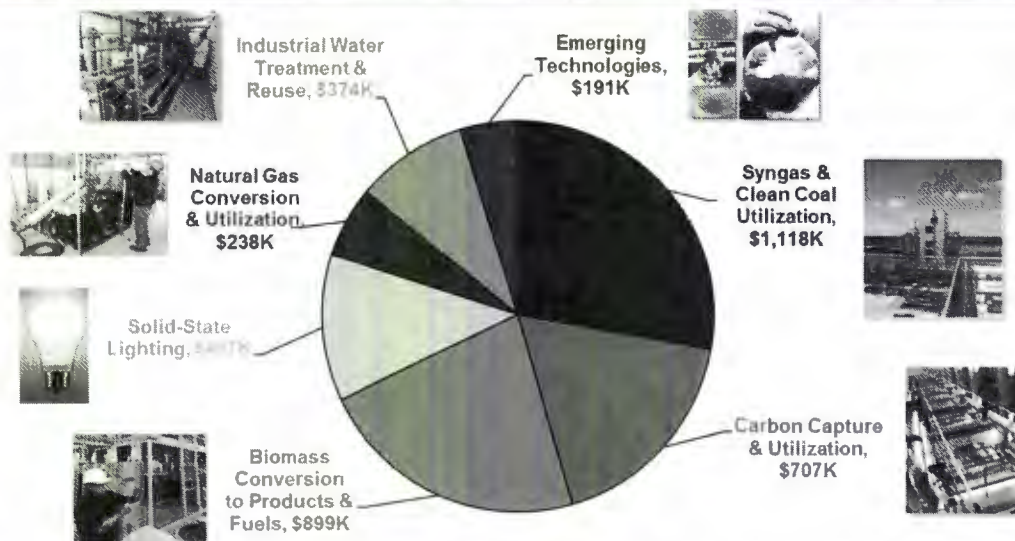
6

## NC Funding Helps RTI Advance Technologies Across R&D "Valley of Death"

- All RTI ETD projects are competitively bid and down-selected and require some level of cost share (typically 20%).
- The development of new technologies often exceed RTI's ability to assume full funding for cost share until they are sufficiently proven to attract private funding ("Valley of Death").
- State funds allow RTI to cover this cost share gap and demonstrate the viability of new technologies – and then attract private investment as they mature.
- As projects are advanced, industry often picks up the full funding load for federal cost share requirements.



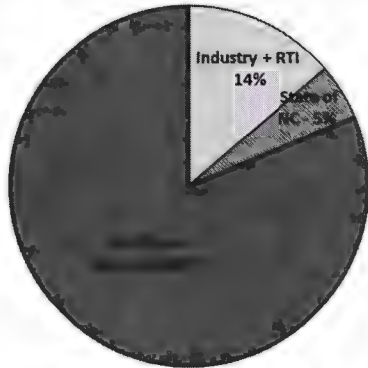
## Diverse RTI Energy Program Areas Supported by State Funding (Cumulative \$ for FY11-FY17)



Note: ~20% of funding goes to support proposal costs (e.g. proposal preparation and administration), federal contracting compliance costs, and general administrative costs. The balance is used for project related costs (e.g. labor and lab costs).



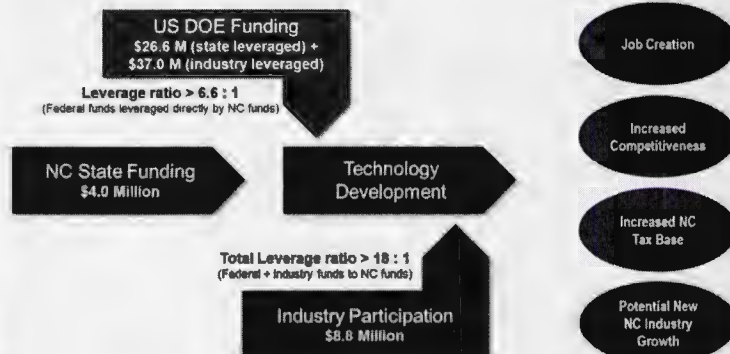
## FY11-FY17 Cumulative RTI Energy Funding By Source



FY11-17 RTI Total Energy Funding Breakdown

Note: State of NC funds are critical because much of the other funding depends on the NC funds as cost share to kick-start the projects. State of NC funds serve as our "seed corn."

"...for each new high-tech job in a city, five additional jobs are ultimately created outside of the high-tech sector in that city."  
*The New Geography of Jobs*, Enrico Moretti, 2013



9

## THANK YOU !!!

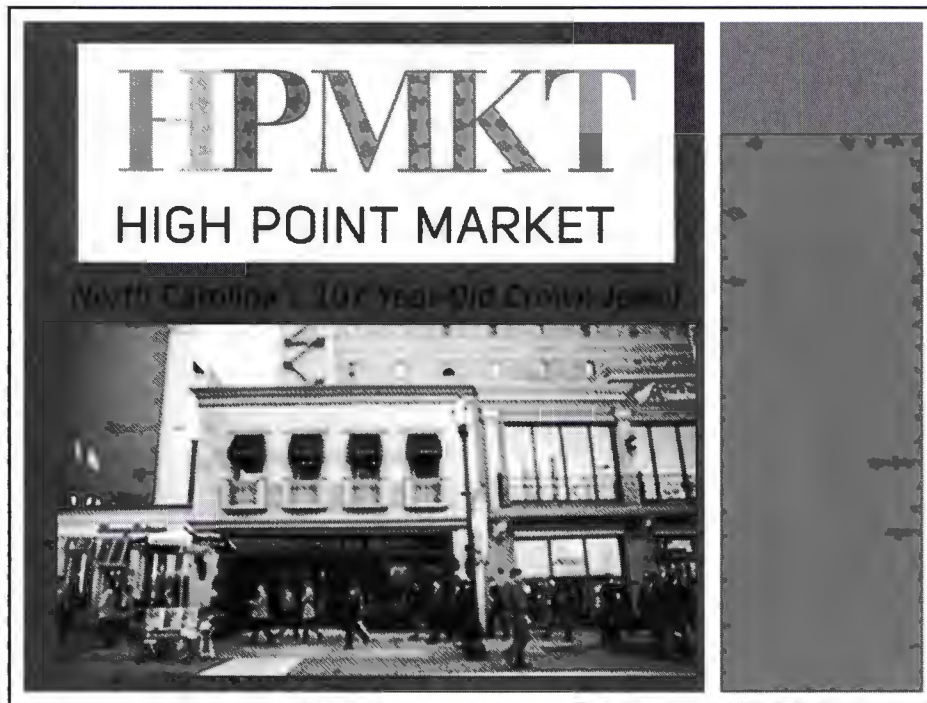
We appreciate the State's support of our clean energy technology projects and the continued opportunity to hire and retain high technology jobs in the State of North Carolina. Please visit us!



Please direct any questions to David L. Denton, Senior Director, Business Development, RTI International, [ddenton@rti.org](mailto:ddenton@rti.org) or 919-485-2609.









**\$5.4 Billion**  
in Total  
Economic  
Impact

**\$123**  
Million in  
State Tax  
Receipts

**13,000**  
Jobs

**HPMKT**  
HIGH POINT MARKET



**Domestic  
Trade Pubs**

**Website/  
Social Media**

**Direct Mail/  
Email**

**Public  
Relations**

**HPMKT**  
HIGH POINT MARKET

IF YOU VALUE YOUR TIME LIKE I DO,  
YOU VALUE HIGH POINT.  
I NEVER MISS IT.

David Conn, Knight Furniture, 2016 NFA Retailer of the Year



The screenshot shows the HP MKT app interface. On the left, a list of exhibitors is displayed under the heading 'MyMarket'. The list includes: Abner Henry Fine Furniture, AFD Inc Art-Furnishings-Decor, Alfonso Marina Y Compania S..., Allstate Floral, and B.S. Trading Rug, LLC. Below the list, there is a section titled 'Plan Ahead with MyMarket' which includes links to 'Event & Exhibitors for your visit' and 'Download the HP MKT app for your visit across iPhone, iPad, & HighPointMarket.org'. On the right, a map view is shown with various location markers. The top status bar indicates 'Facebook', 'LTE', '1:59 PM', and '42%' battery.

**1000 Bluetooth Beacons installed**

**GPS Enabled on-street**

**Six Buildings in Market**

**HP MKT**  
HIGH POINT MARKET



The screenshot shows the HP MKT app interface. On the left, a map view is shown with a route highlighted. On the right, an 'Events' calendar is displayed for the week of April 21st to 26th. The calendar highlights 'Saturday April 22nd' and 'Sunday April 23rd'. The events listed are: 'Stars Under the Stars featuring Trisha Yearwood' on Saturday, 'Morning Buzz' on Sunday, 'Mainly Baskets is Fabulous & 40' on Sunday, and 'WithIt Education Breakfast presented by Myriad Softw...' on Sunday. The bottom status bar indicates 'Facebook', 'LTE', '1:58 PM', and '43%' battery.

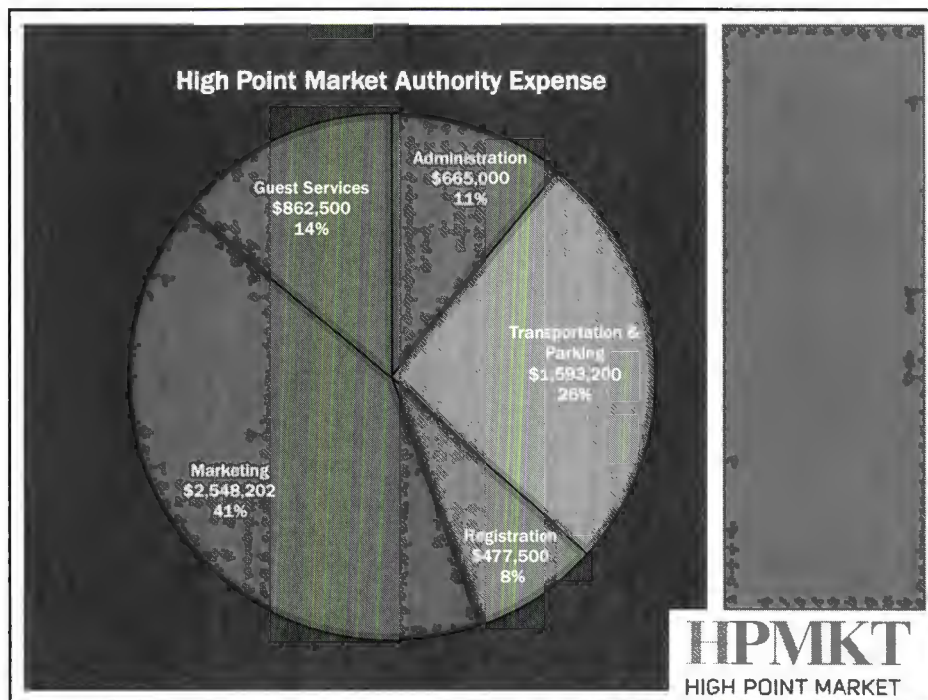
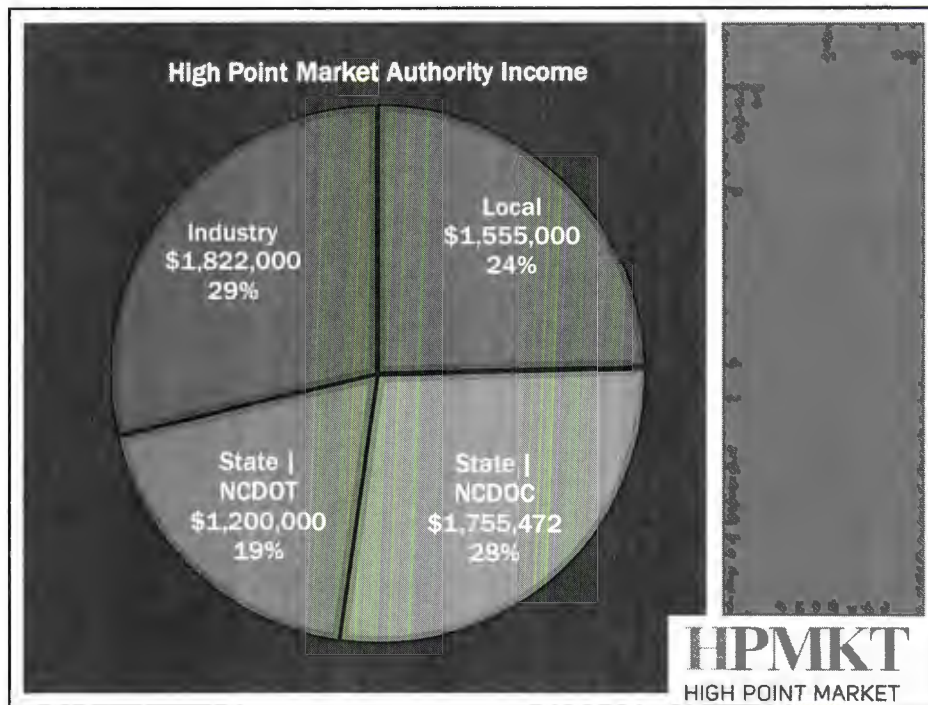
**Just under 13,000 users**

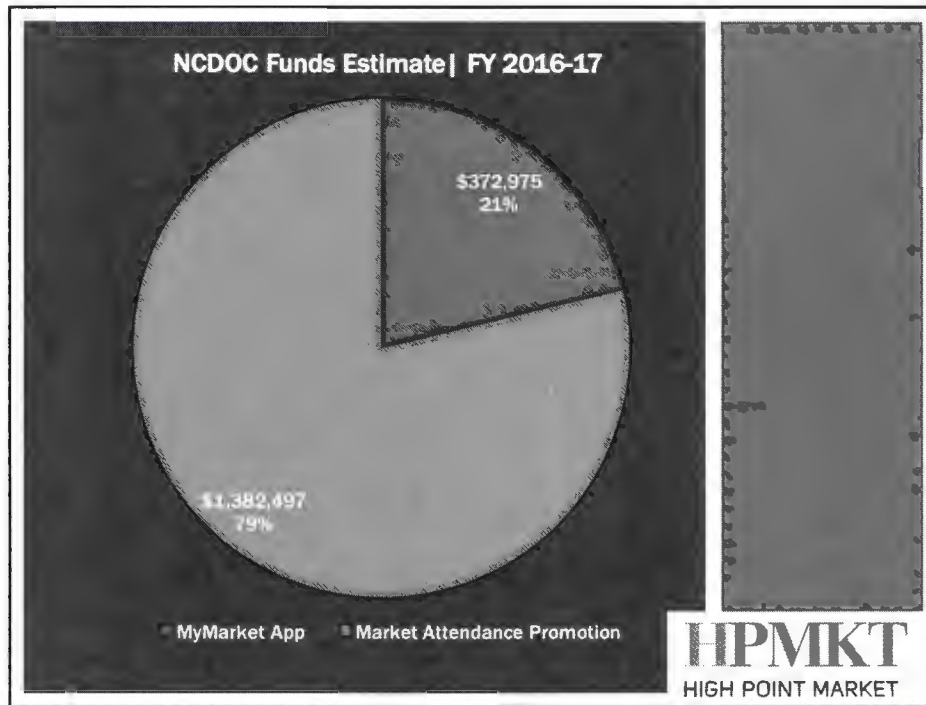
**715,000 screen view**

**Skookum-North Carolina Company**

**HP MKT**  
HIGH POINT MARKET







Tommy Nagern  
Chief Operating Officer  
High Point Market Authority  
[tommy@highpointmarket.org](mailto:tommy@highpointmarket.org)  
336.888.3222

**HPMKT**  
HIGH POINT MARKET



**HPMKT**

# **Fall 2016 Marketing Overview**

**Ongoing Activities, New Initiatives, and  
Test Programs, by Objective**







IF YOU VALUE YOUR TIME LIKE I DO,  
YOU VALUE HIGH POINT.  
I NEVER MISS IT.

David Gunn, Knight Furniture, 2016 HFA Retailer of the Year

**High Point Market Authority marketing activities are directed toward achieving six objectives:**

**Retain buyers presently attending**

**Persuade buyers to attend more often**

**Recruit new buyers from all categories of the home furnishings sector**

**Recruit high end designers from major markets**

**Recruit more international designers**

**Build and maintain community relationships that support an expanding and thriving Market**

This overview outlines our marketing activities by objective. For those activities that apply to more than one objective, the most detailed description can be found with the first listing. We have also separated out a group of activities that apply to all retention and recruitment objectives. Referred to as the Marketing Infrastructure, these activities are listed after the five recruitment and retention objectives.

The comprehensive plan outlined here has contributed to consistent growth in registration and attendance over the past few years. Each activity is continuously measured for efficiency and effectiveness, and modifications are made on a Market-to-Market basis, as well as within each Market cycle, to improve outcomes and take advantage new opportunities.

## Objective: Retain buyers presently attending

\$796,560.78 (31.26%)

We are forecasting an additional \$46,500 for customer service training and hospitality, neither of which will be included in the marketing budget

### ADVERTISING

Support retention by maintaining brand awareness and informing our most-loyal buyers of opening dates for online registration and Market week.

### Ongoing Activities



#### Print:

Nine placements in 5 domestic trade publications

#### Digital:

Provide an ongoing reminder to register and attend, targeted to:

- Registration page visitors who did not complete the registration process.
- Specific segments of highpointmarket.org visitors.
- People who search for High Point Market.
- Media and resource partner audiences.
- Audiences that have a similar demographic profile to our registrants and prospects.
- Social media followers.

### New Initiatives

#### Progressive Business Media

Publishing house for a portfolio of major furniture trades (Furniture Today, Home Accents Today, Casual Living & etc.)

Working with new publisher to develop combined print and digital campaigns that effectively deliver our message and content to the trade audience.

### Test

#### Digital:

Adding a customer service component to our click-through ads to provide assistance with registration.

Expected to increase registration by reducing friction.

May encourage attendance – our data indicates that people who register via customer service have a higher propensity to attend.

#### Expanding our digital advertising program:

Test new opportunities to reach members of our database more often while they're online.

Test new messaging to improve response rates.

## Social Media

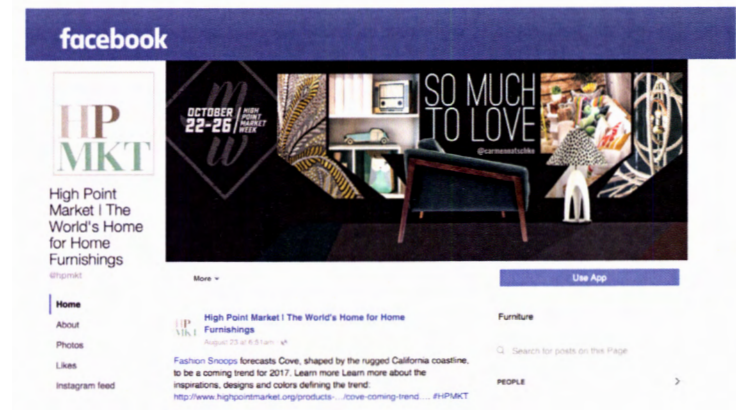
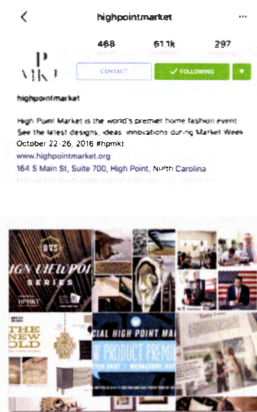
Following a three-phase content cycle for each Market, we encourage registration and attendance by keeping followers engaged with useful information and items of interest throughout the year.

Post-Market wrap-up.

Market planning, guides and how-tos.

Upcoming at-Market events and new products.

## Ongoing Activities



### Facebook, Twitter, and Instagram

Regular, ongoing schedule of posts announcing Market news, sharing relevant content, and noting exhibitor milestones.

Targeted ads to encourage registration.

### Audience and behavioral targeting via digital display ads.

## New Initiatives

**#HPMKTInspired** - multi-channel sharing program.

Encourage attendees to display photos of vignettes, promotions, merchandising ideas, and etc. that were inspired by High Point Market.

## Test

### Snapchat Campaign

Designers have emerged as heavy users of Snapchat.

We will geotarget Snapchat users at Market to gauge interaction.

**Adding customer service component** to click-through ads to encourage and facilitate registration.

## EMAIL AND DIRECT MAIL

Regular, consistent communication with buyers, reminding them to register and encouraging attendance.

## Ongoing Activities

### Email

12 drops, starting when online registration opens and continuing through Market week.

No drop during Las Vegas Market week.

No drop last week of August.

Final drop during week of Market, encourages NC, SC, and VA contacts to drive-in and register on-site.

### Direct Mail

Drops during the two off-weeks for email, to create an email / direct / email reinforcement pattern.

## New Initiatives

**New email format** delivers content-rich message to unregistered buyers, to encourage attendance.

New 12-week schedule increases message frequency.



## Test

**Segmentation test** tailors messaging to retailers and designers according to their registration patterns.

Retailers who have registered for more than 1 of the last 5 Markets will receive a retail-oriented reminder message.

Retailers who have registered for only 1 of the last 5 Markets, and that Market was not Spring 16, will receive a retail-oriented "We want you back" message.

Designers who have registered for more than 1 of the last 5 Markets will receive a design-oriented reminder message.

Designers who have registered for only 1 of the last 5 Markets, and that Market was not Spring 16, will receive a design-oriented "We want you back" message.

New designer prospects from the Steelyard member list will receive a designer-oriented "You are pre-qualified" message.

## MEDIA PARTNERSHIPS

Expanding beyond advertising, we work to leverage the full capabilities of various media outlets to reach specific audiences with targeted, measurable communications.

### Ongoing Activities



#### **New Product Premiere program**

Encourages attendance by using new products to build excitement for the upcoming Market.

#### **Dering Hall**

Online directory / e-commerce site serving high-end interior designers.

Editorial content.

2 "Collections Inspired by High Point Market" articles, featuring selections from HPM exhibitors by the DH editorial team.

Featured on Dering Hall website.

Promoted in High Point Market emails and on highpointmarket.org.

1 "Designer Trend Roundup" article to highlight standout products from Fall Market.

Distributed via Dering Hall and High Point Market newsletters.

Featured in Dering Hall social media.

1 Instagram post.

1 Facebook post.

High Point Market promoted in Dering Hall communications:

Dering Hall member companies identified as High Point Market exhibitors, if appropriate, on **deringhall.com**.

Newsletter, distributed to 100K designers.

2 Instagram posts.

1 Facebook post.

Curated Guide to Market highlights showrooms that serve high end designers, simplifying Market planning for the Dering Hall audience.

Features High Point Market ad.

Promoted via email and social media.

## New Initiatives

### ***Fashion Snoops***

Partnership with leading trend forecaster to assist buyers in determining which trends are right for their store / customer base.

Content development for website and email campaign:

Identify two major emerging trends.

Review the 2017 Pantone colors.

Produce a "shop the floor" guide that shows buyers which exhibitors are showing the selected trends.

Opening Day Event - panel discussion with leading shelter pub editor and other industry experts.

Trends event on Commerce Avenue.

### ***Market-related Content***



### ***Editor at Large***

Online interior design news publication.

"MyScoop" video series features leading designers talking about new product launches, and what they're looking forward to seeing at Market.

My High Point Market videos feature favorite showrooms of leading designers.

Promotional email to E@L's entire list of 27,000 designers.

Designer's Guide to Market:

Features exhibitors who appeal to mid- to high-end designers.

1/4 page High Point Market ad.

Highlights two designer-oriented events of our choosing.

Social Media updates on Editor At Large pages.

1 dedicated Facebook post.

2 dedicated Tweets.

1 dedicated Instagram post.

Content on editoratlarge.com.

1 article prior to Market (also featured in Design Weekly newsletter.)

5 event listings.

### ***Rue Magazine***

Online style, fashion, and design publication.

Sponsored content features:

Designer testimonial.

Listing of designer collaborations and events.

Supported via Rue social media.

Promoted in Rue weekly emails.

Banner ads on Rue website with link to [highpointmarket.org](http://highpointmarket.org).

## RESOURCE PARTNERSHIPS

Reach out to target audiences via online business to business resources.

### New Initiatives

**Studio M / Michelle Wiebe**

Twitter Chat host:

- Curates content from exhibitor new product submission.

- Works with Style Spotters team to develop themes.

- Conducts Official High Point Market New Product Premiere Twitter Chat.

  - Popular and highly anticipated discussion of curated new products.

  - 150 participants.

  - Leverages social graph of host and participants to reach more than 350,000 Twitter accounts and generate millions of impressions.

## INDUSTRY EDUCATION PARTNERSHIPS

Encourage attendance by delivering meaningful, CEU accredited educational opportunities, developed by established professional associations.

### Ongoing Activities



**ASID**

Design Viewpoints Series

Seminars tailored to working designers.

Awards CEU credits.



**HFA**

Responsible for all retailer education.

Organizes Retailer Advisory Council.

- Provides feedback on current HPMA activities.

- Suggests areas for improvement.

### New Initiatives

**ASID**

To leverage the credibility of the association, Design Viewpoints Series will be renamed ASID Presents at the Spring 2017 Market.



## PROGRAMS

### Ongoing Activities



#### **Style Spotters**

Leverages reputations of highly influential design bloggers to increase designer registrations and attendance by building excitement for new products and emerging trends.

Style Spotters team represents a wide variety of viewpoints.

Geographically distributed.

Ethnically and racially diverse.

Broad aesthetic range.

Has proven to be a low-cost approach to communicating the excitement of Market.

Style Spotters LIVE! Event continues to grow in attendance.

Style Spotters Trend Tours bring followers directly to exhibitor showrooms.

### New Initiatives

*Style Spotters team will conduct the New Product Premiere Twitter Chat.*

## PRESS OUTREACH: MEDIALINK



Increases press interest in and coverage of Market by creating a hub for industry information and providing a full-service resource for reporters, editors, and bloggers.

Supports our retention efforts by reinforcing Market's position as the must-see home furnishings event.

### Ongoing Activities

#### **Services and Resources:**

Private workstations with phone, tablet, and laptop charging capabilities.

Online downloads for Market news and information.

Access to in-depth information about a wide range of industry issues.

Interactive Kiosk allows members of the media to search, review, and download High Point Market news and exhibitor information.

Daily e-blasts to press during Market to highlight exhibitor news & events.

#### **Partner organizations provide information about their specific areas of expertise:**

AHFA, manufacturing related issues, including regulatory concerns.

ASFD, product design trends, awards, and considerations.

ASID, issues of importance to interior designers.

HFA, issues related to retailing, including regulatory concerns.

### New Initiatives

*Outreach to exhibitors' PR reps, encouraging them to use MediaLink as their key press contact point.*

## PUBLIC RELATIONS



Maintain and improve media relationships to increase coverage of High Point Market and support our position as the leading home furnishings event.

### Ongoing Activities

PR partner Leslie Newby of Work the Brand has in-depth knowledge of furniture industry and strong relationships with home furnishings media.

- Maintains accurate, up to date database of current publications, contacts, and influencers.

- Coordinates PR messaging and activities with the HPMA communications strategy and target publications' editorial calendars.

### New Initiatives

***Invite media to participate in Opening Day Event panel with Fashion Snoops.***

***Strategic outreach to key shelter pub editors.***

- Face-to-face visits at editors' New York offices.

***Adding new segments to media database:***

- Hospitality.

- Assisted Living.

- Major consumer outlets.

### Test

***Editor's Corner section of [highpointmarket.org](http://highpointmarket.org)*** gives shelter pub editors opportunities to contribute Market-related content and communicate with Market audiences.

## AT-MARKET EXPERIENCE

Support retention by creating a wow factor that builds enthusiasm, encourages positive word-of-mouth promotion.

### Ongoing Activities

***Transportation system – consistently cited as one of Market's strengths in attendee surveys.***

***On street signage creates a branded environment.***

***Exhibitor Support: Sponsorships.***

***Provide exhibitors with effective showroom promotion tools.***

- Opportunities:

- Digital.

- At-Market Events.

- Transportation.

- Onsite Promotions.

- Style Spotters.

- Design Bloggers Tour.

### New Initiatives

***Transportation brochure.***

***Market survival kit*** – a set of essential items for a great Market experience.

***Morning Hospitality in Transportation Terminal*** (Morning Sugar Rush)- free snacks and beverages for arriving guests.

***Additional customer service training for Market Authority staff and representatives from all Market buildings.***

***Commerce Avenue initiative*** – seeking an engaging on-street presentation / activity that provides an innovative, upbeat vision of the future of home furnishings.



## Objective: Persuade Buyers to attend more often

\$798,860.78 (31.35%)

### ADVERTISING

#### Ongoing Activities

##### Print:

Nine placements in 5 domestic trade publications.

##### Digital:

Provide an ongoing reminder to register and attend to media and resource partner audiences, as well as social media followers.

#### New Initiatives

##### *Progressive Business Media*

*Publishing house for a portfolio of major furniture trades (Furniture Today, Home Accents Today, Casual Living & etc.*

Working with new publisher to develop combined print and digital campaigns that effectively deliver our message and content to the trade audience.

##### Test

##### Digital:

Adding a customer service component to our click-through ads to provide assistance with registration.

### SOCIAL MEDIA

**Three-phase content strategy** supports frequency of attendance by offering:

Planning information to simplify the scheduling process.

Promotion of events and product launches to build excitement for the upcoming Market.

Post-Market wrap-ups to give non-attending followers an idea of what they missed.

#### Ongoing Activities

**Regular, ongoing posts** share relevant content across multiple channels:

Facebook

Twitter

Pinterest

Instagram

##### Test

**Adding customer service component** to click-through ads to encourage and facilitate registration.

### MEDIA PARTNERSHIPS

Editorial content on partner websites, e-newsletters, and social mentions encourage frequency by building anticipation for the upcoming Market across multiple channels.

**DERING HALL**



**RUE**

#### Ongoing Activities

##### **Market-related Content**

Editors and design celebrities look forward to the upcoming Market.

**Dering Hall** features select new products on website, e-newsletter, and social media.

##### **Editor at Large**

Videos present leading designers as they prepare for and attend Market .

Promotional email sends registration message to all E@L subscribers.

Feature articles and event listings on [editoratlarge.com](http://editoratlarge.com).

## Rue Magazine

Feature articles include designer testimonials and highlight designer collaborations and events.  
All content promoted via Rue social media channels and weekly emails.  
HPMA banner ads on Rue website encourage registration, provide link to [highpointmarket.org](http://highpointmarket.org).

## New Initiatives

### *Fashion Snoops*

Partnership with leading trend forecaster builds anticipation for and increases knowledge of coming trends.  
Feature articles identify and explain two major emerging trends, preview the 2017 Pantone colors.  
"Shop the floor" guide shows buyers which exhibitors are offering the selected trends.  
Opening Day Event, focusing on current trends, provides an additional reason to attend.

## INDUSTRY EDUCATION PARTNERSHIPS

Encourage frequency by delivering meaningful educational opportunities that are unique to each Market and feature timely topics of interest to retailers and designers.

## Ongoing Activities

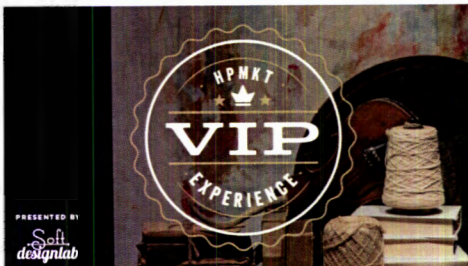
### *ASID*

Design Viewpoints Series  
Seminars tailored to working designers.  
Awards CEU credits.  
Fall 2016 schedule built around the new "aging in place" movement.

### *HFA*

Maintains full schedule of retail-oriented seminars.

## GUIDED TOURS



Build repeat visits by creating successful first-time experiences.

## Ongoing Activities

### *Soft Design Lab VIP High Point Market Experience*

Continuing success since pilot test at Spring 2015 Market.  
-20 attendees per tour.  
Each tour has resulted in new accounts opened, and orders written.  
90% of attendees have said they will return and bring a friend.

## New Initiatives

**Opening up VIP Market Experience** prospect list to retailers who have not attended in at least two years (previously limited to designers only.)



## Objective: Recruit new buyers in all categories

\$565,324.10 (22.19%)

### ADVERTISING

#### Ongoing Activities

##### *Digital:*

Retargeting ads remarket to:

Registration page visitors who did not complete the registration process, offering first-time registrants an easier path to securing their pass.

Specific segments of highpointmarket.org visitors, to convert interest in Market into a registration for Market.

Ad Words and search term targeting captures individuals who express an interest in Market or home furnishings trade shows in general.

### SOCIAL MEDIA

#### New Initiatives

**Facebook and Twitter ads** targeted to audiences that have similar profiles to our followers. Guide new prospects to the High Point Market Facebook page, Twitter feed, and website.

#### Test

**Adding customer service component** to click-through ads to encourage and facilitate registration.

### MEDIA PARTNERSHIPS

Leverage the full capabilities of various media outlets to reach new audiences.

#### Ongoing Activities

##### *Dering Hall*

Online directory / e-commerce site serving high-end interior designers.

Editorial content promoting new products for Fall Market.

Curated Guide features exhibitors that appeal to high end designers.

Emails and social media reinforce High Point Market messaging.

##### *Editor at Large*

Online interior design news publication.

Promotional email to E@L's full subscriber list.

Designer's Guide to Market.

Features exhibitors that appeal to mid- to high-end designers.

Social Media updates and content on editoratlarge.com reinforce High Point Market messaging.

##### *Rue Magazine*

Online style, fashion, and design publication.

Sponsored content highlights designer collaborations and events to design-oriented audience.

Weekly emails, social media posts, and banner ads on ruemag.com support High Point Market messaging.

## RESOURCE PARTNERSHIPS

Reach out to new audiences via online business to business resources.

### Ongoing Activities



# STEELYARD<sup>SM</sup>

#### **Steelyard**

Formerly the Trade Only Design Library (TODL), the Steelyard database contains 11,000 designer contacts who are not in the HPMA database. Outreach to these prospects occurs over multiple channels:

- High Point Market exhibitors featured in a special section of the Steelyard site, making it easier for designers to locate their standard and desired suppliers.

- Ads on the Steelyard site.

- HPMA email and direct mail program to those members of the Steelyard subscriber base who are not in our prospect database.

- Emails to Steelyard members who have specified products from High Point Market exhibitors, reminding them that these products can be seen at Market.

## INDUSTRY EDUCATION PARTNERSHIPS

Support new audience outreach by delivering meaningful educational opportunities, developed by established professional associations.

### Ongoing Activities

#### **ASID**

- Design Viewpoints Series, seminars tailored to working designers.

- Awards CEU credits.

## PROGRAMS

### Ongoing Activities

#### **Style Spotters**

Leverage the social graphs of highly influential design bloggers to expand outreach to designers and support Market's brand position as the place to see the latest trends emerge.

- Size and quality of social media following are key criteria for Style Spotter selection.

- Style Spotters team represents a wide variety of viewpoints.

  - Geographically distributed.

  - Ethnically and racially diverse.

  - Broad aesthetic range.

- Adopting a team format for 2017.

- Added a media relations slot, currently occupied by two of Trad Home's New Trad designers.

### Test

#### **Kitchen & Bath outreach**

Using the Hospitality at Market event as a model, we are developing a program for the Kitchen and Bath segment, in partnership with the Kitchen & Bath Network.

#### **Window Coverings outreach**

Explore possibility of hosting the window coverings show as part of Market.

#### **Assisted Living**

Exploring opportunities to create a market within Market.

#### **Buying Groups**

Exploring opportunities to create a curated show for group members.

## **New Initiatives**

### ***Hospitality at Market***

Two-day event, targeted to hospitality sector, allows designers and specifiers to see a broader and deeper product selection than is available at any existing hospitality event.

36 participating exhibitors.

20 sponsoring exhibitors.

Event includes:

Welcome Reception with keynote speaker.

CEU-accredited panel discussion.

Directory of all participating exhibitors.

Luxury accommodations at the Kimpton Cardinal and Graylyn.

## **PUBLIC RELATIONS**

### **Ongoing Activities**

***Support new audience outreach via media coverage*** of High Point Market as the leading home fashion event.

Goal: encourage consumers to ask retailers and designers about what they saw at Market.

***PR partner Work the Brand seeks earned media exposure in trade, shelter and consumer publications.***

### **New Initiatives**

***Grow list of editors and reporters to include leading shelter pubs and major consumer outlets.***

## **GUIDED TOURS**

### **Ongoing Activities**

***Support new audience outreach with tours designed specifically for people who have never been to Market or have not been in more than 2 years.***

Tour fees encourage attendance by first-time registrants.

Soft Design Lab

Successful program initiated at Spring 2015 Market.

First time buyers enthusiastically endorse the experience, open accounts, and write orders.

90% say they will attend again - and bring a friend.



## **Objective: Recruit high-end designers from major markets**

**\$241,596.21 (9.48%)**

### **MEDIA PARTNERSHIPS**

#### **Ongoing Activities**

##### ***Editor at Large***

Online interior design news publication whose audience includes high-end designers in the northeastern U.S.

Email to E@L's full list of designers, promoting Fall Market.

Designer's Guide to Market, features exhibitors who appeal to mid- to high-end designers, and highlights designer-oriented events.

Social Media updates and market-related content on editoratlarge.com support High Point Market messaging.

##### ***Dering Hall***

Online directory / e-commerce site serving high-end interior designers.

Editorial content, featured on Dering Hall website, distributed via Dering Hall newsletter, and posted to Dering Hall social media, promotes new products for Fall Market.

Dering Hall member companies identified as High Point Market exhibitors on deringhall.com.

Curated Guide to Market highlights showrooms that serve high end designers, simplifying Market planning for the Dering Hall audience.

*Note: Recent research indicates that high-end designers in the northeastern U.S. who follow Editor at Large or Dering Hall are more likely to see the value of and attend High Point Market.*

### **PUBLIC RELATIONS**

Increase media coverage of High Point Market as the leading home fashion event and gain earned media exposure in high-end shelter publications.

#### **New Initiatives**

***Face-to-face outreach to key shelter pub editors at their NYC offices.***

#### **Test**

***Editor's Corner section of [highpointmarket.org](http://highpointmarket.org)*** provides space for shelter pub editors to add Market-related content.



## Objective: Recruit more international designers

\$121,480.13 (4.77%)

### ADVERTISING



Support recruitment by positioning High Point to international buyers and designers as the world's largest made in U.S. market.

### Ongoing Activities

#### Print:

Placements in IDC Canada directory and Interiors, a design publication distributed at major international home furnishings shows.

### New Initiatives

*Partner with select international publications to bring small groups of editors, retailers and designers to Market.*

### PROGRAMS

#### China



### Ongoing Activities

*Expanded partnership with Magus to increase outreach to in SE Asia via the U.S. Department of Commerce and North Carolina Export Office.*

*Currently running a Chinese version of [highpointmarket.org](http://highpointmarket.org).*

### New Initiatives

*Convinced CIFF to donate space to ASFD for Fall 2016 Shanghai market, which will promote both the High Point Market and the Pinnacle Award winners (High Point Market exhibitors) to Chinese buyers.*

### Test

#### SDC Home initiative

Developing and providing funding for a tour of High Point Market by five of India's top architecture / design firms, under the aegis of SDCHome, an organization that is currently in the process of opening a design center in Delhi.

Provides new international channel for selected exhibitors.

To be used as a model for similar programs in Russia, Mexico, and other regions.

*Survey High Point Market exhibitors to determine interest in partnering with U.S. Dept of Commerce and multiple state departments of commerce to attend fall 2018 Shanghai market, with a portion of that pavilion dedicated to recruiting Chinese buyers to High Point Market.*

#### Country-specific

Sponsored media tours for select international trade pubs.



# Marketing Infrastructure: Activities and venues that support all objectives

## WEBSITE



Provides a central hub for all information, registration, and attendance activities.

### Ongoing Activities

**Enhanced content** guides users through the Market experience via “how-to” and “my Market must-see” articles.

**Expanding use of video** to provide our visually-oriented audience with more easily accessible information.

Adding Market-related videos from media partners, as well as third-party videos about exhibitor successes and innovations.

**Detailed, content-rich Exhibitor Profiles** make it easier for buyers to find relevant showrooms.

Exhibitor outreach, via email and telemarketing, encourages exhibitors to update and enhance their profiles in advance of every Market.

**New Product Premiere content** uses new introductions to build excitement for the upcoming Market.

### New Initiatives

**Redesign and revise site to provide an even easier, more mobile-friendly user experience.**

**Develop more audience-specific content to make Market more understandable, relevant, and accessible.**

## MYMARKET APP

# MYMARKET

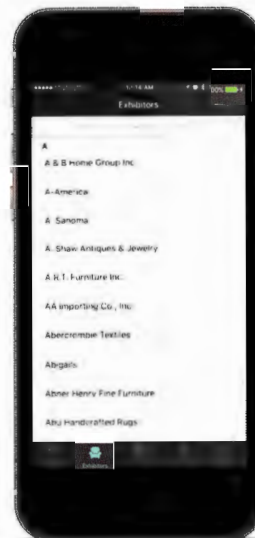
Facilitate planning and create a better at-Market experience.

Developed in response to buyer requests for:

- Better wayfinding.
- Improved planning capabilities.
- Full integration with highpointmarket.org.
- A better user experience.

Launched at Spring 16 Market.

Initial reviews and feedback very positive.



### New Initiatives

***Adding indoor navigation to 5 buildings for Fall 2016 Market.***

***Multi-Market commitment through Fall 2017 to continue improving the user experience.***

## DATA MANAGEMENT AND ANALYTICS



Supports all objectives by providing analytics and real-time tracking that allow us to maximize the efficiency of our communications campaigns.

Scoring system facilitates meaningful segmentation by ranking contacts according to recency and frequency of registration and attendance.

Daily tracking of registration results allows for rapid response to trends.

Ongoing database hygiene ensures efficient use of resources.

Chartio analytics tool facilitates tracking, analysis, and reporting.

JanRain social graph information:

- Offers a richer description of our audiences.

- Allows social login to website and app to seamlessly share data between and among devices.

Northeast Designer Research, conducted Spring 2016, uncovered new messaging and communications opportunities.

### New Initiatives

***Recently contracted with data analyst to provide fuller, more detailed reporting and monitoring of our customers' registration and attendance patterns.***

***Syndicated research:***

Exploring the potential to build on previous research by working with a small group of syndicated partners to dive more deeply into designer attitudes and preferences.



## MARKET CONCIERGE

Supports all objectives by simplifying travel planning and facilitating conversion of registration to attendance.

Assists buyers in booking flights and hotels.

Incorporated into telemarketing campaign:

Warm call transfers allow us to register guests and book their flights and hotels with one phone call.

Key component of new sector outreach programs (e.g. Hospitality at Market, SDCHome initiative.)

Advertised in all HPMa emails and at highpointmarket.org.

Travel Quest Inc., our concierge partner, has expanded the service into a loyalty program.

Maintains database of buyers and their travel preferences.

Contacts in this database will receive a call from

Travel Quest on our behalf.

Service includes matching buyers with their preferred hotels.

The screenshot displays the HP MKT website's 'Market Concierge' page. The header includes the HP MKT logo and navigation links: Home, Exhibitor Services, and Contact Us. The main content area is titled 'TIPS & INSIGHTS' and features an article about airport shuttles. The article text is as follows:

Did you know High Point Market has its own concierge that can help you plan every aspect of your travel and stay, right down to restaurant reservations? Travel Quest Inc., an official Market partner, is just a phone call away. You can reach them at 336.434.3867. If you want to make your travel planning super-simple. However, if you want to tackle finding your way to Market on your own, there are a few things you should know. Below, Lee Allen, owner of Travel Quest Inc., shares his best practices on how to make Market planning a breeze.

**It's simple.**

Allen says your first step when booking flights is to check the Plan Your Trip page of the High Point Market website. There are three airport options to choose from when traveling to High Point Market - Greensboro, Raleigh, and Charlotte and we can help you find the best option to suit your needs and budget.

It's also important to be flexible. If you're flying in from what Allen calls a "non-competitive air route" (in other words, a small regional airport), you may only have one or two flight options to choose from. The High Point Market Authority provides complimentary shuttle service from three area airports including Piedmont Triad International (PTI), Raleigh-Durham International (RDU), and Charlotte Douglas International (CLT).

*Piedmont Triad Airport is not only the closest, it is also the only one to offer hourly shuttles and free bag checking at High Point Market.*

Free airport shuttles run to and from Piedmont Triad Airport every hour, 8am to 7pm, and you won't need a reservation. Plus, with the free bag check service, you don't have to lug your bags to the airport when you're on the way home. Just leave them with the support staff at Market and pick them up at your final destination. It's a real convenience for the weary traveller, and it is only available for attendees departing from Piedmont Triad Airport (GSO).

"The airport shuttles to Charlotte and Raleigh run every two hours, and reservations are required but are a great option if you have more time" Allen says. "Take a look at the shuttle schedules to make sure you're not arriving too early. That way, you won't get stuck with a long wait until your shuttle arrives."

One of Allen's biggest hotel tips is to book early. "Try to book right after Market for the most one," he says. "Early bookings tend to get special pricing, but that price can disappear fast... make sure you book right away after getting a price quote from your desired hotel." The other advantage to booking early is that you have a much better chance of finding the perfect place to stay.

*Try to book right after Market for the next time.*

"I find more and more people are asking for four-star hotels," Allen continues. "But understand that they fill up very early and their hotel rooms are limited as far as availability. They need to be booked as far in advance as possible."

HP MKT

**Objective: Build and maintain community relationships that support an expanding and thriving Market**

**\$24,380.60 (0.96%)**

**TRIAD REWARDS PUBLICATIONS**

Connects exhibitors and buyers to local suppliers and merchants.

**Ongoing Activities**

***Distributing two publications:***

Connections

Catalog of local suppliers.

Mailed to every exhibitor.

Triad Local, Market Edition

Catalog of area restaurants, retailers, and other amenities.

Distributed at Market and Triad hotels to buyers and other guests.

**New Initiatives**

***Thank-you ad to the community*** reminds local residents of Market's economic impact, expresses gratitude for community support.

Triad Business Journal.

Greensboro News & Record.

High Point Enterprise / Thomasville Times.

Jamestown Weekly.

Winston-Salem Journal.

Archdale - Trinity News.

***Community Education*** - inform Triad residents of HPM's contribution to the community.

Citizens Academy.

Behind the Scenes at Market.

***Design Tourist*** - new media outlet that presents a region's place in the history of design, encourages visits to significant sites.

Initiative to feature Greensboro, Winston-Salem, and High Point as design destinations.

**Total: \$2,548,202.60**

